

# ALTERIA CAPITAL INDIA FUND I

CoWrks, 3<sup>rd</sup> Floor, Birla Centurion, Pandurang Budhkar Marg, Worli, Mumbai 400030 ■ (22) 6288 6124

## TERM SHEET

15 January 2020

To,  
Universal Sportsbiz Private Limited,  
First Floor, No 500, Binnamangala 1<sup>st</sup> stage,  
CMH Road, Indiranagar,  
Bangalore – 560038.

Dear Anjana,

This term sheet outlines the indicative terms and conditions that Alteria Capital India Fund I ("Investor"), represented by its investment manager Alteria Capital Advisors LLP ("Investment Manager") is willing to consider regarding the facility proposed to be availed by Universal Sportsbiz Private Limited ("Company", "USPL") on mutually agreed terms ("Term Sheet"). The Term Sheet is non-binding in nature other than the provisions described under the heads Expenses, Governing Law and Confidentiality and is intended for your guidance and information only.

No.	Terms	Particulars
1.	<b>Borrower</b>	Universal Sportsbiz Private Limited
2.	<b>Purpose</b>	General Corporate Purpose
3.	<b>Availability</b>	Upto 31 <sup>st</sup> January 2020
4.	<b>Instruments</b>	Unlisted, secured and redeemable Non-Convertible Debenture ("NCDs")
5.	<b>Debt Amount</b>	INR 30,00,00,000 (Rupees Thirty Crore Only) through the issue of 3000 NCDs, each with a face value of INR 1,00,000 (Rupees One Lakh Only)
6.	<b>Covenants</b>	Financial covenants as per Annexure 1
7.	<b>Tenor</b>	The NCD shall mature on 01 February 2022
8.	<b>Coupon Rate</b>	Fixed rate of 14.50% per annum, payable monthly
9.	<b>Additional Coupon</b>	1. Non-refundable additional coupon of 1% of the Debt Amount of the entire facility, exclusive of all applicable taxes and payable upfront at the time of investment of the Debt Amount. 2. Back ended additional coupon of Rs 1,50,00,000 (Rupees One Crore Thirty Lakh) to be paid in 3 equal instalments of Rs 50,00,000 (Rupees Fifty Lakh) each on 1 <sup>st</sup> February 2021, 1 <sup>st</sup> August 2021 and 1 <sup>st</sup> February 2022
10.	<b>Moratorium</b>	The Debt Amount shall start amortizing on a monthly basis starting September 2020
11.	<b>Principal Repayment</b>	Amortized on a monthly basis in 18 equal instalments commencing 1 <sup>st</sup> September 2020. Installments shall be payable on the 1 <sup>st</sup> day of the month.
12.	<b>Prepayment</b>	Prepayment shall not be permitted before 12 months. Thereafter, prepayment shall be permitted subject to payment of a prepayment penalty of 2% of the outstanding Debt Amount.

SEBI Registration Number: IN/AIF2/17-18/0388 GSTN: 27AAGTA2192M1ZF



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No.	Terms	Particulars
13.	<b>Security</b>	Exclusive hypothecation over all fixed and current assets of the Company, both present and future. Carve out for working capital facilities which the Company may raise from Banks/ other lenders.
14.	<b>Further Indebtedness</b>	The company shall seek the explicit consent from the investor for any incremental debt that it may want to raise from existing or new lenders
15.	<b>Material Adverse Change ('MAC')</b>	"Material Adverse Change" means an event or circumstance which has or could reasonably be expected to have, in the sole opinion of the Majority Debenture Holders, a material adverse effect on: (i) the condition (financial or otherwise), operations, business or assets of the Company, which adversely impacts the ability of the Company to meet its payment obligations under the Transaction Documents; or (ii) the validity or enforceability of the Security / Security Interest or part thereof created in relation to the NCD
16.	<b>Events of Default (EOD) and Penal Interest.</b>	EOD and its consequences shall be detailed in the Transaction Documents. Upon the occurrence of an EOD, additional interest at the rate of 1% per month will be applicable from the date of occurrence of the EOD till the date it is cured.
17.	<b>Other Key Terms</b>	The Transaction Documents shall contain customary provisions relating to: (a) manner, terms and conditions for issuance of the Instruments, including the conditions precedent and conditions subsequent; (b) covenants, representations and warranties by the Company; (c) consequent indemnity obligations of the Company; and (d) other terms auxiliary to venture debt.
18.	<b>Due Diligence</b>	The Investor shall have the right to carry out legal, financial, business, tax and commercial due diligence on the Company and its business and operations prior to entering into any of the transactions contemplated herein.
19.	<b>Reporting</b>	As may be prescribed by the Investor and Debenture Trustee including, but not limited to: a) Monthly financial statements within 30 days of month end; b) Monthly operating metrics within 30 days of month end; c) Annual audited financial statement within 180 days of year end; d) Annual business projections within 45 days of year end; and e) Other information metrics as may be requested by the Investor Other reporting as may be requested by the Investor and Debenture Trustee.
20.	<b>Expenses</b>	The Company shall pay all costs, fees and expenses incurred by the Investor and Debenture Trustee in relation to the Transaction Documents, due diligence, creation of Security and remuneration of Debenture Trustee.
21.	<b>Confidentiality</b>	The term sheet is confidential and contents of this letter may not be disclosed by the Company without Investor's prior written consent.
22.	<b>Governing Law and Jurisdiction</b>	This Term Sheet shall be governed in accordance with Indian Law. Courts at Bangalore alone shall have the exclusive jurisdiction to entertain and try and disputes arising thereof.



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23.	<b>Transaction Documents</b>	As prescribed by Investor, including but not limited to: <ul style="list-style-type: none"><li>• Securities Subscription Agreement</li><li>• Debenture Trust Deed</li><li>• Debenture Trustee Agreement</li><li>• Deed of Hypothecation</li></ul>
24.	<b>Marketing</b>	The Company agrees to permit the Investor to use its logo and brand name for the Investor's marketing

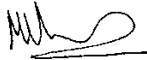
If the terms and conditions described above are acceptable, please remit to the Investor an advance against the Additional Coupon of INR 3,00,000 (Rupees Three Lakh Only) exclusive of all applicable taxes ("Advance") together with a signed copy of this Term Sheet within 2 days from the date of this Term Sheet.

Post receipt of the Advance, if the Investor declines to proceed with the transaction, the advance net of expenses would be refunded to the Company. However, if the Company declines to proceed with the transaction, the Investor shall retain the entire advance.

Sincerely,

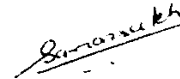
For Alteria Capital acting through its Investment Manager Alteria Capital Advisors LLP

Signature:



Name: Vinod Murali  
Designation: Managing Partner

Signature:



Name: Sameer Mansukhani  
Designation: Principal

Agreed & accepted, on the \_\_\_\_ day of \_\_\_\_\_, 2020.

By Universal Sportsbiz Private Limited



Signature:

Name:  
Designation

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### Annexure 1: Financial Covenants basis projections shared on 7<sup>th</sup> January 2020

1. Net Working Capital (NWC) and Receivables should not exceed 110% of the projections
2. Net sales should not be below 90% of the projections

Based on the projections shared with Alteria, below are the limits for working capital and quarterly revenues targets

Balance Sheet Projections	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Net Working Capital (NWC)*	198	224	205	222	181
Receivables	288	324	331	345	329
Revenue Projections	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
Revenue	103	101	103	131	79

\*NWC = Receivables + Inventory – Trade Payables

