

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1506  
ANSWERED ON:02.12.2005  
UNCLAIM MONEY  
Meghwal Shri Kailash

**Will the Minister of FINANCE be pleased to state:**

- (a) whether a huge amount deposited in nationalized and other banks is lying unclaimed because either account holders are dead or missing and he/she did not nominate his/her legal heir or appointed nominee;
- (b) if so, the details thereof alongwith the total amount lying unclaimed as on date;
- (c) whether interest are paid by the banks yearly on above said accounts;
- (d) if so, the rate of interest paid to them; and
- (e) if not, the reasons therefor?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b) :- Reserve Bank of India (RBI) have reported that 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 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. Accordingly, the latest available data as on December 31, 2004 of unclaimed bank accounts in respect of banks is as under :-

(Rupees in crore)  
Bank Group 31st December, 2004

SBI Group of Banks	143.06
Nationalized Banks	651.29
Private Sector Banks	48.06
Foreign Banks	38.33
Total	880.74

(c), (d) & (e) :- As regards payment of interest, generally while interest is credited periodically to the unclaimed savings bank accounts at the prescribed rate (presently @ 3.50% p.a.) by banks, no interest is credited in respect of term deposits as the contracted period of the deposit has already expired and the depositor has neither renewed nor claimed the deposit amount. However, the terms of payment of interest in the case of term deposits are normally applied at the time of claiming of the concerned deposits.