IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED:06.09.2021

CORAM :

THE HON'BLE MR.SANJIB BANERJEE, CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE P.D.AUDIKESAVALU

W.P.NO.18703 OF 2021

A.Karthika @ Karthikaa Ashok ... Petitioner

Vs

1 Union of India
Rep by the Secretary to Government
Ministry of Finance
Department of Revenue
North Block, New Delhi- 110 001.

2 The Secretary to Government
Ministry of Finance
Department of Economic Affairs
North Block New Delhi- 110 001.

3 Reserve Bank of India
Rep by its Regional Director
No.16 Kamarajar Salai
Fort Glacis Chennai- 600 001. ... Respondents

Prayer:

Petition filed under Article 226 of the Constitution of India for issuance of a Writ of Mandamus directing the respondents herein to supervise and regulate the Financial Institutions as far as the interest rates for the Term Deposits maintained by the senior citizens in order to maintain a reasonable sum of Interest that are fixed at the date of deposit throughout and restrict the steep reduction of the rate of Interest so as to safeguard the senior citizens from depriving of their standard decent source of Income Monthly or annually assuring the Right to life guaranteed under Article 21 and not contrary to the directing principles of state emphasized in Article 38 of Constitution of India considering my representation dated 09.08.2021.

For the Petitioner :Ms.Karthikaa Ashok,
Party-in-person

For the Respondents :Ms.D.Geetha,
Sr. Central Gov.Standing Counsel,
for RR 1 and 2

R3 :No Appearance

ORDER

(Order of the Court was made by The Hon'ble Chief Justice)

The petitioner brings a key issue to notice. The petitioner is concerned of the plight of senior citizens and the diminishing interest returns offered by banks, particularly nationalised banks.

2. There is merit in what the petitioner says. There are several senior citizens who have their entire life's savings deposited in banks and their daily means are met from the interest earned in the account. It is possible that some senior citizens draw interest on an annual basis, others on a three-month basis and some others on a monthly basis. Over the years, the rate of interest had gone down and even though senior citizens get a higher rate of interest than others, the rate has fallen to such a low that no meaningful return comes from even a sizeable investment by way of a fixed deposit.

3. The petitioner refers to the responsibility of the Union government to ensure that senior citizens' interests are protected by issuing appropriate instructions or directions to the Reserve Bank. The petitioner also says that the Reserve Bank should ensure that nationalised banks or licensed banks have special schemes providing for higher interest to senior citizens.

4. There are several nationalised banks which provide for higher interest to citizens above a particular age and it is not open to any other to obtain such high rate of interest than senior citizens.

5. At the end of the day, it is a matter of pure policy and the finances of the Union and the state of the economy decide what rate of interest may be offered to any person, including to senior citizens. There is no doubt that senior citizens enjoy higher rate of interest in respect of bank deposits but the overall rates of interest have been falling so rapidly that even the higher rate of interest offered to senior citizens may not

make much meaning, particularly when some senior citizens depend on the monthly amounts obtained by way of interest to fend for themselves.

6. It is a matter of pure policy as to whether the Union will provide for higher rate of interest or adequate income for senior citizens to be able to survive, take care of their needs and be comfortable. Individual banks also have a degree of latitude in offering higher rates to senior citizens and several nationalised banks cater to the needs of senior citizens, while others may not. The court cannot issue a writ in the nature of mandamus commanding a particular rate of interest to be offered to senior citizens across the board. For a start, the full picture of the economy is not available before the court and, the balancing act that has to be done by paying higher interest to one group against the rate of interest charged for granting loans or the interest payable on other deposits, may be well beyond the court's expertise.

7. At the highest, the good intentions of the petitioner to ensure that senior citizens, who depend primarily on monthly or periodic instalments against interest earned in their accounts to survive, should be taken care of by the Union. For such purpose, let a copy of this order be forwarded to the office of learned Additional Solicitor-General attached to this court so that the same may be forwarded to the appropriate authorities to consider the plight of the senior citizens who depend on interest income alone for their maintenance and survival. However, no specific order in such regard can be passed by the court in the absence of the requisite data being available and the court lacking the requisite expertise in matters of the present kind.

W.P.No.18703 of 2021 is disposed of without any order as to costs. It will be open to the petitioner to forward a copy of this order to the office of the learned Additional Advocate-General, in addition to the department taking necessary steps in such regard.

Sd/-
Assistant Registrar(CO)

//True Copy//

Sub Assistant Registrar

sra

To:

1 The Secretary to Government
Ministry of Finance
Department of Revenue
North Block, New Delhi- 110 001.

2 The Secretary to Government
Ministry of Finance
Department of Economic Affairs
North Block New Delhi- 110 001.

3 The Regional Director
Reserve Bank of India
No.16 Kamarajar Salai
Fort Glacis Chennai- 600 001.

Copy To

The Additional Advocate General,
High Court, Chennai-104.

+1cc to M/S.D.Geetha , Advocate, S.R.No.44935

W.P.No.18703 of 2021

RGN(CO)
PM/14/09/2021