

Standing Committee Report Summary

The National Identification Authority of India Bill, 2010

- The Standing Committee on Finance submitted its 42nd Report on 'The National Identification Authority of India Bill, 2010' on December 13, 2011. The Chairperson was Yashwant Sinha.
- The Bill seeks to: (a) establish the National Identification Authority of India (NIAI) to issue unique identification numbers (called 'Aadhaar') to residents of India; (b) entitle all residents of India to an Aadhaar number after furnishing relevant demographic and biometric information; and (c) provide for storage of data in the Central Identities Data Repository.
- The Committee recommended that the government reconsider the UID scheme and introduce a new Bill. Three members of the Committee dissented.
- The Committee noted that all residents are entitled to an Aadhaar number under the Bill. This may allow illegal immigrants to obtain an Aadhaar number as well.
- The Bill provides for the collection of personal and biometric information. The Committee stated that linking biometric information with personal information, without amendment to the Citizenship Act, 1955 or Citizenship (Registration of Citizens and Issue of National Identity Cards) Rules, 2003, may be beyond the scope of subordinate legislation and requires detailed examination by Parliament.
- The Committee further identified the following as lacunae in the UID scheme: (a) continuance of other forms of identification for proof of address; (b) potential for identification fraud due information being stored in smart cards issued by registrars; (c) likelihood of incomplete coverage of marginalized sections due to lack of existing data and estimated failure rate of up to 15 percent in capturing biometric information from manual labourers.
- The Committee listed concerns about the scheme raised by other government bodies, including: (a) duplication of efforts by agencies for collecting personal information such as NPR, MGNREGS, BPL census, UIDAI, RSBY and Bank Smart Cards ; (b) efficacy of the introducer system; (c) involvement of private agencies collecting information as a threat to national security; (d) uncertainties in the UIDAI revenue model; (e) merits of functioning of UIDAI; (f) necessity of collection of iris image for enrolment; (g) involvement of several nodal appraising agencies; and (h) method used for storing of data and its implications on privacy and security.
- The Committee stated that a lack of clarity remains on several key issues, including: (a) purpose of issuing an Aadhaar number; (b) whether having an Aadhaar number may become mandatory in the future for availing benefits and services; (c) whether coverage will eventually exceed the current mandate of 20 crore persons.
- The Committee felt that the passage of a national data protection law is pre-requisite before any law dealing with large scale collection of information from individuals and linkages across databases. The Committee noted that one such bill is being drafted by the Ministry of Personnel, Public Grievances and Pensions.
- The Committee expressed strong disapproval that no comprehensive feasibility study evaluating financial implications and prevention of identity theft was undertaken prior to approval of the UID scheme.
- The Committee stated that the objectives of the UID scheme are unlikely to be accomplished due to limitations and uncertainty in technology. In particular, it cited observations by the UIDAI Biometrics Standards Committee on error rates of biometric technology.
- The Committee stated its concern that entrusting the responsibility of verification of individual information to registrars may have consequences for national security.

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