Method of Interest Calculation

Method of Interest Calculation in Savings Account

Interest is calculated on a daily basis on the daily closing balance in the Account at the rate in force in accordance with Reserve Bank of India Directives. The interest amount calculated is rounded off to the nearest rupee. The interest is paid/ credited to customer's account on quarterly basis on 30th June, 30th September, 31st December and 31st March each year.

Method of Interest Calculation on Fixed Deposit

A. Monthly Interest Payout

Deposit Type	Interest calculation	Example
Fixed Deposit With Interest Payment Frequency of "Monthly payout"	Interest is paid at a Discounted Interest Rate	FD of 400 days with monthly payout opened on July 10, 2017. To compute the discounted rate, formula used shall be **Standard interest Rate /(1+(Standard Interest Rate /1200))** On completion of first month on August 9 2017, Interest earned for the month shall be paid. It shall be computed as (Principal Amount*Discounted Rate/12). Similarly, interest for the remaining Completed months shall be computed on the same logic and will be paid. For the remaining days, it shall be computed as (Principal Amount*Discounted Rate*Number of days/365) and paid on maturity.

B. Quarterly Interest Payout

Deposit Type	Interest calculation	Example
Fixed deposit With Interest Payment Frequency of "Quarterly Payout"	Interest is calculated on the principal amount for Completed quarters. For the balance period, it is calculated for completed Months. For the remaining broken days, Interest is calculated on the actual number of days left.	FD of 400 days with quarterly payout opened on July 10, 2017. On completion of first anniversary quarter on October 9 2017, the Interest earned for the first quarter shall be paid. It shall be computed as (Principal Amount* Rate*3/12). Similarly, interest for the 2nd, 3rd and 4th Quarter shall be computed on the same logic and will be paid. For the incomplete quarters left, interest for the remaining completed months shall be computed and paid (Principal Amount*Rate*Month/12). For the remaining days, it shall be computed as (Principal Amount*rate* number of days left/365) and paid on maturity.

C. Reinvestment

Deposit Type	Interest calculation	Example
Cumulative Fixed Deposit	Interest is compounded quarterly on completion of Exact anniversary quarters. For the broken period beyond completed quarters, simple interest is calculated on the cumulative deposit amount for the remaining Number of days.	FD of 400 days opened on July 10, 2017. On completion of first quarter on October 9th 2017, interest earned on the quarter shall be reinvested in the Deposit Contract. It shall be computed as (Principal Amount*Rate*3/12). Similarly, interest for the 2nd, 3rd and 4th quarter shall be Computed on the same logic with the accumulated amount as the principal amount and reinvested in the Deposit Contract. For the remaining broken days left, Interest shall be computed as per Simple Interest method i.e.(accumulated amount*rate* number of days/365).