



**Saraswat
Bank**

Saraswat Co-operative Bank Ltd.
(Scheduled Bank)

Payment of interest on Fixed Deposit

Method of calculation of interest

We calculate interest, reckoning the year at 365 days irrespective of a leap year.

Illustration :

No of Days in a year – 365 (Non-Leap Year)	No of Days in a year – 366 (Leap Year)
FD Principal – Rs. 100000/-	FD Principal – Rs. 100000/-
FD Booking date – 01.01.2023	FD Booking date – 01.01.2024
Rate of Interest - 8% p.a.	Rate of Interest - 8% p.a.
FD Tenure – 150 days	FD Tenure – 150 days
FD Maturity 31.05.2023	FD Maturity 30.05.2024
Interest Paid - $\frac{\text{Rs.100000/-} \times 150 \times 8\%}{365} = \text{Rs. 3288/-}^*$	Interest Paid - $\frac{\text{Rs.100000/-} \times 150 \times 8\%}{365} = \text{Rs. 3288/-}^*$
*Interest rounded off to nearest rupee	*Interest rounded off to nearest rupee

- Fixed Deposit – Short Term for tenure less than 365 days – Interest is calculated on simple interest basis.
- Fixed Deposit – FM (Monthly Interest Payout) – Interest is calculated on discounted value for all customers.
- Fixed Deposit – FQ (Quarterly Interest Payout) – Interest is calculated on simple interest basis.
- Reinvestment – Interest is calculated on quarterly compounding basis for tenure 12 months and above.

*Maturity value subject to deduction of tax.

*In case of recurring deposit, interest net of tax is added for compounding.