

[Bank Name]
[Branch Address]
[City, State, Zip Code]
[Date]

To,
[Customer Name]
[Customer Address]
[City, State, Zip Code]

Subject: Notice of Early Encashment Penalty for Term Deposit #[Account Number]

Dear [Customer Name],

This letter is to formally acknowledge your request dated [Date] regarding the premature withdrawal of your Term Deposit (Fixed Deposit) account number [Account Number].

As per the terms and conditions agreed upon at the time of account opening, an early withdrawal results in a modification of the interest rate and the application of a penalty. The details of your liquidation are as follows:

- **Original Maturity Date:** [Date]
- **Principal Amount:** [Amount]
- **Original Interest Rate:** [Percentage]%
- **Revised Interest Rate (Applicable Period):** [Percentage]%
- **Premature Withdrawal Penalty:** [Amount/Percentage]
- **Final Amount to be Credited:** [Amount]

The net proceeds after the deduction of the penalty and applicable taxes will be credited to your linked savings/current account number [Account Number] within [Number] business days.

If you have any questions regarding this calculation or require further assistance, please visit our branch or contact our customer service desk at [Phone Number].

Sincerely,

[Signature]
[Name of Bank Official]
[Designation]
[Bank Name]