

NEWS SPORTS TELEVISION [TelevisionPost Team](#) July 2, 2018

# Delhi Daredevils owner GMR Sports plans to raise Rs 550 cr via NCDs

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MUMBAI: GMR Sports, the owner of Indian Premier League (IPL) franchise Delhi Daredevils, is planning to raise Rs 550 crore via non-convertible debentures (NCDs).

The funds raised will be utilised by the company for running the company's operations and meeting any payments and expenses including any advance payments/expenses for the company's operational and services contracts.

The NCDs will have a tenure of five years with Put/Call option at the end of 30 months with 3 months of advance notice from either side.

The repayment is in a staggered manner with 45% of principal payment to be done in 54 months and rest 55% of principal to be paid at the end of 60th month from the date of allotment.

The NCDs are secured by first exclusive charge on all receivables including share of central rights income from BCCI, gate receipts and local sponsorship contract to be received by the issuer, pledge of 50% shares in GMR Sports being acquired by JSW Group, charge overall operating accounts of the issuer, charge over DSRA account of the issuer covering principal and interest for 1 period to be funded 4 business days prior to due date.

JSW Group is acquiring 50% stake in GMR Sports through its sports venture JSW Sports. The acquisition will be through stake purchase from existing shareholders as well as the issuance of new shares.

JSW Sports is 100% owned by Everbest Consultancy Services, which is 100% owned by Sajjan Jindal Family Trust.

Due to the issuance of new shares, there will be an infusion of Rs. 163 crore into GMR Sports out of which Rs. 100 crore will be used for redemption of preference shares with a net infusion of Rs. 63 crore of equity into the company, making it a positive net worth company just before the NCDs issue. At the end of 31st March, GMR Sports' net worth was Rs. -28.59 crore.

After the acquisition, key members of the JSW Group promoter family Parth Jindal and Sangeeta Jindal will be on the board of GSPL. The name of the Company will be changed to JSW GMR Cricket.

JSW Techno Projects Management Ltd, which is a 100% Sajjan Jindal Family owned entity, is providing a Board approved Letter of Comfort for the issue. It holds 22.93 crore of JSW Steel Limited shares (out of which 56% shares are already pledged).

It is also proposed that at least one family member directly related to Sajjan Jindal, will be in the board of the issuer, until the redemption of the NCDs.

**Brickwork Ratings has assigned BBB+ ratings for the proposed NCD issue of Rs 550 crore by GMR Sports.**

The rating has positively factored, the acquisition of 50% stake by JSW Group in GMR Sports, higher future revenue visibility due to the new broadcasting and internet rights deal between Star Sports and BCCI (from 2018 to 2022), resulting in an increase of company's share of Central Rights revenue from IPL.

IPL franchises are expected to see an increase in their earnings. The central revenue pool, which is the major revenue contributor, will see a 50:45 division between the BCCI and the IPL over a period 5 years. The rest 5% will be distributed among the teams based on the ranking in the IPL league table.

Besides the central revenue, the teams will earn from Gate Receipts of Home Matches (100% share) and Local sponsorship and merchandising.

Due to the broadcasting and internet rights deal, GRM Sports is expecting more than 2x rise in its income in FY19 as compared to FY18 and going forward the revenues are likely to be stable in nature.

GMR Sports' net loss in FY17 had widened to Rs 9.04 crore compared to Rs 6.17 crore in the previous fiscal. Operating revenue had seen a slight drop to Rs 125.5 crore from Rs 128.2 crore. EBITDA remained flat at Rs 34.04 crore compared to Rs 34.8 crore.