

January 07, 2021

Barque Hotels Private Limited - Update on Material Event

Summary of Rated Instrument:

Instrument	Current Rated Amount (Rs. crore)	Rating Action
Fund Based – Term Loan	300.0	[ICRA]BBB- (Negative); outstanding
Total	300.0	

Material Event

Barque Hotels Private Limited (BHPL) 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 sole lender has 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 of the lenders to not invoke the RP and consider 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 lender 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](#)

Analyst Contacts

Subrata Ray

+91 22 6114 3408

subrata@icraindia.com

Shamsher Dewan

+91 124 4545328

shamsherd@icraindia.com

Ritu Goswami

+91 124 4545826

ritu.goswami@icraindia.com

Relationship Contact

Jayanta Chatterjee

+91 80 4332 6401

jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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