

11:23 AM 11 NOV MARKET STATS ▾	SENSEX 27,099 ▼ -419.16	NIFTY 50 8,384 ▼ -141.70	GOLD (MCX) (Rs/10g.) 29,774 ▼ -126.00	USD/INR 66.98 ▲ 0.36	CREATE PORTFOLIO	Download ET MARKETS APP	CHOOSE LANGUAGE ENG
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Demonetisation: Banks told to keep a hawk's eye on new accounts, deposits

By [Sangita Mehta](#), ET Bureau | Updated: Nov 11, 2016, 01:10 AM IST

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MUMBAI: Bankers are on vigil. Top management of the banks have sensitised their staff at the branches about anti-money laundering breaches that could happen as many individuals may want to open [benami accounts](#) to deposit unaccounted cash.

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Meanwhile, bank branches, which opened on Thursday for banking transactions, saw a huge rush of customers queuing up to deposit and exchange high notes.

Individuals are required to provide PAN card number if they deposit cash above Rs 25,000 at a time.

Demonetisation Hacks

Consultants are said to be doing a brisk trade in finding how best the newly demonetised ₹500 and ₹1,000 notes can be banked without too many questions being asked

- 1 THE THRIFTY HOMEMAKER** Put the cash down as savings from the monthly household budget
Caution The tax department could get suspicious if the amount saved exceeds 20-25% of the household budget
- 2 GIFTS FROM RELATIVES** The amounts should be reasonable and commensurate with overall economic status
Caution Excessive amounts could invite scrutiny of donors
- 3 EARNINGS ON THE SIDE** This could be for non-salaried family members from tuitions, cookery classes, beauty treatments, tailoring, etc. An income of up to ₹2.5 lakh a year is tax exempt
Caution If the income reported is too high, the tax department may start looking closer; ask for names of students, etc.
- 4 WEDDINGS, MUNDAN CEREMONIES** Cash gifts on such occasions are tax exempt
Caution If the amount exceeds reasonable limits, the tax department may ask for names of donors and scrutinise their source of income
- 5 ADVANCE PAYMENTS, LOANS TO STAFF, VENDORS** There is no limit to how much cash can be given out like this but it should be reasonable, lest it gets the recipient into trouble
Caution Staff could switch jobs, so ensure proper paperwork for loans, etc.

ILLUSTRATION: ANIRBAN BORA

“There could be instances of [suspicious transactions](#) where some individuals may want to deposit huge sum on daily basis. There could also be instances of some people from lower income group depositing bulk money, which could be front for others. We have told our branches to be cautious about such account holders and keep a watch on them,” said a senior bank official from a private bank.

Some large private sector banks have also decided to use this as an opportunity to do fresh [KYC](#) of their customers by seeking fresh identity proof. While there is no cap on the amount that an individual can [deposits](#) with banks, there is a cap of Rs 10,000 on the amount that an individual can withdraw.