



DEBT COUNSELLING

SANJAY AGARWAL

I lost my job recently, but I'm sure I would find another in two to three months. I am repaying a home loan I took

eight months ago. Can I request my bank to restructure my debt payments? How should I go about it?

Banks are usually averse to restructuring loan owing to cash flow problems for a few months. However, it is always better to discuss the problem with your banker(s) and take them into confidence, so that they do not chase you for dues. Once you get another job and have regular income, you can pay the due amount, in full or in parts, over a period of time. Depending on your

financial condition, you may also pay a part of the equated monthly instalments to convince the banker about your intention to repay the loan. Please note any delay in repayment affects your credit report adversely.

I am 27 and earn ₹33,000 a month. I am a conservative spender and avoid debt.

However, on many occasions, a credit card is more useful than a debit card. Hence, I want to know if I should go for one. How does it work? Do I have to pay a fixed rate of

interest every month?

A credit card, as a mode of payment, is an excellent tool. All expenses on credit cards in a particular period are to be paid by a due date. If the entire amount is settled on or before the due date, no interest is payable—you enjoy interest free credit. However, if only a part of the due amount is paid by the due date, the remaining amount, as well as fresh expenses on the card, attracts a high rate of interest—maybe above 40 per cent a year. A credit card is recommended as long as you settle the entire

amount due by the due date.

I am a post-graduate in marketing from a reputed college in Mumbai. I want to start my own business, but don't have enough money. Where can I find cheap seed capital?

Venture capital, or seed capital, is provided by private, central government and state government agencies. Government agencies usually process the applications for these through recognised banks, where, depending on the scheme and the business, interest subsidy is also provided.

ed. Private institutions also provide capital, both as equity and debt. Please explore these avenues to identify the cheapest source for your specific requirement. You may also refer to special schemes of the Small Industries Development Bank of India on its website. However, all institutions and banks usually expect one to contribute 10-25 per cent from his/her side.

The writer is senior vice-president and group head (retail strategy and branding) at Arcil. The views expressed are his own.