

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA

UNSTARRED QUESTION NO. 869

TO BE ANSWERED ON TUESDAY, 27th JULY, 2021/ 05 SRAVANA 1943 (SAKA
UTILIZATION OF UNCLAIMED DEPOSITS OF PSBS AND INSURANCE COMPANIES

**869. Shri K.C. Venugopal:
Shri Sanjay Seth:**

Will the Minister of FINANCE be pleased to state:

- (a) whether there is huge unclaimed deposits in various public/private sector banks and insurance companies in the country;
- (b) whether Government has any proposal to utilize such deposits for the welfare activities of social disadvantaged groups in the country and, if so, the details thereof; and
- (c) whether Government has asked the banks to play a more proactive and meaningful role in finding the whereabouts of the account holders of such unclaimed deposits/inoperative accounts, if so, the details thereof and the achievements made as a result thereon?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

a) As per information received from the Reserve Bank of India (RBI), the total amount of unclaimed deposits of Scheduled Commercial Banks (SCBs) was Rs. 24,356 crore, as on 31.12.2020. As per information received from the Insurance Regulator Development Authority of India (IRDAI), the total amount of unclaimed amounts of policy holders in public and private sector insurance companies was Rs. 24,586 crore, as on 31.12.2020.

(b): As far as banks are concerned, pursuant to the amendment of the Banking Regulation Act, 1949, and insertion of section 26A, RBI has framed the Depositor Education and Awareness Fund (DEAF) Scheme, 2014. The Scheme was notified in the Official Gazette on 24.05.2014. As per the Scheme, unclaimed amounts lying with banks are credited to the DEAF by banks as per the guidelines set out in the Scheme and DEAF is subsequently utilized for promotion of depositors' interest and for such other purposes which may be necessary for promotion of depositors' interest as may be specified by RBI.

As far as insurance companies are concerned, pursuant to Government of India's Notification dated 18.03.2016, IRDAI has issued circulars dated 11.04.2017 and 25.07.2017 as per which all insurers having unclaimed amounts of policyholders for a period of more than 10 years transfer such fund to the Senior Citizens' Welfare Fund (SCWF) every year. The SCWF is utilised for schemes for promoting the welfare of senior citizens.

(c): RBI has advised banks to play a more pro-active role in finding the whereabouts of the account holders of unclaimed deposits/ inoperative accounts *vide* circulars dated 07.02.2012, 08.02.2012, 21.11.2014 and 02.02.2015.
