

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES**

LOK SABHA

**UNSTARRED QUESTION NO. 1185
TO BE ANSWERED ON FRIDAY, DECEMBER 22, 2017/PAUSHA 01, 1939 (SAKA)
UNCLAIMED DEPOSITS IN VARIOUS BANKS**

**1185. SHRIMATI ANJU BALA:
SHRI B. SRIRAMULU:
SHRI TEJ PRATAP SINGH YADAV:**

Will the Minister of FINANCE be pleased to state:

- (a) whether huge amount are lying as unclaimed deposits in various banks, insurance companies and other financial institutions of the country and if so, the details thereof, bank/company-wise;
- (b) whether the Government has formulated any norms to deal with such unclaimed deposits in banks and other financial institutions and if so, the details thereof;
- (c) whether the Government has any proposal to utilise such unclaimed deposits for developments of social sectors in the country and if so, the details thereof; and
- (d) the steps taken by the Government in this regard so far?

**ANSWER
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)**

(a): The details of the unclaimed deposits reported by various banks under Section 26 of Banking Regulation Act (BR Act), 1949 are follows:

As of	Unclaimed Deposits (Rs. in crores)
31.12.2014	4998.27
31.12.2015	6835.40
31.12.2016	8864.56

The details of the unclaimed amount reported by the life and non-life insurance companies are under:

As of	Unclaimed Deposits (Rs. in crores)	
	Life Insurers	Non-Life Insurers
31.03.2015	5439.97	1787.26
31.03.2016	10527.17	1198.28
31.03.2017	10471.51	897.46

The details of the unclaimed amount reported by various Housing Finance Companies (HFCs) are under:

As of	Unclaimed Deposits (Rs. in crores)
31.03.2015	755.46
31.03.2016	692.44
31.03.2017	972.47

(b) to (d): In pursuance of the amendment of the BR Act, and insertion of section 26A, the Reserve Bank of India (RBI) has framed the Depositor Education and Awareness Fund (DEAF) Scheme, 2014. Under the provisions of this Scheme, the amount to the credit of any account in India with any bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to the Fund, within a period of three months from the expiry of the said period of ten years. The depositor would, however, be entitled to claim from the bank her deposit or any other unclaimed amount or operate her account after the expiry of ten years, even after such amount has been transferred to the Fund. The bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the Fund. RBI has issued guidelines from time to time and has, *inter-alia*, laid down following norms:

- i. The rate of interest payable by banks to the depositors/ claimants on the unclaimed interest bearing deposit amount transferred to the fund shall be 4% simple interest per annum until further notice.
- ii. The special efforts may be made to trace the customers in respect of inoperative accounts.
- iii. Banks to display the list of unclaimed deposits / inoperative accounts which are inactive for ten years or more on their respective websites.

National Housing Bank (NHB) in its Master Circular dated 01.07.2017 issued to all HFCs has advised to include following information on the unclaimed deposit in their Board's Report:

- (a)** The total number of accounts of public deposit of the housing finance company which have not been claimed by the depositors or not paid by the housing finance company after the date on which the deposit became due for re-payment; and
- (b)** The total amounts due under such accounts remaining unclaimed or unpaid beyond the dates referred to in clause (a) as aforesaid.

Insurance Regulatory and Development Authority of India (IRDAI) *vide* circular dated 25.07.2017 has laid down the norms for dealing with unclaimed amount. A summary of such norms is as under:

- i. No insurer shall appropriate or write back any part of the Unclaimed amounts belonging to the policyholders/ beneficiaries under any circumstances;
- ii. The Policyholder Protection Committee of the Board of every insurer shall oversee the timely payout of the dues to policyholders;
- iii. The Audit Committee of the Board of every insurer shall oversee the compliance while examining the quarterly financial statements;
- iv. Every Insurer shall display the information about any unclaimed amount of Rs. 1000/- or more on their respective web-sites;
- v. A facility shall be provided on the website of the insurer to enable Policyholders or beneficiaries or dependents to find out whether any unclaimed amounts due to them are lying with the insurers;
- vi. All insurers shall disclose the amount representing the unclaimed amounts as a separate line item in the specified Notes or Schedules to the Balance Sheet;
- vii. The above measures are in addition to the Senior Citizens' Welfare Rules which the Government has notified to set up and administer Senior Citizens' Welfare Fund (SCWF), through the provisions of Finance Act, 2015 and Finance Act, 2016.
- viii. All unclaimed amounts held by the notified entities/ organizations shall be liable to be transferred after a period of 10 years from the due date, as defined under the provisions. The Rules for administration and utilization of the SCWF have also been prescribed by the Central Government.