March 31, 2026

Ascent Hotels Private Limited: Ratings upgraded; outlook revised to Stable from Positive

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund-based facilities – term loan	227.00	227.00	[ICRA]A+ (Stable); Rating Upgraded from [ICRA]A (Positive) and outlook to be revised to Stable from Positive
Short-term fund-based facilities – overdraft	15.00	15.00	[ICRA]A1; Rating upgraded from [ICRA]A2+
Total	**242.00**	**242.00**	

**Instrument details are provided in Annexure I*

Rationale

The rating upgrade for Ascent Hotels Private Limited (AHPL) factors in the improvement in credit profile of the parent, SAMHI Hotels Limited (SHL; rated [ICRA]A+ (Stable)/[ICRA]A1), as demonstrated in a sustained improvement in its operating and financial profiles, which are expected to sustain, going forward. SHL reported a healthy growth in revenues and continued healthy operating margins in 9M FY2026, aided by improvement in average room rates (ARRs) and occupancy levels, along with a material reduction in debt, supporting improvement in its credit metrics, and ICRA expects this to sustain over the medium term.

AHPL reported an operating income of Rs. 140.0 crore in FY2025, with YoY growth of 18.2%, aided by steady demand traction, and a resultant improvement in ARR and occupancy rates. The momentum continued in H1 FY2026 as well with revenues of Rs. 75.7 crore. Going forward, the favourable demand outlook for the hospitality industry, stemming from the anticipated stable demand and the demand-supply gap would augur well for the company; however, any impact of the ongoing conflict in West Asia remains a key monitorable. The company's operating margins were healthy at 39.1% in FY2025 and 30.8% in H1 FY2026 (34.1% in FY2025) and accruals are expected to sustain, going forward, aided by operating leverage benefits as revenues continue to expand. AHPL also has strong financial flexibility with SHL holding 65% stake in it, while the remaining is held by GIC. Further, SHL is expected to provide timely and adequate financial support to AHPL, as and when required.

Through the fund infusion from GIC in the current fiscal (amounting to Rs. 224 crore), the related party debt provided by SHL to AHPL has been repaid, which was further utilised towards reducing net debt at the parent/group level. The total debt/OPBITDA was 4.3 times and interest coverage was 2.7 times for AHPL in H1 FY2026, with improvement expected through better accruals and reduction in cost of debt.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will be able to sustain its credit profile, supported by its cash accruals, adequate liquidity position and moderate capex, amid a favourable outlook for the industry.

Key rating drivers and their description

Credit strengths

Strong parentage – SHL has an established market position in the hospitality industry with 31 operating hotels and 4,904 operating rooms across 14 cities and 10 brands, as of December 31, 2025. SHL held 100% stake in AHPL, till May 2025, when GIC invested Rs. 224 crore for 35% stake, which reduced SHL's stake to 65%. AHPL enjoys strong financial flexibility with SHL as its parent; moreover, SHL is expected to provide timely and adequate financial support to AHPL, as and when required.

Favourable location; management tie-up with well-known international hospitality operator – The company owns an upper upscale hotel in Nagar Road, Pune (Maharashtra), under the Hyatt Regency brand. The hotel has 222 operational rooms and 79 serviced apartments. The property stands at a key commercial area attracting corporate travellers and meetings, incentives, conferences and exhibitions (MICE) events while commanding a strong revenue per available room (RevPAR) in the micro-market. SHL benefits from the global branding, marketing, and advertising networks of the international operator.

Favourable demand outlook; healthy revenues and margins in YTD FY2026 – AHPL reported an operating income of Rs. 140.0 crore in FY2025, with YoY growth of 18.2%, aided by steady demand traction, and a resultant improvement in ARR and occupancy levels. The momentum continued in H1 FY2026 as well with revenues of Rs. 75.7 crore. Going forward, the favourable demand outlook for the hospitality industry, stemming from the anticipated stable demand and the demand-supply gap would augur well for the company. However, any impact of the ongoing conflict in West Asia remains a key monitorable. The company's operating margins were healthy at 39.1% in FY2025 and 30.8% in H1 FY2026 (34.1% in FY2025) and accruals are expected to sustain, going forward, aided by the operating leverage benefits from the higher topline growth.

Credit challenges

High geographical and segment concentration – The company has a single hotel property, which operates in the upper upscale segment. Operating in a single geography and segment exposes the company to any localised downturns/ unforeseen events or region-specific risks. The same has also kept the company's scale of operations relatively modest.

Moderate coverage metrics – During the current fiscal, AHPL received Rs. 224 crore fund infusion from Reco Bellflower Private Limited, an affiliate of GIC, for a stake of 35%, which has been utilised towards repayment of the related party debt provided by SHL, with further utilisation towards reducing net debt at the parent/group level. The company had total external debt of Rs. 195.6 crore as of March 31, 2025, which has reduced to Rs. 172.0 crore as of December 31, 2025. For AHPL as well, the total debt/OPBITDA was 4.3 times and interest coverage was 2.7 times in H1 FY2026, which is expected to improve through better accruals and reduction in cost of debt.

Vulnerability of hotel revenues to inherent industry cyclicality, economic uncertainties, and exogenous events – The operating performance of the property remains vulnerable to industry cyclicality/seasonality, macro-economic cycles and exogenous factors (geopolitical crises, terrorist attacks, disease outbreaks, etc). At the group level, the risk to revenues is partially mitigated by SHL's geographically diversified portfolio, which allows it to withstand any demand vulnerability related to a micro-market or specific town/city to an extent.

Liquidity position: Adequate

AHPL's liquidity position is adequate with expected healthy cash flow from operations of Rs. 25-30 crore and consolidated free cash and bank balance of around Rs. 6.9 crore and undrawn lines of around Rs. 15 crore as of September 30, 2025. Against this, AHPL has a scheduled principal repayment obligation of Rs. 1.4 crore in FY2027 and Rs. 2.0 crore in FY2028 for its existing loans, and minimal capex plans of Rs. 10-20 crore over the medium term.

Rating sensitivities

Positive factors – Improvement in the credit profile of the parent entity, while sustaining AHPL's operating and financial performance, could be a trigger for an upward revision in ratings.

Negative factors – Weakening in SHL's credit profile/AHPL's linkages with SHL, or absence of timely and adequate financial support from SHL, when required, would be a negative rating trigger. The rating could also be downgraded if there is significant deterioration in earnings or significant weakening of debt metrices and liquidity position on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Hotels
Parent/Group support	AHPL is a subsidiary of SHL, which holds 65% stake in the entity. ICRA expects SHL to extend timely and adequate financial support to AHPL, should there be a need.
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company.

About the company

Incorporated in 2006, AHPL owns an upper upscale hotel in Wakefield Estate, Nagar Road, Pune (Maharashtra), under the Hyatt Regency brand. Hyatt Regency Pune has an operational inventory of 222 rooms (operational since November 2010), and 79 serviced apartments (operational since February 2013). The property offers facilities such as a temperature-controlled indoor swimming pool, salon, fitness centre, spa, banquet hall, meeting rooms, exhibition area and four lounge-cum-restaurants. Originally promoted by the Jatia Group, AHPL became a wholly-owned subsidiary of SHL in February 2016. In May 2025, GIC invested in AHPL, following which SHL's shareholding in AHPL reduced to 65%, with GIC holding 35% stake.

Key financial indicators (audited)

Standalone	FY2024	FY2025
Operating income (Rs. crore)	118.5	140.0
PAT (Rs. crore)	-33.1	11.0
OPBDIT/OI (%)	24.5%	34.1%
PAT/OI (%)	-27.9%	7.9%
Total outside liabilities/Tangible net worth (times)	1.7	3.4
Total debt/OPBDIT (times)	4.7	4.2
Interest coverage (times)	0.6	2.3

Source: Company, ICRA Research; Financial ratios in this document are ICRA adjusted figures and may not be directly comparable with numbers reported by the company in some instances; PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; total debt includes lease liabilities

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	FY2026					Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs Crore)	Mar 31, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long Term-Term Loan-Fund Based	Long Term	227.00	[ICRA]A+ (Stable)	06-MAY-2025	[ICRA]A- Rating Watch with Developing Implications	17-JUL-2024	[ICRA]A- (Stable)	-	-	28-JUL-2022	[ICRA]BB+ (Positive)
				12-AUG-2025	[ICRA]A (Positive)	-	-	-	-	08-FEB-2023	[ICRA]BB+ (Positive); withdrawn
Short Term-Overdraft-Fund Based	Short Term	15.00	[ICRA]A1	06-MAY-2025	[ICRA]A2+ Rating Watch with Developing Implications	17-JUL-2024	[ICRA]A2 +	-	-	-	-
				12-AUG-2025	[ICRA]A2+						
Unallocated-	Long Term			-	-	-	-	-	-	28-JUL-2022	[ICRA]BB+ (Positive)
				-	-	-	-	-	-	08-FEB-2023	[ICRA]BB+ (Positive); withdrawn

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term fund-based facilities – Term loan	Simple
Short term fund-based facilities – Overdraft	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here.

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance/Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long term fund-based facilities – Term loan	FY2024	NA	FY2036	227.0	[ICRA]A+ (Stable)
NA	Short term fund-based facilities – Overdraft	NA	NA	NA	15.0	[ICRA]A1

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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