

# Monthly EMI Calculation

## ➤ Introduction

### Project objective:

- Mr.XYZ intends to take a loan. Three banks offers him loans, namely Left Join Axis Bank, Y axis Bank, CBI Bank.
- Mr.XYZ Monthly EMI payment budget is 25,000 INR.
- We have to provide him with numbers how much monthly EMI, Total Cost of loan and Total Interest Amount he'll paying for each bank loan offer based on which he can choose the best bank.

## ➤ Tool Used

# Microsoft Excel

- In Microsoft Excel there's a function called PMT function to calculate the EMI.
- This function returns the negative value therefore we'll put the minus(-) sign before function as following in order to convert it into positive value.
- Formula :  
    
$$=-\text{PMT}(\text{argument1}, \text{argument2}, \text{argument2})$$
  
    where,  
    argument1 = Annual rate of interest \* 12  
    argument2 = Loan payment period(in Years) \* 12  
    argument3 = Loan Amount

# Things learned

- Total cost of loan is the total amount Mr.XYZ has to pay to fully repay his loan.
- $\text{Total cost of loan} = \text{Easy Monthly Installment(EMI)} * ((\text{Loan payment period(in Years)} * 12))$
- Total Interest Amount is the amount Mr.XYZ will pay as interest on his principal loan amount.
- $\text{Total interest amount} = \text{Total cost of loan} - \text{Loan amount}$

## Loan Details

Bank	Left Join Bank	Y Axis Bank	CBI Bank
Loan Amount	₹ 15,00,000.00	₹ 15,00,000.00	₹ 15,00,000.00
Annunal Interest Rate	15.00%	12.50%	11.00%
Loan Period in years	5	8	10

## Loan Summary

Monthly Payment (EMI)	₹ 35,684.90	₹ 24,793.21	₹ 20,662.50
Total cost of loan	₹ 21,41,093.71	₹ 23,80,148.45	₹ 24,79,500.20
Total Interest Amount	₹ 6,41,093.71	₹ 8,80,148.45	₹ 9,79,500.20

**MR.XYZ SHALL TAKE LOAN FROM Y Axis Bank AS HIS MONTLY LOAN REPAYMENT BUDGET IS  
25000 (in INR)**

## Insights found

- Monthly EMI, Total cost of loan, and Total interest amount depends on Bank interest rate and Loan payment period(in years).

# Insights found

Monthly EMI	Loan payment period (in years)	Monthly EMI	Total cost of loan	Total Interest Amount
Higher	Lower	Higher	Lower	Lower
Lower	Higher	lower	Higher	Higher
Medium	Medium	Much lower	Much higher	Much higher

Insights found

Loan shall be always  
taken by  
considering your  
monthly EMI repaying  
budget.



**THANK YOU!**

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the image, creating a modern, layered effect. The text 'THANK YOU!' is positioned on the left side, set against a plain white background.