

**DETAILED INVITATION FOR EXPRESSION OF INTEREST
FOR SUBMISSION OF RESOLUTION PLAN IN CASE OF
M/s K.K.MILK FRESH INDIA LIMITED
(Pursuant to Form G published on 23.01.2020)
(Under Corporate Insolvency Resolution Process)**

M/s K.K.MILK FRESH INDIA LIMITED. (“Corporate Debtor”) was involved in production of milk and related products. Pursuant to the order of Hon’ble National Company Law Tribunal, Allahabad Bench (“NCLT”) dated 24-09-2019, 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 Mr. Swami Deen Gupta was appointed as Interim Resolution Professional. The Committee of Creditors (“CoC”) in exercise of its power under section 22(3) of the IBC, in 3rd meeting of CoC, held on 10-12-2019 approved the appointment of the undersigned as the Resolution Professional (“RP”) of the corporate Debtor. Thereupon an application was filed by the CoC, before Hon’ble NCLT, for the appointment of undersigned as Resolution Professional in the captioned matter. The order in the mentioned application was reserved on 19-12-2019. Thereupon, on 30-12-2019 Hon’ble NCLT has allowed the application and appointed the undersigned as the Resolution Professional in this matter.

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, from the prospective investors, lenders and other persons for M/s K.K.MILK FRESH INDIA LIMITED (*herein referred as "KKMFIL"*). considering it an investment/business opportunity.

A. Brief about the Company

KKMFIL is a public limited company incorporated under the Companies Act 1956 (bearing CIN: U01403UP2010PLC039300), having registered office at 57 Milestone NH-2, Village Kumbi, Tehsil-Akbarpur, Rambai Nagar, UP – 209206, India.

"KKMFIL" was one of the largest and most sophisticated fully automated dairy processing plants in North India. With the most advanced technologies available, "KKMFIL" owned total milk handling capacity of 11,00,000 Litres/Day, operating from Village Kumbi, Akbarpur, Kanpur Dehat, Kanpur, UP. Along with world class processing facility and in pursuit of excellence this plant was a benchmark for Indian dairy industry.

The management constitutes of a Board of Directors, details of which are as follows (powers of board of director’s suspended w.e.f. 24-09-2019 on the initiation of Corporate Insolvency Resolution Process on admission of the insolvency petition by Hon’ble NCLT, Allahabad vide its order dated 24-09-2019)

The Company has three Directors on the Board:

Name	Designation	Date of appointment	DIN
Mr. Chand Narian Kuchroo	Director	20/01/2010	0001127365
Mr. S. Vishvanathan	Director	20/01/2010	0002588189
Mrs. Nymphia Vishin	Director	31/03/2015	0007143630

The Plant is located at village Kumbhi, Akbarpur Tehsil, Ramabai Nagar district of Uttar Pradesh. The site is at a distance of approximately 57 Km from the Kanpur city towards Etawah.

Kumbhi is near Kanpur industrial area and is surrounded by areas with milk surplus within the radius of about 100-150 Km viz; Etawah, Auraiya, Jalaun, Bhognipur, Fatehpur, Kanpur Dehat etc. The site is at a distance of 50 m from National Highway 2 (Delhi-Kolkata Road) and all the essential amenities required for running the plant are easily accessible.

It is located near to the sources of raw material (Milk) and boiler fuel (Rice husk). Therefore, there is easy availability of raw material at low cost, rasy availability of skilled & un-skilled labor. Big Opportunity for selling of finished goods as four big prominent cities are in the vicinity i.e. Lucknow, Kanpur, Agra, Etawah.

Project Profile

KKMFIL had set up a milk processing plant at village, Kumbhi, Ramabai Nagar district, Uttar Pradesh. The plant held an aggregate capability to process 11 Lakhs litres/day milk into different product like Mozzarella Cheese, Paneer, Table Butter and Ghee etc. The installed capacity for various products is as given below:

Products	Installed Capacity
Paneer	15221 Kg/Day
Mozzarella Cheese	9330 Kg/Day
Dairy Whitener	5000 Kg/Day
Desi Ghee	25270 Kg/Day
Table Butter	1047 Kg/Day
White Butter	4000 Kg/Day
Butter Milk	51500 Kg/Day
Curd	51500 Kg/Day
De -mineralized Whey	7842 Kg/Day
WMP	10000 Kg/Day

SMP	20491 Kg/Day
Pouch Milk	206000 Kg/Day
Double Toned Milk	41200 Kg/Day
Toned Milk	41200 Kg/Day
Skimmed Milk	20600 Kg/Day

The plant & machineries majorly comprised of Milk Pasteurizer, Cream Separator, Milk Chillers, Double Vat, Evaporator, Spray Dryer, Butter Churner, Butter melting Vat, Ghee Clarifier, and Ghee Boiler.

KKMFIL had set up a pioneer plant in Dairy Processing where indigenous and international suppliers were taken into foray. It was one of the most advanced plants in North India.

- The revenues & profit (losses) for last 3 years is as follows:

S. No	Particulars	Amount in Rs. Lakhs		
		FY 2016-17	FY 2017-18	FY 2018-19
I.	Revenue from operations	28842.94	-	-
II.	Other Income	80.80	77.61	78.46
	Total Revenue	28923.74	77.61	78.46
	Profit/(Loss) for the year	(6682.95)	(11459.73)	(25.81)

- The claims of the financial creditors as admitted are for Rs.363Cr (approx.)
- Unit is non- operational from more than last two years.*

B. Eligibility Criteria as approved by the Committee of creditors (CoC) u/s 25(2)(h) of the Code

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

For Body Corporates and Other Persons:

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

For Funds/PE Investors/Financial Institutions:

- Minimum Assets under Management or Funds Deployed or Committed funds available for investment of INR 50 crores as on 31.03.2019.

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

- The complete documents evidencing 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 the proof of ownership of the properties / assets & liabilities mentioned therein along-with the relevant valuation report from registered valuer.
- An undertaking that it meets the eligibility criteria set by the CoC.
- The documents may be email to insolvency@arck.in or send by the speed post / registered post or in person to the corporate office of the undersigned.

C. Ineligibility norms u/s 29A of the Code

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 below. The documents may include the KYCs of all the PRAs & their connected parties, KYCs of all partner / director / Key managerial persons of the PRAs / connected parties, Complete details of subsidiaries / associates / affiliates companies or firms or any other business concern, details of the companies or firms or any other business interest outside India, The 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, if any, must disclose the companies in which they are directors / have been directors 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 information documents pertaining to PRAs which it may deem necessary.

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 register 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.]

D. Timelines

- Date of publication of form G is 23-01-2020
- Date of issue of this detailed invitation for expression of interest is 23-01-2020.
- The Last date for submission of EOI is 07-02-2020.
- Date of issue of provisional list of prospective resolution applicants is 09-02-2020.
- Last date for submission of objections to provisional list is 14-02-2020
- Date of issue of final list of prospective resolution applicants is 16-02-2020
- Date of issue of information memorandum, evaluation matrix and request for resolution plans to prospective resolution applicants is 10-02-2020
- Last Date for submission of Resolution Plan is 12-03-2020

Please note that the expression of interests (EOIs) shall reach the undersigned latest by 6:00 pm of 07-02-2020. The EOIs received after the stipulated time would not be considered.

Earnest Money Deposit (EMD)

All PRA's shall provide an interest free refundable Earnest Money Deposit ("EMD") of INR 50,00,000/- (Rupees Fifty Lakh Only) in a designated bank account under lien for implementation of Resolution Plan, along with their Resolution Plan. Alternatively PRA's may also submit the EMD by way of Fixed Deposit under lien, in the name of the Corporate Debtor. The EMD of Successful Applicant shall be adjusted as part of Applicant Contribution / resolution plan consideration while the EMD of other PRAs would be returned within a reasonable time.

E. Other documents / undertaking

The PRAs must also submit the following documents / undertakings

- 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 EOIs must be unconditional. The conditional EOIs 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 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 extend the last date for submission of EOIs 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 within ten 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 within ten days of the last date of receipt of objections, to the CoC.
- vii. Post issue of the final list, a request for Resolution plan will be issued along with the Information Memorandum and Evaluation Matrix.

Any developments/updates pertaining to process including Evaluation Matrix 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-

Chanchal Dua, Resolution Professional- M/s K.K.MILK FRESH INDIA LIMITED.
IP Reg No. IBBI/IPA-003/IP-N00083/2017-18/10821

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