

# Joyville Shapoorji Housing Private Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2020

(Currency in INR Lakhs)

### 28 Financial instruments – Fair values and risk management (Continued)

#### b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has obtained fund and non-fund based working capital lines from banks, commercial papers issued to Mutual funds and through issue of debentures. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

As of 31 March, 2020, the Company had working capital of INR 115,692.17 lakhs including cash and cash equivalents of INR 7,761.79 lakhs and bank balance of INR 931.85 lakhs, short term borrowings of INR 994.78 lakhs and trade payables of INR 11,533.52 lakhs. As of 31 March, 2019, the Company had working capital of INR 103,543.88 lakhs including cash and cash equivalents of INR 1,765.70 lakhs and bank balance of INR 492.74 lakhs, short term borrowings (including bank overdrafts) of INR 947.88 lakhs and trade payables of INR 5,504.71 lakhs.

#### Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

\* all non derivative financial liabilities

\* net and gross settled derivative financial instruments for which the contractual maturities are essential for the understanding of the timing of the cash flows.

As at 31 March 2020	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
1,564,929, 17%, compulsorily convertible debentures (Series "A") of Rs 100 each	1,137.88	1,816.24	-	-	1,816.24	-
1,661,724, 17%, compulsorily convertible debentures (Series "B") of Rs 100 each	1,208.26	1,928.58	-	-	1,928.58	-
26,068,111, 10%, redeemable, non-convertible debentures (Series "A") Rs 100 each	30,784.64	42,802.97	-	-	42,802.97	-
60,825,449, 10%, redeemable, non-convertible debentures (Series "B") Rs 100 each	71,982.86	99,873.34	-	23,268.92	76,604.42	-
Finance facility from Housing Development Finance Corporation Limited	22,539.41	28,338.14	2,497.50	11,758.51	14,082.13	-
Finance facility from RBL bank Limited	6,737.37	8,470.21	1,514.57	2,150.21	4,805.42	-
Finance facility from IndusInd bank Limited	2,478.91	2,859.22	687.86	1,537.32	614.04	-
Trade payables	11,533.51	11,533.51	11,533.51	-	-	-
ICD from Grandview Estate Private Limited	941.76	941.76	941.76	-	-	-
Other financial liabilities	53.02	53.02	53.02	-	-	-
	<b>1,49,397.62</b>	<b>1,98,616.99</b>	<b>17,228.23</b>	<b>38,734.97</b>	<b>1,42,653.79</b>	<b>-</b>

As at 31 March 2019	Carrying amount	Total	Contractual cash flows			
			1 year or less	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
1,270,926, 17%, compulsorily convertible debentures (Series "A") of Rs 100 each	1,206.64	2,171.14	-	-	2,171.14	-
1,349,536, 17%, compulsorily convertible debentures (Series "B") of Rs 100 each	1,692.35	2,716.52	-	-	2,716.52	-
21,508,111, 10%, redeemable, non-convertible debentures (Series "A") Rs 100 each	23,953.01	35,156.15	-	4,038.37	31,117.78	-
50,185,449, 10%, redeemable, non-convertible debentures (Series "B") Rs 100 each	55,848.49	81,989.04	-	18,592.67	63,396.37	-
Finance facility from Housing Development Finance Corporation Limited	27,567.86	37,950.00	2,612.50	5,225.00	30,112.50	-
Finance facility from RBL bank Limited	4,998.81	7,340.00	585.00	1,170.00	5,585.00	-
Finance facility from IndusInd bank Limited	495.56	714.00	53.50	107.00	553.50	-
Trade payables	5,504.71	5,504.71	5,504.71	-	-	-
ICD from Grandview Estate Private Limited	894.86	894.86	894.86	-	-	-
Other financial liabilities	53.02	53.02	53.02	-	-	-
Bank overdraft	-	-	-	-	-	-
	<b>1,22,215.31</b>	<b>1,74,489.44</b>	<b>9,703.59</b>	<b>29,133.04</b>	<b>1,35,652.81</b>	<b>-</b>

Note: Figures are inclusive of interest accrued but not due



**Notes to the financial statements (Continued)**

For the year ended 31 March 2020

(Currency in INR Lakhs)

**28 Financial instruments – Fair values and risk management (Continued)**

**c. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company is domiciled in India and has its revenues and other transactions in its functional currency i.e. INR. Accordingly the Company is not exposed to any currency risk. Also the Company does not hold any equity investments, accordingly the Company is not exposed to any equity price risk.

**Currency risk**

Currency risk is not material, as the Company's primary business activities are within India and does not have significant exposure in foreign currency.

**C. Other risks**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company.

The Board is responsible to identify and analysis the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The Company's Risk Management Policies are established to identify and analysis the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

**Regulatory and Environmental Risks**

The Company is subject to laws and regulations in various segments like Environmental, Forests etc. and has laid down policies and procedures aimed at compliance with local environmental and other laws

**Climate and other risks**

The Company is exposed to the risks of damage from climatic changes, and other natural forces. The Company has extensive processes in place aimed at monitoring those risks, including regular monitoring and follow up.

**D. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	31 March 2020	31 March 2019
<b>Fixed-rate instruments</b>		
Financial liabilities (Liability component of compound financial instrument i.e. of convertible debentures)	2,346.14	2,898.99
Financial liabilities (Liability component of compound financial instrument i.e. of non-convertible debentures)	1,02,767.50	79,801.50
Inter-corporate deposits	941.76	894.86
Interest accrued but not due on borrowings	53.02	53.02
Fixed rate instruments	<b>1,06,108.42</b>	83,648.37
<b>Variable rate instruments</b>		
Term loan from HDFC Limited	22,539.41	27,567.86
Term loan from RBL Bank Limited	6,737.37	4,998.81
Term loan from IndusInd Bank Limited	2,478.91	495.56
Variable rate instruments	<b>31,755.69</b>	33,062.23

**Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**Cash flow sensitivity analysis for variable rate instruments**

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the Company by the amounts indicated in the table below. Given that the Company capitalises interest to the cost of inventory to the extent permissible, the amounts indicated below may have an impact on reported profits over the life cycle of projects to which such interest is capitalised. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

Variable rate instruments - Cash flow sensitivity (net)	Profit or (Loss) INR (in Lakhs)	
	31 March 2020	31 March 2019
100 basis points increase	(317.56)	(330.62)
100 basis points decrease	317.56	330.62

The Company does not have any additional impact on equity other than the impact on retained earnings.

**29 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders, if any.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at 31 March 2020 was as follows:

	As at 31 March 2020	As at 31 March 2019
Total borrowings	1,37,864.11	1,16,710.64
Less : Cash and cash equivalents	7,761.79	1,765.70
<b>Adjusted net debt</b>	<b>1,30,102.32</b>	<b>1,14,944.94</b>
<b>Equity</b>	<b>(15,208.70)</b>	<b>(10,656.60)</b>
<b>Adjusted net debt to equity ratio</b>	<b>(8.55)</b>	<b>(10.79)</b>





# Joyville Shapoorji Housing Private Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2020

(Currency in INR Lakhs)

- 30 During the year, Ministry of Corporate Affairs vide its notification dated 16 August 2019 issued the Companies (Share Capital and Debentures) Amendment Rules, 2019. As per the notification, listed entities are no longer required to maintain debenture redemption reserve ('DRR') in case of privately placed debentures. However, considering the accumulated losses in the previous years the Company had not created DRR.

### 31 Segment reporting

#### a. Basis of Segmentation

The Company is engaged only in the business of development of property and related activities in India. It has no other reportable segments in terms of Indian Accounting Standard (Ind AS) 108 on Segment Reporting specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act").

#### b. Geographical Information

The geographic information analyses the Company's revenue and Non-Current Assets by the Company's country of domicile and other countries. As the Company is engaged in Development of Real Estate property in India, it has only one reportable geographical segment.

#### c. Information about major customers

Revenue from the customers is INR Nil for the year ended 31 March 2020 (for the year ended 31 March 2019: INR Nil) constituted 10% or more of the total revenue of the Company.

### 32 Revenue from contracts with customers

During the previous year ended 31 March 2019, the Company has applied the modified retrospective approach to its real estate residential contracts that were not completed as of 1 April 2018 and has given impact of adoption of Ind AS 115 by debiting to retained earnings as at the said date by Rs. 6,300 lakhs. There is no impact in the year ended 31 March 2019, on revenue from operations, net loss after tax and basic and diluted earning per share on account of implementation of Ind AS 115.

- a. Significant changes in contract asset and contract liabilities balances during the year are as follows:

Particulars	31 March 2020	31 March 2019
<b>Contract Assets</b>		
At the beginning of the reporting period	-	-
Cumulative catch-up adjustments to revenue affecting contract assets	-	-
At the end of the reporting period	-	-
<b>Contract Liabilities</b>		
At the beginning of the reporting period	23,080.59	3,377.83
Cumulative catch-up adjustments to revenue affecting contract liabilities	50,730.41	18,295.44
Significant financing component	4,664.62	1,407.32
At the end of the reporting period	78,475.62	23,080.59

#### b. Performance obligation

The Company engaged primarily in the business of real estate construction, development and other related activities.

All the Contracts entered with the customers consists of a single performance obligation thereby the consideration allocated to the performance obligation is based on standalone selling prices

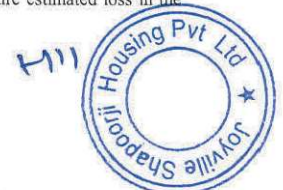
Revenue is recognised upon transfer of control of residential and commercial units to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those units. The trigger for revenue recognition is on handover of possession to the customers, as determined by the terms of contract with customers, post which the contract becomes non-cancellable by the parties.

The revenue is measured at the transaction price agreed under the contract. In certain cases, the Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction price for the effects of a significant financing component.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at 31 March 2020 is INR 1,55,053.56 lakhs (as at 31 March 2019: INR 1,01,770.76 lakhs). This will be recognised as revenue over a period of one to four years .

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Company recognises the entire estimated loss in the period the loss becomes known.



# Joyville Shapoorji Housing Private Limited

## Notes to the financial statements (Continued)

For the year ended 31 March 2020

(Currency in INR Lakhs)

### 32 Revenue from contracts with customers (Continued)

#### b. Performance obligation (Continued)

The Company applies practical expedient in paragraph C6(a) of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less for comparative previous periods.

#### c. Reconciliation of revenue recognised in the Statement of Profit and Loss

The following table discloses the reconciliation of amount of revenue recognised as at 31 March 2019:

	31 March 2020	31 March 2019
Contract price of the revenue recognised	-	-
Add: Significant financing component	-	-
Less: Customer Incentives/benefits	-	-
<b>Revenue recognised in the Statement of Profit and Loss</b>	<b>-</b>	<b>-</b>

#### d. Assets recognised from the costs to obtain or fulfil a contract with a customer

Particulars	31 March 2020	31 March 2019
At the beginning of the reporting period	1,727.90	-
Add: Cost incurred during the year	3,216.43	1,727.90
At the end of the reporting period	4,944.33	1,727.90

The Company shall amortise the cost on satisfaction of performance obligation.

### 33 Subsequent events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

### 34 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on 24th March, 2020, which has impacted the business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of inventories and in relation to other financial statement captions and also use of the going concern basis for preparation of financial statements.

The Company has adequate bank balances, unutilized fund-based credit facilities available and also will be able to generate sufficient collections from its existing registered customers, to fund its operations. Accordingly, the Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months.

The Company has resumed its business activities by reopening its project sites and offices on a gradual basis in line with the guidelines issued by the Government authorities.

The actual impact of COVID-19 may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

### 35 Other matters

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

  
Jayesh T Thakkar  
Partner  
Membership No: 113959

  
Venkatesh Gopalkrishnan  
Director  
DIN: 01252461

  
Himanshu Jani  
Chief Financial Officer

For and on behalf of the Board of Directors of  
Joyville Shapoorji Housing Private Limited  
CIN: U70109MH2007PTC166942

  
Sriram Mahadevan  
Managing Director  
DIN: 08028238

  
Siddhant Agarwal  
Company Secretary  
Membership No: A41137

Mumbai  
22 June 2020

Mumbai  
22 June 2020