

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 677

To be answered on the February 6, 2023/Magha 17, 1944 (Saka)

Validity of Gift Cards/Gift Cheques

677. SHRI THOMAS CHAZHIKADAN:

Will the Minister of FINANCE be pleased to state:

- (a) the details of gift cards/gift cheques being issued by the banks in India;
- (b) the validity of such gift cards/gift cheques;
- (c) the estimated total value of unclaimed/ unutilised gift cards/gift cheques when these get expired over a specific period; and
- (d) whether there is any provision for returning the money to the claimants or the person on whose behalf this has been issued if the person approaches the banks for its refund and if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KARAD)

(a) to (d): As per Reserve Bank of India (RBI) guidelines on “Issuance and Operation of Prepaid Payment Instruments” (PPI), banks are permitted to issue prepaid gift instruments with maximum value of each prepaid gift instrument not exceeding ₹10,000/- with a minimum validity period of 1 year. Also, banks adopt a risk-based approach, duly approved by their Board, in deciding the number of such gift card/ gift cheques issued to the customer, transaction limits etc.

As per inputs received from RBI, as on 31.12.2022, total number of expired gift cards (with unspent balance) is 1.16 crore with outstanding balance amounting to ₹85.25 crore.

With regard to provisions related to returning the money to the claimants, as per RBI guidelines, cash-out or fund transfer is not permitted for such instruments. However, the funds may be transferred ‘back to source account’ (account from where Gift card was loaded) after receiving the consent of the pre-paid instrument holder. Further, the Gift cards are revalidated (including through issuance of new instruments) as and when requested by the gift card holder.
