Bank Fixed Deposit (FD) — TDR & STDR

The classic FD, choose regular interest payout (TDR) or compounding (STDR).

~6–7% p.a. (varies by bank & tenure) | Interest taxed at your slab

In brief

Suits	Money needed on a known date, an emergency reserve, or regular interest income.
You get	A rate fixed for the term, set by each bank (large banks about 6–6.6% now); senior citizens usually get a little more.
Your money	From 7 days to 10 years; breaking early usually costs 0.5–1% of interest.
Tax	Interest is taxed at your slab every year; TDS above ₹50,000 a bank (₹1 lakh for seniors).
Watch for	Deposit insurance covers ₹5 lakh per depositor per bank, principal and interest together.

Key facts

Interest rate	Set by each bank; large banks ~6–6.6% at the top, small finance banks higher
Tenure	7 days to 10 years
TDR (payout)	Interest paid out monthly/quarterly, for regular income
STDR (cumulative)	Interest compounded quarterly, paid at maturity, for growth
Tax	Interest fully taxable at slab; TDS above ₹50k (₹1 lakh seniors)/bank/yr

What's new

Oct 2026 RBI raised the repo rate by 0.25% to 5.50% on 7 October 2026, its first rise since February 2023. Banks may raise rates on new deposits; existing FDs keep their booked rate.

Apr 2025 TDS on deposit interest now starts above ₹50,000 a year per bank (₹1 lakh for senior citizens), up from ₹40,000 and ₹50,000.

> The full guide answers 20 questions on FD, from eligibility to tax and withdrawals: merasip.com/guides/fixed-deposit. To talk it through, WhatsApp 60039 03737.

Sources: SCC Online: RBI raises repo to 5.50%; Business Today: TDS rules from 1 April 2025.

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