

### INDICATIVE NON-BINDING TERM-SHEET

Spark Alternative Investment Trust ("Investor") and Universal SportsBiz Private Limited ("Issuer") are in discussions in connection with a potential structured credit sanction through subscription to secured debentures and in addition the right to receive share warrants / subscribe to equity shares. The initial terms as discussed between the parties are set-out below. The terms below shall not be construed as any sort of commitment on the part of the Investor to either extend any facility or enter into any transaction whatsoever. The terms shall at all times be subject to internal approvals, financial, legal and business due diligence, and the execution of Definitive Agreements, and performance of "Know Your Customer" ("KYC") procedures as mandated by law.

<b>Debenture Issuer</b>	Universal SportsBiz Private Limited ('Issuer' or 'Company')
<b>Debenture Investor/ Debenture Holder</b>	Spark Alternative Investment Trust ('Spark') and / or affiliates, investors of Spark.
<b>Debenture Trustee</b>	Debenture Trustee as may be appointed by the Issuer
<b>Promoter(s) of Issuer</b>	Ms. Anjana Reddy, Mr. Vikram Reddy
<b>Investment Amount</b>	Secured, Unlisted, Unrated, Redeemable and Non-Convertible Debentures ('NCDs') aggregating Rs. 30 Cr to be issued in dematerialized form in one or two tranches.
<b>Purpose</b>	The proceeds of the investment shall be utilized towards refinance of NCD from Alteria Capital and towards working capital
<b>Tenor/Redemption</b>	Door to door tenor of 42 months from the date of first investment of each tranche. The NCD shall be redeemed in 25 monthly repayments of Rs.1.20 cr each from the end of 18th month till the end of 42nd month from the date of investment. Minimum lock-in period is 18 months from date of allotment of NCDs.
<b>Coupon</b>	The NCDs shall carry cash coupon of 14.25% per annum payable monthly before the 5 <sup>th</sup> of every month. Any delay in payment would attract 5% per annum calculated on daily basis on the overdue amount from the due date till the actual date of realisation of proceeds by the NCD holder(s).
<b>Advance Coupon</b>	1.0% of the investment amount plus applicable taxes payable at the time of first investment.
<b>Prepayment Charges</b>	Prepayment shall not be permitted for 18 months from date of allotment. Beyond 18 months, prepayment shall be permitted subject to a prepayment penalty of 2.0% on the amount prepaid. A notice of minimum 21 business days is to be provided to the Debenture Holder prior to any prepayment.
<b>Security/Comforts</b>	The facility shall be secured by: <ul style="list-style-type: none"><li>• First pari passu charge on all present and future moveable fixed assets and current assets of the Issuer, the escrow account to be opened and all receivables lying to the credit thereof.</li><li>• Escrow of cash flows from identified sales channels (Shoppers Stop and Pantaloons) which will provide monthly inflow of atleast Rs. 3 crore. Escrow mechanism will be defined during documentation.</li><li>• Creation of cash collateral of Rs. 6 cr in the form of a fixed deposit placed with a scheduled commercial bank with a lien and set off marked in favour of Debenture Trustee.</li></ul>

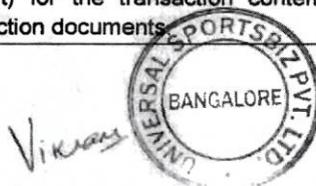


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	<ul style="list-style-type: none"> <li>• Post-dated cheques for the interest and principal repayments.</li> <li>• Creation and maintenance of debenture redemption reserve in line with applicable laws.</li> </ul> <p>The security cover provided in the form of hypothecation of moveable fixed assets and current assets shall at all times during the continuation of the facility be at least 1 times the outstanding amount and without prejudice the foregoing, compliant with the Companies (Share Capital and Debenture) Rules, 2014 in so far as secured debentures are concerned.</p> <p>The Issuer shall execute a standard power of attorney in favour of the debenture trustee.</p>									
<b>Escrow</b>	<ul style="list-style-type: none"> <li>• All collections/receivables from identified channel partners as above to be compulsorily deposited in Escrow bank account opened for this purpose.</li> <li>• Waterfall mechanism would be defined during definitive documentation. Escrow account to be opened and credits to come into the account within 30 days from date of first investment.</li> <li>• If the inflows for a quarter falls below Rs. 9 cr on a cumulative basis, Issuer would be given a time of 30 days to identify alternate revenue streams to be escrowed failing which Investor has the right to call it an EOD</li> </ul>									
<b>Financial/Operational Covenants</b>	<p>The following financial covenants will be calculated and tested while the facility is outstanding, based on the quarterly CA certified financial statements of the Issuer. The first testing of the covenants would be for the quarter ending subsequent to the date of investment.</p> <p><b>Covenants during the Tenor of Investment:</b></p> <ol style="list-style-type: none"> <li>1) Company to have positive quarterly EBIDTA (Earnings before Interest, Depreciation, Taxes and Amortisation) from Q1 of FY22 onwards. The covenant would be tested every quarter. EBIDTA includes other income. [For Q1 &amp; Q2 of FY22, any one-off adjustments/provision such as liquidation loss on inventory would be adjusted for calculation of EBIDTA]</li> <li>2) Minimum sales of Rs.50 cr with identified channel partners over the last 12-month period (Pre-Covid 19)</li> <li>3) The company shall maintain free unencumbered cash and bank balance of 3 months EMI of all outstanding term borrowings at all point in time.</li> <li>4) Total Debt/TNW <math>\leq</math> 1x.</li> </ol> <p><b>For FY23:</b></p> <table border="1" data-bbox="603 1489 1337 1608"> <thead> <tr> <th>Parameter</th> <th>Benchmark</th> <th>Frequency of Testing</th> </tr> </thead> <tbody> <tr> <td>DSCR</td> <td><math>\geq 1.5</math> x</td> <td>Half yearly</td> </tr> <tr> <td>Total Debt/EBITDA</td> <td><math>\leq 2.5</math>x</td> <td>Quarterly</td> </tr> </tbody> </table> <p>Total Debt for the above purpose shall mean, but not limited to:</p> <ol style="list-style-type: none"> <li>(i) All long-term outstanding, whether secured or unsecured;</li> <li>(ii) Contingent liabilities pertaining to corporate/ financial guarantees given on behalf of any company/ SPV/ subsidiary/ affiliate to the extent of outstanding of such guaranteed debt;</li> </ol>	Parameter	Benchmark	Frequency of Testing	DSCR	$\geq 1.5$ x	Half yearly	Total Debt/EBITDA	$\leq 2.5$ x	Quarterly
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	<p>(iii) Any short-term debt outstanding whether secured or unsecured, availed of in lieu of long-term debt or by way of bridge financing for long term debt;</p> <p>(iv) Receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis);</p> <p>(v) Any put option, shortfall/ liquidity support undertaking, debt service reserve account undertaking, keep fit letter(s), Letter of Comfort issued in favour of any person(s), which give or may give rise to any financial obligation(s); and</p> <p>(vi) Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</p> <p>Debt servicing shall include all debt repayments plus interest payments. (Interest includes interest accrued/paid on all debt obligations whether secured/unsecured)</p> <p>(Net worth is defined as Share capital + Reserves and Surplus-Accumulated losses – Investment in any group companies – Intangible assets)</p> <p>Issuer to submit business plan within 30 days from end of each financial year for the projected period. Spark reserves the right to put additional covenants if applicable based on assessment of company's cash flows.</p>
<p><b>Right to subscribe to share warrants</b></p>	<p>Right to subscribe to share warrants of the Issuer equal to Rs. 4.5 cr. Each warrant shall entitle the subscriber to apply for one equity share for each warrant held during the warrant exercise period. The warrants may be exercised at any time up to 42 months from the warrant issuance date. The warrant will be partly paid to the extent of Rs. 1.</p> <p>Warrant exercise price will be the entry price of Flipkart's round in November'2020. [Please provide price per share of Flipkart round to arrive at number of warrants to be subscribed which will be detailed in documentation]</p> <p>Any modification to capital structure by way of Share splits/ Bonus issue or Rights issues, the warrant holder shall be treated on par with the equity shareholders and similar adjustment to be made to the number of outstanding warrants.</p>
<p><b>Conditions Precedent</b></p>	<p>The Issuer shall have provided the Debenture Trustee with certified copies of the following:</p> <ul style="list-style-type: none"> <li>• Certificate of Incorporation of company, MOA/AOA</li> <li>• Certificate of shareholding pattern and list of directors from a chartered accountant or company secretary</li> <li>• Resolution of Board of Directors and relevant corporate authorizations required for the company to execute the term sheet and transaction documents.</li> <li>• Board approval for issuance of NCD and issuance of PAS-4 to Debenture Holder</li> <li>• Copy of approval of investors (Accel Partners, NB Ventures and Flipkart) for the transaction contemplated herein and in other transaction documents.</li> </ul>



	<ul style="list-style-type: none"> <li>• Amendment of AoA if applicable to incorporate any provisions of the Transaction documents.</li> <li>• Confirmation/Bank statements from Bank/ Mutual fund on outstanding balances in fixed deposits, current accounts, mutual funds as on Jan 31, 2021.</li> <li>• Execution of Definitive Agreements</li> <li>• Upfront NOC from secured lenders for ceding first pari passu charge on all moveable fixed assets and current assets of the Issuer.</li> <li>• Employment contract of Promoters to be shared upfront.</li> <li>• Standard KYC verifications of Issuer and promoters</li> <li>• CA certificate for Compliance under Companies Act, 2013 including with sections 180, 185 and 186 as applicable.</li> <li>• Compliance under Section 281 of IT Act 1961/CA certificate</li> <li>• Non-occurrence of an Event of Default (EOD) (As described in "EOD" section).</li> <li>• Any other conditions as specified by Investor based on due diligence and as required under Definitive Documents.</li> <li>• Completion of legal, financial and business due diligence of the Issuer, and valuation of security, and resolution of all issues arising therefrom in a manner satisfactory to the Investors.</li> </ul>
<b>Validity of the Term Sheet</b>	Till February 28, 2021, i.e the term-sheet to be signed before such date by the Issuer, otherwise it will lapse.
<b>Availability Period</b>	Minimum of Rs. 20 cr to be drawn before Mar 31, 2021. Balance Rs. 10 cr is available to be drawn upto May 31, 2021. This is subject to satisfactory completion of all formalities including due-diligence, documentation etc. In case of investment in tranches, for the balance Rs. 10 cr to be drawn, a notice of 21 business days is to be provided to the Debenture Holder.
<b>Issuer/ Promoter(s) Undertakings</b>	<ul style="list-style-type: none"> <li>• Promoter(s) shall at all times during the tenure of the outstanding NCDs retain management control in Issuer.</li> <li>• Promoter(s) shall not dispose any of their existing shares or share purchase rights in Issuer, directly or indirectly, without prior written consent of the Debenture Holder.</li> <li>• Any change in shareholding pattern of the Issuer where the promoters' stake falls below 10% will require Spark's consent.</li> <li>• Issuer's investors shall intimate debenture holder prior to disposal of any of their existing shares or share purchase rights in Issuer, directly or indirectly. However, prior written consent of the Debenture holder is required if such action results in change in management control in Issuer.</li> <li>• Promoter(s) shall ensure timely servicing of the debt by Issuer.</li> <li>• The Issuer and the Promoter shall ensure creation of security (Charge on movable fixed assets and current asset, escrow account, creation of cash collateral) within stipulated timelines.</li> <li>• Issuer shall not without prior written consent of Spark incur any financial indebtedness or provide any guarantee.</li> <li>• Any Promoter and promoter affiliate loans in the Debenture Issuer and interest on such loans shall not be repaid during the tenure of the outstanding NCDs including incremental loans brought during the tenure of the NCDs.</li> </ul>

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<p><b>Other Key Conditions</b></p>	<ul style="list-style-type: none"> <li>• Issuer shall notify the Investor within 3 business days of any modification to the agreement with any of its channel partner or cancellation of existing sales agreement with its channel partners. In such instances, the Investor shall have the right to review and modify escrow account mechanism and the right to seek full/part prepayment of the facility. In such instances, no prepayment penalty shall be charged.</li> <li>• Issuer shall agree that the Debenture Holder shall have the right to assign/novate whole or part of the allotted NCDs to other AIFs/banks/financial institutions. The Debenture Holder shall inform Issuer of any such sell-down.</li> <li>• Issuer shall submit the CA certificate for end use of funds within 15 days of allotment.</li> <li>• No dues certificate/confirmation of prepayment from Alteria capital within 15 days of allotment</li> <li>• While definitive documentation is executed upfront, charge on assets to be created within 30 days from date of investment failing which Spark reserves the right to charge additional interest/call it as an EOD.</li> <li>• Issuer to comply with all statutory requirements in connection with the transaction. <ul style="list-style-type: none"> <li>• Standard Debenture Holder consent requirement, including the following: <ul style="list-style-type: none"> <li>○ Change in control and/or management of the Company;</li> <li>○ Change in nature of business of the Company;</li> <li>○ Merger, amalgamation, reorganization, winding-up, liquidation, or any other restructuring activities including acquisition of new businesses;</li> <li>○ Further equity capitalisation beyond what is agreed to by way of issue of share warrants (intimation)</li> <li>○ Sale of undertaking, substantial assets or IP of the Company;</li> <li>○ Termination of any material contracts or arrangements;</li> <li>○ Entering into any related party / inter-corporate/ affiliated/ association transactions or arrangements;</li> <li>○ Entering into any contracts, agreements, arrangements or issuing any guarantees, undertakings, that creates any indebtedness (including any contingent obligations), liability or indemnity obligations, except for those in the ordinary course of business activities subject to certain thresholds under Definitive Agreements.</li> <li>○ Any additional loans / financial assistance from banks, financial institutions, promoters/key shareholders/directors or inter-corporate loans.</li> <li>○ Incorporating any subsidiaries or entering into any joint ventures / collaborations;</li> <li>○ Declaration of dividends, interest on subordinate loans or repayment of subordinate loans, redemption of preference shares/ debentures;</li> <li>○ Investments by the Company except in liquid funds/similar cash equivalents in the ordinary course.</li> </ul> </li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>o Other items as included under the Definitive Agreements as reasonably required by the Investor.</li> <li>• Information Rights: <ul style="list-style-type: none"> <li>o Audited annual and unaudited quarterly financial statements of Company.</li> <li>o Monthly MIS in agreed formats and monthly bank statements within 15 days from end of the month</li> <li>o Financial and other information in agreed formats within 30 days from end of the quarter</li> <li>o Quarterly projections (P&amp;L and cash flows) before 15 days from commencement of quarter.</li> <li>o Issuer shall furnish to the Debenture Holder a copy of their provisional financials within 90 days from end of the financial year and audited annual financials on finalisation of the same but in any case, not later than 180 days from the end of the financial year.</li> <li>o Information within 3 days of occurrence of any event regarding details of any litigation, arbitration or administrative proceedings against any of the Promoter(s), senior management personnel or Company, which are current, threatened or pending and which have or might, if adversely determined, have a material adverse effect;</li> <li>o Any change in authorised signatories of the Company.</li> </ul> </li> </ul> <p>Any other information / approval matters included in other financing documents will apply.</p>
<b>Additional Coupon</b>	In case of any circumstances attracting EOD provisions, the coupon shall be increased by 2% per annum up to declaration of EOD. Upon declaration of EOD, the coupon will be increased to 5% p.a for the entire period of default.
<b>Representation &amp; Warranties</b>	Representations, warranties and indemnities customary and appropriate for a transaction of this type (including in relation to the business and operations of the Company and its subsidiaries) will be provided by the Promoter(s) and the Company.
<b>Event of Default and Consequences</b>	<p>List of 'Events of Default' shall be as finalised under Definitive Agreements, but shall at minimum include the following:</p> <ul style="list-style-type: none"> <li>• Delay in payment of any outstanding dues to the Debenture holder.</li> <li>• Termination of agreements with channel partners and celebrity partners. In such instances the company shall have a period of 7 days to clarify to the Investor that such change does not affect the financial position of the issuer. The Investor shall hold the discretion to qualify this as EOD. Channel partners for this clause includes partners that contributed to greater than 15% of sales in the most recently concluded financial year.</li> <li>• Any default/cross-defaults in any credit facility or credit obligation of Issuer or the Promoter(s).</li> <li>• Enforcement proceedings initiated upon the order of any court or statutory authority that impinges the continued operations of the Issuer.</li> <li>• Any Bank/NBFC reporting the Issuer or the Promoter(s) or its SPVs as an SMA or NPA.</li> </ul>

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	<ul style="list-style-type: none"> <li>• Breach of any financial covenants agreed to under Definitive documentation.</li> <li>• Revocation of business, operating license and/or any other material contract of the Issuer.</li> <li>• Breach of representations and warranties, conditions, undertakings, covenants (including covenants, wilful default, gross negligence or fraudulent act by the Company / Promoter(s).</li> <li>• Breach of any of the aforesaid "other key conditions".</li> <li>• Any creditor initiating bankruptcy, dissolution, insolvency, liquidation or winding up proceedings in relation to the Issuer / Promoter(s).</li> <li>• It is or becomes unlawful for the Issuer to perform any of its obligations under any Definitive Agreements.</li> <li>• Any material adverse change in the business conditions or operations of Company.</li> <li>• Failure to perfect / maintain securities/comforts as agreed.</li> <li>• Unapproved utilization of proceeds.</li> <li>• Any act which is likely to result in any of the foregoing.</li> <li>• Any other items as specifically identified under the Definitive Agreement.</li> </ul> <p>In case of any EOD, Issuer to immediately inform the Investor and take measures to cure the said default immediately. The cure period will be defined in the definitive documentation. On declaration of EOD and levy of penal interest, if the issuer prepays the debenture holder, no prepayment penalty shall be charged on the amount prepaid.</p> <p>Subject to agreed cure period, where any default is curable in nature, the consequences for EOD shall be as finalised under the Definitive Agreements, but shall at the minimum include:</p> <ul style="list-style-type: none"> <li>• Accelerated redemption and repayment of all outstanding dues by utilizing proceeds in the escrow account.</li> <li>• Right to invoke securities;</li> <li>• Right to appoint Investor nominee director</li> </ul>
<b>Exclusivity</b>	The Company and the Promoter(s) agree to an exclusivity period upto March 31 <sup>st</sup> , 2021 (the "Exclusivity Period"), during which the Company and Promoter(s) shall not discuss, solicit, enter into any arrangements with any third parties similar to the subject matter hereto or any financing/lending arrangements.
<b>Confidentiality</b>	The Company and Promoter(s) shall keep confidential the terms of this Term Sheet and all other discussions in connection herewith.
<b>Definitive Agreements</b>	<ul style="list-style-type: none"> <li>• Debenture Trust Deed (DTD)</li> <li>• Debenture Trustee Agreement</li> <li>• Agreement for subscription of share warrants/equity shares</li> <li>• Deed of Hypothecation</li> <li>• Demand Promissory Note and letter of continuity.</li> <li>• Power of Attorney</li> <li>• Any other agreements as contemplated under the DTD</li> </ul>
<b>Transaction Expenses</b>	The Company shall bear the cost of conducting business, financial and legal due diligence, valuation of security collateral and documentation

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	<p>at a cost which will not exceed 0.5% of the investment amount plus taxes if applicable.</p> <p>All taxes and duties, including stamp duty and transfer charges, relating to the Investment shall be borne by the Issuer. All payments made by the Issuer to the Investor shall be free and clear of all present and future taxes, duties, levies, charges or deductions of any kind except for statutory tax deduction at source.</p> <p>All such expenses shall be paid by the Company out of the first disbursement and no later than 5 working days thereof.</p>
<b>Governing Law and Jurisdiction</b>	<p>This Term Sheet and the Definitive Documents shall be governed by laws of India.</p> <p>The Issuer and Promoter(s) agree to exclusive jurisdiction of courts in Bangalore. However, nothing shall limit the right of the Investor to initiate proceedings in any court or tribunal of competent jurisdiction or one or more of any such courts or tribunals concurrently.</p>
<b>Non – Binding Effect</b>	<p>Notwithstanding any other provision of this Term Sheet, none of the provisions of this Term Sheet are intended to be or shall be construed in any way as constituting a legally binding contract or have any other legally binding effect of any nature other than the provisions of clauses: "Exclusivity", "Confidentiality", "Transaction Expenses", "Non-Binding Effect" and "Governing Law", which shall be legally binding on the Parties.</p>

<p><b>For Universal SportsBiz Private Limited (Issuer)</b></p> <p style="text-align: center;"></p> <p style="text-align: center;">(Authorised Signatory)</p> <p>Date: 28.07.2021</p> <div style="text-align: center;">  </div>	<p><b>For Spark Alternative Investment Trust (Investor)</b></p> <p style="text-align: center;"></p> <p style="text-align: center;">(Authorised Signatory)</p> <p>Date:</p>
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