

Niti Aayog brings in Big Data big gun to track fraud in Jan Dhan accounts

By [Yogima Seth Sharma](#), [Prachi Verma](#), ET Bureau | Updated: Jan 24, 2017, 09.09 AM IST

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DELHI: It's not the [income tax department](#), but a team of [Big Data](#) experts

sitting in a corner room at the [Niti Aayog](#) which is scanning the post-demonetisation deposit deluge in [Jan Dhan accounts](#) to identify the fraudulent ones.



The government official said the analytic cell of the Niti Aayog was seeking access to transaction networks of all banks to analyse the data and look for deposits and withdrawals which were aimed at laundering black money.

Depending on the success of this exercise, the team may also scrutinise all bank accounts for unusual transactions after [demonetisation](#), a senior government official said.

Pulak Ghosh, a data analytics expert who teaches at Indian Institute of Management-Bangalore and advises a UN Big Data project, is leading the team at the Aayog, the official told ET. He is part of the government think tank's data analytic cell, being overseen by Avik Sarkar, an officer on special duty to Aayog vice chairman Arvind Panagariya. IIM-B confirmed Ghosh's assignment at the

NITI Aayog.

"While it is right that Professor Pulak Ghosh has been roped in by NITI Aayog, he is unavailable for comment as he is currently traveling on work," a spokesperson said in an emailed response to ET's queries.

In Big Data, huge amounts of information are machine analysed to reveal patterns, trends and associations. Data analytics is still a very niche area in India, especially in government work.

Mining Jan Dhan Data



Niti Aayog data mining team to check PMJDY a/c for unusual transactions

32 lakh bank accounts have been opened under the scheme since 2014

Pulak Ghosh from IIM-B to lead initiative of looking into discrepancies in deposits

Avik Sarkar, OSD to Niti Aayog vice chairman, overseeing Niti data analytic cell

Accounts under Pradhan Mantri Jan Dhan Yojna have deposit limit of **₹50,000**

DATA TRUTHS

Oct 2-Oct 30, 2016

₹646 cr deposited in Jan Dhan a/c



Nov 2, 2016

Deposits of **₹45,302 cr**

Nov 9-Nov 30, 2016

Deposits went up by **₹29,000 cr** to **₹74,321 cr**



Dec, 2016

Deposits fall to **₹71,036 crore** after withdrawal restrictions



Data analytic cell is seeking access to network of transactions of all banks to figure out and analyse the fraudulent transactions that have happened using Jan Dhan accounts since the PM announced demonetisation - Govt official



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"The knowledge of Big Data and analytic for checking fraud in banking is very relevant. For large systems, big data and analytics is needed," TV Mohandas Pai, former board member at Infosys, said, endorsing the move.

The government official said the analytic cell of the Niti Aayog was seeking access to transaction networks of all banks to analyse the data and look for deposits and withdrawals which were aimed at

laundering black money. Jan Dhan accounts had seen huge inflows since demonetisation.

While Rs 646 crore had come into 32 lakh such accounts between October 2 and 30, the inflows swelled by Rs 29,000 crore to Rs 74,321 crore between November 2 and 30, with most of the deposits happening after November 8. This has raised suspicion that the accounts had been used for money laundering.

The Pradhan Mantri Jan Dhan Yojna was launched in 2014 to increase the coverage of formal banking. Accounts under it have a deposit limit of Rs 50,000.

Sensing their misuse following demonetisation, RBI restricted withdrawals from such accounts to Rs 10,000 a month. By the end of December, the amount in these accounts fell to Rs 71,036 crore. Since scrutinising the data would be a humongous task, the work was assigned to Ghosh's team at Niti Aayog.

Prior to IIM, Ghosh was a professor at Georgia State University and Emory University. He is serving also in advisory group on Big Data at UN Global Pulse. He is a fellow at the Centre for Advanced Financial Research and Learning, promoted by RBI. "Big Data research is of great importance these days because of Internet of Things applications where one is expected to collect a huge amount of data from interconnected sensors," IIT-Delhi Director V Ramgopal Rao said.

ET View: Don't mix up roles

Niti Aayog is a think tank, not a law enforcement agency. That job of enforcement is best left to the income-tax department that is empowered under law to probe tax evasion. There is no reason why the tax department cannot hire data analytics firms to mine information. Interference, if any, in law enforcement functions will become messy and lead to needless harassment of taxpayers.