

DEAF POLICY



OF

**THE SUNDARGARH DISTRICT CENTRAL
CO-OPERATIVE BANK LTD., SUNDARGARH**

Regd. No. 90/SG Dt. 01.06.1955

Updated on 27/08/2024



Resolution by Circulation of the Committee of Management of the Sundargarh District Central Co-operative Bank Ltd., Sundargarh held on 14.08.2024

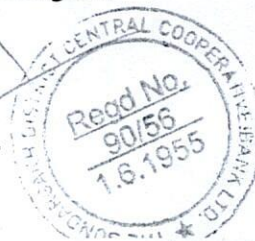
Agenda-4	Resolution
<p>To consider to approve the policy of Bank on Depositor Education and Awareness Fund (DEAF) in compliance with RBI's instructions and to implement the same.</p>	<p>Chief Executive Officer of the Bank put a draft DEAF Policy before the Committee for classification unclaimed deposits/inoperative accounts which are inactive/inoperative accounts for ten years or more, grievance redressal mechanism for quick resolution of complaints, record keeping and periodic review of such accounts. Vide RBI circulars No. (a) DBOD. No. DEAF Cell.BC.101/30.01.002/2013-14, dated March 21, 2014, (b) DBOD.No.DEAF Cell. BC 114/30.01.002/2013-14 dated May 27, 2014, (c) DBOD.No.DEAF Cell.BC.126/30.01.002/2013-14 dated June 26, 2014 & (d) DBR.DEA Fund Cell.BCNo.110/30.01.002/2017-18 dated June 07, 2018; Bank has to transfer all such deposits of Bank to their DEAF (Fund) maintained at RBI under Section 26A of BR Act, 1949. Under the DEAF scheme it is required to transfer all unclaimed/inoperative accounts and balance remaining unclaimed in each calendar month and also lodge claim for refund from the fund. RBI, in the process has strengthened the operating procedure of 'DEAF scheme 2014' through circulars, asking all Banks to comply with instructions without deviation. This has necessitated framing DEAF Policy in Bank with all instructions of RBI for smooth operation of scheme.</p> <p>Discussed the Circulars, extant guidelines as above & it is resolved to accept the above circulars to be included there in DEAF Policy of the Bank.</p> <p>Further Chief Executive Officer & Sri Hemanta Kumar Mahapatra, Manager (FAD) is designated as Contact Officer & Alternate Contact Officer for RBI respectively.</p> <p>The approved DEAF Policy comes into force with immediate effect.</p> <p>The Chief Executive Officer is authorized to do the needful.</p>

Copy communicated to all members of the Managing Committee of Sundargarh District Central Co-operative Bank Ltd, Sundargarh for confirmation.


Chief Executive Officer




PRESIDENT





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RBI/2013-14/527

DBOD.No.DEAF Cell.BC.101/30.01.002/2013-14

March 21, 2014

The Chairman and Managing Director /
Chief Executive Officers
All Scheduled Commercial Banks including RRBs and LABs /
Urban Co-operative Banks / State Co-operative Banks /
District Central Co-operative Banks

Dear Sir/Madam,

The Depositor Education and Awareness Fund Scheme, 2014 - Section 26A of Banking Regulation Act, 1949

Please refer to paragraph 93 of the Monetary Policy Statement 2013-14 announced by Governor on May 3, 2013 on the above subject.

2. Pursuant to the amendment of the Banking Regulation Act, 1949, section 26A has been inserted in that Act, empowering Reserve Bank to establish **The Depositor Education and Awareness Fund (the Fund)**. Under the provisions of this section 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 Fund shall be utilized for promotion of depositors' interest and for such other purposes which may be necessary for the promotion of depositors' interests as specified by RBI from time to time. 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.

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3. The draft Depositor Education and Awareness Fund Scheme was placed on Reserve Bank of India website for public comments. Taking into account the comments received from various stakeholders, the 'Depositor Education and Awareness Fund Scheme, 2014' has been finalized and forwarded to Government of India for notifying in the Official Gazette. A copy of the Scheme is enclosed for your information. All banks are advised to be in readiness to take necessary action as the Scheme would be effective on the date of Notification in the Official Gazette. The operational guidelines would be advised separately as soon as the Scheme is notified.

4. Further banks are also advised to designate a single contact point for any correspondence/ queries in connection with the 'Depositor Education and Awareness Fund Scheme, 2014' and provide the contact details as per **Annex by email** .

Yours faithfully,

(Rajesh Verma)
Chief General Manager

Encl: As above

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- (f) 'DICGC' means the Deposit Insurance and Credit Guarantee Corporation established under Section 3 of the Deposit Insurance Corporation Act, 1961;
- (g) 'Liquidator' means liquidator of a bank appointed under any law for the time being in force;
- (h) 'Principal amount' means the amount, including interest, transferred by a bank to the Fund in terms of Section 26A of the Act;
- (i) 'Amount due' means any credit balances in any account or any deposit in a bank remaining unclaimed or inoperative for ten years or more;
- (ii) Words and expressions used in this Scheme and not defined herein, but defined in the Act, shall have the meaning respectively assigned to them in the Act.

3. Establishment of the Fund and Credits therein:

- (i) Reserve Bank hereby establishes a Fund to be called the Depositor Education and Awareness Fund referred to in Section 26A of the Act.
- (ii) The amounts to be credited to the Fund by banks shall be deposited in the specified account maintained with the Reserve Bank.
- (iii) For the purpose of this paragraph, the amounts to be credited to the Fund shall be the credit balance in any deposit account maintained with banks which have not been operated upon for ten years or more, or any amount remaining unclaimed for ten years or more, which include:-
- (a) savings bank deposit accounts;
- (b) fixed or term deposit accounts;
- (c) cumulative/recurring deposit accounts;
- (d) current deposit accounts;
- (e) other deposit accounts in any form or with any name;
- (f) cash credit accounts;
- (g) loan accounts after due appropriation by the banks;

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- (h) margin money against issue of Letter of Credit/Guarantee etc., or any security deposit;
- (i) outstanding telegraphic transfers, mail transfers, demand drafts, pay orders, bankers cheques, sundry deposit accounts, vostro accounts, inter-bank clearing adjustments, unadjusted National Electronic Funds Transfer (NEFT) credit balances and other such transitory accounts, unreconciled credit balances on account of Automated Teller Machine (ATM) transactions, etc.;
- (j) undrawn balance amounts remaining in any prepaid card issued by banks but not amounts outstanding against travellers cheques or other similar instruments, which have no maturity period;
- (k) rupee proceeds of foreign currency deposits held by banks after conversion of foreign currency to rupees in accordance with extant foreign exchange regulations; and
- (l) such other amounts as may be specified by the Reserve Bank from time to time.
- (iv) Any amount payable in foreign currency under an instrument or a transaction, that has remained unclaimed for ten years or more, shall at the time of transfer to the Fund be converted into Indian Rupees at the exchange rate prevailing on that date and in the event of a claim, the Fund shall be liable to refund only the Indian Rupees received by the Fund with respect to such instrument or transaction.
- (v) A bank shall transfer to the Fund the entire amount as specified in sub-paragraph (iii), including the accrued interest that the bank would have been required to pay to the customer/ depositor as on the date of transfer to the Fund.
- (vi) A bank shall calculate the cumulative balances in all such accounts as specified in sub-paragraphs (iii) and (iv), as on the day prior to the effective date and transfer the amount to the Fund on the last working day of subsequent month along with the interest accrued as specified in sub-paragraph (v).
- (vii) From the effective date, banks are required to transfer to the Fund the amounts becoming due in each calendar month (i.e. balances remaining unclaimed for ten years or more) as specified in sub-paragraphs (iii) and (iv) and the interest accrued

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thereon as specified in sub-paragraph (v), on the last working day of the subsequent month.

(viii) Notwithstanding anything contained in the Banking Companies (Period of Preservation of Records) Rules, 1985, or Co-operative Banks (Period of Preservation of Records) Rules, 1985, banks shall preserve records/documents containing details of all accounts and transactions, including deposit accounts in respect of which amounts are required to be credited to the Fund permanently; and where refund has been claimed from the Fund, banks shall preserve records/documents in respect of such accounts and transactions, for a period of at least five years from the date of refund from the Fund.

(ix) Reserve Bank may call for all relevant information in respect of an account or deposit or transaction for which a claim for refund has been submitted by a bank.

4. Refunds and Interest:

(i) In case of demand from a customer/ depositor whose unclaimed amount/deposit had been transferred to Fund, banks shall repay the customer/depositor, along with interest if applicable, and lodge a claim for refund from the Fund for an equivalent amount paid to the customer/depositor.

(ii) The interest payable, if any, from the Fund on a claim shall accrue only from the date on which the balance in an account was transferred to the Fund to the date of payment to the customer/depositor. No interest shall be payable in respect of amounts refunded from the Fund, in respect of which no interest was payable by the bank to its customer/depositor.

(iii) Rate of interest, if any, payable on the principal amount transferred to the Fund shall be specified by Reserve Bank from time to time.

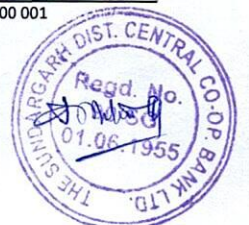
(iv) In the case of a claim for refund of foreign currency denominated deposit accounts, instruments or transactions specified in paragraphs 3 (iii) (k) and 3 (iv), irrespective of whether the banks have paid the depositor/customer in Indian rupees

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or foreign currency, the banks shall be entitled to claim refund of the eligible amount from the Fund, in Indian rupees only.

(v) In case of any claim for refund of part amount by the depositor whose unclaimed amount/inoperative deposit had been transferred to the Fund, the account will be revived and will become operative. The bank shall claim the entire amount transferred to the Fund in respect of such depositor along with interest payable, if any, from the Fund.

(vi) Refunds made by a bank in each calendar month should be claimed for reimbursement from the Fund on the last working day of the subsequent month.

(vii) In the case of a bank under liquidation, during the pendency of the liquidation proceedings, if any claim is received from depositors whose deposits were covered by DICGC insurance at the time of transfer to the Fund, the Fund shall pay to the liquidator, an amount equal to the amount that could have been claimed from DICGC with respect to such deposits, and with respect to all other amounts paid by the liquidator towards the amounts transferred to the Fund, whether insured by DICGC or not, the Fund shall reimburse the liquidator.

5. Banks to submit Returns:

Banks shall furnish returns to Reserve Bank in the form and manner as prescribed by Reserve Bank from time to time.

6. Accounts:

(i) The Fund shall maintain its accounts including Income and Expenditure Statement in the form and manner as prescribed by the Committee.

(ii) The amounts credited to the account of the Fund, maintained with Reserve Bank shall form part of Reserve Bank Balance Sheet.

(iii) The amounts credited to the account of the Fund may be invested by Reserve Bank in such manner as prescribed by the Committee.

(iv) All income of the Fund shall be credited to the Fund.

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(v) All expenditure incurred for the promotion of depositors' education, awareness, interests and other purposes that may be specified by Reserve Bank under Section 26A (4) of the Act, shall be charged to the Fund.

7. Audit of Accounts:

- (i) The accounting year for the Fund shall be from April 1 to March 31 of the subsequent year.
- (ii) The accounts of the Fund shall be audited by the statutory auditor of the Reserve Bank or any other auditors as directed by the Reserve Bank.
- (iii) The Annual Accounts of the Fund, at the end of each accounting year, shall be placed before the Central Board of the Reserve Bank, along with the report of auditors and the activity report of the Fund.

Chapter III

Constitution, Management and Functions of the Committee

8. Constitution of the Committee:

- (i) There shall be a Committee to administer and manage the Fund in accordance with the Scheme.
- (ii) The Committee shall consist of an ex-officio Chairperson and not more than six members as decided by the Reserve Bank. The detail of the composition of the Committee is as follows:
 - (a) a Deputy Governor of Reserve Bank, nominated by Governor, shall be the ex-officio Chairperson of the Committee;
 - (b) not more than two officers of Reserve Bank, not below the rank of Chief General Manager, nominated by it in this behalf;

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- (c) Chairman and Managing Director or Chief Executive Officer of a bank by rotation, as nominated by the Reserve Bank;
- (d) one person nominated by Reserve Bank, who is considered as expert in the field of banking or accounting or any other field, which the Reserve Bank considers appropriate;
- (e) one person nominated by Reserve Bank, representing the interests of customers and depositors of banks, drawn from amongst organisations or associations formed by such customers or depositors and
- (f) an officer, not below the rank of Chief General Manager, nominated by Reserve Bank to act as Member Secretary to the Committee.
- (iii) The members, except the ex-officio Chairperson of the Committee, shall hold office for a period of two years and thereafter until their successors shall have been nominated.
- (iv) A retiring member shall be eligible for re-nomination.
- (v) Reserve Bank shall provide Secretariat for the Committee and necessary infrastructure and manpower to assist the Committee in the administration of the Fund.
- (vi) The Committee may constitute one or more Sub-Committees, from amongst its members, whenever it deems necessary to do so, to facilitate efficient and speedy discharge of its functions.
- (vii) Any defect in the constitution or any vacancy in the Committee would not invalidate any proceedings of the Committee or the decisions taken by the Committee.
- (viii) The members mentioned at sub-paragraphs (ii)(d) and (ii)(e) shall be entitled to remuneration, as determined by Reserve Bank, from time to time for the meetings attended by them.

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9. Functions and Objectives of the Committee:

- (i) The Committee shall meet as and when necessary, but at least once in a quarter. The quorum for each meeting shall be at least the Chairman and one-third of its total members.
- (ii) The Committee shall frame its own rules of business.
- (iii) The Fund shall be utilised for promotion of depositors' interests and for such other purposes which may be necessary for promotion of depositors' interest as may be specified by the Reserve Bank. The Committee shall function keeping in view the purposes contemplated in Section 26A(4) of the Act and in accordance with the purposes that may be specified by Reserve Bank in this regard from time to time.
- (iv) The Committee may from time to time lay down a list of activities, the criteria and procedure, etc. for incurring expenditure and achieving the objectives of the Fund.
- (v) The Committee shall administer the Fund and shall exercise all powers on behalf of the Fund, including incurring of all expenditure that may be charged to the Fund, and keeping the corpus of the Fund invested.
- (vi) The expenses of the Committee and other expenses for administration of the Fund shall be charged to the Fund as decided by the Committee.
- (vii) For facilitating the Reserve Bank for determination of the rate of interest payable by the Fund to the depositors, the Committee shall provide to the Reserve Bank such information on the income and expenditure of the Fund as may be required.

10. Power to call upon the banks:

- (i) The Committee may call upon any bank to pay the amount due to the Fund.
- (ii) The Committee may call for any information from banks relating to unclaimed amounts and the inoperative accounts, in general or a bank in particular, from time to time, and it shall be the duty of such banks/bank to furnish the information sought by the Committee.

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11. Promotion of Depositors' Interests and recognition of entities:

- (i) For the promotion of depositors' interests, the Committee may register/recognise from time to time various institutions, organizations or associations, engaged in activities relating to depositor awareness and education, including those proposing to conduct programmes for depositors of banks, organizing seminars and symposia for depositors and undertaking projects and research activities relating to these areas.
- (ii) Institutions, organizations or associations registered/recognized by the Committee may be considered for grant of funds as a grant-in-aid either as one time measure or in stages or by way of reimbursement, depending upon the nature of the activity proposed.
- (iii) The Committee shall determine and lay down the criteria for grant of financial assistance to institutions, organizations and associations, as stated in sub-paragraph (i).
- (iv) The Committee may examine the proposals and the proposed end use of grants and assistance before authorising release of funds.
- (v) The Committee may call for information in respect of or verify in any manner, the end use of funds granted to such institutions, organizations or associations.
- (vi) The Committee may take such action as it deems fit in the interests of the Fund, including legal action, as and when considered necessary.

12. Interpretation of the provisions of the Scheme:

If any issue arises in the interpretation of the provisions of the Scheme, the matter shall be referred to the Reserve Bank, and the decision of the Reserve Bank thereon shall be final.

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13. Amendment of the Scheme:

The Reserve Bank may amend any or all the provisions of the Scheme anytime, if deemed necessary by giving a Gazette Notification.

14. Power to remove difficulties:

If any difficulty arises in giving effect to the provisions of this Scheme, the Reserve Bank may take such actions or pass such orders, as may appear necessary for the purpose of removing such difficulty.

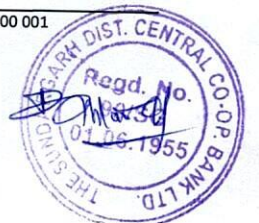
(B. Mahapatra)
Executive Director

बैंकिंग परिचालन और विकास विभाग, केन्द्रीय कार्यालय, केन्द्रीय कार्यालय भवन, 12वीं मंजिल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400 001

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Department of Banking Operations and Development, Central Office, Central Office Building, 12th Floor, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001
Phone: 022-2266 1602, Fax: 022-2270 5691, E-mail: cgmicdbodco@rbi.org.in, Website: www.rbi.org.in

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भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2013-14/614

DBOD.No.DEAF Cell.BC.114/30.01.002/2013-14

May 27, 2014

The Chairman and Managing Director /
Chief Executive Officers
All Scheduled Commercial Banks including RRBs and LABs /
Urban Co-operative Banks / State Co-operative Banks /
District Central Co-operative Banks.

Dear Sir/Madam,

The Depositor Education and Awareness Fund Scheme, 2014 –Section 26A of Banking Regulation Act, 1949- Operational Guidelines

Please refer to circular DBOD.No.DEAF Cell.BC.101/30.01.002/2013-14 dated March 21, 2014 and Depositor Education and Awareness Fund Scheme, 2014 (Scheme) enclosed therewith. In this connection it is advised that the Scheme has been notified in the Official Gazette on May 24, 2014 and a copy thereof is attached. As per paragraph 3(vi) of the Scheme, banks shall calculate the cumulative balances in all accounts along with interest accrued, as on the day prior to the effective date, i.e May 23, 2014 and such amounts due should be transferred to the Depositor Education and Awareness Fund (Fund) on June 30, 2014 (before the close of banking hours). Subsequently, as mentioned in paragraph 3(vii) of the Scheme, banks shall transfer to the Fund the amounts becoming due in each calendar month (i.e. proceeds of the inoperative accounts and balances remaining unclaimed for ten years or more) as specified in the Scheme and the interest accrued thereon on the last working day of the subsequent month.

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Crediting the Fund in Electronic form only

2. We advise that banks shall remit the amounts due (as defined in the Scheme), **in electronic form** through portal facility of the E-Kuber (Core Banking Solution) of Reserve Bank of India (RBI), to a designated account created for the Scheme, viz. **"DEAF Account 161001006009"**. All banks are advised to generate a single entry for remitting the amounts to the Fund. Accordingly, the amount required to be transferred to the Fund in terms of paragraphs 3(vi) and 3(vii) of the Scheme, can be credited to the Depositor Education and Awareness Fund (DEAF) Account, specified above, maintained with RBI (within banking hours) on the last working day of the month. Further each bank has been allotted a unique **"Bank DEAF Code"** by the RBI, for operating the Fund which is given in **Annex I**. Every bank remitting amount to the DEAF Account should indicate its unique **"Bank DEAF Code"**.

Procedure to be followed by banks for crediting the Fund

3. (i) **Own Account** – This facility is available under the service "DEAF Service" of the E-Kuber portal. When a bank is crediting its own amount due to the Fund it should furnish its DEAF code (bank specific DEAF code is given in Annex I) in the "Bank DEAF Code" field and the detailed breakup (number of accounts and amount) of the deposits viz. interest bearing, non-interest bearing deposits and other credits (i.e., any amount other than deposits remaining unclaimed as defined in paragraph 3(iii) of the Scheme), in the fields provided for the same, of the aforementioned service in the portal. Other credits would be non-interest bearing.

(ii) **Members' Account** - In case of a bank remitting amounts due of member/ other banks (banks not having current account with RBI) who approach the bank for remitting such amounts to the Fund, the bank should not consolidate the amounts of all banks, instead they should separately remit the amount due bank-wise, for the amount to be credited to the Fund. In the Bank DEAF Code field available in the DEAF Service of E-Kuber, bank should provide appropriate Bank DEAF Code of the member/other bank, whose funds are being transferred. Also, the detailed breakup (number of accounts and amount) of the deposits viz. interest bearing deposits, non-interest bearing deposits and other credits should be provided in the fields designated for the same. Other credits would be non-interest bearing. Further, it is advised that



while making payment towards claims/refunds from the Fund of members / other banks, RBI would credit the account of the sponsor bank from where the credits would flow to the member / other banks.

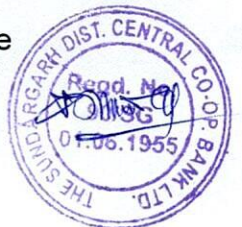
Returns prescribed

4. In terms of paragraph 5 of the Scheme, banks shall, furnish returns **duly audited** to RBI in the form and manner prescribed. In this regard, all banks are advised to furnish returns duly audited as per details given below:-

Form I- Banks shall submit a consolidated return **on the date of transferring** the amount to the Fund furnishing the total amount credited (indicating separately the amount of interest bearing deposits, non-interest bearing deposits and other credits transferred). For each tranche transferred to the Fund, banks shall maintain complete details viz., name of customer, account number, amount, including interest accrued, transferred to the Fund, date of transfer to the Fund and other related documents, etc. These details/documents shall be maintained by the banks tranche-wise.

Form II- A **monthly** return to be submitted by the bank for the total amount of funds transferred to the Fund (indicating interest bearing deposits, non-interest bearing deposits and other credits). The return shall be forwarded by 15th of the succeeding month.

Form III- In terms of paragraph 4 (i) of the Scheme, in case of demand from a customer/ depositor whose unclaimed amount/deposit had been transferred to Fund, banks shall repay the customer/depositor, along with interest, if applicable, and lodge a claim for refund from the Fund for an equivalent amount paid to the customer/depositor. In case of any claim for refund of the part amount by the depositor, whose unclaimed amount/inoperative deposit had been transferred to the Fund, the bank shall claim the entire amount transferred to the Fund in respect of such depositor along with interest payable, if any, from the Fund. The details of the refund made by a bank in each calendar month should be furnished in Form III by 15th of the subsequent month. Form III should give details i.e., the name of the customer/ depositor, date of transfer of the amount to the Fund, date of payment of the amount to the customer, rate of interest claimed from the Fund etc. The



return may be forwarded by 15th of the succeeding month to which the claim pertains so as to enable the Reserve Bank to process the same and refund the amount on the last working day of the month. Any return received after 15th of the succeeding month to which the claim pertains, would be processed in the subsequent month.

Form IV- A **monthly** consolidated return for claims made by the bank from the Fund may be forwarded by 15th of the succeeding month.

Form V- A yearly return indicating item-wise details of amount due outstanding at the year end may be submitted within thirty days after the close of each calendar year.

5. We advise that banks may necessarily furnish the above returns, even if it is a nil return, to the RBI at the periodicity indicated above. The formats of the above returns are enclosed.

Audit

6. On the date of transferring the amount to the Fund, the bank should maintain customer-wise details verified by the concurrent auditors, including payment of up-to-date interest accrued, that has been credited to the deposit account till the date of transfer to the Fund, with respect to interest bearing deposits. With respect to non-interest bearing deposits and other credits transferred to the Fund, customer-wise details, duly audited, should be maintained with the bank. The concurrent auditors should also verify and certify that, as per the banks' books, the returns have been correctly compiled by the bank in the monthly and yearly returns submitted to RBI. The above returns shall also be verified by the statutory auditors at the time of annual audit and an Annual Certificate shall be obtained from statutory auditors and forwarded to RBI, certifying that the returns have been correctly compiled by the bank.

Authorized Signatories

7. The banks are advised to furnish true copy of the Resolution of the Board of Directors authorising two officials designated as authorized signatories,



who would operate the account jointly, for the claims/refund on behalf of the bank from the Fund. The specimen signatures of the authorised signatories may be duly attested by the Chairman, Executive Director or Chief Executive Officer. The specimen signature of the authorized signatories along with Board Resolution may be forwarded as per the **Annex II**.

Disclosure in Notes to Accounts

8. All such unclaimed liabilities (where amount due has been transferred to DEAF) may be reflected as "Contingent Liability – Others, items for which the bank is contingently liable" under Schedule 12 of the annual financial statements. Banks are also advised to disclose the amounts transferred to DEAF under the notes to accounts as per the format given below.

(Amounts in Rs. crore)

	Current year	Previous year
Opening balance of amounts transferred to DEAF		
Add: Amounts transferred to DEAF during the year		
Less: Amounts reimbursed by DEAF towards claims		
Closing balance of amounts transferred to DEAF		

9. The above returns duly certified by the auditors may be forwarded in original, to Chief General Manager, Reserve Bank of India, Department of Banking Operations & Development, Central Office, DEAF Cell, 12th Floor, Shahid Bhagat Singh Road, Fort, Mumbai – 400001, as also scanned copy in pdf format by email. The statutory auditors' Annual Certificate as mentioned in paragraph 6 above may also be forwarded at the above address along with a scanned copy in pdf format by e-mail.

Yours faithfully,

(Rajesh Verma)
Chief General Manager
Encl: As above



RESERVE BANK OF INDIA

Mumbai-400001

The Depositor Education and Awareness Fund Scheme, 2014

The Reserve Bank of India, in exercise of the powers conferred by sub-sections (1) and (5) of Section 26A of the Banking Regulation Act, 1949 (10 of 1949) and of all the powers enabling it in this behalf, hereby makes the following Scheme:-

Chapter I

1. Short Title and Commencement:

- (i) This Scheme may be called The Depositor Education and Awareness Fund Scheme, 2014.
- (ii) This Scheme shall come into force with effect from the date on which it is notified in the Official Gazette.

Chapter II

2. Definitions:

In this Scheme, unless the context otherwise requires:-

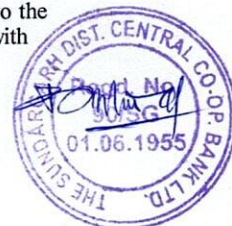
- (i) (a) 'Act' means the Banking Regulation Act, 1949 (10 of 1949);
- (b) 'bank' means a banking company, a co-operative bank, multi-state co-operative bank, State Bank of India, a subsidiary bank, a corresponding new bank and a regional rural bank;
- (c) 'Fund' means the Depositor Education and Awareness Fund established under paragraph 3;
- (d) 'Committee' means the Committee constituted under paragraph 8 to administer the Fund;
- (e) 'Effective date' means the date on which the Scheme is notified in the Official Gazette;
- (f) 'DICGC' means the Deposit Insurance and Credit Guarantee Corporation established under Section 3 of the Deposit Insurance Corporation Act, 1961;
- (g) 'Liquidator' means liquidator of a bank appointed under any law for the time being in force;
- (h) 'Principal amount' means the amount, including interest, transferred by a bank to the Fund in terms of Section 26A of the Act;
- (i) 'Amount due' means any credit balances in any account or any deposit in a bank remaining unclaimed or inoperative for ten years or more;
- (ii) Words and expressions used in this Scheme and not defined herein, but defined in the Act, shall have the meaning respectively assigned to them in the Act.

3. Establishment of the Fund and Credits therein:

- (i) Reserve Bank hereby establishes a Fund to be called the Depositor Education and Awareness Fund referred to in Section 26A of the Act.
- (ii) The amounts to be credited to the Fund by banks shall be deposited in the specified account maintained with the Reserve Bank.
- (iii) For the purpose of this paragraph, the amounts to be credited to the Fund shall be the credit balance in any deposit account maintained with banks which have not been operated upon for ten years or more, or any amount remaining unclaimed for ten years or more, which include:-
 - (a) savings bank deposit accounts;
 - (b) fixed or term deposit accounts;
 - (c) cumulative/recurring deposit accounts;
 - (d) current deposit accounts;
 - (e) other deposit accounts in any form or with any name;
 - (f) cash credit accounts;



- (g) loan accounts after due appropriation by the banks;
 - (h) margin money against issue of Letter of Credit/Guarantee etc., or any security deposit;
 - (i) outstanding telegraphic transfers, mail transfers, demand drafts, pay orders, bankers cheques, sundry deposit accounts, vostro accounts, inter-bank clearing adjustments, unadjusted National Electronic Funds Transfer (NEFT) credit balances and other such transitory accounts, unreconciled credit balances on account of Automated Teller Machine (ATM) transactions, etc.;
 - (j) undrawn balance amounts remaining in any prepaid card issued by banks but not amounts outstanding against travellers cheques or other similar instruments, which have no maturity period;
 - (k) rupee proceeds of foreign currency deposits held by banks after conversion of foreign currency to rupees in accordance with extant foreign exchange regulations; and
 - (l) such other amounts as may be specified by the Reserve Bank from time to time.
- (iv) Any amount payable in foreign currency under an instrument or a transaction, that has remained unclaimed for ten years or more, shall at the time of transfer to the Fund be converted into Indian Rupees at the exchange rate prevailing on that date and in the event of a claim, the Fund shall be liable to refund only the Indian Rupees received by the Fund with respect to such instrument or transaction.
- (v) A bank shall transfer to the Fund the entire amount as specified in sub-paragraph (iii), including the accrued interest that the bank would have been required to pay to the customer/ depositor as on the date of transfer to the Fund.
- (vi) A bank shall calculate the cumulative balances in all such accounts as specified in sub-paragraphs (iii) and (iv), as on the day prior to the effective date and transfer the amount to the Fund on the last working day of subsequent month along with the interest accrued as specified in sub-paragraph (v).
- (vii) From the effective date, banks are required to transfer to the Fund the amounts becoming due in each calendar month (i.e. balances remaining unclaimed for ten years or more) as specified in sub-paragraphs (iii) and (iv) and the interest accrued thereon as specified in sub-paragraph (v), on the last working day of the subsequent month.
- (viii) Notwithstanding anything contained in the Banking Companies (Period of Preservation of Records) Rules, 1985, or Co-operative Banks (Period of Preservation of Records) Rules, 1985, banks shall preserve records/documents containing details of all accounts and transactions, including deposit accounts in respect of which amounts are required to be credited to the Fund permanently; and where refund has been claimed from the Fund, banks shall preserve records/documents in respect of such accounts and transactions, for a period of at least five years from the date of refund from the Fund.
- (ix) Reserve Bank may call for all relevant information in respect of an account or deposit or transaction for which a claim for refund has been submitted by a bank.
- 4. Refunds and Interest:**
- (i) In case of demand from a customer/ depositor whose unclaimed amount/deposit had been transferred to Fund, banks shall repay the customer/depositor, along with interest if applicable, and lodge a claim for refund from the Fund for an equivalent amount paid to the customer/depositor.
- (ii) The interest payable, if any, from the Fund on a claim shall accrue only from the date on which the balance in an account was transferred to the Fund to the date of payment to the customer/depositor. No interest shall be payable in respect of amounts refunded from the Fund, in respect of which no interest was payable by the bank to its customer/depositor.
- (iii) Rate of interest, if any, payable on the principal amount transferred to the Fund shall be specified by Reserve Bank from time to time.
- (iv) In the case of a claim for refund of foreign currency denominated deposit accounts, instruments or transactions specified in paragraphs 3 (iii) (k) and 3 (iv), irrespective of whether the banks have paid the depositor/customer in Indian rupees or foreign currency, the banks shall be entitled to claim refund of the eligible amount from the Fund, in Indian rupees only.
- (v) In case of any claim for refund of part amount by the depositor whose unclaimed amount/inoperative deposit had been transferred to the Fund, the account will be revived and will become operative. The bank shall claim the entire amount transferred to the Fund in respect of such depositor along with interest payable, if any, from the Fund.
- (vi) Refunds made by a bank in each calendar month should be claimed for reimbursement from the Fund on the last working day of the subsequent month.
- (vii) In the case of a bank under liquidation, during the pendency of the liquidation proceedings, if any claim is received from depositors whose deposits were covered by DICGC insurance at the time of transfer to the Fund, the Fund shall pay to the liquidator, an amount equal to the amount that could have been claimed from DICGC with respect to such deposits, and with



respect to all other amounts paid by the liquidator towards the amounts transferred to the Fund, whether insured by DICGC or not, the Fund shall reimburse the liquidator.

5. Banks to submit Returns:

Banks shall furnish returns to Reserve Bank in the form and manner as prescribed by Reserve Bank from time to time.

6. Accounts:

(i) The Fund shall maintain its accounts including Income and Expenditure Statement in the form and manner as prescribed by the Committee.

(ii) The amounts credited to the account of the Fund, maintained with Reserve Bank shall form part of Reserve Bank Balance Sheet.

(iii) The amounts credited to the account of the Fund may be invested by Reserve Bank in such manner as prescribed by the Committee.

(iv) All income of the Fund shall be credited to the Fund.

(v) All expenditure incurred for the promotion of depositors' education, awareness, interests and other purposes that may be specified by Reserve Bank under Section 26A (4) of the Act, shall be charged to the Fund.

7. Audit of Accounts:

(i) The accounting year for the Fund shall be from April 1 to March 31 of the subsequent year.

(ii) The accounts of the Fund shall be audited by the statutory auditor of the Reserve Bank or any other auditors as directed by the Reserve Bank.

(iii) The Annual Accounts of the Fund, at the end of each accounting year, shall be placed before the Central Board of the Reserve Bank, along with the report of auditors and the activity report of the Fund.

Chapter III

Constitution, Management and Functions of the Committee

8. Constitution of the Committee:

(i) There shall be a Committee to administer and manage the Fund in accordance with the Scheme.

(ii) The Committee shall consist of an ex-officio Chairperson and not more than six members as decided by the Reserve Bank. The detail of the composition of the Committee is as follows:

(a) a Deputy Governor of Reserve Bank, nominated by Governor, shall be the ex-officio Chairperson of the Committee;

(b) not more than two officers of Reserve Bank, not below the rank of Chief General Manager, nominated by it in this behalf;

(c) Chairman and Managing Director or Chief Executive Officer of a bank by rotation, as nominated by the Reserve Bank;

(d) one person nominated by Reserve Bank, who is considered as expert in the field of banking or accounting or any other field, which the Reserve Bank considers appropriate;

(e) one person nominated by Reserve Bank, representing the interests of customers and depositors of banks, drawn from amongst organisations or associations formed by such customers or depositors; and

(f) an officer, not below the rank of Chief General Manager, nominated by Reserve Bank to act as Member Secretary to the Committee.

(iii) The members, except the ex-officio Chairperson of the Committee, shall hold office for a period of two years and thereafter until their successors shall have been nominated.

(iv) A retiring member shall be eligible for re-nomination.

(v) Reserve Bank shall provide Secretariat for the Committee and necessary infrastructure and manpower to assist the Committee in the administration of the Fund.

(vi) The Committee may constitute one or more Sub-Committees, from amongst its members, whenever it deems necessary to do so, to facilitate efficient and speedy discharge of its functions.

(vii) Any defect in the constitution or any vacancy in the Committee would not invalidate any proceedings of the Committee or the decisions taken by the Committee.

(viii) The members mentioned at sub-paragraphs (ii)(d) and (ii)(e) shall be entitled to remuneration, as determined by Reserve Bank, from time to time for the meetings attended by them.

9. Functions and Objectives of the Committee:

(i) The Committee shall meet as and when necessary, but at least once in a quarter. The quorum for each meeting shall be at least the Chairman and one-third of its total members.



(ii) The Committee shall frame its own rules of business.

(iii) The Fund shall be utilised for promotion of depositors' interests and for such other purposes which may be necessary for promotion of depositors' interest as may be specified by the Reserve Bank. The Committee shall function keeping in view the purposes contemplated in Section 26A(4) of the Act and in accordance with the purposes that may be specified by Reserve Bank in this regard from time to time.

(iv) The Committee may from time to time lay down a list of activities, the criteria and procedure, etc. for incurring expenditure and achieving the objectives of the Fund.

(v) The Committee shall administer the Fund and shall exercise all powers on behalf of the Fund, including incurring of all expenditure that may be charged to the Fund, and keeping the corpus of the Fund invested.

(vi) The expenses of the Committee and other expenses for administration of the Fund shall be charged to the Fund as decided by the Committee.

(vii) For facilitating the Reserve Bank for determination of the rate of interest payable by the Fund to the depositors, the Committee shall provide to the Reserve Bank such information on the income and expenditure of the Fund as may be required.

10. Power to call upon the banks:

(i) The Committee may call upon any bank to pay the amount due to the Fund.

(ii) The Committee may call for any information from banks relating to unclaimed amounts and the inoperative accounts, in general or a bank in particular, from time to time, and it shall be the duty of such banks/bank to furnish the information sought by the Committee.

11. Promotion of Depositors' Interests and recognition of entities:

(i) For the promotion of depositors' interests, the Committee may register/recognise from time to time various institutions, organizations or associations, engaged in activities relating to depositor awareness and education, including those proposing to conduct programmes for depositors of banks, organizing seminars and symposia for depositors and undertaking projects and research activities relating to these areas.

(ii) Institutions, organizations or associations registered/recognized by the Committee may be considered for grant of funds as a grant-in-aid either as one time measure or in stages or by way of reimbursement, depending upon the nature of the activity proposed.

(iii) The Committee shall determine and lay down the criteria for grant of financial assistance to institutions, organizations and associations, as stated in sub-paragraph (i).

(iv) The Committee may examine the proposals and the proposed end use of grants and assistance before authorising release of funds.

(v) The Committee may call for information in respect of or verify in any manner, the end use of funds granted to such institutions, organizations or associations.

(vi) The Committee may take such action as it deems fit in the interests of the Fund, including legal action, as and when considered necessary.

12. Interpretation of the provisions of the Scheme:

If any issue arises in the interpretation of the provisions of the Scheme, the matter shall be referred to the Reserve Bank, and the decision of the Reserve Bank thereon shall be final.

13. Amendment of the Scheme:

The Reserve Bank may amend any or all the provisions of the Scheme anytime, if deemed necessary by giving a Gazette Notification.

14. Power to remove difficulties:

If any difficulty arises in giving effect to the provisions of this Scheme, the Reserve Bank may take such actions or pass such orders, as may appear necessary for the purpose of removing such difficulty.

B. MAHAPATRA
Executive Director





भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2013-14/665

DBOD.No.DEAF Cell.BC. 126 /30.01.002/2013-14

June 26, 2014

The Chairman and Managing Director /
Chief Executive Officer
All Scheduled Commercial Banks including RRBs and LABs /
Urban Co-operative Banks / State Co-operative Banks /
District Central Co-operative Banks.

Dear Sir/Madam,

**Banking Regulation Act, 1949 – Section 26A
Depositor Education and Awareness Fund Scheme, 2014 –
Operational Guidelines- Payment of Interest**

Please refer to the circular DBOD.No.DEAF Cell.BC.101/30.01.002/2013-14 dated March 21, 2014 on the Depositor Education and Awareness Fund Scheme, 2014 (Scheme). In this connection, it is advised that the Scheme has been notified in the Official Gazette on May 24, 2014.

2. In terms of Section 26A(2) of the Banking Regulation Act, 1949, in respect of unclaimed amount transferred to the Depositor Education and Awareness Fund (Fund), a banking company shall be liable to repay a depositor or any other claimant, claiming his deposit or unclaimed amount, at such rate of interest as may be specified by the Reserve Bank in this behalf. In terms of Section 26A(3) of the said Act, where a banking company has paid such amount or allowed operation of such account or deposit, such banking company may apply for refund of such amount from the Fund. Accordingly, Reserve Bank hereby specifies that 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. The amount of interest payable in this behalf shall be calculated in the manner specified in paragraph 4 (ii) of the Scheme and by rounding off the amount of interest to the nearest rupee.

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Department of Banking Operations and Development, Central Office, Central Office Building, 12th Floor, Shahid Bhagat Singh Marg, Fort, Mumbai – 400 001
Phone: 022-2266 1602, Fax: 022-2270 5691, E-mail: cgmicdbodco@rbi.org.in, Website: www.rbi.org.in

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3. Illustratively if a bank transfers to the Fund on June 30, 2014 an amount of Rs. 10,000/- relating to savings bank account and subsequently repays the amount to the claimant on July 30, 2014, then the amount of interest at the simple rate of 4% per annum would be Rs 33/- for 30 days (considering 365 days a year) and the total amount to be claimed as refund from the Fund would be Rs 10,033/-.

Yours faithfully,

(Sudarshan Sen)
Chief General Manager



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2017-2018/191

DBR.DEA Fund Cell.BCNo.110/30.01.002/2017-18

June 07, 2018

The Managing Director & CEO/
Chief Executive Officers
All Scheduled Commercial Banks (including RRBs)
Local Area Banks (LABs)
Urban Co-operative Banks / State Co-operative Banks /
District Central Co-operative Banks
Small Finance Banks/Payment Banks

Dear Sir/Madam,

**Banking Regulation Act, 1949 – Section 26A
Depositor Education and Awareness Fund Scheme, 2014 –
Operational Guidelines - Payment of Interest**

Please refer to the circular DBOD.No.DEA Fund Cell.BC.126/30.01.002/2013-14 dated June 26, 2014 on the captioned subject, wherein Reserve Bank had specified that the rate of interest payable by banks to the depositors/claimants on the unclaimed interest bearing deposit amount transferred to the DEA Fund shall be 4% simple interest per annum until further notice.

2. The rate of interest has since been reviewed and it has been decided that the rate of interest payable by banks to the depositors/claimants on the unclaimed interest bearing deposit amount transferred to the Fund shall be **3.5%** simple interest per annum with effect from July 01, 2018. The settlement of all claims received by the banks on or after July 01, 2018 will be at this rate, until further notice.

3. The other contents of the circular dated June 26, 2014 remain unchanged.

Yours faithfully,

(Prakash Baliarsingh)
Chief General Manager

बैंकिंग विनियमन विभाग, केंद्रीय कार्यालय, 12वीं और 13वीं मंज़िल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, मुंबई 400001

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हिंदी आसान है, इसका प्रयोग बढ़ावाए



Frequently Asked Questions (FAQs) on Depositor Education and Awareness (DEA) Fund Scheme, 2014

1. What is The Depositor Education and Awareness (DEA) Fund Scheme, 2014, the Depositor Education and Awareness (DEA) Fund and when did this Scheme come into effect?

"The Depositor Education and Awareness Fund (DEA Fund) Scheme, 2014" was formulated by the Reserve Bank of India in exercise of the powers conferred upon it under Section 26A of the Banking Regulation (BR) Act, 1949 and all the powers enabling it in this behalf. Under the provisions of this Section, RBI has established the Depositor Education and Awareness Fund (Fund). The Scheme has come into effect from May 24, 2014, i.e., the date of notification of the Scheme in the Official Gazette of India.

2. Which are the amounts credited to DEA Fund?

The amounts credited to the DEA Fund are the credit balances in any deposit account maintained with banks (Commercial Banks, Co-operative Banks), which have not been operated upon for 10 years or more by the depositor, or any amount remaining unclaimed for 10 years or more, and includes the following:

- (a) savings bank deposit accounts;
- (b) fixed or term deposit accounts;
- (c) cumulative/recurring deposit accounts;
- (d) current deposit accounts;
- (e) other deposit accounts in any form or with any name;
- (f) cash credit accounts;
- (g) loan accounts after due appropriation by the banks;
- (h) margin money against issue of Letter of Credit/Guarantee etc., or any security deposit;
- (i) outstanding telegraphic transfers, mail transfers, demand drafts, pay orders, bankers cheques, sundry deposit accounts, vostro accounts, inter-bank clearing adjustments, unadjusted National Electronic Funds Transfer (NEFT) credit balances and other such transitory accounts, unreconciled credit balances on account of Automated Teller Machine (ATM) transactions, etc.;
- (j) undrawn balance amounts remaining in any prepaid card issued by banks but not amounts outstanding against travellers cheques or other similar instruments, which have no maturity period;
- (k) rupee proceeds of foreign currency deposits held by banks after conversion of foreign currency to rupees in accordance with extant foreign exchange regulations; and
- (l) such other amounts as may be specified by the Reserve Bank from time to time.



3. When are the above specified amounts credited to the DEA Fund?

The banks are required to transfer the credit balance in the accounts referred in Q No 2 above, to the DEA Fund on the last working day of the month subsequent to the month of completing 10 years of its continuous inoperative or unclaimed status.

For example, the deposits becoming due to be transferred to DEA Fund (i.e., unclaimed for 10 years), in the month of April shall be transferred to the DEA Fund on the last working day in the month of May.

4. Is interest accrued on such amounts as described in Q No: 2 also transferred to the DEA Fund?

Yes. The banks are required to transfer the entire amount, including the accrued interest, as on the date of transfer to the DEA Fund.

5. Whether customer/depositor can claim a refund of their unclaimed amounts from the DEA Fund?

Yes, customer/depositor can claim a refund of their unclaimed amounts from their banks. Based on the request of claim made by customer/depositor or legal heirs (in case of deceased depositors), the banks shall repay the customer/depositor along with interest (applicable only in case of Interest-Bearing deposit accounts) and then lodge a claim for a refund from the DEA Fund maintained by the RBI for an equivalent amount paid to the customer/depositor.

6. Is there a time limit for the customer/ depositor for claiming the amount from the DEA Fund?

There is no specific time limit prescribed in the Scheme for claiming a refund from the DEA Fund by the customer/ depositor. However, customer/ depositor or the legal heirs (in case of deceased depositor) are encouraged to claim such amounts as soon as they become aware of unclaimed amounts.

7. What is the procedure to claim from DEA Fund, if a bank is under liquidation?

In the case of a bank under liquidation, the depositor has to approach the Liquidator of the bank for claim and the Liquidator would settle the claim as per the following procedure

Scenario 1: Claim on deposits covered by DICGC - If the deposits of a customer/depositor were covered by DICGC insurance at the time of transfer to the DEA Fund, then the Liquidator can claim an amount equivalent to what could have been claimed from DICGC (*i.e., currently up to ₹5 lakh including accrued interest, if applicable, in same right and capacity¹*), and then make payment to the depositor. If the above deposit amount is more than the insurance cover of DICGC, then the Liquidator shall claim the amount in excess of DICGC insurance cover (*i.e., over and above the ₹5 lakh*) only on reimbursement basis. (*i.e., the Liquidator will pay such amount*

¹ DICGC - For Depositors - A Guide to Deposit Insurance



to the depositor subject to meeting all the applicable requirements and thereafter submit a claim to DEA Fund for reimbursement)

Illustration 1: A customer/depositor had a deposit claim of ₹4 lakh in a bank (including accrued interest), which is now under liquidation. The deposit was insured by DICGC at the time when the said unclaimed deposit was transferred to the DEA Fund. Now, if he/she claims the same during the liquidation process, the following steps shall be followed:

- (i) The customer/depositor/legal heir submits a claim for his/her deposit to the Liquidator.
- (ii) Liquidator raises an equivalent claim of ₹4 lakh from DEA Fund along with necessary supporting documents.
- (iii) DEA Fund will pay an amount equal to the insured deposit to the Liquidator. (In this case, i.e., ₹4 lakh, since DICGC insurance cover is available up to ₹5 lakh).
- (iv) The Liquidator, after receiving the amount from the DEA Fund, will pay to the customer/depositor i.e., ₹4 lakh.

Illustration 2: A customer/depositor had a deposit claim of ₹6 lakh in a bank (including accrued interest), which is now under liquidation. The deposit was insured by DICGC at the time when the unclaimed deposit of his/her was transferred to the DEA Fund. Now, if he/she claims the same during the liquidation process, the following steps shall be followed:

- (i) The customer/depositor/legal heir submits a claim for his/her deposit to the Liquidator.
- (ii) Liquidator raises an equivalent claim of ₹6 lakh from DEA Fund, along with necessary supporting documents.
- (iii) DEA Fund will pay only an amount equal to the insured deposit to the Liquidator. (In this case, i.e., ₹5 lakh, since DICGC insurance cover is available up to ₹5 lakh).
- (iv) For the remaining amount (i.e., ₹1 lakh) the Liquidator shall make the payment to depositor subject to meeting all the applicable requirements and then claim for the same from DEA Fund by way of reimbursement.

Scenario 2: Claim on deposits not covered by DICGC: In respect of deposits not covered by DICGC² at the time of transfer to DEA Fund, the payment to the Liquidator by DEA Fund shall be made only on reimbursement basis (i.e., the Liquidator can only seek as a reimbursement after settling the amount to the customer/ depositor) as mentioned in Illustration 2(iv) above.

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² As per Sec 2(g) of DICGC Act – viz. foreign Government, the Central Government, a State Government, a corresponding new bank, Regional Rural Bank or a banking company or a co-operative bank)

