

# A Study On Deposit And Loan Schemes Provided By Dena Bank

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## Introduction

### History of Banking Sector:

Banking in India originated in the 18th century. The oldest bank in existence in India is the State Bank of India, a government-owned bank in 1806. SBI is the largest commercial bank in the country. After the independence, Reserve Bank of India was nationalized and given wide powers. Currently, India has 96 Scheduled Commercial Banks, 27 public sector banks, 31 private banks and 38 foreign banks.

Bank is a financial institution that performs several functions like accepting deposits, lending loans, agriculture and rural development etc. Bank plays an important role in the economic development of the country. Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. At present banks have diversified their activities and are getting into new products&services that include opportunities in credit cards, consumer finance, wealth management, life and general insurance, investment banking, mutual funds, pension fund regulation, stock broking services, etc.

### Dena Bank and its History:

Dena Bank was founded on 26th May, 1938 by the family of Devkaran Nanjee under the name Devkaran Nanjee Banking Company Ltd. It became a Public Ltd. Company in December 1939 and later the name was changed to Dena Bank Ltd.

In July 1969 Dena Bank Ltd along with 13 other major banks was nationalized and is now a Public Sector Bank constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970. Under the provisions of the Banking Regulations Act 1949, in addition to the business of banking, the Bank can undertake other business as specified in Section 6 of the Banking Regulations Act, 1949.

- One among the few Banks to receive the World Bank loan for technological upgradation and training.
- Introduced Tele banking facility of selected metropolitan centers.

### Dena Bank has been the first Bank to introduce:

- Minor Savings Scheme.

- Credit card in rural India known as "DENA KRISHI SAKH PATRA" (DKSP).
- Smart card Customer rating system for rating the Bank Services.

#### MISSION:

**DENA BANK will provide its Customers** - premier financial services of great value,  
**Staff** - positive work environment and opportunity for growth and achievement,  
**Shareholders** - superior financial returns,  
**Community** - economic growth

#### VISION:

Dena Bank will emerge as the most preferred Bank of customer choice in its area of operations, by its reputation and performance

#### Products and Services:

- **Personal Banking**– It offers various products and services such saving account, loans, deposits, ATM facility, RTGS/NEFT facility, Internet banking, demat services, etc.
- **Priority and SME**– It also caters services to Priority and SME segment such as providing various kinds of products to meet their various agricultural and business requirements.
- **Corporate Finance** – According to various business needs of corporates in the corporate sector, its offers products and services as per their requirements.
- It also provides banking services to NRI Clients such as saving accounts, various deposit schemes, remittance services, loans and overdraft facility, etc.

#### Dena Deposit Schemes:

##### ➤ **Basic Saving Bank Account:**

- ❖ The 'Basic Savings Bank Deposit Account' is available to all Indian Residents. There is no requirement of maintaining any minimum balance and no minimum balance charges are levied.
- ❖ The services available in the account will include deposit and withdrawal of cash at branch as well as ATM; receipt/credit of money through electronic payment channels or by means of deposit/collection of cheques drawn by Central/State Government agencies and departments;
- ❖ There is no limit on the number of deposits that can be made in a month, account holder/s is/are allowed a maximum of four withdrawals in a month, including ATM withdrawals. The facility of ATM card or ATM-cum-Debit Card can be availed. Nomination facility can also be availed.
- ❖ These facilities are provided without any charges. No charge will be levied for non-operation/activation of inoperative 'Basic Savings Bank Deposit Account'.
- ❖ The Account Holders of 'Basic Savings Bank Deposit Account' will not be eligible for opening any other savings bank deposit account in the bank. If a customer has any other existing savings bank deposit account in Dena bank, he/she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.

##### ➤ **Dena Senior Citizen Scheme :**

Dena Bank Senior Citizen's Scheme is open to individuals, who have completed 60 years of age. The account can be opened in the sole name of the individual (with nomination facility) and/or in joint name. In case where joint account holder is a person below the age of 60 Years, the name of Senior Citizen to be given as first name in the application form.

The depositor can open Fixed Deposit (Dena Senior Citizen Fixed Deposit ) account where monthly /quarterly/ half yearly/yearly interest would be paid. The period of such deposit will be minimum 15 Days to maximum 10 years.

For cumulative deposit scheme, (Dena Senior Citizen Samruddhi Deposit) the period of deposit should be minimum 6 months to maximum 10 years.

**Minimum Deposit Amount:** Minimum amount of deposit should be Rs. 1,000/- per deposit receipt and in multiple of Rs.1000/- with no maximum deposit ceiling.

**Rate of Interest:** The scheme offers 0.50 % additional rate of interest over and above the normal rate of interest offered on Term Deposits.

➤ **Dena Minor Savings Scheme:**

Dena Minor Savings Scheme is a product developed for your children, it will inculcate saving habits in the minors and also it helps them in becoming responsible by allowing them to partially operate this account independently. A special savings scheme, for minors. Minors who have attained 10 years of age and above, who can read & write, can open Minor Savings Scheme account in their own singly or jointly. No cheque book is issued to Minor Savings Account holder, however a minor is allowed to withdraw the money from his account by withdrawal slip.

➤ **Dena Jeevan SB Account:**

Dena Jeevan SB Account provides the value addition of life insurance for our Savings deposit account holders, who can now avail of life insurance cover through their account. The insurance cover is available under a One Year Renewable Term Insurance Plan of Life Insurance Corporation of India [LIC], for whom Dena Bank is a Corporate Agent.

The Savings Deposit account holders of the Bank between 18 and 59 years of age, who opt to become members under the scheme, would be eligible for an insurance cover of Rs.1,00,000/- ( Rupees One lac only ) on life, at very low premium. The amount of annual premium depends on the age of the optee.

The salient features of the scheme:

1. A Life cover of Rs.1 lakh.
2. A Life insurance cover Upto 60 years of age.
3. A Very low premium. A simple declaration of good health will suffice.
4. A Insurance cover commences immediately on signing the Consent-cum-Authorization Letter and debit of premium to the account. The customer does not have to wait for the policy document.
5. Simple payment mechanism: the premium can be debited to customers account and standing instructions can be given for renewal. Thus there is no possibility of lapse of cover.
6. A Income Tax benefit is available. Effectively, the premium cost is lower. Nomination facility is available. Simple claim settlement process.

➤ **Premium Savings Account Scheme:**

**Eligibility criteria:** The revised Dena Premium Savings Account Scheme offers concessions on all service charges, if Quarterly Average Balance of Rs.50000/- is maintained in Savings Account.

The 100% **concessions** are provided on following services.

- Cash Handling Charges
- Clearing Charges
- ATM-cum-Debit card Charges
- Internet Banking/NEFT/RTGS
- DD/MT/PO Charges
- Cheque book issue Charges
- Cheque Return Charges
- Collection of outstation cheque (one Branch to other of the Bank)
- No penalty will be charged for non-maintenance of Minimum Balance however for the Closure of Account within one year, a Charge of Rs.200/- to be levied as per service charges circular.

➤ **Premium Current Account Scheme:**

**Minimum Balance:** Rs 5000/- to be maintained at any point of time.

- Monthly Average Balance: Rs. 1 Lac per month
- Free of commission Demand Drafts/MT/Pay Orders up to an aggregate amount of Rs. 1 lac per month (or)

Free collection of outstation cheques up to Rs. 50000/- per month on the center where we have branches. Actual postage and out of pocket expenses shall be borne by the account holder. Where we have no branch, only our commission will be waived. The account holder has to bear the commission of the agent bank in addition to postage and out of pocket expenses.

The above facility is subject to a maximum of 10 DDs / MTs / Pay Orders/ Outstation cheques per month. If the account holder maintains more than Rs. one lac balance in his account then the concessions will be increased proportionately in multiples of Rs. One Lac. If the Minimum balance / Monthly average balance is not maintained penalty will be charged

➤ **Dena Recurring Deposit Scheme:**

Life Insurance covers available to the RD Account holders at a very low premium. In case of death of depositor, the nominee / legal heirs of the deceased depositor will be paid the sum assured + deposit proceeds kept in RD together with interest accrued. Nomination facility is available.

Dena Recurring Deposit Scheme enables the depositor to save in fixed monthly installments. One can choose different maturity plans depending on one's saving goals desired. By putting away only a little amount every month, the depositor gets a tidy lump-sum amount of principal plus interest at the end of the chosen period. Minimum amount of monthly installment Rs.50/.

**Dena Bank Loans Schemes:**

➤ **Dena Niwas Housing Finance Scheme :**

Dena Niwas Home Loan avail to purchase a plot, construct a house, buy a ready built house or buy one under construction. The loan even helps you build an extension to your existing house or purchase a house that is up to 50 years old provided the remaining life of the house is more than 25 years. Besides you can take this loan for repairs

and upgradation, which includes the cost of fixtures, retiling, fittings etc. It even gives you the option to shift an existing home loan with any other Bank or Financial Institution.

Eligible if: Major individual, resident or non-resident, having a regular source of income. Spouses/Co-applicants income can be clubbed for enhanced eligibility.

**Loan Amount:** Up to Rs.200 lakhs for the purchase/construction of a house and Rs.10 lakhs for renovation/upgradation.

**Margin:**

- 1) Loans up to Rs.20 lakhs - 10% of cost of house property (excluding stamp duty, registration charges, etc.)
- 2) Loans above Rs.20 lakh & up to Rs. 75 lakhs - 20% of cost of the house property (excluding stamp duty, registration charges, etc.)
- 3) Loans above Rs.75 lakhs - 25% of cost of the house property (excluding stamp duty, registration charges, etc.)

**Repayment:** Upto 25 years-for the purchase of a new flat/house/construction/extension. Upto 10 years- for repairs, renovation and up gradation.

**Security:** Simple equitable mortgage of the house/flat/apartment on which the loan is availed.

➤ **Dena Vidya Laxmi Educational Loan Scheme:**

**Coverage:**

-> EWS (Economically Weaker Sections) with upper parental income of Rs.4.50 lakhs per annum.  
-> For recognized Technical / Professional Courses in India after Class XII as approved by Ministry of Human Resources Department, Government of India. Certification of income by Designated authority in the prescribed format. Interest Subsidy during moratorium period (Course period + 6 months / 1 year).

Interest subsidy may be available for education loans availed by students belonging to notified Minority communities also having lower than a specified parental income for pursuing study abroad for Masters ,M.Phil. or PhD, during their study/repayment holiday, from the Academic Year 2013-14 under our Padho Pradesh Scheme.

**Loan Amount:**

Studies in India Maximum up to Rs 15 lakhs.

Studies Abroad Maximum up to Rs 25 lakhs.

**Margin:**

Upto Rs. 4 lakhs- NIL for study in India and abroad.

Above Rs. 4 lakhs- 5% for study in India and 15% for study abroad.

**Repayment period:** Maximum up to 15 years for all loans.

➤ **Dena Vehicle Loan Scheme:**

**Eligible Income:**

1. For Motor Cycle / Scooter : Minimum Rs. 1. Lac per annum
2. For Four Wheeler : For Individual / Proprietary Firm : Minimum Rs. 2.50 Lacs per annum.

For Partnership Firm / Company: Minimum Rs. 3 Lacs per annum

**Loan Amount:**

•Upto Rs. 50 lakhs for purchase of a new two wheeler.

•Upto Rs. 200 lakhs for purchase of a new car.

**Margin:** For New Vehicles: 15 % .In case of Corporate Salary Arrangement, 10% of on road price for new car. In case of Old Car 20% (up to 3 year old).

**Security:** Hypothecation of the vehicle purchased.

**Repayment:** Maximum up to 60 months for new vehicle.

Second hand four-wheeler (up to 3 year old)- Maximum up to 36 months.

➤ **Dena Gold Loan Scheme:**

**Purpose:** Any personal purpose

**Eligibility:** The scheme is open for all customers – existing and new (KYC norms to be adhered to) Only individuals who have attained majority are eligible

**Nature of Loan:** Demand loan

**Loan Amount:** The loan amount will be linked to the value of gold jewelry/ gold coin/ gold (other than bullion) to be pledged. Minimum Rs.10000/- & Maximum Rs. 5.00 lakhs

**Margin**

Margin to be maintained @ 30% of the value of the Gold jewellery / gold coin / gold (other than bullion) to be pledged.

**Repayment:**

Up to 24 months, to be repaid in EMIs or quarterly/ half-yearly/ annual installments or on lump sum basis, as may be agreed upon by the borrower/s. In case of repayment in installments other than EMIs, interest debited in the loan account from time to time is to be paid as and when debited.

**Dena Doctor +**

A Specially Designed Loan Facility for Medical Practitioners

**Purpose**

To finance qualified medical practitioners of any discipline mentioned under eligibility criteria :Setting up clinic, expansion / renovation / modernization of existing clinic, X-Ray lab, pathological lab, etc.

For buying medical equipment's (for dentists, the loan also covers dental implants besides equipment's; for orthopedists, the loan also covers various replacements / implants for hip / knee / shoulder / spine etc.) for purchase of computers and other essential equipment's for clinic, etc.

**Eligibility:**

Individuals/ partnership firms. Promoters should be registered practitioners and possessing minimum qualification MBBS and BDS. Borrower should be registered with respective Council.

The applicant should be over 25 years of age at the time of commencement of loan and not over 65 years at the time of loan maturity. Applicant should not be a defaulter of any Bank / Financial Institution. KYC norms to be applied while identifying borrowers. Nursing Home / Hospitals are covered by a separate scheme and hence not covered by this scheme.

**Type of Loan:** Composite Loan (Term Loan Plus Working Capital)

**Loan Amount:** Maximum of Rs. 2 cores of which a sub-ceiling for Working Capital limits at 10% of total loan amount.

**Repayment:** Maximum repayment period up to 7 years.

**Term Loan:**

Term loan covers funds required for acquiring means of production such as land, building and plant machinery. It is given for a longer period and repayable in installments.

**Dena Platinum Debit Card (RuPay)****Benefits**

- a. Cash Withdrawal - Up to Rs. 50,000/- per day
- b. Purchase at Merchant Establishments - Up to Rs. 2,00,000/- per day
- c. Accidental Insurance - Rs.2,00,000/-
- d. Fund Transfer - Up to Rs. 1,00,000/- per day

**Eligibility criteria** : Average Quarterly Balance of Minimum Rs.10,000/- in Saving / Current Account. Issue of Dena Platinum Debit Card (RuPay) subject to maintenance of average balance.

**Activation offer:** Offers at merchants: Café Coffee Day [Buy one get one cappuccino free] and Cash Back offers.

### SBI Dena Secured Credit Card

This is a secured, co-branded credit card.

#### Eligibility

1. Offered against a fixed deposit maintained with Dena Bank.
2. Minimum Deposit Amount = Rs. 30,000

#### Features

- Introductory cash back offer of Rs.100 on 1st cash withdrawal within first month of obtaining the card.
- Interest Free Credit Period of up to 50 days (on retail spends if there is no balance outstanding).
- Interest rate on extended credit @ 1.99% p.m.
- Cash withdrawals from over 1.2 million locations i.e. domestic & international Visa Card ATMs.
- Add-on cards for immediate family members.
- Global usage at 2 million visa outlets. Draft amount billed directly to the card.

#### Dena - RTGS / NEFT System Scheme:

- Credit to Beneficiary's Account on the Same Day
- Safest and Secure Mode of Fund Transfer
- Lower Remittance Charges
- No Courier/Postal expenses as in the case of Demand Draft etc.
- Money can be put to use by beneficiary on the same day
- Through RTGS and NEFT Dena Bank's customers can also receive remittances from their customers / associates maintaining accounts with other Banks. i.e., instead of receiving payments by way of cheque / pay orders / demand drafts etc., can receive funds through RTGS and NEFT system.

Eligibility: Customers of Dena Bank's RTGS and NEFT enabled branches can send remittances under DENA RTGS / NEFT Scheme to any destination Bank / Branch that are registered with RBI's RTGS / NEFT system.

Minimum / Maximum amount for RTGS / NEFT transactions		
Type	Minimum	Maximum
RTGS	Rs. 2 Lakhs	Rs.10 lakhs per day
NEFT	No Minimum	Rs. 10 Lakhs