AARAMBH

Introduction to Savings & Fixed Deposits

Build a safe foundation before you think about growth.

A beginner-friendly guide to savings accounts, recurring deposits and fixed deposits, with a focus on liquidity, safety and understanding the terms before opening a deposit.

LEARN Understand the basics	THINK Compare risks and choices	ACT Use official channels

Educational resource • Simple language • No product endorsement

Important: This booklet is for education only. Financial products, rates, eligibility, rules and scheme terms can change. Verify current information from official sources before acting.

The Guide

1. Savings Account

A savings account is designed for everyday saving and access to money. It may pay interest on the balance, while banks set their own applicable terms and charges.

Keep emergency money and near-term expenses accessible rather than locking everything away.

2. Recurring Deposit (RD)

An RD lets you deposit a fixed amount regularly for a chosen period. It can suit someone who wants to build a habit with small monthly amounts.

Missing instalments or closing early can have consequences according to the bank's terms.

3. Fixed Deposit (FD)

An FD places a lump sum with a bank for a specified tenure at an agreed rate. Interest may be paid periodically or at maturity depending on the product.

Check the interest rate, tenure, premature-withdrawal rules, renewal instructions and tax treatment before booking.

Remember

Safety, liquidity and the goal should come before chasing a slightly higher rate.

Your Action Checklist

Use this page during a workshop or at home. Tick each item only when you understand it.

- List your monthly essential expenses.
- Keep a separate emergency reserve.
- Compare tenure and interest rate before opening an FD.
- Read the premature withdrawal and auto-renewal terms.
- Keep the deposit receipt and nominee details safely.

Questions to Ask Before You Act

1	What exactly am I buying, joining, borrowing or authorizing?
2	What could go wrong, and what would I lose?
3	What are the fees, penalties, exclusions or conditions?
4	Who regulates or officially administers this product/scheme?
5	Where can I verify the information independently?

My Notes

Quick Questions & Trusted Sources

Is an FD always better than a savings account?

No. An FD can offer a different return structure, but a savings account provides easier access. The right choice depends on your goal and liquidity need.

What is deposit insurance?

DICGC says eligible deposits such as savings and fixed deposits are insured up to ₹5 lakh per depositor per bank, subject to the scheme's rules and ownership capacity.

Can I break an FD early?

Many bank FDs permit premature closure subject to the product's terms and applicable interest adjustment or penalty. Check your bank's rules.

Trusted starting points

• RBI financial education material on banking and deposits.

• DICGC — Guide to Deposit Insurance (dicgc.org.in).

Aarambh Note

Aarambh creates simple educational resources to help families and communities understand important financial and digital topics. This booklet does not provide personalized financial, legal, tax or insurance advice and does not endorse any product, provider or scheme.

For current rules, rates, eligibility and official application processes, always check the relevant government, regulator, bank, insurer or other official source.