EMI CALCULATION

EQUATED MONTHLY INSTALMENT

FORMULA

$$EMI = \frac{P \times R \times (1 + R)^N}{[(1 + R)^N - 1]}$$

- P = Principle Amount (Loan Required/Sanctioned)
- R = Rate of Interest per annum
  - for E.g ROI = 8.75%

  Then R = 8.75/12/100= 0.00729166666666667
- N = Repayment Period

  (Total number of months Or No. of installments)

For Example

- Loan amount = Rs. 12,00,000

  Rate of Interest = 8.75%

  Number of years = 20 Yrs i.e. 240 Months
- Then

$$EMI = \frac{P \times R \times (1 + R)^N}{[(1 + R)^N - 1]}$$

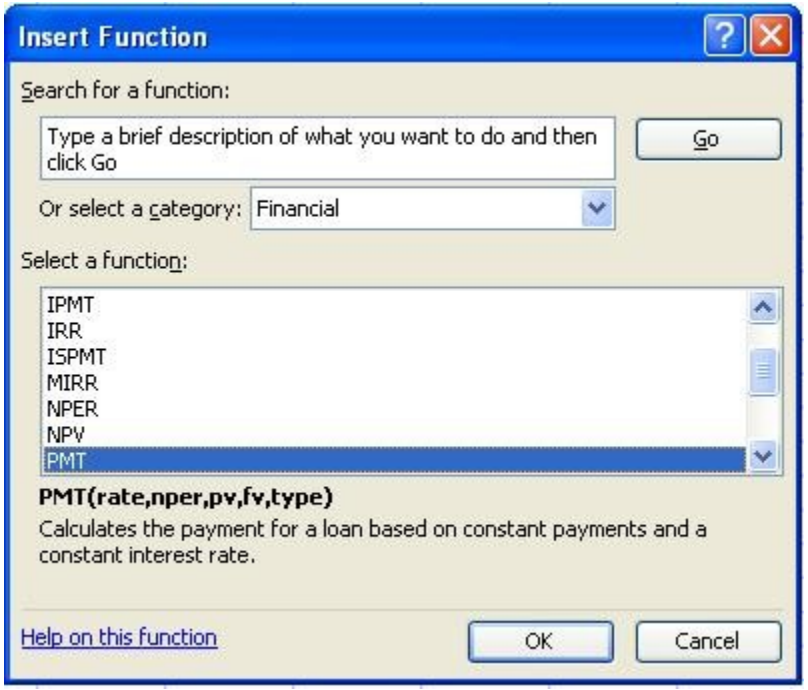
$$R = 8.75/12/100 = 0.0072916666666667$$

$$EMI = \frac{12,00,000 \times 0.0072916666666667 \times (1 + 0.0072916666666667)^{240}}{[(1 + 0.0072916666666667)^{240} - 1]}$$

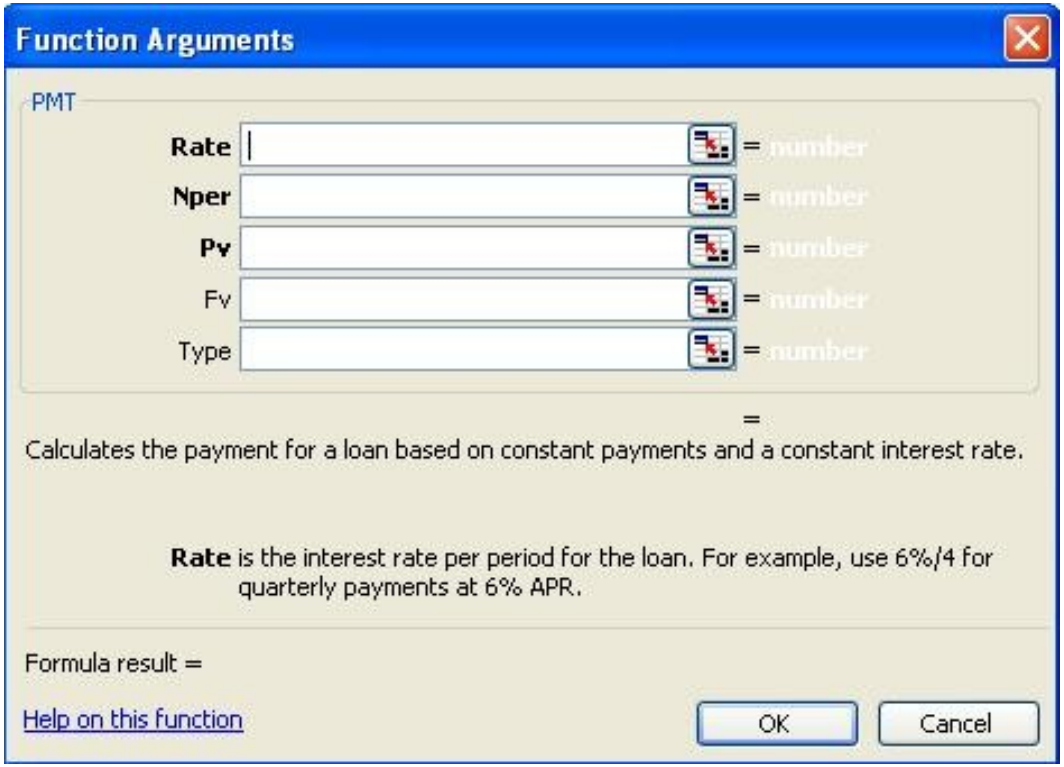
EMI = Rs. 10,604.83

Excel Calculation

- Go to Fx and select PMT from Financial.



- Rate = 8.75%/12
- Nper = 240 months
- Pv = Rs. 12,00,000
- Press OK.
- Value will Be in Red As (10,604.53)



THANK YOU