

MONEY MATTERS

Managing your money can be tricky. Send your queries, and personal finance experts will help you resolve any issue.



Mutual Fund

Bhumidhar Talukdar: I want to invest ₹3,000 in a mutual fund (MF) via monthly SIP but I am not sure how to go about it although I have access to banks in the area where I live. Also, how should I buy shares from a company?

Pritam Deuskar, Fund Manager at Bonanza Portfolio, replies:

You have asked two different questions. One involves investing in mutual funds and the second one is about share trading. It is good to put your money in MFs, but in this case, you have not mentioned any time frame, which is very important in terms of fund selection. Assuming that you wish to invest for a longer period – say, for more than five years – you can opt for SBI Blue Chip Fund – Growth and L&T India Value Fund – Growth. Secondly, as you want to start share trading, visit any bank or financial institution and open a trading-cum-demat account. This account will also help you in mutual fund investments. Once the account is open, you can start buying and selling shares depending on your investment strategy.

Home Loan

Kuldeep Kulkarni: I bought a 2-BHK flat eight years ago for ₹25 lakh and the current loan outstanding is around ₹10 lakh. I want to upgrade to a bigger apartment by selling this property but do not have the money to pay the outstanding. Can I sell my property without clearing current dues?

Rakesh Singh, Director, Aditya Birla Housing Finance, replies:
You can sell mortgaged properties to

housing finance companies or financial institutions. Otherwise, you will have to find a buyer who will either take over the existing loan or pay upfront. If this buyer requires a home loan to purchase the property, part of the loan issued to him/her will be used to settle the outstanding amount. If the person has enough money to buy the property without raising a loan, Get an initial lump sum from him/her to pay off your loan. Customers should contact a housing finance company/financial institution to understand all formalities and legalities.

Auto Insurance

Suresh Mishra: I am planning to sell our vehicle, but the car and the auto insurance policy are registered in my wife's name. We also got a no-claim bonus (NCB) for the past three years. Now, I am planning to buy a car in my name. Will I still get the NCB benefit when I buy a new policy for my new car?

Roopam Asthana, CEO and Whole-time Director at Liberty General Insurance, replies:

Unfortunately, NCB benefit cannot be transferred if you buy the car in your name as it is only applicable to a specific policyholder (it is not vehicle specific). Hence, to avail of this benefit, you need to buy the car in your wife's name. Get the NCB reserving letter from your existing car insurer and produce the same to get this benefit on your new insurance. However, the name of the insured has to be the same in both cases. As per GR.27 (d) of India Motor Tariff, if the original policyholder dies and the custody and use of the vehicle passes to his/her spouse/children/parents, the NCB entitlement will also be transferred to that person. **BT**

Please send your queries to
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