GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA

STARRED QUESTION NO. * 22
TO BE ANSWERED ON TUESDAY THE 30th November, 2021/9 Agrahayana, 1943 (Saka)

AMOUNT DEPOSITED IN DORMANT ACCOUNTS

***22: SHRI BRIJ LAL:**

Will the Minister of FINANCE be pleased to state:

(a) the number of dormant accounts in the financial institutions of the country that have remained inactive for more than a certain period;
(b) whether the account holders are being informed after checking those accounts;
(c) the total amount deposited in such dormant accounts; the details thereof; and
(d) the action being taken on the amount deposited in these accounts in the absence of the account holders or the person nominated by them?

ANSWER
FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (d): A Statement is laid on the Table of the House.

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STATEMENT REFERRED IN REPLY TO RAJYA SABHA STARRED QUESTION NO. *22 FOR 30th NOVEMBER 2021 ON "AMOUNT DEPOSITED IN DORMANT ACCOUNTS" TABLED BY SHRI BRIJLAL, MEMBER OF PARLIAMENT.

(a) and (c): Section 26 of the Banking Regulation Act, 1949 provides, inter alia, that every banking company shall, within 30 days after close of each calendar year submit a return in the prescribed form and manner to the Reserve Bank of India (RBI) as at the end of each calendar year (i.e., 31st December) of all accounts in India which have not been operated upon for 10 years. As per information received from RBI, as on 31.12.2020, the total number of such accounts in Scheduled Commercial Banks (SCBs) was 8,13,34,849 and the amount of deposits in such accounts was Rs. 24,356 crore. Similarly, the number of accounts not operated for more than 10 years and the amount in such accounts with Urban Co-operative Banks (UCBs) was 77,03,819 and Rs. 2,341 crore respectively, as on 31.12.2020. The number of deposit accounts (i.e. Public deposits matured but remaining unclaimed for 7 years including the year in which they have matured) and the amount in such accounts with Non–Banking Financial Companies (NBFCs) was 64 and Rs. 0.71 crore respectively as on 31.03.2021**.**

(b) and (d): As per the instructions issued by RBI to banks vide their Master Circular on "Customer Service in Banks", banks are required to make an annual review of accounts in which there are no operations for more than one year, and may approach the customers and inform them in writing that there has been no operation in their accounts and ascertain the reasons for the same. Banks have also been advised to consider launching a special drive for finding the whereabouts of the customers / legal heirs in respect of accounts which have become inoperative, i.e., where there are no transactions in the account over a period of two years. Further, banks are required to display the list of unclaimed deposits/ inoperative accounts which are inactive / inoperative for ten years or more on their respective websites, with the list containing the names and addresses of the account holder(s) in respect of unclaimed deposits/ inoperative accounts. Finally, banks have been advised to play a more pro-active role in finding the whereabouts of the account holders whose accounts have remained inoperative, vide circulars dated 07.02.2012, 08.02.2012, 21.11.2014 and 02.02.2015.

As regards action taken on deposits in such accounts, pursuant to the amendment to the Banking Regulation Act, 1949 and insertion of Section 26A in the said Act, RBI has framed the Depositor Education and Awareness Fund (DEAF) Scheme, 2014. The Scheme was notified in the Official Gazette on 24.05.2014. In terms of the Scheme, banks calculate the cumulative balances in all accounts which are not operated upon for a period of 10 years or more (or any amount remaining unclaimed for 10 years or more) along with interest accrued and transfer such amounts to the DEAF. The DEAF is utilized for promotion of depositors' interests and for such other purposes which may be necessary for promotion of depositors' interest as may be specified by the RBI. In case of demand from a customer whose deposit had been transferred to the DEAF, banks are required to repay the customer, along with interest if any, and lodge a claim for refund from the DEAF.

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