

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:130

ANSWERED ON:22.02.2013

UNCLAIMED DEPOSITS IN BANKS

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Will the Minister of FINANCE be pleased to state:

- (a) whether crores of rupees of the depositors are lying unclaimed in various banks of the country;
- (b) if so, the details thereof, bank-wise and State-wise;
- (c) whether the Reserve Bank of India (RBI) has advised banks to set up 'depositors protection trust fund' for unclaimed funds deposited in the banks and to hand over the management of said fund to a company or 'regulatory authority' and also advised for an amendment in the Bank Regulation Act, 1949 in this regard;
- (d) if so, the details thereof; and
- (e) the action taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): The Reserve Bank of India (RBI) has informed that as on 31.12.2011, a total amount of around Rs. 2,481.40 crores in 1,12,49,844 accounts is lying as unclaimed deposits with the Commercial Banks. The data reporting system of RBI does not generate state-wise unclaimed deposits. However, the bank-wise details of number of accounts and amount of unclaimed deposits is in Annex.

(c) & (d): In the Banking Laws (Amendment) Act, 2012, a new section 26A has been inserted in the Banking Regulation Act, 1949 empowering the Reserve Bank of India (RBI) to establish the "Depositor Education and Awareness Fund" for the unclaimed deposits lying with any bank for more than ten years. This fund will be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interest as may be specified by the RBI from time to time. In terms of the provisions of the section 26A, RBI shall specify an authority or committee to administer the said fund.

(e): In terms of RBI circular dated 22.08.2008 detailed instructions have been given to banks on dealing with unclaimed deposits / inoperative accounts. They have been advised to find the whereabouts of the customers and their legal heirs. These instructions, inter-alia, include (i) annual review of accounts in which there are no operations, (ii) operations in such accounts to be allowed after due diligence, and (iii) no charge to be levied for activation of inoperative accounts, etc.

Further, vide its circular dated 07.02.2012, RBI has instructed the banks to play a more proactive role in finding the whereabouts of the account holders of unclaimed deposits / inoperative accounts and also to display the list of unclaimed deposits of inoperative accounts which are inactive / inoperative for ten years or more, on their respective websites.