



RBI/2021-22/66

DoR.SPE.REC.29/13.03.00/2021-2022

July 02, 2021

All Scheduled Commercial Banks (including RRBs)  
All Small Finance Banks  
All Local Area Banks  
All Primary (Urban) Co-operative Banks/ District Central Co-operative Banks/  
State Co-operative Banks

Dear Sir / Madam,

### **Review of Instructions on Interest on overdue domestic deposits**

Please refer to Section 9 (b) of [Master Direction - Reserve Bank of India \(Interest Rate on Deposits\) Directions, 2016 dated March 3, 2016](#), and the [Master Direction -Reserve Bank of India \(Co-operative Banks- Interest Rate on Deposits\) Directions, 2016 dated May 12, 2016](#) in terms of which if a Term Deposit matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings deposits.

2. On a review of these instructions, it has been decided that if a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

3. The relevant section of Master Directions are amended accordingly as indicated in the [Annex](#).

Yours faithfully,

(Thomas Mathew)  
Chief General Manager

Amendments to Master Directions		
Sl. No.	Existing Section	Amended Section
<b>A. <a href="#">Master Direction – Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated March 03, 2016 (Updated as on February 22, 2019)</a></b>		
Section 9 (b)	<u>Interest on overdue domestic deposits</u>  If a Term Deposit matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings deposits.	<u>Interest on overdue domestic deposits</u>  If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.
<b>B. <a href="#">Master Direction – Reserve Bank of India (Co-operative Banks- Interest Rate on Deposits) Directions, 2016 dated May 12, 2016</a></b>		
Section 9 (b)	<u>Interest on overdue domestic deposits</u>  If a term deposit matures and proceeds are unpaid, the amount left unclaimed with the co-operative bank shall attract rate of interest as applicable to savings deposits	<u>Interest on overdue domestic deposits</u>  If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the co-operative bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.