

Term Sheet

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| Borrower / Issuer / Company | Campus Student Communities Private Limited (CSCPL) (Formerly known as Jain Hostel) |
| Debenture Trustee | MILESTONE TRUSTEESHIP SERVICES PVT. LTD |
| Type of Instrument | Rated, Secured, Redeemable, Taxable Non-Convertible Debentures ("NCDs" or "Debentures") |
| Mode of Issue | Private placement in Demat form. |
| Issue Size | Upto INR 17.0 crores to be issued in different series. Drawal of each tranche to be not later than six months from date of drawal of first tranche and full drawal to be completed in three tranches. |
| Greenshoe Option | Upto INR 10.0 crores to be issued in different series. Green shoe option to be used within one year of the date of shareholders resolution or for any period above that as specified by shareholders. |
| End use | Issue proceeds will be utilized for the following purpose: <ul style="list-style-type: none"> Capex for furnishing of new hostels and payment of Security Deposit for leasing of hostels for the following colleges: <ol style="list-style-type: none"> Christ College Narsee Monjee College Jain Group No part of the proceeds would be utilized directly/indirectly towards equity capital markets or property acquisition. |
| Eligible investors | As permitted under applicable law. |
| Interest Rate | Coupon rate of 15.60 % per annum |
| Issue open date | 20.12.16 – first tranche of Rs. 5 crores |
| Issue close date | 21.12.16 – first tranche of Rs. 5 crores. |
| Deemed Date of Allotment | 21.12.16 |
| Interest Type | Fixed |
| Day Count | "Actual/ Actual" basis |
| Interest Payment Frequency | Quarterly |
| Principal Repayment | Half Yearly installments to commence after moratorium of 18 months as per the repayment schedule attached. |
| Issue Price | At Par |
| Put Option Date | None |
| Face Value per NCD | Re 20,000 /- (Rupees twenty thousand Only) |
| Minimum Subscription Amount | Rs 20,000/- (Rupees twenty thousand only) |
| Listing | The NCDs issued under this document are unlisted. |
| Depository | National Securities Depository Ltd. (NSDL) and CDSL |
| Business Days | 'Business Day' shall be a day on which commercial banks are open for business in |

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| | the city of Mumbai. |
| Business Day Convention | If any coupon payment date falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding working day. If the redemption date/exercise date/maturity date (also being the last coupon payment date) of the Debentures falls on a day that is not a working day, the redemption proceeds shall be paid on the immediately preceding working day. |
| Record Date | 7 Business Days prior to each Coupon Payment Date and redemption date. |
| Default Interest Rate | In the event of a payment default or any other Event of Default, of the amounts due under this Issue, the Issuer shall pay an additional interest rate of 2% (Two per cent per month over and above the applicable Coupon rate from the date of the occurrence of the payment default on the outstanding principal amount of the Debentures until such default is cured or the Debentures are redeemed pursuant to such default, as applicable. |
| Prepayment Option | Lock in of 12 months after which promoters have call option or early redemption by the company. In case early redemption by company 2% pre-payment penalty is applicable. |
| Call Option | Call option by the promoters or early redemption by the company at the end of twelve months from deemed date of allotment such that the Investor XIRR does not go below the agreed IRR. Prepayment penalty clause shall not be applicable on exercise of call option./ early redemption. |
| Call Option Notification Time | One month from time of exercise of option / early redemption. |
| Step Up Coupon | Not Applicable |
| Pre - Issue Costs | The Issuer shall bear all issue related costs with respect to legal counsel, valuers and auditors/consultants. Such costs include: 1. Professional fee payable to advisors for legal due diligence and valuation 2. Trustee fees and listing fees 3. Credit Rating fee 4. Stamping in relation to all definitive agreements. 5. Financial due diligence fee Other charges including out of pocket expenses to be charged on actual basis. |
| Redemption Amount | The sum of the outstanding principal, accrued Coupon, Default Interest payable (if any) trustee fees payable and all expenses incurred if any by the Debenture holder representative. |
| Tenor | 84 months from deemed date of allotment for each series of Debentures. |
| Security | 1. Pledge of the shares such that cover of minimum 2.0X times is maintained on the NCD issue and the shares pledged should constitute minimum 51% of the total issued and paid up equity share capital of the Company. 2. Escrow of the entire existing and future hostel fees. Escrow also to be created in the current accounts operating in the proprietorship firm Jain College Hostel and the escrow arrangement shall continue till the accounts are closed down. 3. Hypothecation of the entire existing and future receivables. 4. Debt Service Reserve Account (DSRA) equivalent to interest due for 1 quarter and principal due in the following half-year to be created in the form of Fixed Deposit of an equivalent amount and kept as lien with the Trustee. |

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Director(s)

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| | <p>5. Personal Guarantee of all the directors.</p> <p>6. Undated Cheques for all the outstanding principal and interest repayment.</p> <p>In case part prepayment of Principal by the Issuer, release of Security shall be at the absolute discretion of Trustees in consultation with the DHR.</p> <p>Interest to be serviced during moratorium period.</p> |
| Escrow Account | <p>All current accounts of the company and the proprietary concern to be escrowed and an agreement to be entered into with Trustee, Issuer and Escrow Bank. The account shall be operated as mentioned below:</p> <ol style="list-style-type: none"> 1. All Cash Flows of hostel fee received shall be directly remitted to the Escrow Accounts. 2. Interest / principle due for one quarter to be kept aside and remaining funds to be transferred to the operations / expense account once a month. 3. In case Escrow is not possible on the existing current accounts, auto debit instructions for fund transfer to the escrow account to be operationalised by the company in a manner acceptable to trustees and DHR. <p>Shortfall, if any, in the interest amount due in any month in the Trustee account shall be funded by the issuer before 24th of the month.</p> |
| Transaction Documents | <p>The Issuer has executed/ shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest RBI guidelines / SEBI guidelines / Companies Act 2013 for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> 1. Information Memorandum; 2. Letter appointing Trustees to the Debenture holders; 3. Debenture Trust Agreement; 4. Debenture Trust Deed; 5. Board Resolution; 6. Shareholder's Resolution if applicable; 7. Rating Agreement with the aforesaid rating agency(ies) as regards to this Issue. 8. Tripartite Agreements between the Issuer, Registrar and NSDL and Tripartite Agreements between the Issuer, Registrar and CDSL/NSDL for issue of NCDs in dematerialized form. 9. All security documents as listed by the Trustees for perfection of security creation. <p>No disbursement shall be effected until all documentation is completed as per the Trustees satisfaction.</p> |
| Conditions Precedent | <p>The Company shall fulfill the following Conditions Precedent, to the satisfactions of the Debenture Trustee, prior to each Pay In Date:</p> <ol style="list-style-type: none"> (i) A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee (ii) All corporate approvals from the Board of Directors and shareholders of the Company, if applicable, shall have been received for the issuance of the NCDs and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed; (iii) Consent of the Trustee (iv) Evidence of an appointed trustee |

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[Signature]
Director(s)



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| | <p>(v) Execution of the Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; The Debenture Trust Deed contains the detailed terms and conditions governing the issue of these Debentures.</p> <p>(vi) Rating of the Debentures being completed and the rating agency having provided a minimum rating of 'B' for the Debentures from CRISIL, ICRA or India Ratings and the rating letter issued by the Rating Agency being in a form and manner satisfactory to the Debenture Trustee.</p> <p>(vii) The Company shall have provided to the Debenture Trustee a certificate from a director/company secretary of the Company certifying that:-</p> <p>(a) the Company and its Directors have the necessary powers under the Memorandum and Articles of Association of the Company to borrow moneys pursuant to the issuance of the Debentures;</p> <p>(b) the borrowing of moneys pursuant to the issuance of the Debentures will not cause any limit binding on the Company to be exceeded;</p> <p>(c) no Material Adverse Effect has occurred in the Company, and/or the business of the Company;</p> <p>(viii) The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements;</p> <p>(ix) Submission of the Business Transfer agreement between Jain College Hostel and CSCPL.</p> <p>(x) Submission of the Lease agreements of all existing hostels with CSCPL.</p> <p>(xi) CA certified list of current accounts with banks operating in partnership firm and private limited.</p> <p>(xii) Opening Balance sheet of CSCPL.</p> <p>(xiii) Renewal of agreement with Jain Group of Institutions for running hostels for them.</p> <p>(xiv) Undertaking from the promoter that all the firms of the promoter and promoter family with which there were business dealings in Jain College Hostel have been merged into CSCPL or closed down.</p> <p>(xv) Undertaking from CSCPL that the advances given to unrelated entities in Jain College Hostel have been transferred to CSCPL.</p> <p>(xvi) Lease agreement for the new hostels for which the disbursement is requested.</p> <p>(xvii) Letter for Tie-up with the respective colleges for setting up hostel for their students.</p> <p>(xviii) CA certified networth statements of all directors to be submitted</p> <p>(xix) Undertaking from the promoter that no revenue or expenses are to be booked in the proprietorship firm Jain College Hostel w.e.f 1st December, 2016 and any revenue or expense booked till 30th November, 2016 to be transferred to CSCPL</p> <p>(xx) All documentation under this agreement as per satisfaction of the trustees has been perfected.</p> |
| Conditions Subsequent | <p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Document:</p> <p>(a) The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the Information Memorandum and Form PAS 3 along with requisite fee within</p> |

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[Signature]
Director(s)

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| | <p>prescribed timelines;</p> <p>(b) File Form PAS 5 along with the Information Memorandum with SEBI;</p> <p>(c) Credit of demat account(s) of the allottee(s) by number of NCDs allotted within 2 Business days from the Deemed Date of Allotment;</p> <p>(d) To ensure compliance with SEBI / Companies Act 2013 for issuance of NCDs;</p> <p>(e) CA certificate evidencing the use of funds within 3 months of the disbursement.</p> |
| Key Representation and Warranties | <p>(a) No Event of Default has occurred and is continuing on the date of the transaction</p> <p>(b) Debentures shall rank <i>pari passu</i> amongst themselves and with all other subordinated creditors</p> <p>(c) Binding obligation of Transaction Documents</p> <p>(d) No conflict with other obligations / constitutional documents</p> <p>(e) No Material Adverse Change in business, condition or operations of the Issuer</p> <p>(f) Company has the power and authority to issue Debentures and such Transactions Documents are valid and admissible in evidence</p> <p>(g) Absence of any pending litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer or that purports to affect the Facility</p> <p>(h) Illegality</p> <p>And as set out in greater detail in the Debenture Trust Deed</p> |
| Reporting Covenants | <p>(a) Monthly Report – within 30 (thirty) calendar days after the end of each calendar month:</p> <ol style="list-style-type: none"> Hostel-wise Fee collected during the preceding month Current account statements in which the fee receipts are credited, escrow account and expense accounts. Reconciliation of the fee collected with the credits in the bank statements Estimated fee to be collected for the month Details of expenses incurred under the major expense heads. All the above monthly reports to be certified by the Chartered Accountant. <p>(b) QUARTERLY REPORTS - within 45 (forty five) calendar days after the end of each calendar quarter:</p> <ol style="list-style-type: none"> List of Board of Directors Shareholding Pattern Information on: <p>Provisional Profit & Loss a/c and Balance Sheet</p> <p>(c) ANNUAL REPORTS – within 120 days after the end of each fiscal year</p> <ol style="list-style-type: none"> Audited financials A certificate from the Director/CFO confirming that there is no Potential Default or Event of Default; <p>(d) EVENT BASED REPORTS – within 5 business days of event occurring</p> |

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| | <ul style="list-style-type: none"> (i) change in the shareholding structure (ii) change in the Senior Management officials (any CXO, or equivalent) (iii) Board approval of annual business plan (iv) Material Adverse Effect. (v) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect to the reasonable knowledge of the issuer. (vi) Winding up proceedings (vii) Any Event of Default or, and any steps taken / proposed to remedy the same. |
| Covenants for Facility | <p>The Issuer shall provide for followings covenant for the facility.</p> <p><u>Other Covenants</u></p> <p>Key Affirmative Covenants</p> <ol style="list-style-type: none"> 1. To utilise the proceeds of this issue in accordance with applicable laws and regulations 2. To comply with corporate governance, fair practices code prescribed by RBI 3. notification of any potential Event of Default, reasonably to the knowledge of the issuer or Event of Default; 4. obtain, comply with and maintain all licenses / authorizations as well as corporate status 5. Provide details of any material litigation, arbitration or administrative proceedings 6. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes 7. Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them 8. Comply with any monitoring and/or servicing requests from Debenture Holders 9. Regulatory Filings 10. Maintenance of Books of Account <p>Key Negative Covenants</p> <p>The issues shall take the prior written permission from the Investor / Debenture Trustee for the following. Provided that the Investor/Debenture Trustee will not unreasonably withhold consent:</p> <ol style="list-style-type: none"> 1. Change in promoter or promoter holding 2. Change in ownership or control 3. The Company will not take or suffer to be taken any action for re-organisation of its capital or any rearrangement, merger or amalgamation 4. No M&A, acquisition, restructuring, amalgamation without approval of Debenture Holders over and above 10% of the networth of the Issuer in a financial year 5. The Issuer shall not, without the prior approval of Investors, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures. 6. the Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the investors' prior written consent; 7. Issuer shall not amend or modify clauses in its Memorandum of |

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Director(s)

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| | <p>Association and Article of Association, where such amendment would have a Material Adverse Effect, without prior consent of the Debenture Trustee</p> <p>8. Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Investors) without prior consent of the Debenture Trustee</p> <p>9. Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the debenture holder, provided that sale of standard assets by securitization or direct assignment in the normal course of business does not come under the purview of this covenant</p> <p>10. No dividend, if an Event of Default has occurred and is subsisting</p> <p>11. Not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of NCD holders.</p> |
| Other conditions | <ol style="list-style-type: none"> NOC to be obtained from the Trustee for opening current account with any bank. There shall be Nominee Director representing the investors through the DHR on the company board and any change in signatories for the operation of the current accounts of the company to be endorsed the Nominee Director. In case this arrangement is to be revoked, NOC from the trustees to be obtained. All revenues or expense booked till 30th November, 2016 to be transferred to CSCPL. Undertaking from CSCPL that fee shall not be directly collected in cash. Issuer shall obtain NOC from the Trustee in respect of the following matters: <ol style="list-style-type: none"> Entering into any borrowing arrangement with any bank/financial institution or other party for taking up any debt-funded expansion. Making investments or granting loans to group companies in excess of 10% of the tangible net worth of the issuer. Giving guarantees on behalf of third parties in excess of 10% of the tangible net worth of the issuer. Effecting any change in the board of directors of the company. <p>All future business plans of the company to be approved by the DHR / Trustee for expansion or fund raising.</p> <p>The Trustee shall revert within 30 days on the decision taken on the request for NOC. In the event that the Issuer is in disagreement with the Trustee on their decision, the issuer may proceed without obtaining the NOC on the condition that the NCD shall be redeemed.</p> |
| Debenture Redemption Reserve | Debenture redemption reserve (DRR) shall be created as per the provisions of the Companies Act, 2013 and the guidelines issued by SEBI. |
| Events of Default | <p>The occurrence of any one of the following events shall constitute an "Event of Default" by the Company:</p> <ol style="list-style-type: none"> Non-payment of any of the dues under this term sheet, with a grace period of 3 days in case of delays due to technical reasons; Default or trigger of event of default on any other indebtedness (cross default) Misrepresentation or misleading information in any of the Transaction Documents Insolvency, winding up, liquidation |

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| | <p>(e) Creditors' processes initiated against the company</p> <p>(f) Repudiation of Transactions Documents</p> <p>(g) Cessation of business</p> <p>(h) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer</p> <p>(i) Promoters or key management personnel of the Company being declared willful defaulter</p> <p>(j) Erosion of 50% or more of the Company's net worth</p> <p>(k) Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders.</p> <p>(l) Revenue or expenses being booked in the proprietorship firm Jain College Hostel subsequent to November 30th, 2016.</p> <p>(m) Fee collected by CSCPL directly in the form of cash</p> <p>(n) Dividend distribution in case of default.</p> <ol style="list-style-type: none"> 1. Non-availability of money in the escrow accounts for to service the quarterly interest and principal payments as and when due for payment. 2. Non-submission of reports within the stipulated time limits. 3. 4. Non-maintenance of security cover of minimum 1.0X times the outstanding amount of NCD. 5. Failure to obtain NOC from the Trustee in respect to the following matters: <ol style="list-style-type: none"> e. Entering into any borrowing arrangement with any bank/financial institution or other party for taking up any debt-funded expansion. f. Making investments or granting loans to group companies in excess of 10% of the tangible net worth of the issuer. g. Giving guarantees on behalf of third parties in excess of 10% of the tangible net worth of the issuer. h. Effecting any change in the board of directors of the company. i. Opening current account with any bank. <p>Breach of any covenant by the company.</p> <p>A period of 30 days shall be allowed for curing the default. In case the default is not cured within 30 days, the event of default shall be triggered.</p> <p>Any acceleration of the NCDs will require the approval of the Reserve Bank of India, as per extant prudential norms and regulations.</p> |
| Consequence of default | <p>In case of actual event of default or potential event of default, the Trustee shall take control of the escrow account and manage all the cash flows in the escrow account till the default is cured or till the maturity of the debentures and full and final payment of all dues to debenture holders.</p> <p>Penalty of 2% per month on the overdue amount till the regularization of the dues.</p> |
| Governing Law and Jurisdiction | <p>This Term Sheet shall be governed and construed in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Mumbai.</p> |
| Transaction Costs | <p>The Issuer shall bear all transaction related costs incurred by the Investor with respect to legal counsel, valuers and auditors/consultants. Such costs include:</p> <ol style="list-style-type: none"> 6. Professional fee payable to advisors for legal due diligence and valuation 7. Trustee fees and listing fees 8. Stamping in relation to all definitive agreements. 9. Other charges including out of pocket expenses to be charged on actual |

For Campus Students Communities Pvt Ltd

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| | basis. |
| Taxes duties cost and expenses | <ol style="list-style-type: none"> 1. Relevant taxes, duties and levies are to be borne by the Issuer. 2. The charges / fees and any amounts payable as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally. |

Accepted and agreed

For Campus Student
Communities Private Limited
(CSCPL)

For Campus Students Communities Pvt. Ltd.



Director(s)

(authorized signatory)