Joyville Shapoorji Housing Private Limited

September 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	400.00 (Enhanced from 200.00)	CARE BBB; Stable	Downgraded from CARE BBB+; Stable
Non-convertible debentures (Series A)	271.48 (Reduced from 372.00)	CARE BBB-; Stable	Downgraded from CARE BBB; Stable
Non-convertible debentures (Series C and Series D)	512.15 (Reduced from 850.77)	CARE BBB-; Stable	Downgraded from CARE BBB; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Downgrade in ratings assigned to bank facilities and non-convertible debentures of Joyville Shapoorji Housing Private Limited (JSHPL) factors in lower-than-envisaged cash flow generation at the platform level mainly considering delay in new launches. Lower surplus resulted in limited headroom for investor payouts, leading to lower-than-expected returns against the required internal rate of return (IRR) from the existing project cashflows. Such payouts are contingent on timely realisation of project surplus including new launches proposed. While the company has sufficient time until November 2028 to make the payouts, further delay in launch of projects is likely to moderate liquidity and debt coverage.

JSHPL has availed ₹400 crore construction finance loan from ICICI Bank, which allows utilisation of these proceeds for project development, whereas cash inflows from the project shall be utilised for repayment to investors. Hence, timely launch of new projects and envisaged sales will remain key rating sensitivities. Lower-than-envisaged payouts, resulting in increased dependence on new launches shall be a key monitorable.

The company has planned development of new residential projects at Thane and Hinjewadi, with launches expected from Q4FY26 (FY refers to April 01 to March 31). With existing projects nearing completion, new developments introduce inherent execution and marketing risks. However, comfort is drawn from the company's past execution track record and satisfactory sales performance.

Ratings continue to factor in satisfactory project progress with 86% cost incurred on existing launches and sales momentum, with ~88% of launched units sold as on July 31, 2025. The balance inventory is also expected to be sold in the next 1.5 years. The company has committed receivables of ₹559 crore as on May 31, 2025, providing 41% coverage for the balance construction cost of ongoing projects and construction finance debt.

Ratings continue to derive strength from the experience of the developer-cum-sponsor, Shapoorji Pallonji group, in the real estate market and the presence of prominent global financial investors.

Rating strengths are tempered by exposure to marketing risks for unsold and planned development areas, execution risks, cyclical nature of the industry, and higher dependence on customer advances for funding construction costs. Investor and sponsor return generation over the balance ~3 years depends on timely realisation of sales and remains critical from a credit perspective.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in sales and collection at platform level.

Negative factors

- Prolonged delay in launch of new planned projects and/or lower-than-envisaged Investor payout by end of fiscal FY26
- Weak sales from launched projects, moderating debt coverage indicators.
- Non-adherence to covenants of the non-convertible debenture (NCD) transaction structure.

Analytical approach: Standalone

Assessment of ratings of the NCDs / Proposed NCDs is based on the strong profile of investors in the Joyville platform and structuring on NCD based on payable when able structure. Per the agreed terms, there are no scheduled repayment or coupon payment till the redemption period of 13 years (November 2028; FY29) for the NCDs, which provides longer time horizon for the project execution and subsequent monetisation.

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects the credit profile of the JSHPL to remain stable backed by satisfactory sales momentum and collection profile and flexible repayment structure of NCDs.

Detailed description of key rating drivers:

Key strengths

Experienced sponsor/developer

JSHPL primarily acts as an investment vehicle and has appointed Shapoorji Pallonji Real Estate Private Limited (SPREPL) as the development and marketing manager (DMM) for each of the projects. In its capacity as DMM, SPREPL is responsible for all aspects of the projects, including planning, designing, securing approvals, budgeting, arranging finance, tendering, procurement, monitoring construction, branding, marketing, sales and customer relationship, commissioning, and handover of the projects.

As part of business restructuring of the Shapoorji Pallonji group, the shareholding of Shapoorji Pallonji and Company Private Limited (rated CARE BBB-; Negative/CARE A3) in JSHPL has been transferred to SPREPL, which is the real estate holding company for the group.

The Shapoorji Pallonji group is a diversified conglomerate with business interests in sectors such as real estate, coal mining, power, ports, roads, biofuels, agriculture, shipping and logistics, consumer products, and textiles.

Prominent multilateral organizations as partner investors

Large prominent multilateral organisations such as International Finance Corporation, Asian Development Bank and ACTIS Place Holdings No.2 (Singapore) Private Limited (ACTIS) together hold 51.5% shareholding in JSHPL. The investors provide financial support, with entire land purchase funding committed to be funded by the investors and sponsor in a 70-30 ratio. JSHPL was expected to receive an investment aggregating ₹1,240 crore from these marquee investors and sponsor. As on June 30, 2025, JSHPL has received non-convertible debentures (NCDs) amounting to ~₹857 crores from the investors and sponsor (~₹602 crores and ~₹255 crores respectively) with remaining amounts cancelled. These funds have been utilised for land acquisition and other pre-development expenses for the projects already acquired. For new projects yet to be launched, JSHPL shall use surplus generated from existing projects or utilise the construction finance loan of ₹400 crore availed from ICICI Bank. The company does not intend to raise further funds through the NCDs.

Satisfactory project execution in majority sites

JSHPL is currently developing a total saleable area of ~108 lakh sq ft (~72% of total area to be developed under the platform) across Kolkata (Howrah), Virar, Gurugram and Pune (Hinjewadi and Manjri). JSHPL has added an additional 41.40 lakh sq ft for development across Pune (Hinjewadi), Thane and Howrah. As on May 31, 2025, the company has incurred ~86% of the total cost projected (₹6,758 crore) for the area under development.

Among the projects under development, Howrah 1A is relatively slow-moving, although sales have picked up in the last three years. Sales momentum has remained satisfactory, with sales-to-launched ratio at 88% as on July 31, 2025. For 12 months ending July 31, 2025, the company sold ~1,151 units, and unsold inventory of launched units stood at 1,341 units. Considering average monthly sales of ~96 units, the balance inventory is likely to be sold in the next 14 months. The collection efficiency has remained comfortable at over 98%. Committed receivables from sold inventory cover ~41% of the balance construction cost for the launched projects and the construction finance loan.

Structured payment mechanism for NCDs and commencement of coupon payments

The entire structuring of instruments is aimed at providing preference to NCDs subscribed by investors over those subscribed by the sponsor, which are subordinated to the senior debt. Redemption of NCDs is governed by a waterfall mechanism defined under an order of distribution, structured to ensure that investors receive their principal and a pre-determined internal rate of return (IRR) on their investment. Distribution is monitored by the Distribution Committee comprising shareholders and debenture holders.

The distributable amount is calculated after deducting expenses for the next six months and senior debt servicing obligations for the next six months from sale proceeds, receivables and other inflows. Per terms of the instrument, there are no scheduled repayments or coupon payments, eliminating the probability of default until the redemption period of 13 years (till November 2028). The NCD tenor was extended by 4.5 years to November 2028 in line with provision of the initial Debenture Trust Deed.

Key weaknesses

Delay in new launches impacting cashflow and investor payout

At the platform level, JSHPL has been adding additional area under development; however, delays in project launches and relatively lower returns from the Howrah and Virar projects have impacted overall cash flow generation. Except for these projects, other developments have generated adequate surplus, enabling the company to commence payments to NCD holders, with distribution of ₹978 crore till September 03, 2025.

However, surplus from existing projects is insufficient to cover NCD redemption in line with targeted internal rate of returns (IRRs, ranging between 17% to 18.5%). Thus, investor payouts are contingent on surplus from proposed new projects. Consistently lower-than-expected payouts have resulted in higher cash outgo requirements to achieve the required IRR. CareEdge Ratings expects investors to achieve the required IRR over the balance tenor of three years; however, sponsor returns are expected to remain subdued. The management has articulated a significant payout in fiscal FY26, which shall ensure the IRR within the stipulated time period and reduce dependence on new launches. Its fructification shall be a key rating sensitivity.

The company has planned development of an additional 41.40 lakh sq ft at Howrah, Thane and Hinjewadi III, with launches likely to commence from Q4FY26. Timely collections from sold inventory, minimal cancellations and the ability to achieve new sales will remain crucial.

Project execution and marketing risk

Existing projects have been completed to an extent of 86%. However, the new development area of ~42 lakh sft has an envisaged project cost of ₹2,557 crore to be financed through surplus from the existing projects, customer advances and construction finance loan. While there is a low execution and saleability risk associated with existing launches, newer developments have relatively high execution risk. Financing risk is also high with high dependence on customer advances for the new launches.

Losses from Howrah and Virar project and delay in launch of projects impacting the platform cashflows

Due to change in market conditions since the Howrah and Virar projects were envisaged, the company realised lower expected sales, leading to an elongated project life cycle. Projects have shown improvement in the last few years, however, these projects are expected to report losses, which is pulling down overall returns of the platform. The company also plans to develop additional space in Thane with an area of 5.41 lsf and Hinjewadi – III with an area of 23 lsf. However, the launch of these projects has been delayed by almost a year due to disputes over land acquisition. The management expects resolution and launch by end of fiscal FY26. With JSHPL developing additional space in Howrah, its profitability is expected to improve, but timely execution of the project and ability to achieve sales remains to be seen.

Cyclical nature of real estate industry

The company is exposed to the cyclicality associated with the real estate sector which has direct linkage with the general macroeconomic scenario, interest rates and level of disposable income available with individuals. In case of real estate companies, profitability highly depends on property markets. A high interest rate scenario could further discourage consumers from borrowing to finance the real estate purchases and may depress the real estate market.

Liquidity: Adequate

The payable when able structure associated with the NCDs provide cashflow comfort with the entire repayment (and accrued interest) spread out over 13-year time period (till November 2028). The construction finance loan has seniority over NCD and the debt coverage metric is comfortable. Liquidity is supported by cash and bank balance of ₹100 crore as on March 31, 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Rating methodology for Real estate sector

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

JSHPL was originally incorporated on January 11, 2007, with the name 'Drashti Developers Private Limited'. The name of the company was changed to the current nomenclature on October 15, 2015. The company is mainly into urban affordable housing segment and has planned development of 149 lsf residential space at Howrah, Virar, Gurugram, Pune and Thane. Currently, it has undertaken development of 108 lsf. The shareholding in JSHPL is held by SPREPL (48.5%) and balance by Actis Place Holdings No.2 (Singapore) Private Limited (25.75%), International Finance Corporation (IFC; 12.875%) and Asian Development Bank (ADB; 12.875%).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	856	2,679	315
PBILDT	(161)	62	21
PAT	(415)	12	(8)
Overall gearing (times)	NM	NM	NM
Interest coverage (times)	NM	0.89	0.66

A: Audited UA: Unaudited NA: Not meaningful; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)**	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non Convertible Debentures – Series A	INE373S08622	17-Nov-2015	10	17-Nov-2028	260.68	CARE BBB-; Stable
Debentures-Non Convertible Debentures – Series A	INE373S08648	13-May-2022	10	17-Nov-2028	10.80	CARE BBB-; Stable
Debentures-Non Convertible Debentures – Series C	INE373S08697^	13-May-2022	10	17-Nov-2028	12.60	CARE BBB-; Stable
Debentures-Non Convertible Debentures – Series C	INE373S08713#	17-Nov-2015	10	17-Nov-2028	243.48	CARE BBB-; Stable
Debentures-Non Convertible Debentures – Series D	INE373S08721#	17-Nov-2015	10	17-Nov-2028	207.07	CARE BBB-; Stable
Debentures-Non Convertible Debentures – Series D	INE373S08705^	13-May-2022	10	17-Nov-2028	12.60	CARE BBB-; Stable

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)**	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Debentures-Non Convertible Debentures – Series D	INE373S08739*	20-Nov-2018	10	17-Nov-2028	36.40	CARE BBB-; Stable
Fund-based - LT-Term Loan	-	-	-	31-Jul-2030	400.00	CARE BBB; Stable

Series A subscribed/to be subscribed by sponsor and Series C and Series D subscribed by investors.
Sponsor: Shapoorji Pallonji and Company Private Limited/ SPREPL
Investors: Actis Place Holdings No.1 (Singapore) Private Limited [Formerly known as Standard Chartered Real Estate Investment (Singapore) II Private Limited], IFC and ADB.
**Coupon is 10%; however, IRR remains between 17%-18.5%
*Old ISIN is INE373S08663
#Old ISIN is INE373S08630
^Old ISIN is INE373S08655

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Debentures-Non Convertible Debentures	LT	271.48	CARE BBB-; Stable	-	1)CARE BBB; Stable (27-Sep-24)	1)CARE BBB+; Stable (28-Sep-23)	1)CARE BBB+; Stable (29-Sep-22)
2	Debentures-Non Convertible Debentures	LT	512.15	CARE BBB-; Stable	-	1)CARE BBB; Stable (27-Sep-24)	1)CARE BBB+; Stable (28-Sep-23)	1)CARE BBB+; Stable (29-Sep-22)
3	Fund-based - LT-Term Loan	LT	400.00	CARE BBB; Stable	-	1)CARE BBB+; Stable (27-Sep-24)	1)CARE A; Stable (28-Sep-23)	1)CARE A; Stable (29-Sep-22)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debentures-Non Convertible Debentures	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Puja Jalan Director **CARE Ratings Limited** Phone: 914040020131 E-mail: puja.jalan@careedge.in Tej Kiran Ghattamaneni Associate Director **CARE Ratings Limited** Phone: 914040020131 E-mail: tej.kiran@careedge.in Sriram Gurujala Goud Lead Analyst **CARE Ratings Limited** E-mail: sriram.goud@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

**For detailed Rating Report and subscription information,
please visit www.careratings.com**