

January 07, 2021

Ascent Hotels Private Limited - Update on Material Event

Summary of Rated Instrument:

Instrument	Current Rated Amount (Rs. crore)	Rating Action
Fund Based – Term Loan	220.50	[ICRA]BBB- (Negative); outstanding
Total	220.50	

Material Event

Ascent Hotels Private Limited (AHPL) had applied for a loan restructuring relief under the resolution framework for Covid-19-related stress specified by the Reserve Bank of India (RBI). A Resolution Plan (RP) under this framework was expected to be invoked not later than December 31, 2020. Following discussion with the company on December 29, 2020, ICRA understands that the lenders have not invoked the RP. In turn, the company had applied for availing loans under the Emergency Credit Line Guarantee Scheme (ECLGS) announced by the Ministry of Finance, Government of India in November 2020. The Guaranteed Emergency Credit Line (GECL) loan under the Scheme, amounting to 20% of the fund-based exposures as on Feb 29, 2020, was pending sanction as on December 31, 2020.

Impact of the Material Event

The decision to not go ahead with the RP and availing of the GECL loan does not have any material impact on the credit profile of the company. ICRA notes that while RP had not been invoked by the lenders, as on December 31, 2020 when the proposal lapsed, the company's debt servicing was timely and there were no overdues. The same were supported by funding support from the parent company (Samhi Hotels Limited) and free cash balances as on March 31, 2020.

ICRA will continue to monitor the operational and financial performance of the company including its liquidity, in light of the pandemic, and take appropriate rating action as and when required.

The previous detailed rating rationale is available on the following link: [Click here](#)

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