Indian Overseas Bank
Loan Processing Centre
LPC AHMEDABAD
SANCTION LETTER
(This sanction letter contains 16 pages)

MSME/202627/19462 **Date: 13/07/2026**

To, The Branch Manager Indian Overseas Bank **SARGASON GANDHI NAGAR** Branch	Copy to, Regional Office, **LPC AHMEDABAD** LRM Department, R.O. Master File / Credit File /Statistics File

ACCOUNT: PIONEER ENGINEERING AND WORKS
(Any alteration in the sanction letter requires authentication)

Asset Classification: Standard	**Income Recognition :** Performing
Industry: Manufacturing	**Sector :** Micro
ICON Rating : IOB 3 /null	**Nature of Financing :** Sole
[**Final dated :** 2026-06-06	**External Rating :** Not Available

We advise that **Loan Processing Centre, LPC AHMEDABAD** has accorded sanction for the following credit limits to the above-mentioned company on the terms and conditions stipulated herein:

Nature of Limit	Limit Sanctioned	Margin	Rate of Interest
Term Loan (Fresh)	**5100000** (Rupees Fifty One Lakhs Only)	25	RLLR (8.1%) + Spread (1.9%) = 10%

Repayment terms:

Nature of Facility	
Cash Credit:	Repayable on demand, subject to annual review.
Term Loan -1	• The Term Loan of **Rs.51,00,000.00** to be repaid in **84 Monthly** installment of Rs.60,714.00 Without any holiday period. • Interest to be serviced as and when debited separately. • Balance outstanding at the time of last EMI to be paid in full.

Security Details:

Nature of facility	Amount	Prime Security
Term Loan	68,89,000.00	Plant and Machinery - Equipment : HYPOTHECATION of machinery owned by PIONEER ENGINEERING AND WORKS

Collateral Security:

Nature of Security	Market value	Forced sale value	Valuation Date & name of Approved valuer
Nil			

Coverage in CGTMSE /CGFMU / ECGC / CGSSI :

Facility Name	Facility Amount	Type of Guarantee	Guarantee amount
LPC_ Guarantee Plus Term Loan	51,00,000.00 /	CGTMSE	51,00,000.00 /
Total	51,00,000.00 /		51,00,000.00 /

Guarantor Details :

Name	DOB	Permanent Address	Net Worth	As on
MISS . PAYAL JENIL SAVALIYA PAN : AOUPV1629J Aadhaar : 795830690602	06/10/1991	[780 5557 GUJ HOUSING BOARD BAPUNAGAR, CHAR RASTA BAPUNAGAR I E BAPUNAGAR, AHMADABAD CITY AHMEDABAD CITY]	19,34,727.06	15/06/2026

CHARGES AND PAYMENTS

A. **Processing charges/Upfront Fees:** Branch to recover applicable upfront fees charges of the total limit plus GST @ 18%. *[any concession in upfront charge to be taken up with appropriate authority for reversal].*

B. **Commitment charges:** Branch to ensure that commitment charges as below are obtained:

- Commitment charges shall be levied for all the working capital Fund Based, Non-Fund Based limits and Term Loan above Rs. 50.00 Lakhs from our Bank.
- Such levy shall be on the unutilized portion of the working capital FB and NFB limits subject to tolerance level of 40% of each limit.
- With Regard to term loans, Whenever the drawal limit is not made as per the draw down schedule by the borrowers, commitment charges shall be levied on the undrawn amount, if the undrawn amount is more than 40% of the amount committed for drawal at each stage.

Amount of Loan/ Limit	Charges
i. Utilization Level above 60 %	No Charges
ii. Utilization Level 40% to less than 60%	0.50 % p.a. to be recovered on entire unutilized portion.

C. Additional ... drawings are ... A...

iii. Below 40 %	0.60% p.a. of unutilized portion

C. Additional Interest: Bank will be charging Additional/ Penal Interest from the Company if the drawings are more than drawing power/ limit as under:

Accounts which are Externally rated as A or above and/ or internally rated as LT4/ SME4/ TR4	**Accounts which are Externally rated below A and/ or internally rated below LT4/ SME4/ TR4**
% on the excess portion if any interest concession is sanctioned.	% for 1st month and % for subsequent months on the excess portion, if any interest concession is sanctioned.
% on the excess portion if no concessions are sanctioned.	% on the excess portion if no concessions are sanctioned.

D. Penal Charge: Bank will charge penal charge in the following cases:

i. 2% panel charge on overdue amount will be collected for the no. of days of delay (Day count basis = Actual no. od days of delay/365) + Applicable GST. **(Revised: GST is not applicable on penal charges as per GST Council letter dated 28.01.2025).**

ii. **SRRP**: 2% penal charge to be collected on the limit sanctioned till the regular renewal. (Day count basis = Actula no. of days of delay/365 subject to recovery of SRRP charges for a maximum of 180 days) + Applicable GST. **(Revised: GST is not applicable on penal charges as per GST Council letter dated 28.01.2025).**

iii. 2% penal charge to be collected on outstanding amount more than DP/limit (Day count basis = Actual no. of days of delay/365) + Applicable GST. **(Revised: GST is not applicable on penal charges as per GST Council letter dated 28.01.2025).**

iv. For non- compliance of material terms and conditions, panel charge + applicable GST to be collected every month till compliance as under:

Category	Quantum of Loan Amount	Penel charge to be recovered on monthly basis
For All Borrowers: Amount equivalent to 0.10% of Loan Amount O/s	Loan amounts up to ₹ 1.00 crore	0.10% of outstanding amount subject to maximum of ₹5,000/- + **Applicable GST**
	Loan amount above ₹1.00 crore and up to ₹ 5.00 crore.	₹5,000/- + 0.10% of outstanding >₹1.00 crore to ₹5.00 crore), maximum of ₹10,000/- + **Applicable GST**
	Loan amount above ₹5.00 crore and up to ₹10.00 crore.	₹10,000/- + 0.10% of outstanding >₹5.00 crore to ₹10.00 crore, Maximum of ₹10,000/- + **Applicable GST**
	Loan amount above ₹10.00 crore and up to ₹25.00 crore.	₹20,000/- + 0.10% of outstanding >₹10.00 crore to ₹25.00 crore, Maximum of ₹50,000/- + **Applicable GST**
	Loan amount above ₹25.00 crore and up to ₹50.00 crore.	₹50,000/- + 0.10% of outstanding >₹25.00 crore to ₹50.00 crore, Maximum of ₹1,00,000/- + **Applicable GST**
	Loan amount above ₹50.00 crore	₹1,00,000/- + 0.10% of outstanding >₹50.00 crore, Maximum of ₹2,00,000/- + **Applicable GST**

(Revised: GST is not applicable on penal charges as per GST Council letter dated 28.01.2025).

Number of non-compliance of material terms and conditions	Panel charges to be recovered based on loan amount
1	As per table stated above
2	As per table stated above*2
>=3	As per table stated above*3

List of material Terms and Conditions, non-compliance of these charges will attract penal chares as below:

S. No.	List of Material Terms and Conditions
1.	Non obtention of external rating within the permitted time limit. (For MSME: ₹50.00 crore and above)
2.	Mortgage formalities not completed within permitted time limit.
3.	ROC formalities not completed within permitted time limit.

10. **A. CIC Clause:** The information / data pertaining to all the borrowal accounts/guarantors/directors shall be furnished to Credit Information Companies such as Credit Information Bureau of India Limited (CIBIL) and other Agencies / Authorities, from time to time in terms of mandatory provisions in force.

B. Information Utility Clause: Financial information pertaining to all the borrowal accounts shall be submitted to Information Utility(ies) in terms of the Insolvency and Bankruptcy Code, 2016, Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 and under the terms and conditions and applicable Bye-Laws of the Information Utility of the choice of Indian Overseas Bank. Such information submitted by Indian Overseas Bank from time to time shall be verified and authenticated from time to time by the borrower(s)/ guarantor(s) in the mode and within the time prescribed by the information utility. Applicable charges shall be borne by the borrower failing which the same is recoverable from the guarantor.

11. **Period of Validity of sanction:**

a. This credit sanction is valid for an availment period of six months from the date of this communication. Unless availed within six months, this sanction **requires revalidation** by the Sanctioning Authority.
b. When the necessity for revalidation arises, the borrower has to submit a written request–letter to the branch furnishing the key financial parameters and the reasons for non-availment of credit facilities even after lapse of six months from the date of this communication. Such request for revalidation will be evaluated by the Sanctioning Authority and the validation of availment – period of sanction or otherwise will be communicated to the borrower. It is to be noted that request for revalidation of sanction will be entertained only once.

Particulars	**Validity**
Any term loan, working capital including enhancement and Non-Fund Based facilities	For availment : 6 months
All facilities including existing and now sanctioned facilities	To be renewed/reviewed once in 12 months. The borrower to submit necessary papers / documents / financial statements, etc. at the end of 10th month from the date of this sanction for ensuring timely renewal. Any delay will attract penal charges.

12. **KYC guidelines:**

a. In terms of directives of RBI currently in force, KYC (Know Your Customer) guidelines are applicable and the required personal information / data as and when sought by the Bank should be furnished.
b. In case the borrower is a Company falling under the purview of the Companies Act, 1956, the release of Credit Facilities will be subject to the Company holding valid **C**orporate **I**dentity **N**umber (CIN) and all Directors of the Company holding "**D**irector's **I**dentification **N**umber (DIN).

13. The company shall submit relevant declarations/documents as mandated by FATCA, 2015 in respect of Company & Company's directors.
14. Bank shall immediately report the incidents of fraud to Law Enforcement Agencies, subject to applicable laws if any as per RBI guidelines.
15. The decision to classify any account, either standard or NPA, as a red-flagged account shall be at Bank level and Bank shall report the status of the account on the Reserve Bank's CRILC platform immediately as per guidelines.
16. **Penal Measures in Fraud Accounts:**

1) Persons / Entities classified and reported as fraud by banks and also Entities and Persons associated with such Entities, shall be debarred from raising of funds and / or seeking additional credit facilities from

ANNEXURE: IV

Branch to be strictly guided by the terms and conditions mentioned in the Annexure: IV of the CO Circular reference no ADV/586/2015-16 dated 08/06/2015 issued by CSSD, Central Office and ensure compliance of the same.

The Branch should go through the sanction endorsement carefully and any discrepancy noticed should be brought to our notice immediately.

PROCESSING/RECOMMENDING OFFICER **LPC HEAD**

INDIAN OVERSEAS BANK
SARGASAN BRANCH
AHMEDABAD