

Diana Buildwell Private Limited

August 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	58.64 (Reduced from 74.46)	CARE BBB-; Stable	Reaffirmed
Long-term / Short-term bank facilities	1.90 (Reduced from 5.40)	CARE BBB-; Stable / CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Diana Buildwell Private Limited (DBPL) continues to derive strength from experienced promoters with support from parentage of Classic Citi Investments Private Limited (CC IPL; CARE BBB; Stable), marketing-cum-management tie up with Marriott International and prime location of the property in north Goa.

Rating strengths are partially tempered by moderated performance of sole property W Retreat & Spa, Goa, leading to a decline in scale of operations and profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin and incur net loss in FY25 (FY refers to April 01 to March 31). It further factors in leveraged capital structure, geographical and revenue concentration risk due to single property ownership, and high susceptibility to economic cycles. Rating also considers ongoing capital expenditure towards upgradation/renovation of hotel property, and its timely execution remains key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Resolution of the on-going investigation against one of the promoters.
- Sustained improvement in occupancy level exceeding 80%
- Improvement in the PBILDT margin above 40% and increase in total operating income (TOI) on a sustained basis.
- Improvement in the capital structure marked by overall gearing reaching below 1.75x on a sustained basis.

Negative factors

- Additional debt further leveraging the company's profile resulting in overall gearing above 3x.
- Substantially declining operating metrics with average room rates (ARR) falling below ₹22,000 on a sustained basis leading to deterioration in liquidity profile.
- Weakening linkages with CC IPL.
- Negative implication on the company's credit profile arising from ongoing issues with one of the promoters.

Analytical approach: Standalone with operational, managerial, and financial linkages with its parent CC IPL

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects sustenance and further improvement in DBPL's performance given the revival of the hospitality industry. The property's operating performance is expected to improve in FY26 over FY25 and likelihood of stable performance in the near-to-medium term. Continued strong demand for leisure travel considering opening of several source markets and travel destinations particularly in the Asia-Pacific region is likely to contribute to hotel performance.

Detailed description of key rating drivers:

Key strengths

Strong parentage of CC IPL with experienced promoters

DBPL is a 99.99% subsidiary of CC IPL, which is promoted by Sun-n-Sand Hotels Private Limited (SSHPL) and by promoters of the Pune-based Avinash Bhosale and Amit Bhosale (ABIL) group. DBPL remain strategically important for CC IPL given that former provides diversification to the company, and it received need-based financial support in the past, which is expected in the future. The rating derives strength from successful track record and vast experience of the promoters in hospitality and real estate sectors. SSHPL is led by an experienced management, with Gul Advani, the company's Chairman, having an experience of over

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

six decades in the hospitality industry. Rajesh Advani, MD of the company, is actively involved in the company's business operations. SSHPL has a good brand image and recall for its hotel properties at Mumbai and Shirdi having 120 keys hotel capacity, and hotels equipped with 24-hour amenities. SSHPL is a debt-free company. However, the rating comfort is driven by experienced promoters, SSHPL, being primarily involved in the hotels' day-to-day operations. The ABIL group is led by Avinash Bhosale, who has been granted bail in relation to the CBI's investigation into the Yes Bank-DHFL fraud case. CareEdge Ratings notes the release and will continue to monitor implications of the ongoing matter on the company's ratings.

Marketing-cum-management tie-up with Marriott International, New York

DBPL has a tie-up with Marriott International, Inc. for the management-cum-marketing of the hotel, W Retreat and Spa Goa. It is one of the leading hotel and leisure companies in the world with presence over 100 countries. The Marriott group has over 1,200 hotels globally (owned and managed properties), which it operates under established brands such as W-Hotels, Westin, Sheraton, and Le Meridien. Strong brand recognition of the Marriott International has benefited the group, leading to satisfactory operational performance in the past.

Prime locations of properties

DBPL owns one hotel at Goa. W Retreat & Spa commenced operations in December 2016 and is operational in north Goa. It has been able to leverage its brand value of 'W' as a premium hotel property in the city in a short span of time. The hotel has total 121 keys and an occupancy level of 77% in FY25.

Key weaknesses

Small scale of operation and geographical concentration

DBPL's scale of operations remains small marked by total operating income (TOI) ranging from ₹93 crore to ₹119 crore in FY22 to FY25. TOI declined to ₹101.97 crore in FY25 compared to ₹118.67 crore in FY24 owing to decline in ARR from ₹26,073 in FY24 to ₹22,943 in FY25 owing to increased competition in the vicinity of Goa and change in tourist preferences. DBPL's total inventory and tangible net worth stood at 121 keys and ₹61.22 crore respectively as on March 31, 2025, and 530 keys and ₹393.87 crore respectively of the group. With no new key additions planned in the near term but further market correction, the scale is expected to remain at similar levels. The company is exposed to geographical concentration risk, given its single property in Goa. However, the asset is an upscale leisure property, with demonstrated track record of satisfactory operating metrics in the past.

Deterioration in PBILDT margin with net loss incurred in FY25

The company's profitability margins deteriorated in FY25 marked by PBILDT margin moderated to 20.30% in FY25 from 35.92% in FY24 owing to reduction in revenue and an increase in repairs and maintenance expenses related to renovation of rooms carried out by the group, which increased to ₹13.79 crore in FY25 from ₹7.99 crore in FY24. Considering y-o-y increase in other costs such as employee cost, raw material cost, fuel cost, and selling & marketing and other expenses impacted profitability. Hence, the company incurred net loss of ₹1.04 crore in FY25.

Leveraged capital structure and moderate debt coverage indicators

DBPL's capital structure continued to remain leveraged despite slightly improving, marked by overall gearing of 2.74x as on March 31, 2025, compared to 2.78x as on March 31, 2024. This improvement is attributed to the reduction in the total debt led by scheduled repayment of term loans. CCIPL has extended unsecured loans of ₹30.55 crore in FY25 to support DBPL's funding requirements.

Debt coverage indicators also remained moderate marked by interest coverage of 2.59x in FY25 compared to 3.69x in FY24. This moderation is owing to reduction in PBILDT margin, which was partially offset by reduced interest cost. The total debt to gross cash accruals (TD/GCA) deteriorated to 12.18x in FY25 compared to 5.51x in FY24 due to above mentioned reasons.

The hospitality industry outlook and risk associated with seasonality

The group is exposed to changes in macroeconomic factors, industrial growth, and tourist arrival growth in India, international and domestic demand-supply scenarios, competition in the industry, government policies and regulations and other socioeconomic factors, which leads to inherent cyclicity in the hospitality industry. These risks can impact the occupancy rate, ARR and, the company's profitability. However, these risks are somewhat mitigated for the group through a balanced mix of business and leisure hotels that have a strong brand image. Growth of the Indian hospitality industry is expected to come from domestic demand. This expected growth is attributed to higher disposable income, domestic and international events, festivals, weddings, and corporate travels, among others.

Project execution and funding risk

DBPL has planned for renovation and maintenance of its hotel over FY25 and FY26. The project's total cost is estimated at ₹27.53 crore, which is funded by internal accruals and unsecured loans from CCIPL. The company incurred ₹12.43 crore till Q1FY26 towards 15 keys and further 14 keys are under renovation, which are to be completed by FY26. Thus, timely arrangement of remaining funds from internal accruals and CCIPL without cost and time overrun, and its timely execution will remain key credit monitorable.

Liquidity: Adequate

The company's liquidity remained adequate marked by moderate cash and liquid investments and adequate GCA expectations against debt repayment obligations of ₹21.10 crore in FY26 and ₹21.29 crore in FY27. Free cash and bank balance stood at ₹8.46 crore as on March 31, 2025, compared to ₹6.40 crore as on March 31, 2024. The company enjoys need-based financial support from its parent company CCIPL. The current ratio and quick ratio stood low despite improving to 0.68x and 0.55x respectively as on March 31, 2025 (compared to 0.40x and 0.31x respectively as on March 31, 2024). Net cash flow from operations stood positive at ₹15.48 crore as on March 31, 2025 (compared to ₹41.96 crore as on March 31, 2024).

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Policy on Default Recognition](#)

[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Hotel Industry](#)

[Financial Ratios – Non financial Sector](#)

[Notching by Factoring Linkages in Ratings](#)

[Rating of Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer services	Leisure services	Hotels & resorts

Incorporated in 2006, DBPL is a 99.99% subsidiary of CCIPL, which is a 50:50 joint venture between Sun-N-Sand Hotels Private Limited and Avinash Bhosale and his son, Amit Bhosale. DBPL owns and operates resort 'W' in Goa, which commenced its operation on December 12, 2016. The hotel operates with 121 keys and is at a prime location in north Goa. The hotel has established brand image as an upscale luxury resort.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	June 30, 2025 (UA)
Total operating income	118.67	101.97	20.09
PBILDT	42.63	20.70	3.24
PAT	11.97	-1.04	-1.88
Overall gearing (times)	2.78	2.74	NA
Interest coverage (times)	3.69	2.59	2.39

A: Audited UA: Unaudited NA: Not available; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	May 2028	58.64	CARE BBB-; Stable
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	1.90	CARE BBB-; Stable / CARE A3

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	Fund-based - LT-Term Loan	LT	58.64	CARE BBB-; Stable	-	1)CARE BBB-; Stable (07-Oct-24)	1)CARE BBB-; Stable (17-Aug-23)	1)CARE BBB-; Stable (28-Dec-22) 2)CARE BBB- (CW with Negative Implications) (06-Jun-22)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	1.90	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (07-Oct-24)	1)CARE BBB-; Stable / CARE A3 (17-Aug-23)	1)CARE BBB-; Stable / CARE A3 (28-Dec-22) 2)CARE BBB- / CARE A3 (CW with Negative Implications) (06-Jun-22)

LT: Long term; LT/ST: Long term/Short 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	Fund-based - LT-Term Loan	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender detailsTo 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.

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