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Army Group Insurance Fund
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A/56271/R/AG/Ins (Coord)

15 Jan 2018

All Command HQ
All Corps HQ
All Area HQ
All Sub Area HQ
All Div HQ
All Bde HQ

PRE-EMI REVISION : HBA

1. The current system of levying monthly interest (Pre-EMI) on instalments disbursed to loanees is being discontinued and replaced as follows:-

(a) **Option I : EMI on Full Amount.** Commence recovery of full EMI immediately on disbursement of first instalment. The EMI in this option is paid as per the sanctioned amount and not the disbursed amount.

(b) **Option II : EMI Based on Instalment.** EMI will commence considering only the first instalment as principal and EMI amount would progressively increase as the principal considered increases with the disbursal of each instalment to the loanee.

3. Option-I will be set as the default option for recovery of loans. Option-II will be exercised in exceptional cases only where financial position of a loanee doesn't allow implementation of option-I.

4. The loanee must give his option and submit requisite certificate to this effect at the time of sanctioning of the loan. In case option-II is exercised by the loanee, he must also submit ECS mandate for direct crediting of the monthly instalment into the HBA Acct of the AGIF till the final EMI commences. Illustrations for both the options and highlights are att as under:-

- | | | | |
|-----|---------------------------------|---|---------|
| (a) | Existing model based on pre-EMI | - | Appx A. |
| (b) | Option – I | - | Appx B. |
| (c) | Option – II | - | Appx C. |

5. You are requested to disseminate the same to units/ sub units under your jurisdiction.

Sd/-x-x-x-x-x-x-
(Somesh Jaswal)
Col
Dir AGI (Coord)
for MD

Internal:-
Loan Division

Appx A
(Ref AGIF letter No A/56271/R/AG/
Ins(Coord) dt 15 Jan 2018)

EXISTING MODEL BASED ON PRE-EMI

1. **Pre-EMI Timelines.**

LOAN SANCTIONED	JUL 15
LAST INSTALMENT	JUN 17
EMI STARTS FROM CDA (O) (ONLY AFTER THE ENTIRE LOAN DISB)	AUG 17 (TWO YR MORATORIUM ON EMI)

2. **Pre-EMI Details.**

Inst No	Date	Amount	Gap (Months)	Interest Monthly	Gap of Days	Interest Broken Pd	Pre-EMI Payable
1	16 Jul 15	₹12,99,000	5	₹9,743	27	₹8649	₹57,364
2	12 Jan 16	₹9.82.000	6	₹17,108	-	-	₹1,02,648
3	12 Jul 16	₹9.82.000	6	₹24,473	-	-	₹1,46,838
4	12 Jan 17	₹7.36.000	5	₹29,993	-	-	₹1,49,965
5	12 Jun 17	₹2.63.750	-	-	19	₹19971	
Total PRE EMI to be paid							₹4,76,786

3. **Total Amount Payable Against the Loan.**

Principal Amount	₹42,62,750/-
Total Interest	₹49,41,970/-
Pre-Emi Amount	₹4,76,786/-
TOTAL	₹96,81,506/-

Appx B

(Ref AGIF letter No A/56271/R/AG/
Ins(Coord) dt 15 Jan 2018)

OPTION -I TOTAL LOAN AMOUNT Rs 4262750.00**Int Rate****8.15**

Month	Open Bal	EMI	Interest	Principal	Closing Bal
01-Jul	12,99,000.00	36,055.00	8,822.38	27,232.63	12,71,767.38
01-Aug	12,71,767.38	36,055.00	8,637.42	27,417.58	12,44,349.80
01-Sep	12,44,349.80	36,055.00	8,451.21	27,603.79	12,16,746.00
01-Oct	12,16,746.00	36,055.00	8,263.73	27,791.27	11,88,954.74
01-Nov	11,88,954.74	36,055.00	8,074.98	27,980.02	11,60,974.72
01-Dec	11,60,974.72	36,055.00	7,884.95	28,170.05	11,32,804.67
01-Jan	22,69,105.93	36,055.00	15,411.01	20,643.99	22,48,461.94
01-Feb	22,48,461.94	36,055.00	15,270.80	20,784.20	22,27,677.75
01-Mar	22,27,677.75	36,055.00	15,129.64	20,925.36	22,06,752.39
01-Apr	22,06,752.39	36,055.00	14,987.53	21,067.47	21,85,684.92
01-May	21,85,684.92	36,055.00	14,844.44	21,210.56	21,64,474.36
01-Jun	21,64,474.36	36,055.00	14,700.39	21,354.61	21,43,119.75
01-Jul	32,30,333.61	36,055.00	21,939.35	14,115.65	32,16,217.96
01-Aug	32,16,217.96	36,055.00	21,843.48	14,211.52	32,02,006.44
01-Sep	32,02,006.44	36,055.00	21,746.96	14,308.04	31,87,698.40
01-Oct	31,87,698.40	36,055.00	21,649.78	14,405.22	31,73,293.18
01-Nov	31,73,293.18	36,055.00	21,551.95	14,503.05	31,58,790.13
01-Dec	31,58,790.13	36,055.00	21,453.45	14,601.55	31,44,188.58
01-Jan	35,86,974.78	36,055.00	24,361.54	11,693.46	35,75,281.32
01-Feb	35,75,281.32	36,055.00	24,282.12	11,772.88	35,63,508.44
01-Mar	35,63,508.44	36,055.00	24,202.16	11,852.84	35,51,655.60
01-Apr	35,51,655.60	36,055.00	24,121.66	11,933.34	35,39,722.26
01-May	35,39,722.26	36,055.00	24,040.61	12,014.39	35,27,707.87
01-Jun	37,92,606.07	36,055.00	25,758.12	10,296.88	37,82,309.19
01-Jul	37,82,309.19	36,055.00	25,688.18	10,366.82	37,71,942.37
01-Aug	37,71,942.37	36,055.00	25,617.78	10,437.22	37,61,505.14
01-Sep	37,61,505.14	36,055.00	25,546.89	10,508.11	37,50,997.03
01-Oct	37,50,997.03	36,055.00	25,475.52	10,579.48	37,40,417.56
01-Nov	37,40,417.56	36,055.00	25,403.67	10,651.33	37,29,766.22
01-Dec	37,29,766.22	36,055.00	25,331.33	10,723.67	37,19,042.55

Appx B Contd..

OPTION -II TOTAL LOAN AMOUNT 4262750.00

Int Rate 8.15

Month	Open Bal	EMI	Interest	Principal	Closing Bal
01-Jul	12,99,000.00	10,987.00	8,822.38	2,164.63	12,96,835.38
01-Aug	12,96,835.38	10,987.00	8,807.67	2,179.33	12,94,656.05
01-Sep	12,94,656.05	10,987.00	8,792.87	2,194.13	12,92,461.92
01-Oct	12,92,461.92	10,987.00	8,777.97	2,209.03	12,90,252.89
01-Nov	12,90,252.89	10,987.00	8,762.97	2,224.03	12,88,028.86
01-Dec	12,88,028.86	10,987.00	8,747.86	2,239.14	12,85,789.72
01-Jan	22,67,789.72	19,379.00	15,402.07	3,976.93	22,63,812.79
01-Feb	22,63,812.79	19,379.00	15,375.06	4,003.94	22,59,808.86
01-Mar	22,59,808.86	19,379.00	15,347.87	4,031.13	22,55,777.72
01-Apr	22,55,777.72	19,379.00	15,320.49	4,058.51	22,51,719.21
01-May	22,51,719.21	19,379.00	15,292.93	4,086.07	22,47,633.14
01-Jun	22,47,633.14	19,379.00	15,265.18	4,113.82	22,43,519.32
01-Jul	32,25,519.32	27,860.00	21,906.65	5,953.35	32,19,565.97
01-Aug	32,19,565.97	27,860.00	21,866.22	5,993.78	32,13,572.19
01-Sep	32,13,572.19	27,860.00	21,825.51	6,034.49	32,07,537.70
01-Oct	32,07,537.70	27,860.00	21,784.53	6,075.47	32,01,462.22
01-Nov	32,01,462.22	27,860.00	21,743.26	6,116.74	31,95,345.49
01-Dec	31,95,345.49	27,860.00	21,701.72	6,158.28	31,89,187.21
01-Jan	39,25,187.21	34,290.00	26,658.56	7,631.44	39,17,555.77
01-Feb	39,17,555.77	34,290.00	26,606.73	7,683.27	39,09,872.51
01-Mar	39,09,872.51	34,290.00	26,554.55	7,735.45	39,02,137.06
01-Apr	39,02,137.06	34,290.00	26,502.01	7,787.99	38,94,349.07
01-May	38,94,349.07	34,290.00	26,449.12	7,840.88	38,86,508.19
01-Jun	41,50,258.19	36,617.00	28,187.17	8,429.83	41,41,828.36
01-Jul	41,41,828.36	36,617.00	28,129.92	8,487.08	41,33,341.28
01-Aug	41,33,341.28	36,617.00	28,072.28	8,544.72	41,24,796.56
01-Sep	41,24,796.56	36,617.00	28,014.24	8,602.76	41,16,193.80
01-Oct	41,16,193.80	36,617.00	27,955.82	8,661.18	41,07,532.62
01-Nov	41,07,532.62	36,617.00	27,896.99	8,720.01	40,98,812.61
01-Dec	40,98,812.61	36,617.00	27,837.77	8,779.23	40,90,033.38

Appx C

(Ref AGIF letter No A/56271/R/AG/
Ins(Coord) dt 15 Jan 2018)

OPTION -I TOTAL LOAN AMOUNT 30 LAKH

Int Rate 7.15

Month	Open Bal	EMI	Interest	Principal	Closing Bal
01-Jul	12,00,000.00	23,530.00	7,150.00	16,380.00	11,83,620.00
01-Aug	11,83,620.00	23,530.00	7,052.40	16,477.60	11,67,142.40
01-Sep	11,67,142.40	23,530.00	6,954.22	16,575.78	11,50,566.63
01-Oct	11,50,566.63	23,530.00	6,855.46	16,674.54	11,33,892.09
01-Nov	11,33,892.09	23,530.00	6,756.11	16,773.89	11,17,118.19
01-Dec	11,17,118.19	23,530.00	6,656.16	16,873.84	11,00,244.36
01-Jan	23,00,244.36	23,530.00	13,705.62	9,824.38	22,90,419.98
01-Feb	22,90,419.98	23,530.00	13,647.09	9,882.91	22,80,537.06
01-Mar	22,80,537.06	23,530.00	13,588.20	9,941.80	22,70,595.26
01-Apr	22,70,595.26	23,530.00	13,528.96	10,001.04	22,60,594.23
01-May	22,60,594.23	23,530.00	13,469.37	10,060.63	22,50,533.60
01-Jun	22,50,533.60	23,530.00	13,409.43	10,120.57	22,40,413.03
01-Jul	28,40,413.03	23,530.00	16,924.13	6,605.87	28,33,807.16
01-Aug	28,33,807.16	23,530.00	16,884.77	6,645.23	28,27,161.93
01-Sep	28,27,161.93	23,530.00	16,845.17	6,684.83	28,20,477.10
01-Oct	28,20,477.10	23,530.00	16,805.34	6,724.66	28,13,752.44
01-Nov	28,13,752.44	23,530.00	16,765.27	6,764.73	28,06,987.72
01-Dec	28,06,987.72	23,530.00	16,724.97	6,805.03	28,00,182.68

OPTION -II TOTAL LOAN AMOUNT 30 LAKH**Int Rate 7.15**

Month	Open Bal	EMI	Interest	Principal	Closing Bal
01-Jul	12,00,000.00	9,412.00	7,150.00	2,262.00	11,97,738.00
01-Aug	11,97,738.00	9,412.00	7,136.52	2,275.48	11,95,462.52
01-Sep	11,95,462.52	9,412.00	7,122.96	2,289.04	11,93,173.49
01-Oct	11,93,173.49	9,412.00	7,109.33	2,302.67	11,90,870.81
01-Nov	11,90,870.81	9,412.00	7,095.61	2,316.39	11,88,554.42
01-Dec	11,88,554.42	9,412.00	7,081.80	2,330.20	11,86,224.22
01-Jan	23,86,224.22	18,934.00	14,217.92	4,716.08	23,81,508.14
01-Feb	23,81,508.14	18,934.00	14,189.82	4,744.18	23,76,763.96
01-Mar	23,76,763.96	18,934.00	14,161.55	4,772.45	23,71,991.51
01-Apr	23,71,991.51	18,934.00	14,133.12	4,800.88	23,67,190.63
01-May	23,67,190.63	18,934.00	14,104.51	4,829.49	23,62,361.14
01-Jun	23,62,361.14	18,934.00	14,075.74	4,858.26	23,57,502.87
01-Jul	29,57,502.87	23,752.00	17,621.79	6,130.21	29,51,372.66
01-Aug	29,51,372.66	23,752.00	17,585.26	6,166.74	29,45,205.92
01-Sep	29,45,205.92	23,752.00	17,548.52	6,203.48	29,39,002.44
01-Oct	29,39,002.44	23,752.00	17,511.56	6,240.44	29,32,762.00
01-Nov	29,32,762.00	23,752.00	17,474.37	6,277.63	29,26,484.37
01-Dec	29,26,484.37	23,752.00	17,436.97	6,315.03	29,20,169.34