Shree Naman gets NCLT approval to take over Radius Infra

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Synopsis

NCLT approved Shree Naman's acquisition of Radius Infra Holdings, settling 81% debt. Shree Naman's plan had 100% lenders' vote. JC Flowers ARC has 81.12% CoC voting power. Naman Group to infuse ₹50 crore working capital.

Agencies



The National Company Law Tribunal (NCLT) approved Shree Naman Developers' acquisition of real estate developer Radius Infra Holdings with a resolution plan that will help settle 81% of secured financial debt of the company.

The financially distressed Radius Infra Holdings was admitted into the corporate insolvency resolution process (CIRP) in May 2022.

The defunct builder had admitted liabilities of about ₹1,050 crore, while the successful resolution applicant agreed to pay ₹180 crore to acquire the company. The transaction settles 17% of the total debt. Radius Infra Holdings has a prime land parcel of nearly half an acre with development potential in Mumbai's Andheri area. The land parcel is set to be developed within 36 months under the NCLT approved resolution plan.

Prior to the approvals, Bhrugesh Amin, the resolution professional backed by the insolvency professional entity BDO Restructuring Advisory LLP, informed the tribunal through his lawyer that the revival plan submitted by Shree Naman Developers was approved with a 100% vote by the secured lenders. As per the tribunal's order, JC

Flowers ARC holds 81.12% voting power in the committee of creditors (CoC) while the remaining 18.88% is held by Suraksha ARC. The CoC comprising financial lenders had backed the resolution plan.

Naman Group is set to infuse working capital of ₹50 crore to complete the project on a need basis over and above ₹180 crore under the resolution plan. Radius Infra Holdings, as the corporate guarantor for loans raised by its group companies, owed nearly ₹700 crore to Yes Bank. It had guaranteed the due repayment of loans sanctioned to E-Commerce Magnum Solution and Raghuleela Builders by creating a pledge over shares.

The lender had sanctioned a term loan of ₹500 crore in favour of E-Commerce Magnum Solution and, of this, had disbursed ₹283 crore.

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