

Dewan Housing launches corporate deposit scheme

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Harshil Mehta

Interest rates range from 7.55-8.40%

Mumbai, July 12:

Dewan Housing Finance Corporation Ltd on Tuesday said it has launched a short-term corporate deposit scheme, which offers interest rates ranging from 7.55 per cent to 8.40 per cent, depending on the tenure.

The minimum deposit under the scheme, which is targeted to meet the short-term investment requirements of corporate customers and is available only to public and private limited companies registered under the Companies Act, is ₹10 lakh.

Rating

Corporates can place deposits for 31 days to 364 days. DHFL in a statement said CRISIL has rated these corporate deposits as “A1+” indicating very strong degree of safety regarding timely payment of financial obligations.

Interest rates on the corporate deposits are — 7.55 per cent for 31 days; 7.65 per cent for 61 days; 7.90 per cent for 91 days; and 8.40 per cent each for 181 days, 271 days and 364 days.

Cumulative interest

This scheme comes with a cumulative interest option where the interest is compounded annually and is payable at the time of maturity, along with the principal amount.

It also gives the depositor the flexibility to choose between an “Auto Renewal” and an “Auto Repayment” option. CEO Harshil Mehta said the launch of the corporate deposit product is part of DHFL’s strategy to diversify its resource base and to cater to the wide variety of its customer needs.

A break-up of the Company’s borrowings as of March-end 2016 shows that 52.65 per cent of the funds came from banks and financial institutions, capital market instruments (33.01 per cent), fixed deposits (8.25 per cent), loans from multinational agencies (3.67 per cent) and re-financing from National Housing Bank (2.42 per cent).

DHFL offers loans predominantly to the low and middle-income customers in tier-II and tier-III towns.

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