



Press Release
RAFFLES SQUARE DEVELOPMENT PRIVATE LIMITED
September 15, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	63.00	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	1.00	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	64.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB**' (read as **ACUITE Triple B**) and its short-term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs. 64.00 crore bank facilities of Raffles Square Development Private Limited (RSDPL). The outlook is '**Stable**'.

Rationale for Rating

The reaffirmation of the rating reflects moderation in Average Room Rent (ARR) and occupancy levels, resulting in a decline in operating performance. The rating also remained constrained on account of moderate working capital management and intense competition in the industry. The rating draws support from the extensive experience of the promoters in the hospitality industry and the strategic location of RSDPL's properties. Furthermore, the rating draws comfort from the company's moderate and improving financial risk profile and an adequate liquidity position of the company.

About the Company

Raffles Square Development Private Limited (RSDPL) was incorporated in 2005 and is primarily involved in the hospitality business. The company currently owns two properties i.e. a five star hotel in Pune located at Koregaon Park area started in 2008 and a five star resort in Candolim, Goa started in 2009. Both the properties are under "O" hotel brand. RSDPL belongs to the Oxford Group which has successfully developed about 3 million square feet of commercial and residential developments in Pune.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone view of business and financial risk profiles of RSDPL to arrive at this rating.

Key Rating Drivers

Strengths

Established track record of operations along with experienced management

RSDPL was established in 2005 by Mr. Anirudha Seolekar, Mr. Ashok Kothari and Mr. Pramod Dhadiwal. The company owns two five-star hotel located in Pune and Goa under the brand name 'The O Hotel'. The promoters

have more than a decade experience in the hospitality industry apart from the real estate industry. The company is a

group company of the Oxford Group which is one of the leaders in real estate sector in Pune. The group has successfully developed about 3 million square feet of commercial and residential developments in Pune. Acuité believes that RSDPL will sustain its existing business profile on the back of established track record of operations and experienced management.

Prime location Enhancing Visibility and Demand

RSDPL benefits from the strategic placement of its O Hotels in Pune and Goa. The Pune property is located in Koregaon Park, a well-established commercial and residential area with proximity to key business districts and urban infrastructure. The Goa property is situated in Candolim, a prominent tourist zone in North Goa with access to major leisure and hospitality catchments. These locations support consistent demand patterns and contribute positively to the company's operational performance.

Moderate Financial Risk Profile

RSDPL exhibits a moderate financial risk profile, supported by a moderate net worth base, low gearing levels, and adequate debt protection metrics. The company's tangible net worth stood at Rs.43.21 crore as on March 31, 2025 (Provisional), compared to Rs.47.56 crore as on March 31, 2024. The decline is primarily due to a reduction in quasi-equity. Further the gearing of the company stood moderate at 0.90 times as on March 31, 2025 (Prov.) against 0.78 times in the previous year and is expected to improve over the near to medium term. Total debt stood at Rs.38.98 crore as on March 31, 2025 (Prov.), comprising long-term borrowings of Rs.13.47 crore, short-term borrowings of Rs.18.47 crore, unsecured loans from directors amounting to Rs.5.92 crore, and current portion of long-term debt (CPLTD) of Rs.1.12 crore. Debt protection metrics have shown moderate improvement, with Interest Coverage Ratio (ICR) at 3.35 times in FY2025 (Prov.) compared to 3.24 times in FY2024, and Debt Service Coverage Ratio (DSCR) improving to 2.53 times from 2.08 times over the same period. The Total Outside Liabilities to Tangible Net Worth (TOL/TNW) stood at a comfortable 0.93 times in FY2025 (Prov.). Acuité believes that the financial risk profile of the company is expected to remain moderate in near to medium terms.

Weaknesses

Moderation in operating performance

RSDPL's operating performance has moderated, due to decline in both Average Room Rent (ARR) and occupancy levels leading to decline in overall revenue of RSDPL. The company reported revenue of Rs.49.70 crore in FY2025 (Provisional), down from Rs.52.28 crore in FY2024. This drop is primarily attributed to geopolitical tensions within India and reduced corporate spending, which adversely affected the Pune property. Additionally, shifting travel preferences away from Goa led to lower footfall and weakened demand at the Goa hotel. For the first four months of FY2026, RSDPL has recorded revenue of Rs.13.36 crore and anticipates closing the year with revenue in line with FY2024 levels, around Rs.50.00 crore. The operating profit has also declined, with the operating margin falling to 38.32 per cent in FY2025 (Provisional) from 44.25 per cent in FY2024. Margins are expected to remain within a similar range over the near to medium term.

Moderate Working Capital Requirement

The company has moderate working capital requirements as evident from Gross Current Asset (GCA) of 55 days as on March 31, 2025 (Prov.) as against 47 days for March 31, 2024. The inventory days stood at 14 days for FY2025 (Prov.) and FY2024. The debtor days stood at 12 days for FY25 (Prov.) as against 20 days in FY24. The creditor days of the company stood at 57 days for FY25 (prov.) as against 94 days for FY24. The average utilization of the bank limits of the company remains moderately high at ~70 percent in last ten months ended July 2025.

Highly competitive industry

The Indian subcontinent and the state of Goa with vast opportunities and potential for high growth has become the focus area of major international chains. Several of these chains have established and others have their plans to establish hotels to take advantage of these opportunities. These entrants are expected to intensify the competitive environment. Acuité believes the success of the company will be dependent upon its ability to compete in areas such as room rates, quality of accommodation, service level and also the quality and scope of other amenities, including food and beverage facilities.

Rating Sensitivities

- Slower than expected growth in the revenue & profitability margins
- Deterioration in financial risk profile and liquidity position of the company

Liquidity Position Adequate

The company has an adequate liquidity position marked by adequate net cash accruals against its maturing debt

obligations. The net cash accruals of the company stood at Rs.11.29 crores in FY2025 (Prov.) against maturing debt obligations of Rs.1.48 crore over the same period. The company maintains unencumbered cash and bank balances of Rs.1.10 crore as on March 31, 2025 (Prov.), with current ratio of 0.35 times as on March 31, 2025 (Prov.). Average bank limit utilization of the company is approximately ~70 percent in last ten months ended July 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	49.70	53.28
PAT	Rs. Cr.	8.89	7.95
PAT Margin	(%)	17.88	14.93
Total Debt/Tangible Net Worth	Times	0.90	0.78
PBDIT/Interest	Times	3.35	3.24

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Jun 2024	Bank Guarantee/Letter of Guarantee	Short Term	1.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Term Loan	Long Term	16.30	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	25.70	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Secured Overdraft	Long Term	21.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
20 Mar 2023	Bank Guarantee/Letter of Guarantee	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	18.45	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	23.55	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	21.00	ACUITE BBB- Stable (Reaffirmed)
31 Jan 2022	Bank Guarantee/Letter of Guarantee	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	18.45	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	23.55	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	21.00	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Saraswat Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A3+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.12	Simple	ACUITE BBB Stable Reaffirmed
Saraswat Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	21.00	Simple	ACUITE BBB Stable Reaffirmed
Saraswat Bank	Not avl. / Not appl.	Term Loan	28 Jun 2022	Not avl. / Not appl.	31 May 2028	11.88	Simple	ACUITE BBB Stable Reaffirmed

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Akshat Shah Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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