

Interview/Ajay Bhushan Pandey, CEO of UIDAI

We are planning an auditing system for Aadhaar partners

BY VANDANA

From the beginning, there has been a debate on mandatory vs voluntary in the Aadhaar programme.

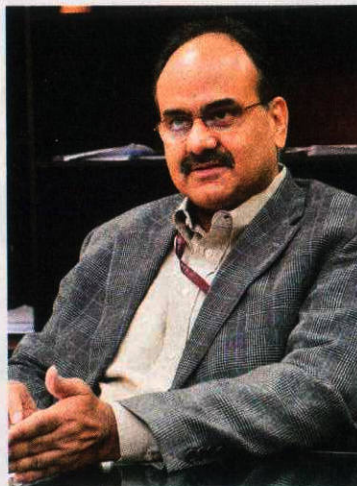
The ministry of rural development issued an order a few days back saying that every worker would be required to give Aadhaar. But there are conditionalities that (even) if the person does not have Aadhaar, he should not be denied benefits. Rather, he will be assisted to enrol for Aadhaar. Till he gets Aadhaar number, his benefits will continue to be given with the previous identification method. The idea is that Aadhaar should not become a means of exclusion, which some people did fear in the beginning. Aadhaar law has made it very clear that you cannot exclude somebody just because he does not have Aadhaar.

Aadhaar is now being linked with the cashless movement.

More than 40 crore people have linked their bank accounts to Aadhaar. These people can receive payments in their accounts and can even make payments. In AEPS (Aadhaar-enabled payment system), there is no need to remember your pin or having a point of sale device. The merchant just needs to have a smartphone and a biometric device. In the BHIM app also you can transfer fund to any Aadhaar number. AEPS has been functional for the past three years and primarily used in micro ATMs. Business correspondents would use a fingerprint scanner and you could access banking services in rural areas. We were getting 4 to 5 lakh transactions a day. In Andhra Pradesh, fair price shopkeeper became the business correspondent. After seeing its success, we thought, why not do it for all merchants. We did some innovation on the form factor and that is how Aadhaar pay came into being.

Who will bear the cost of the biometric scanner? Currently it costs ₹2,000, but as the volume increases, the cost will come down. We are also working on another possibility which might come in the next few months. A biometric scanner could be built in the phone itself. The merchants will have to be incentivised for having this kind

of a system. Right now, it is the merchant who is spending on biometric scanner and broadband. What we are recommending is, in Aadhaar pay the merchant will be using his own system, so he should be incentivised. In the case of micro ATMs, banks are bearing the cost. In this case now, banks do not have to bear the cost of setting up infrastructure. So, they should incentivise the merchant. The digital payments committee has also recommended the same thing.



SANJAY AHLAWAT

There are privacy concerns about the Aadhaar database.

Whoever uses Aadhaar will get some information, but the question is, is private information going somewhere? Similar concerns were expressed when we were doing enrolments for Aadhaar. During the enrolment itself, the data was encrypted and it never went to the hands of private fellows. Similarly, all your biometrics are encrypted. So, that fear is not justified. People talk about telcos, banks and merchants having your data. Merchants will get

only your transaction details. They will have the information that they were taking in your earlier KYC plus your Aadhaar number and no other information.

There are various reports suggesting that Aadhaar data might be shared among private players.

It has been provided in the law that Aadhaar number has to be used only for the purpose for which it was taken. The law says that it should not be shared with anyone else. If they share, it is a criminal offence. Strong provisions have been built in the Aadhaar Act. There are penal provisions amounting to three years jail. In comparison with any other law, Aadhaar law has more privacy features built in.

What are the checks and balances for authentication partners?

They don't get access to biometrics. It is encrypted from the beginning. We sign an agreement with them citing all the provisions of law. We are also thinking of having a system through which they will have to go through some audit, proving that they have followed all processes. They can get audited by an approved set of auditors. In some cases where we feel necessary, we will go and audit them. ♦