

DTWELVE SPACES PRIVATE LIMITED

September 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Issuer rating	0.00	CARE BB+; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to Dtwelve Spaces Private Limited (DSPL) remain constrained by continued net losses and cash burn, despite gradual improvement in operational profitability. Rating also considers the company's leveraged capital structure, which has been impacted by sustained losses leading to erosion of net worth over the years. The rating also takes into account the intense competition the company faces from both organised and unorganised players in the shared living sector, which limits its pricing power. The rating, however, derives strength from experienced promoter group with strategic and operational expertise, and financial support from reputed private equity investors like Alphawave, Sequoia Capital, Matrix, Accel etc. through regular equity infusions to support the company's expansion plans and funding the losses. The company's asset-light leasing model enables scalable growth and cost flexibility, while its dominant pan-India presence with 51000 beds, positions it to benefit from the positive outlook for the shared living and managed accommodation sector, driven by expanding educational and urban migration trends. Rating also takes into cognizance the company's cost optimisation initiatives, including its decision to exit loss-making cities and curtail corporate overheads resulting in improved profitability and reduction in cash burn over years.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Scale-up of operations beyond ₹700 crore with profitable operations
- Improvement in occupancy level beyond 80% and number of beds exceeding 1,50,000.

Negative factors

- Weakening in financial and operational metrics leading to continued negative cash accruals in FY26 and beyond.
- Delay in envisaged infusion in the form of compulsorily convertible preference shares (CCPS), which further deteriorates available cash and bank balance

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects the entity to benefit from experienced promoters, its diversified presence across Indian cities and continuous support from reputed private equity investors.

Detailed description of key rating drivers:

Key weaknesses

Sustained losses and cash burn despite growing scale of operations

Dtwelve Spaces Private Limited (DSPL), incorporated in 2017, has reported sustained growth in scale of operations with revenue increasing from ₹39.77 crore in FY21 to ₹548.49 crore in FY25 (FY refers to April 01 to March 31). However, the company continues to report net losses, primarily due to high fixed costs, lease expenses, and depreciation. Despite improved operational efficiency and a positive PBILDT of ₹203.03 crore in FY25, DSPL posted a net loss of ₹147.16 crore in FY25 primarily owing to high lease expenses, which are in line with the company's expansion strategy, and the same is reflected in its topline, though this marks a substantial improvement from ₹494.86 crore in FY23. While gross cash accruals have historically been negative, the upward trend signals early signs of recovery. The ongoing cash burn is currently being supported through regular equity infusions, primarily in the form of compulsorily convertible preference shares (CCPS).

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

Leveraged capital structure

DSPL's capital structure remains highly leveraged, characterised by eroded net worth base primarily driven by sustained net losses over the years. Total debt of the company stood elevated owing to high level of lease liabilities. Further, owing to continued losses, coverage indicators of the company remained weak.

Competition from unorganised players

The company is engaged in providing shared accommodations to students and working professionals. The industry is highly competitive, with few organised players such as Colive and Zolo, and a large number of unorganised players including local paying guest accommodations and hostels. Occupancy levels and revenue generation are influenced by the effectiveness of the company's marketing strategy and its pricing competitiveness. However, company's dominant position with 51000 beds and brand recognition provides it with slight competitive edge over other players.

Key strengths

Experienced promoters and management team

The company is promoted by Anindya Dutta and Sandeep Dalmia. Anindya Dutta is an MBA from IIM Ahmedabad and a Gold Medallist from IIT Kharagpur, with extensive experience in investing in global real estate opportunities, including student housing businesses. Prior to his involvement in DSPL, he worked with organisations such as Oaktree Capital, London and Goldman Sachs, London. Sandeep Dalmia is also an alumnus of IIM Ahmedabad. Before co-founding Stanza Living, he spent six years as a Principal at Boston Consulting Group, working across India, the United States, and Southeast Asia. They are responsible for strategic decision-making at DSPL. The management team overseeing day-to-day operations comprises qualified and experienced professionals from the hotel industry.

Asset-light operating model

DSPL follows an asset-light model, leasing existing properties, carrying out necessary refurbishment and fit-outs, and offering them as fully managed accommodations for students and working professionals. The company operates under four distinct categories—Scholar (further divided into Scholar Leased and Scholar Managed), Suits, and Studio. The Scholar category primarily caters to students. The Leased model involves direct property management by DSPL, while the Managed model involves partnerships with educational institutions to provide on-campus or near-campus housing solutions. The Suits category targets working professionals and typically involves builder-floor accommodations while the Studio category is a direct-to-consumer offering providing compact, self-contained living spaces. As of now, DSPL manages a total inventory of 51,000 beds across 16 cities, of which 30,000 fall under the Scholar segment (26,000 Leased and 4,000 Managed), 15,000 under Suits, and the balance under Studio.

Positive outlook for shared living and PG accommodation segment

The outlook for the shared living and PG accommodation segment remains positive, supported by the continued expansion of India's educational sector, rising urban migration, and the preference among students and young professionals for managed rental solutions. DSPL, operating under the established brand "Stanza Living", is well-positioned to capitalise on this demand, given its pan-India presence with a managed capacity of over 51,000 beds. The company's asset-light operating model, built on long-term lease arrangements with property owners, enables scalable growth while maintaining cost flexibility. DSPL's focus on offering standardised, tech-enabled, and service-rich residential spaces strengthens its market position in a segment expected to witness sustained growth over the medium term.

Liquidity: Stretched

Dtwelve Spaces Private Limited (DSPL) has raised ₹1,302 crore till FY25 (FY refers to April 01 to March 31) from investors, primarily in the form of compulsorily convertible preference shares (CCPS). These funds have been utilised for expansion and to fund continued cash burn. Stretched liquidity is owing to lower cash accruals compared to lease payment obligations resulting in company's increased dependence on external investments to bridge shortfalls. Furthermore, the company has free cash balance and fixed deposits amounting to Rs. 11.75 crores 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](#)
[Issuer Rating](#)
[Service sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Diversified	Diversified	Diversified	Diversified

Stanza Living is the common brand name for Dtwelve Spaces Private Limited. The company provides fully managed shared living accommodations to students and young professionals. Founded by Mr. Anindya Dutta and Mr. Sandeep Dalmia, the company is present across 16 cities including Delhi, NCR, Bangalore, Hyderabad, Chennai, Coimbatore, Indore, Pune, Baroda, and Dehradun etc. with a capacity of ~51,000 beds as on March 31, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	583.96	548.49
PBILDT	165.12	203.03
PAT	-273.05	-147.16
Overall gearing (times)	NM	NM
Interest coverage (times)	0.94	1.54

A: Audited UA: Unaudited; NM: 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
Issuer Rating-Issuer Ratings	-	-	-	-	0.00	CARE BB+; Stable

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	Issuer Rating-Issuer Ratings	LT	0.00	CARE BB+; Stable	-	-	-	-

LT: Long term

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

Annexure-4: Complexity level of instruments rated: Not Applicable

Annexure-5: Lender details: Not Applicable

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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