

## Important Notice

### **Basis for Calculation of Interest Payment on Savings Bank Account**

Kotak Mahindra Bank customers are hereby informed that in accordance to the RBI circular No. DBOD.No.Dir.BC 128/13.3.00/2008-09 dated April 24, 2009; payment of interest on savings bank account will be calculated on a daily product basis with effect from April 1, 2010. The periodicity of payment of interest on Savings Bank Account will be quarterly. Thus, the Savings Bank interest calculated on daily product basis will be paid at quarterly intervals on 30th June, 30th September, 31st December & 31st March each year.

The Rate of Interest on Savings Account is as under:

<b>Account Balance</b>	<b>Rate of Interest on Resident Savings Account</b>
For Balances upto Rs. 50 lakhs	3.50% p.a.
For Balances above Rs. 50 lakhs	4.00% p.a.

### **Illustration:-**

Balance in account at the end of day = 55,00,000

- Interest fixed for balances Less than or equal to Rs. 50 Lakhs - 3.50% p.a.
- Interest fixed for balances Greater than Rs. 50 Lakhs – 4.00% p.a.

Interest payable here for the day will be calculated as:

$$(50,00,000 * 3.50\% * 1/365) + \{(55,00,000 - 50,00,000) * 4.00\% * 1/365\}$$

### **Basis for Calculation Of Interest Earned On Term Deposits**

<b>Type of Deposits</b>	<b>Basis for Interest Calculation</b>
Domestic / NRE/ NRO Deposits	$\frac{\text{Actual Number of Days for the Deposit}}{\text{Actual Number of Days in a Year}^*}$
FCNR Deposits	$\frac{\text{Actual Number of Days for the Deposit}}{360 \text{ days}}$

\*The calculation of interest is basis 365 days in a year for deposits booked in a non-leap year and 366 days in a year for term deposits booked in a leap (calendar) year.