

Ensuring Financial Stability: Understanding Nominees vs. Legal Heirs

Category: Business

written by News Mall | March 26, 2025



Understanding the distinction between nominees and legal heirs is crucial to ensuring financial stability and effective estate management. Most investment tools, such as mutual funds and [fixed deposits](#) (FDs), allow you to nominate someone to receive the earnings from the investment if the investor passes away.



Nominees Vs Legal Heirs

Shriram Finance, one of the leaders in the NBFC (Non-Banking Financial Company) sector, allows for seamless nomination for its fixed deposit and [fixed investment plan](#) products. This ensures that the loved ones of the investors do not have to deal with financial hurdles in the unfortunate event of their passing.

Understanding the Differences between a Nominee and a Legal Heir

A nominee for an FD is the designated beneficiary who receives the investment funds up on the account holders death. Nominating someone ensures a smooth transfer of funds in an FD.

A legal heir is someone entitled to inherit a deceased persons assets according to laws of succession or a will. Legal heirs have definitive ownership rights and can claim the deceaseds assets, which may include financial instruments, property, and other valuables.

Why Nominee Designation is Important

Here are a few reasons why nominee designation is imperative for investment products:

- **Smooth Transfer of Assets:** A nominee can expedite the transfer of assets, minimising delays and potential disputes.
- **Reduced Legal Hassle:** Nominee designations can simplify the legal process, reducing the need for lengthy probate proceedings.
- **Financial Stability:** By naming a nominee, you can ensure that your loved ones receive their rightful share of your assets without undue complications.

Best Practices for Nominee Designation

Some of the best ways to nominate someone to handle the investments or assets are discussed below:

- **Choose Wisely:** Select a nominee who is trustworthy, financially responsible, and capable of handling the assets.
- **Review Regularly:** Periodically review your nominee designation to ensure it aligns with your current circumstances and wishes.
- **Provide Clear Instructions:** Clearly communicate your intentions to your nominee and provide any necessary documentation.
- **Consult with a Legal Expert:** Seek legal advice to understand the specific laws and regulations related to nominee designations in your jurisdiction.

What Makes Shriram Unnati Fixed Deposit a Smart Investment Choice

Besides an easy nominee designation process and prompt customer service, parking your funds in Shriram Unnati Fixed Deposit comes with multiple benefits:

- **Attractive Interest Rates:** Shriram FD offers competitive interest rates that go up to 9.40%* p.a. (inclusive of 0.50%* p.a. for senior citizens and 0.10%* p.a. for women depositors).
- **High Credit Ratings:** Shriram Unnati Fixed Deposit is rated “[ICRA]AA+ (Stable)” by ICRA and “IND AA+/Stable” by India Ratings and Research, making it a reliable investment vehicle.
- **Steady Returns:** Investing in Shriram Fixed Deposit rewards you with stable and steady returns, as opposed

to other market-related investments that are usually volatile.

- **Flexible Investment Tenure:** A range of flexible investment tenure options-from 12 to 60 months-makes Shriram Unnati Fixed Deposit suitable for investors with short-term and long-term financial goals.
- **Multiple Interest Payout Terms:** With monthly, quarterly, half-yearly, yearly and on-maturity interest payout options, Shriram FD allows for a steady flow of income for retired individuals and other investors.

Conclusion

By understanding the difference between nominees and legal heirs and taking the necessary steps to designate a nominee, you can safeguard your financial future and provide peace of mind to your loved ones. Shriram Unnati Fixed Deposit, with its predictable returns and high credit ratings, serves as a reliable choice of investment for those looking for steady wealth building strategies. Plus, with an easy nomination process, investors have great control over the legacy of their FD corpus. Head over to the company's official website to open Shriram FD today.

About Shriram Finance

[Shriram Finance](#) is a leading diversified financial services company in India, offering a wide range of financial products and services across consumer, wholesale, and business finance segments. The company has a strong presence pan India with a network of 3,196 branches and an employee strength of 79,405 with an AUM of Rs. 254,469 crores. With a focus on financial inclusion and customer-centricity, Shriram Finance continues to empower individuals and businesses to achieve their financial goals.

Disclaimer

With regards to deposit-taking activity of Shriram Finance

Limited ('SFL'), viewers may refer to detailed information and T&C provided in our application form available at www.shriramfinance.in/downloads. The Company is having a valid Certificate of Registration dated 31st January 2023 issued by the Bank under section 45-IA of the RBI Act. However, the Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/discharge of the liabilities by the company.

