



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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विवि.निदेश.सं.8028 / 04.02.003 / 2019-20

31 मार्च , 2020

श्री एच सी अरोरा

#2299, सैक्टर 44-C, चंडीगढ़

महोदय,

Ref: Reply to Legal Notice

Please refer to your legal notice dated October 23, 2019.

2. We have examined the contents of the notice. In this regard, our reply is as under:

a) With reference to the request for increase of insurance coverage of deposits in insured banks, it is stated that with a view to providing a greater measure of protection to depositors in banks the Deposit Insurance and Credit Guarantee Corporation, a wholly owned subsidiary of the Reserve Bank of India, has raised the limit of insurance cover for depositors in insured banks from the present level of ₹1 lakh to ₹5 lakh per depositor with effect from February 4, 2020 with the approval of Government of India.

b) With reference to the interest rate of deposits, it is stated that the customer's choice to deposit his or her money in a bank is driven by multiple market factors and it would be difficult to attribute the same to any one factor. Further, banks have been given the freedom to determine interest rates on deposits with the approval of their Board of Directors based on their assessment of factors including liquidity position, Asset Liability Management, etc., subject to the directions issued by the Reserve Bank of India in exercise of the powers conferred under sections 21 and 35A of Banking Regulation Act, 1949.

3. We hope the concerns raised by you in your notice under reference stands addressed. If you so desire to initiate any legal action, the same would be defended by the Reserve Bank of India at your own risk, cost and consequences.

Yours faithfully,

(Basri Afroz)

Manager

विनियमन विभाग, केंद्रीय कार्यालय, 13 माला, शहीद भगतसिंह मार्ग, मुम्बई 400001