

Interest on Term Deposits will be paid on actual / actual basis. i.e, for the actual number of days the Deposit runs.

If the Deposit is cumulative, interest will be compounded on quarterly basis. Whatever interest accrued at the end of every quarter will be added to the principal (after deduction of TDS, if any) and for the next quarter interest will be calculated on this new amount.

In case of Fixed Deposits (non-cumulative), interest will be paid at regular intervals (monthly, quarterly, half-yearly, yearly) as per customer's wish.

Example1:Term Deposit Interest Calculation with Quarterly Interest Payment.

Deposit Amount: 100000/-

Rate of Interest: 7.25%

Opened on: 08.02.2011

First Interest Payment will be on 08.05.2011 (actual quarters from the date of opening of deposit. Not calendar quarters)

Interest for 1st Quarter = $100000 * 7.25 / 100 / 365 * 89 = 1767.81$
(08.02.2011 to 07.05.2011 = 89 days)

Second Interest Payment will be on 08.08.2011

Interest for 1st Quarter = $100000 * 7.25 / 100 / 365 * 92 = 1827.40$
(08.05.2011 to 07.08.2011 = 92 days)
