

Sanction Letter

This Sanction Letter (the "Sanction Letter") sets out only the key terms and conditions pertaining to the transaction contemplated herein and does not attempt to describe all of the terms and conditions pertaining to the proposed transaction.

Except for terms below regarding "Costs and Expenses", "Governing Law" and "Confidentiality, this Sanction Letter is subject to execution of the transaction documents to the satisfaction of the Investor/Arrangers and completion of various conditions precedent set forth herein in the form and manner satisfactory to the Investor/Arrangers.

The transaction documents shall override the term of the Sanction Letter.

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| Issuer | Patel Infrastructure Limited ("PIL/Issuer/Company") |
| Promoter (s) | <ul style="list-style-type: none"> Mr. Pravin Patel Mr. Arvind Patel Mr. Madhu Vaviya Mr. Suresh Vaviya Mr. Dinesh Vaviya |
| Corporate Guarantor(s) | Patel Highway Management Private Limited ("PHMPL") |
| Obligors | Collectively the Issuer, Promoters and Corporate Guarantor(s) |
| Arrangers/ Investors | BPEA Investment Managers or any investor(s) identified by BPEA Investment Managers |
| Debenture Trustee¹ | Vistra ITCL (India) Limited |
| Facility | Rs. 50 crores in form of Senior, Secured, Optionally-Convertible Debentures ("OCD") |
| NCD Facility | NCD Facility of upto Rs. 150 crores, terms for which have been agreed separately among the parties |
| Facility Size | Up to INR 50 crore – to be disbursed in one or more tranches |
| Identified HAM projects | <p>This will include the below 2 HAM projects</p> <ul style="list-style-type: none"> Cholpuram-Thanjavur Four Laning being developed by Patel Cholopuram-Thanjavur Highway Private Limited ("SPV1"), and Sethiyahopu-Cholopuram Four Laning being developed by Patel Sethiyahopu-Cholopuram Highway Private Limited ("SPV2") |
| Eligible IPO | IPO completed within 36 months (or a longer period at the option of the Investors till full repayment of the Facility) at a valuation of at least 1.4x of the agreed entry valuation ("Eligible IPO") |
| Facility purpose | <p>Facility to be utilized as follows:</p> <ol style="list-style-type: none"> INR ~50.0 crores towards equity contribution in Identified HAM Projects (including upto ~INR 35.0 crores of reimbursement against equity already invested) |
| Disbursement Schedule | Upto INR ~ 40 crores to be disbursed upfront, residual amount to be utilised within 6 months from date of first disbursement |



¹Note that the debenture trustee shall be a trustee only for the debenture holders and shall act upon the instructions of the debenture holders

BPEA Investment Managers Private Limited
(Formerly known as KAS India Advisory Services Private Limited)

Registered Office: 707, 7th floor, Time Tower, M. G. Road, Gurugram-122001

CIN No. : U74999HR2016PTC065809

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| | NCD Facility & this OCD Facility to be disbursed in ratio of 3:1 across all disbursements |
| Tenure | 48 months |
| Principal Moratorium | 42 months |
| Repayment Schedule | Two equal quarterly installments post moratorium period |
| Interest Rate | Coupon of 8.00% per annum compounded monthly to be computed on the basis of actual/actual convention |
| Redemption Premium | Additional redemption premium shall be payable on the OCD Facility in accordance with mutually agreed terms which shall be captured in further detail as part of the transaction documents. |
| Upfront Fee | 1.25% of the Facility Amount (as a discount on the NCDs) (Drop Dead Fees already paid shall be adjusted from this amount) |
| Prepayment Charges | <p>No prepayment can be made during first 36 months of deal tenure, apart from prepayment through an Eligible IPO. For sake of clarity, prepayments made from Eligible IPO proceeds or post 36 months of deal tenure shall not result in any prepayment charges being applicable.</p> <p>Any prepayments shall be made with prior notice of at least 60 days' period and only on quarterly repayment dates. However, the OCDs cannot be prepaid unless the entire amount of NCD facility has been repaid in full.</p> |
| Security | <p>The Facility shall be secured by:</p> <ul style="list-style-type: none">• 100% pledge over Patel Highway Management Private Limited ("PHMPL") which shall own at least 51% shareholding of Identified HAM projects (SPV 1 & SPV 2) Any shares of SPV1 and SPV2 to be pledged to the project lenders of each of the two SPVs shall be made by PHMPL Transfer of shareholding of SPV1 & SPV2 to PHMPL shall be a condition subsequent and needs to be completed within 120 days from date of first disbursement• 49% pledge over shares of SPV1 and SPV2• Security over all form of capital infusion (apart from direct equity) into Identified HAM Projects• 26% pledge over the shares of the Issuer Investor(s) shall release such pledge on Issuer shares in case of an IPO, given following conditions are met:<ol style="list-style-type: none">i. The proceeds from such IPO are available for mandatory prepayment of this Facility at the option of the Investor(s)ii. No event of default shall be subsisting on this Facility• Land parcel providing at least 0.2x cover• First charge over any surplus cash flows generated from any of "4 HAM Project SPVs" (Identified HAM Projects along with NH-12 & Vadodara Kim Expressway projects) either through refinancing of its debt / divestment of equity• Second charge on the EPC receivables from the Identified HAM projects• Second charge on the designated escrow account• Personal Guarantee of the Promoters• Demand Promissory Note from the Issuer• PDCs from Issuer |



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Other Terms

All other terms shall be as agreed as part of the NCD Facility

Agreed and Accepted

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| <p>For Investor</p> <p><i>S. Shahi</i></p> <p>Name:</p> <p>Designation:</p> <p>Date: 17 June 2019</p> | <p>For Issuer</p> <p><i>[Signature]</i></p> <p>Name: <i>PRANBHAI V. PATEL</i></p> <p>Designation: <i>DIRECTOR</i></p> <p>Date: 17.06.2019</p> <p><i>[Circular Stamp: PATEL INFRASTRUCTURE LIMITED, PATEL]</i></p> |
| <p>For Personal Guarantors</p> <p><i>[Signature]</i></p> <p>Name: <i>PRANBHAI V. PATEL</i></p> <p>Designation:</p> <p>Date: 17.06.2019</p> | <p><i>[Signature]</i></p> <p><i>[Signature]</i></p> <p><i>[Signature]</i></p> |

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