

**SCHEME FOR LOAN AGAINST MORTGAGE OF
PROPERTY [LAMP]**

1	Name of the scheme	Loan against mortgage of property [LAMP]
2	Nature of assistance	Open term loan to existing MSMEs in manufacturing and service sector.
3	Security	Immovable property
4	Objective	Fast dispensation of credit for planned / unplanned requirement associated exclusively with the relevant business only. The assistance will be in the nature of open term loan for relevant business related expenditure on the strength of the security and repayment capacity based on current operations.
5	Purpose of the loan	<p>To cater to any tangible / intangible need connected to / arising out of the relevant business, e.g. :</p> <ol style="list-style-type: none"> 1. Capex 2. Servicing new orders 3. Renovation of business property / assets 4. Reimbursement of self-financed business assets acquired during the last 12 months. 5. Funding of business intangibles. 6. Brand building / marketing of products / services. 7. R & D 8. Inorganic business growth. 9. Working capital requirement. 10. Any other bona fide and associated business need. <p>Exclusions:</p> <ol style="list-style-type: none"> 1. Expenditure for speculative purpose. 2. Non-business related activities and commodity trading. 3. Commercial real estate activities.
6	Eligible entities subject to boundary provisions of SFCs Act, 1951	<ol style="list-style-type: none"> 1. Existing MSME in manufacturing / servicing sector for the last three years. 2. Net profit during the last two years. 3. Not a defaulter with any institution.

7	Tenure of loan	3-8 years including a moratorium of 6 months.
8	Loan max. per borrower subject to boundary conditions at 10 below.	Rs.3 crore for proprietary / partnership concerns and Rs.5 crore for body corporate.
9	Rate of interest	Irrespective of the loan quantum the rate may be fixed at 13% per annum with quarterly rests.
10	Upfront fee / Loan processing charges	1% of the loan quantum may be charged as non-refundable processing fee, payable upfront, without charging any other fees like commitment fee, legal cum service charge etc.
11	Pre-payment charges	4% for loans pre-paid within the lock-in period of 2 years and 2% thereafter.
12	Liquid collateral security	LCS of at least 2.5% of the loan is to be pledged.