METHOD OF CALCULATION OF INTEREST ON DEPOSITS

A. Savings Account:
Interest on Savings Bank Accounts is calculated on daily product basis.

B. Domestic Term Deposit:

A) Term deposit (reinvestment): Interest is compounded quarterly on completion of exact quarter from date of deposit. For the broken period beyond completed quarters, simple interest is calculated on the cumulative deposit for the remaining number of days. Interest is calculated as per following formula:
  Interest (I) = P.V. * (1+r/n) ^ nt
  (r =rate of interest, n = frequency of interest pay out during year and nt = frequency of interest pay out during tenure of Term Deposit)

B) Term deposit (Monthly payout): Interest is paid at discounted value. Interest is calculated as per following formula:
  Interest (I) = (P.V. * r * n) / (12 * 100 + r)

C) Term deposit (Quarterly payout): Interest is calculated at simple rate of interest on the principal amount for completed quarters. For the incomplete month/s, interest is calculated on the actual number of days.

C) Short Term Deposits: Interest is calculated at simple rate of interest on the basis of number of days for which deposit is held.

D) Term Deposit (Yearly/Half Yearly): Interest is calculated at simple rate of interest on the principal amount for completed year/half year and for incomplete month/s interest is calculated on the actual number of days.

- For all the cases, maturity date will be arrived at first based on the date of deposit and the tenor specified by the customer. Then the number of completed quarters and broken period in days will be counted to arrive at the earliest.

- The maturity value is subject to deduction of Tax and Interest thereon.

- 365 days is reckoning in a year, even in the case of leap year.

- Interest payable on deposits is rounded off to the nearest rupee i.e. fraction of 50 paise and above is rounded off to the next higher rupee and fraction of less than 50 paise is ignored.

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