

## Sankalp In

April 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	19.42 (Reduced from 30.88)	CARE BBB-; Stable	Downgraded from CARE BBB; Stable

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The downward revision in the long-term rating assigned to the bank facilities of Sankalp In (SKI) factors in significant moderation in its financial risk profile primarily driven by withdrawal of partners' capital. The rating action also considers sizeable extension of loans and advances to group entities, which exceeds the firm's net worth, thereby constraining financial flexibility.

The rating continues to derive strength from the promoters' extensive experience in the hospitality and real estate sector. The rating also takes cognisance of sustained growth in the scale of operations during FY25 (FY refers to the period April 01 to March 31) and 11MFY26 (refers to the period April 01 to February 28), supported by healthy profitability and adequate liquidity. The rating also factors in healthy booking levels and collection efficiency in the recently completed real estate project, Sankalp III-B, during 11MFY26.

However, these strengths are partially offset by risk related to timely receipt of proceeds from booked units, and inherent cyclicity associated with real estate and hospitality sectors.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Achievement of average occupancy rate (OR) of more than 80% on a sustained basis for Taj Skyline with healthy increase in Revenue per available room (RevPAR).
- Infusion of funds by the partners, coupled with healthy accretion of profits, leading to a sustained improvement in the net worth base and financial risk profile.
- Significant recoupage of loans & advances extended resulting in improvement in liquidity of the firm.

#### Negative factors

- Reduction in average OR to below 40% for Taj Skyline hotel on sustained basis.
- Any major debt funded project resulting in total debt/ PBILDT of more than 7x or significant withdrawal in partners' capital
- Any significant increase in exposure of loans and advances to related parties

**Analytical approach:** Standalone along-with factoring its linkages with its group company viz. Sankalp Recreation Pvt. Ltd. (SRPL) which can provide need-based support to SKI.

### Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation that the entity is likely to maintain its market position in the real estate and hospitality sector coupled with favourable demand scenario enabling it to sustain its operational performance in the medium term.

### Detailed description of key rating drivers:

#### Key strengths

##### Vast experience of promoters in hospitality and real estate segment

SKI is part of Ahmedabad-based Sankalp group, promoted by the Goenka family with Mr. Kailash Goenka having 75% share in the firm. The flagship company of the group i.e., Sankalp Recreation Private Limited (SRPL) is also owned by Mr. Kailash Goenka and his wife Mrs. Nitu Goenka. The promoters have an experience of more than three decades in the hospitality and restaurant industry. Sankalp group has rapidly expanded its presence in diversified sectors viz. hospitality (restaurants and hotel) in India and abroad, processed food manufacturing and real estate development in Ahmedabad, Gujarat.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Management agreement with IHCL**

SKI has entered into hotel management agreement for 'Taj Skyline' with The Indian Hotels Company Ltd (IHCL) for a period of 18 years whereby IHCL would manage the hotel property for a consideration as per the agreement. IHCL is a part of large Indian conglomerate, Tata Group. IHCL occupies a leading position in the Indian hospitality industry through its diversified chain of hotels under 'Taj Hotels, Resorts and Palaces', Vivanta by Taj, SeleQtions and Ginger brands. Over the years, it has strengthened its presence and operations across India and selected overseas destinations.

**Sustained growth in the scale of operations and healthy profitability**

During FY25, SKI's total operating income reported y-o-y growth of 52% and increased to Rs.187.41 crore comprising revenue from hospitality and real estate segment of Rs.107.09 crore and 80.32 crore respectively as compared to Rs.123.18 crore in FY24 which comprised revenue from hospitality and real estate segment of Rs. 96.18 crore and Rs. 27.00 crore respectively.

During FY25, the hospitality segment under Taj Skyline reported a 10% YoY increase in TOI to ₹107.9 crore (FY24: ₹96.18 crore), driven by higher occupancy rate of 74% (FY24: 58%) and growth in the F&B segment while average room revenue (ARR) moderated to ₹7,308 per room in FY25 from ₹9,037 in FY24. Performance of Taj Skyline improved in 9MFY26 with OR at 84% while ARR remained largely stable at ₹7,256 per room. The growth in revenue in real estate sector is on account of satisfactory booking advances i.e. 96% of the total units sold.

PBILDT margin of the firm remained healthy and improved by 115 bps to 29.35% in FY25 (PY: 28.20%) supported by higher revenue from hospitality sector which fetches better margin.

As per the provisional financials for 11MFY26, the firm reported revenue of Rs. 147.32 crore (Hospitality: Rs. 121 crore and Real estate: Rs. 26.32 crore).

CareEdge Ratings, expects SKI to achieve growth in revenue with a PBILDT margin in the range of 30% in the projected period supported by healthy performance from the hospitality sector and receipt of balance amount from the sale of units in the real estate business

**Healthy booking status and collection efficiency of the both the real estate project**

As on March 25, 2026, both commercial real-estate projects i.e. Sankalp-III-A and Sankalp-III-B are completed. Sankalp-III A is completely sold out with negligible committed receivables from sold units outstanding as on March 25, 2026. For Sankalp IIIB, the firm has sold 96% of the total area as on March 25, 2026, and has a collection efficiency of approx. 85% for the same.

The firm has very low unsold unit inventory which is expected to be sold off by FY27. Further, timely booking and receipt of customer advances for the balance amount remains crucial from the credit perspective. As per the management, no new real-estate project is expected to be launched in SKI and TOI will largely comprise of revenue from unsold inventory of Sankalp IIIB and hotel operations.

**Key weaknesses****Significant withdrawal of capital resulting in leveraged financial risk profile**

During FY25, the partners withdrew Rs. 61.94 crore (FY23 and FY24 infusion: Rs. 20.48 crore and Rs. 15.73 crore respectively) to fund business requirements of other group entities. This resulted in a sharp moderation in the net worth base to Rs. 21.05 crore as on March 31, 2025 (PY: Rs. 82.99 crore), while overall gearing deteriorated significantly to 11.68 times in FY25 (PY: 2.61 times).

Despite sustained operating performance, debt coverage indicators remained moderate, marked by interest coverage of 1.72 times and total debt to profit before interest, lease rentals, depreciation and taxation (PBILDT) of 4.47 times in FY25 (PY: 2.00 times and 6.25 times, respectively). SKI availed a term loan in FY25 for general corporate purposes and to fund capital expenditure towards the construction of additional banquet facilities.

SKI's constitution as a partnership firm restricts its overall financial flexibility due to limited access to external funding avenues for future expansion plans. Further, the firm is exposed to the inherent risk of capital withdrawal in case of any exigency or for extension to group companies.

Going forward, the firm's ability to restrict further partner withdrawals, improve net worth through profit retention or capital infusion, and gradually reduce leverage shall remain a key rating monitorable.

**Significant exposure to group entities**

SKI has exposure to various companies engaged in both related and unrelated businesses. As on March 31, 2025, SKI had given unsecured loans amounting to Rs.94.65 crore (PY: Rs.75.20 crore), equivalent to 4.5 times its net worth (PY: 0.90 times). These loans were extended to Jainex Enterprise (owns a hotel under the brand name of 'Taj Resorts'), Sanmag Buildcon LLP and Mint Infra Projects LLP (engaged in the real estate business), and Snazzy Investment (engaged in the education sector).

### Exposure to inherent risk associated with real estate sector

The life cycle of a real estate project is long and the state of the economy at every point in time, right from land acquisition to construction to actual delivery, has an impact on the project. Further, the real estate sector in India is highly fragmented and intensely competitive with many regional players, who have significant presence in their respective local markets. Apart from above, adverse movement in interest rate and volatility in raw material prices affects the real estate players in both ways – by hampering demand as well as increasing the cost of construction.

### Impact of macro-economic factors and seasonal uncertainty on hospitality sector

The company is exposed to the changes in the macro-economic 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 socio-economic factors which leads to inherent cyclicality in the hospitality industry. These risks can impact the occupancy rate of the company and thereby the company's profitability. Further, industry is highly competitive in nature with presence of large number of organized and unorganized players in the market along with online aggregators. These risks have been partially mitigated by the company with branding of its hotel to 'Taj Skyline' which has a strong brand image.

### Liquidity: Adequate

The liquidity of SKI is adequate as reflected by increase in available cash flow from its hospitality segment, surplus from debt-free real-estate segment and moderate term debt repayment obligations in the range of Rs. 20-27 crore in FY27-FY28 as against expected cash accrual generation of Rs. 28 to Rs. 34 crore. As on March 31, 2025, SKI had free cash & bank balance of Rs.4.39 crore (PY: Rs. 5.08 crore)

Furthermore, as the Sankalp Square IIIB project is completed with 96% of the units sold, cashflow from units sold is expected to aid liquidity cushion to the firm.

**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](#)

[Hotels & Resorts](#)

[Financial Ratios – Non financial Sector](#)

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### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Services	Leisure Services	Hotels & Resorts

Incorporated in December 2011, Sankalp In (SKI) is a partnership firm promoted by Mr. Kailash Goenka, who has also promoted the flagship firm of Sankalp Group i.e. Sankalp Recreation Private Limited (SRPL). The promoters have an experience of around three decades in the hospitality and restaurant industries. SKI derives revenue from three segments, majorly hospitality, and real estate as on March 31, 2024. SKI has developed a 5-star hotel property viz. Taj Skyline which was operational from November 2020. Also, SKI has completed the construction of both its commercial-real-estate projects adjacent to its 5- Star hotel property viz. Sankalp Square IIIB.

Particular	March 31, 2024 (A)	March 31, 2025 (A)	February 28, 2026 (UA)
Total operating income	123.81	187.41	147.32
PBILDT	34.74	55.00	Na
PAT	4.49	15.42	NA
Overall gearing (times)	2.61	11.68	NA
Interest coverage (times)	2.00	1.72	NA

A: Audited UA: Unaudited; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Nil

**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
Fund-based - LT-Term Loan		-	-	June 2027	19.42	CARE BBB-; 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	Fund-based - LT-Term Loan	LT	19.42	CARE BBB-; Stable	1)CARE BBB; Stable (08-Apr-25)	1)CARE BBB; Stable (05-Apr-24)	1)CARE BBB; Stable (07-Apr-23)	1)CARE BBB-; Positive (07-Apr-22)

LT: Long term; ST: Short 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

### 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

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