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# Are Jan Dhan accounts being used to re-route black money?

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*Bankers says there has been a spike in cash deposits into Jan Dhan accounts*

Hyderabad, November 15:

Is the Prime Minister's Jan Dhan Yojana (PMJDY) coming in handy for painting black money white?

Going by the initial indications in some locations, it appears to be so. As on November 2, there were 25.45 crore accounts opened under PMJDY with a balance of ₹ 45,302.48 crore. Of these, 23.37 per cent are zero-balance accounts.

"There is some sudden traction in cash deposits in Jan Dhan accounts. As per norms, they can deposit any amounts with proper KYC (know your customer). So, it cannot be stopped but only watched. We are concerned over Jan Dhan shielding black money," a top executive of a leading public sector bank told *BusinessLine* .

The modus operandi is simple. People from financially weaker sections are being identified and are being given handsome commission to deposit amounts up to ₹ 2.5 lakh in their accounts.

Normally, the non-KYC customers of Jan Dhan can deposit up to ₹ 50,000 while with minimum KYC, it can go up to ₹ 1 lakh. Higher amount of deposits with complete details can be used like a normal savings bank account for depositing any amount.

Another trend is to provide money to place in fixed deposits of up to ₹ 1 lakh for 45 days or little beyond which can later be with drawn in new currency, say bankers.

"We are keeping a watch on these accounts and deposits beyond ₹ 50,000 in rural areas. In addition, members of self-help groups (SHGs) have been asked to put higher amounts in their personal accounts instead of group account for higher accountability," V Narsi Reddy, Chairman, Andhra Pradesh, Grameen Vikas Bank, said.

Same is the case with many other banks too. "We have been asked to report higher transactions in Jan Dhan accounts ranging from ₹ 2 lakh to ₹ 10 lakh by the Finance Ministry. But it is done at a lower level. We have no recourse yet to stop this black to white conversion," a senior official at Andhra Bank said.

There is no central data available yet to arrive at a concrete number. It will take some more days to arrive at the quantum of increase in PMJDY accounts.

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