

**DETAILED INVITATION FOR EXPRESSION OF INTEREST
FOR SUBMISSION OF RESOLUTION PLAN
CORPORATE DEBTOR: M/s KANNU ADITYA (India) LIMITED
(Part of Form G published on 28-08-2019)
(Under Corporate Insolvency Resolution Process)**

A. Brief About the Corporate Debtor:

M/s Kannu Aditya (India) Limited (hereinafter referred to as “Corporate Debtor” or “Company”) is a non-govt company, incorporated on 17 March 1999. It's a public unlisted company and is classified as “company limited by shares”. They are manufacturers, exporters as well as wholesale suppliers of Basmati Rice & Non-Basmati Rice products. They belong to the Lal Mahal Group, which majorly deals in Basmati Rice & Non-Basmati Rice. The registered office of the company is at B-16, BHAGWAN DASS NAGAR, NEW DELHI, West Delhi, Delhi. The company has 3 Directors and 1 reported key management personnel. The longest serving directors currently on board are Mukul Tyagi and Bhagwan Singh Rawat who were appointed on 18 May 2017. They have been on the board for 2 years and 1 months. The most recently appointed director is Suman Tyagi, who was appointed on 12 September 2017. Kannu Aditya (India) Limited’s last Annual general meet (AGM) happened on 30 Sept, 2017. The company last updated its financials as of 31 Mar 2017 as per Ministry of Corporate Affairs (MCA) website.

The management constitutes of a Board of Directors, (powers of board of director’s suspended w.e.f. 22-05-2019 on the initiation of Corporate Insolvency Resolution Process on admission of the insolvency petition by NCLT, Delhi vide its order dated 22-05-2019)

The Company has three Directors on the Board:

Name	Designation	Date of appointment	DIN
Mr. Bhagwan Singh Rawat	Director	18-05-2017	07787502
Mr. Mukul Tyagi	Director	18-05-2017	07802017
Mr. Suman Tyagi	Director	12-09-2017	07908892

Pursuant to the order of Hon’ble National Company Law Tribunal, New Delhi Bench, New Delhi (“NCLT”) dated 22-05-2019, corporate insolvency resolution process has been initiated with regard to the said corporate debtor under the provisions of the Insolvency and Bankruptcy Code, 2016 (“IBC”) and undersigned had been appointed as Interim Resolution Professional. The Committee of Creditors (“CoC”) in exercise of its power under provisions of the IBC, approved the appointment of the undersigned as the Resolution Professional (“RP”) of the corporate Debtor in its Second meeting held on 25-07-2019 vide E-voting held from 29-07-2019 to 31-07-2019.

Expression of Interest (EOI) for submission of Resolution Plan is invited under section 25(2)(h) of the IBC and Regulation 36 A of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“CIRP Regulations”), from the prospective investors, lenders and other persons for M/s Kannu Aditya (India) Limited considering it an investment/business opportunity.

B. Current factory premises and usage of immovable assets

The manufacturing unit located at 301, EPIP, Industrial area, Kundli, Haryana measuring 6342.07 sq.mt. including the plant & machinery installed thereat are leased to M/s Gentek Generation Pvt. Ltd. (Lessee) w.e.f. 9th day of May 2018. The lessee also has a right to sub-lease the premises. The lessee is paying monthly lease rent of INR 1,00,000 to the CD. In addition, the lessee is duty bound to process the paddy belonging to the lessor on free of cost basis to a maximum quantity of 750 MT and at an actual cost basis if processed over and above 750 MT per month.

- The revenues & profit (losses) for last 2 years is as follows:

(Amount in Rs)			
S. No	Particulars	FY 2016-17 (Audited)	FY 2017-18 (Audited)
I.	Revenue from operations	6,26,93,76,902	1,33,25,80,402
	Other income	2,30,49,89,170	3,10,38,632
ii.	Total income	8,57,43,66,072	1,36,36,19,034
	Profit / loss from continuing operations	(30,13,56,724)	(44,39,93,996)

C. Eligibility Criteria as approved by the Committee of Creditors (CoC) u/s 25(2)(h) of IBC

Minimum Eligibility Criteria for prospective resolution applicants (“PRAs) (Singly, Jointly or in consortium) to approach the Resolution Professional (“RP”) with Resolution plan is: -

For Body Corporates and Other Persons:

- Minimum Net worth of INR 10 crores supported by Documentary Evidence.

The PRAs must submit the following undertakings/ documents in this regard

- i. Relevant records and documents in evidence of meeting the above eligibility criteria. The documents may include the latest audited financial statements (Balance sheet & Profit & loss account), CA certified net worth statement accompanied by proof of ownership of the properties / assets & liabilities mentioned therein along-with the relevant valuation report from registered valuer.
- ii. An undertaking that it meets the eligibility criteria set by the CoC.

The documents may be emailed to insolvency@arck.in or sent by the speed post / registered post or in person at the corporate office of the undersigned.

C. Ineligibility norms u/s 29A of IBC

As per Sec 29A, a person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person—

- a) is an undischarged insolvent;
- b) is a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949);
- c) at the time of submission of the resolution plan has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949) 3 or the guidelines of a financial sector regulator issued under any other law for the time being in force, and at least a period of one year has lapsed from the date of such classification till the date of commencement of the corporate insolvency resolution process of the corporate debtor:

Provided that the person shall be eligible to submit a resolution plan if such person makes payment of all overdue amounts with interest thereon and charges relating to nonperforming asset accounts before submission of resolution plan:

Provided further that nothing in this clause shall apply to a resolution applicant where such applicant is a financial entity and is not a related party to the corporate debtor.

Explanation I.- For the purposes of this proviso, the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares, prior to the insolvency commencement date.

Explanation II.— For the purposes of this clause, where a resolution applicant has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset and such account was acquired pursuant to a prior resolution plan approved under this Code, then, the provisions of this clause shall not apply to such resolution applicant for a period

of three years from the date of approval of such resolution plan by the Adjudicating Authority under this Code;

- d) has been convicted for any offence punishable with imprisonment –
- I. for two years or more under any Act specified under the Twelfth Schedule; or
 - II. for seven years or more under any law for the time being in force:
Provided that this clause shall not apply to a person after the expiry of a period of two years from the date of his release from imprisonment:
Provided further that this clause shall not apply in relation to a connected person referred to in clause(iii) of Explanation I;
- e) is disqualified to act as a director under the Companies Act, 2013 (18 of 2013):
Provided that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I;
- f) is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;
- g) has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under this Code:
- Provided that this clause shall not apply if a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the corporate debtor by the resolution applicant pursuant to a resolution plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such resolution applicant has not otherwise contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction;
- h) has executed a guarantee in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under this Code and such guarantee has been invoked by the creditor and remains unpaid in full or part;
- i) is subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India; or
- j) has a connected person not eligible under clauses (a) to (i).

Explanation [I]. — For the purposes of this clause, the expression "connected person" means—

- I. any person who is the promoter or in the management or control of the resolution applicant; or
- II. any person who shall be the promoter or in management or control of the business of the corporate debtor during the implementation of the resolution plan; or
- III. the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii):

Provided that nothing in clause (iii) of Explanation I shall apply to a resolution applicant where such applicant is a financial entity and is not a related party of the corporate debtor:

Provided further that the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares, prior to the insolvency commencement date;

Explanation II—For the purposes of this section, "financial entity" shall mean the following entities which meet such criteria or conditions as the Central Government may, in consultation with the financial sector regulator, notify in this behalf, namely:

- a) a scheduled bank;
- b) any entity regulated by a foreign central bank or a securities market regulator or other financial sector regulator of a jurisdiction outside India which jurisdiction is compliant with the Financial Action Task Force Standards and is a signatory to the International Organization of Securities Commissions Multilateral Memorandum of Understanding;
- c) any investment vehicle, registered foreign institutional investor, registered foreign portfolio investor or a foreign venture capital investor, where the terms shall have the meaning assigned to them in regulation 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999 (42 of 1999);
- d) an asset reconstruction company registered with the Reserve Bank of India under section 3 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);
- e) an Alternate Investment Fund registered with Securities and Exchange Board of India;
- f) such categories of persons as may be notified by the Central Government.

The PRAs must submit the following undertakings/ documents in this regard-

- i. An undertaking that it does not suffer from any ineligibility under Sec 29A of the Code.
- ii. An undertaking that it shall intimate the Resolution Professional forthwith if it becomes ineligible at any time during the corporate insolvency resolution process.
- iii. Relevant information and records to enable an assessment of ineligibility as mentioned above. The documents may include the KYCs of all the PRAs & their connected parties, KYCs of all partners / directors / Key managerial persons of the PRAs / connected parties, complete details of subsidiaries / associates / affiliate companies or firms or any other business concern, details of the companies or firms or any other business interest outside India, passports, if any, besides the Indian passport etc. The PRAs must also submit the detailed family tree of each of the member / director/ partner. The directors/partners must disclose the companies/firms

in which they are directors / partners/have been directors/partners in last two years or hold beneficial interest / controlling interest in any company / firm / trust / any other business interest in India or outside India. The Resolution Professional / CoC reserves the right to call for any additional information/ documents pertaining to PRAs which it may deem necessary

D. Timelines

S. No	Particulars of Events	Dates
1	Date of publication of form G	28-08-2019
2	Date of issue of this detailed invitation for expression of interest	28-08-2019
3	Last date for submission of EOI	13-09-2019
4	Date of issue of provisional list of prospective resolution applicants	16-09-2019
5	Last date for submission of objections to provisional list	21-09-2019
6	Date of issue of final list of prospective resolution applicants	26-09-2019
7	Date of issue of Information Memorandum, Evaluation Matrix and Request For Resolution Plans to prospective resolution applicants	21-08-2019
8.	Last Date for submission of Resolution Plan	22-10-2019

Please note that the expression of interest (EOI) should reach the undersigned latest by 6:00 pm of 13th September 2019. The EOIs received after the stipulated time would not be considered.

E. Other documents / undertaking

The PRAs must also submit the following documents / undertakings along with their EOI-

- i. An undertaking that every information and records provided in the expression of interest is true and correct and discovery of any false information or record at any time will render the applicant ineligible to submit resolution plan, forfeit any refundable deposit, and attract penal action under the Code.
- ii. An undertaking to the effect that it shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section 29(2).

F. Other Terms

- i. The EOI must be unconditional. The conditional EOI will not be considered.
- ii. The Resolution professional reserves the right to call for any clarification or additional information or document from the PRAs for conducting the due diligence. The Resolution Professional may avail the services of the professional agencies for conducting the due diligence and the PRAs must cooperate with them for the same.
- iii. The Resolution Professional (RP) may invite fresh EOI for submission of resolution plans by cancelling existing EOI or after expiry of last date for submission of EOI, in consultation with CoC and the decision of the RP in this regard will be final and binding on all.
- iv. Post closure of the window for submission of the EOIs, the Resolution professional shall issue a provisional list of eligible PRAs maximum within seven days of the last date of the submission of the EOIs to the committee of creditors and to all PRAs who submitted the EOI.
- v. Any objection to inclusion or exclusion of a PRA in the provisional list may be made with supporting documents within five days from date of issue of provisional list.
- vi. On considering the objections received, as above, the Resolution Professional shall issue the final list of PRAs maximum within ten days of the last date of receipt of objections, to the CoC.
- vii. Within 5 days of issue of the provisional list, a Request for Resolution plan (RFRP) will be issued along with the Information Memorandum and Evaluation Matrix to every PRA in the provisional list and every PRA who has contested the decision of RP against its non-inclusion in the provisional list.
- viii. Pl note that EOI for submission of Resolution Plan are being called on ***“AS IS WHERE IS, AS IS WHAT IS, WHATEVER THERE IS AND WITHOUT ANY RECOURSE BASIS”***

Any developments/updates pertaining to the process will be updated on the website i.e. www.arck.in

For submitting Resolution Plan or for any clarification with regard to inspection, terms and conditions and other details, please write to-

Anil Kohli, Resolution professional- M/s Kannu Aditya (India) Limited

Correspondence / Registered Detail with IBBI :

Reg No. IBBI/IPA-001/IP-P00112/2017-2018/10219

Add: 409, 4th Floor, Ansal Bhawan, 16 K G Marg, Connaught Place,
New Delhi 110001. Tel: 011-45101111, 011-40078344

E Mail Id: insolvency@arck.in

Date: 28-08-2019

Place- New Delhi