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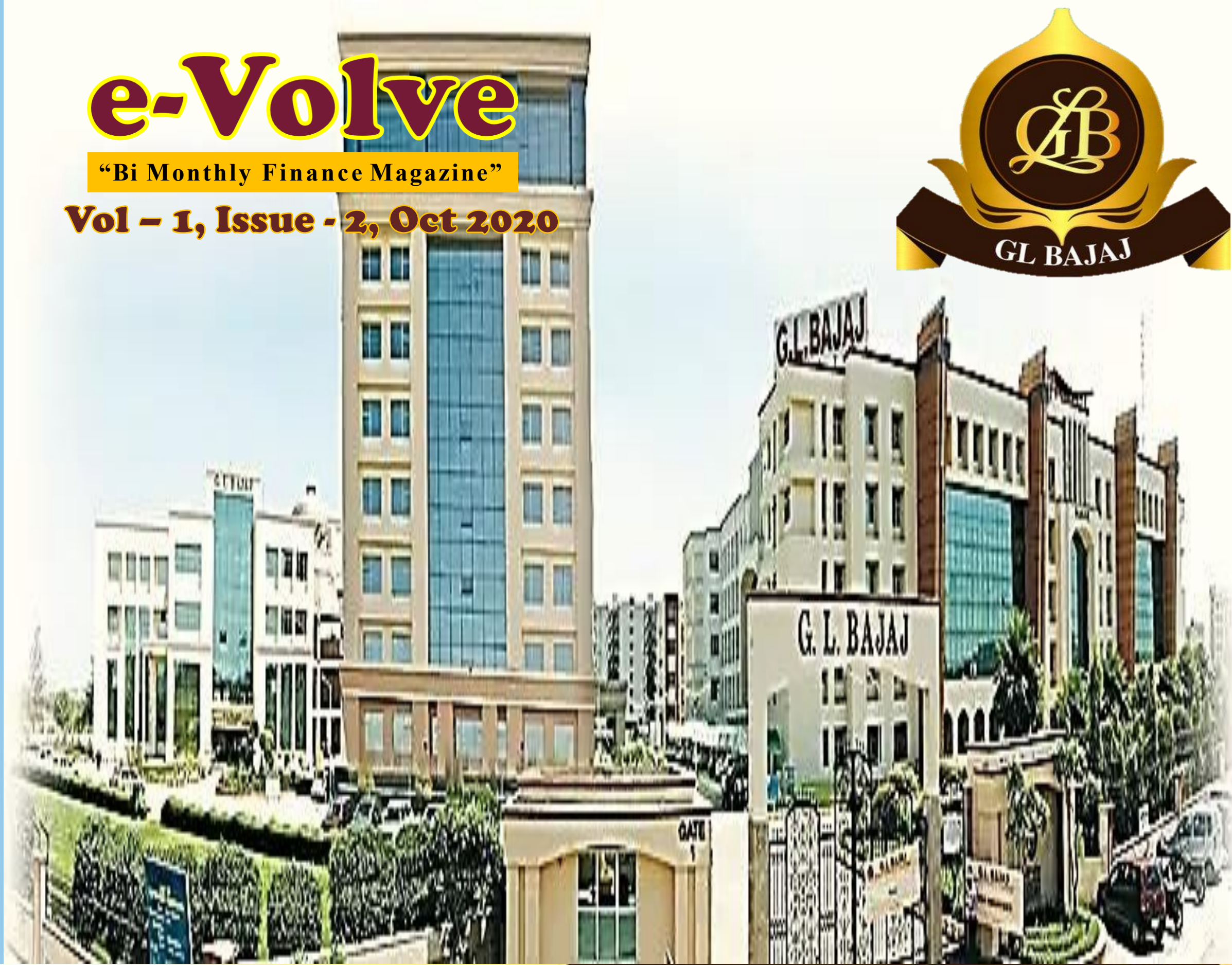
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WE HAVE GOT BENEFITED BY LOAN MORATORIUM. NOW HOW MUCH WILL IT COST FOR US.

We have got benefited by loan Moratorium. Now how much will it cost for us.

Banks have given to repayment loan moratorium announced by the Reserve Bank of India (RBI) in an attempt to tackle covid-induced distress. Before we go any further, readers should know that this is only a grace period, and not a waiver of the loan.

If we did not pay the last six equated monthly instalments (EMIs) of our loan, we were not blacklisted. However, the bank will charge interest for the unpaid amount. Missing two instalments could extend your loan by 10 to 12 months or increase EMI amount by about 1.5%.

Though the specifics vary across banks, borrowers have been given these three options by lenders-

Option I:

The borrower can make a one-time payment in October of the interest that accrues in April to September.

Option II:

The interest is added to the outstanding loan which will increase the EMI for the remaining months.

Option III:

The EMI is kept unchanged but the loan tenure is extended. The number of additional EMIs will depend on the age of the loan.

Let us assume a borrower took a home loan of Rs 50 lakh at 9% for 20 years.



Let us assume a borrower took a home loan of Rs 50 lakh at 9% for 20 years. The EMI comes to Rs 44,986. If he did not pay EMIs (April to September), here's how the moratorium will impact his repayment schedule.

Remaining tenure	Option:1 Pay interest of April to September	Option:2 Increase the EMI	Option : 3 Extent the loan tenure
19 years	Rs. 2,20,602	The EMI will increase	12 months
15 years	Rs. 1,99,326		10 month
10 years	Rs. 1,59,393		6 months
5 years	Rs. 9,68,73		4 months

Clearly, the longer the remaining tenure, the bigger the impact. This is because the interest accounts for a larger portion of the EMI in the early years and progressively comes down. Even after the first year, the interest accounts for almost 80% of the EMI. But in the 19th year, the interest portion is less than 10% in the EMI. So, people with older loans taken 10-15 years ago will not feel the burden as much as someone with a new loan taken 2-3 years ago. Ironically, people with older loans may not really need the moratorium as much as those with younger loans.

Above Article is selected among the articles contributed by:

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Disclaimer: Views are personal opinion of the Author.

Written by: Mohit Gupta- PGDM Batch (2019-21)

SUDOKU GAME WINNERS



RAJVEER SINGH PARIHAR
(1st Position)
 PGDM Batch 2019-21

PARKHI GUPTA
(2nd Position)
 PGDM Batch 2019-21



RAKESH KUMAR ROY
(3rd Position)
 PGDM Batch 2019-21

GAME

Hints:

1. An payment system where bills are paid through direct withdrawal from a bank account
2. A savings or checking account set up in the names of more than one person
3. The least amount of money a bank requires when opening an account
4. An account that allows you to deposit money and write checks on that account.
5. A bank employee who performs banking services for the public, such as cashing checks and accepting deposits
6. A bank account that allows you to put money away to use later. The bank pays interest in exchange for the use of the money in the account
7. The money a bank pays for the use of a person's money. Interest is referred to in terms of annual percentage rate (APR).
8. Tells how much money you currently have in your account (account balance)
9. Direct deposit, automatic payments, overdraft protects, online banking, discounts or free checking for students
10. An amount of money taken out of an account
11. The amount of money currently in an account
12. A business that keeps money safe for its customers, lends money to borrowers, and provides other financial services
13. Allow customers to get cash and conduct banking transactions
14. A secret number or code that protects the security of an account
15. A financial cooperative owned by its members to serve its members. It offers the same financial services as a bank
16. Bank branch offices, hours of operation, availability of ATM
17. Monthly charges, per check costs, printing of checks, balance inquiry cost, ATM checks
18. A banking card that can be used to purchase goods and services electronically. The amount is transferred immediately.
19. The money put into a bank account
20. Minimum balance, holding period for deposited checks
21. Business done with a bank, including deposits, and withdrawals

Terms and Conditions:

- Any PGDM Students can participate.
- First 3 Responses will be selected with 100% accuracy.
- Winner will get e-Certificate.
- Responses will be accepted through link only.
- Name of the winner will be published in Next issue.

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Banking Related Terms



1 GREEN FINANCE

Green financing is to increase level of financial flows (from banking, micro-credit, insurance and investment) from the public, private and not-for-profit sectors to sustainable development priorities. A key part of this is to better manage environmental and social risks, take up opportunities that bring both a decent rate of return and environmental benefit and deliver greater accountability.



2 LIBOR

The full form of LIBOR is the London Interbank Offered Rate. It is the interest rate at which funds are borrowed by banks in marketable size, from other banks in the London interbank market.



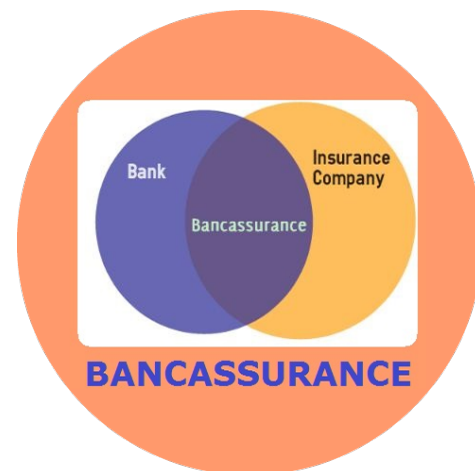
3 MIBOR

The full form of MIBOR is Mumbai Interbank Offered Rate. It is the interest rate at which funds are borrowed by banks in marketable size, from other banks in the Mumbai interbank market.



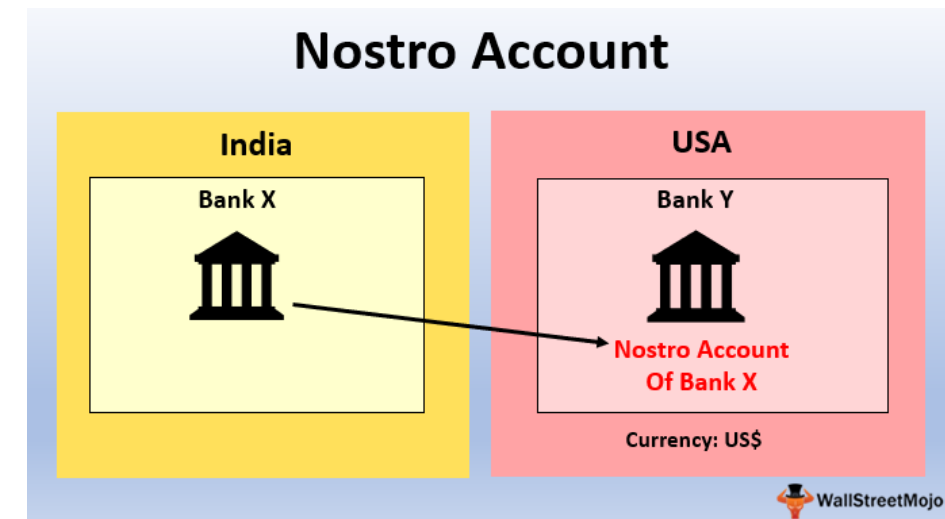
4 BANCASSURANCE

Bancassurance is the concept of selling insurance products of insurance companies by banks. The bank acts as an agent and promotes Banca (bancassurance) products under section 6(1)(o) of the Banking Regulation Act, 1949. It was originated in Europe in the 1980s and was successful. The bancassurance business model is a globally accepted profitable business.



5 NOSTRO ACCOUNT

A NOSTRO account is one which is maintained by an Indian Bank in the foreign countries.



6 VOSTRO ACCOUNT

A VOSTRO account is one which is maintained in India by a foreign bank with their corresponding bank.



7 CORE BANKING SOLUTION

Core Banking Solution (CBS) is the networking of branches, which enables customers to operate their accounts, and avail banking services from any branch of the Bank on CBS network, regardless of where he maintains his account. The customer is no more the customer of a Branch. He becomes the Bank's Customer.



8 CREDIT CRUNCH

A credit crunch is also known as a Credit squeeze or credit crisis. A credit crunch is a condition in which there is an immediate decline in the availability of a loan or the credit. A situation in which suddenly the credit becomes difficult to get. Sometimes it can be done by reverse actions like by strict rules and regulations to avail the fund from the financial institutions like banks, NBFCs, and many other lenders.

9 NEFT (national electronic funds transfer)

It is a nation-wide payment system. One can transfer funds to others though self-account. Applicable to both Account holders and Non-Account holders. Funds can be transferred through electronic media



Date: October 08, 2020



1 USDollar
73.23 Indian Rupee

BSE Sensex
40190.93

NIFTY 50
11828.90

Gold (Delhi)
Rs 52080.00 per 10 grams

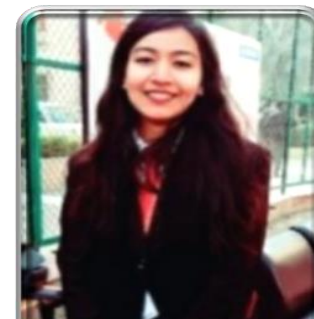
Student Coordinators



Akber Alam



Shivangi



Pratiksha



Chandni



Sanjay



Shubham



Yogita Singh



Deeksha