

**ARIHANT – LAP FOR MSME
LOAN/ OVERDRAFT AGAINST MORTGAGE OF PROPERTY (LAP)**

For MSME Borrower/Retail Traders & Wholesale Traders
(Registration with MSME & having Udyam Registration Certificate).

Nature of Facility	Overdraft / Term Loan
Purpose	For Business needs
Eligibility	All persons (MSME Borrowers) engaged in Trading / Processing / Manufacturing of any commodity / goods and persons engaged in Service Sector. (Not prohibited by any law or opposed to public interest). Individual / Proprietor / Partnership firms / LLP Partnership Firms / Pvt and Public Ltd. Companies can avail this facility. Note : (HUF, Co-operative Societies, Association of persons/ Trust / Clubs are not eligible to avail finance under this scheme)
Maximum Limit	Upto Rs. 25.00 lacs
Criteria	Preferable Existing / On going business :
Security – PRIME	Property intended for mortgage, clear, marketable and free from all encumbrance
Margin	40.00% on Market Value of property to be mortgaged
Rate of Interest	@ 7.50% p.a. Fixed Onward* *Reset Clause – ROI will be re-set after 3 years with mutual consent) For Others - Overdraft Limit : @ 8.00% p.a.
Repayment	a) For Overdraft – On Demand / Annual Review b) For Term Loan – 84 Mths/Annual Review (120 Mths subject to Board Approval)
Guarantors	Two Guarantors of Sufficient Means acceptable to Bank
Processing Charges	NIL Processing Charges upto 31.03.2022
Major Conditions	1. The Applicant should have the registration with MSME & having Udyam Registration Certificate. 2. CIBIL Score : - In case of Individual: 650 and above (Applicants with No CIBIL Score / Score -1 can also apply) - In case of Company: CMR should not below 3.
Other Terms & Condition	1 The Property to be mortgaged with the Bank should be either owned by the Borrower, Proprietor / Partner / Director or Close relative of the Borrower who should stand as a guarantor. 2 NOC from Builder / Society to be obtained before creation of mortgage 3 Bank's lien to be registered with the Builder / Society after creation of mortgage 4 Search / Title Clearance report on the property to be obtained from Bank's approved Advocate 5 Valuation of the property to be done from Bank's approved valuer. 6 Comprehensive Insurance for Property mortgaged to the Bank. 7 Pre-Sanction Inspection of Property is must before submitting Proposal. Post Disbursement Inspection and further inspections to be carried out as per Bank's Guidelines.

	<p>8 Loan to be classified as Priority as per guidelines given by H.O from time to time.</p> <p>9 Residual life of the property to be mortgaged to the Bank should be atleast or another 25 years. If the property is more than 25 years old, Branch should ascertain structural soundness of the property by obtaining a Chartered Engineer's Certificate, certifying that the structural soundness as well as the residual life should be atleast for another 25 years. In case of existing facilities, where Mortgaged property is more than 50 years' old, Chartered Engineer's certificate as to structural soundness of the property should be obtained.</p>
	<p>10 The property mortgaged to the Bank should be revalued at the interval of 3 years.</p> <p>11 Declaration of Annual Sales Turnover should be supported by GST returns & Copies to be kept on Bank's record at the time of sanction.</p> <p>12 A letter of Undertaking that all the Statutory dues will be paid in time.</p> <p>13 In case Property owned by Limited Company is offered, Bank's charge must be registered with Registrar of Companies (ROC).</p> <p>14 In case of Partnership firms, LLP Firms, the firm must be registered with Registrar of Firms. Charge should be registered with ROC if the security offered is owned by LLP Firm.</p> <p>15 In case of Manufacturing Units, a permission from Pollution Control Board & from all concerned authorities (if required) should be in place.</p> <p>16 Maximum Age Limit for individual borrowers is 60 Years at the end of repayment of Mortgage Loans. In case of HNI the relaxation in age may be considered upto further 10 years.</p>
