

INVITATION FOR EXPRESSION OF INTEREST TO SUBMIT RESOLUTION PLAN FOR BCIL ZED RIA PROPERTIES PRIVATE LIMITED

1. BACKGROUND:

BCIL ZED RIA PROPERTIES PRIVATE LIMITED (“Zed Ria”, “The Company”, “Corporate Debtor”) was incorporated on May 1, 2013. It is a group company of Biodiversity Conservation (India) Private Limited. The Group is involved in the real estate development business and has developed ~2.4 mn sq ft of residential development in Bangalore and Mysore. Currently, the Group has ongoing projects in Bangalore and Chennai. The Company is currently developing a project in Karanai, Ottiambakkam Main Road, Chennai across ~6.5 acres. It has been planned as a mixed-use development with a total potential built up area is ~2.8L sqft including villas, apartments and commercial development. Presently the phase with villas is under-development. 35 out of the 42 luxury villas, and 6 out of the 30 compact villas have been sold.

Details regarding Zed Ria’s operations can be found on its website www.zed.in

At present, Zed Ria is undergoing Corporate Insolvency Resolution Process (“CIRP”) in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 (“IBC”). The CIRP of Zed Ria was initiated by an Order dated 9th August 2018 (made available to the IRP on 11th August 2018) of Honorable National Company Law Tribunal, Bengaluru Bench (“NCLT”). NCLT appointed Mrs. Nidhi Seksaria as Interim Resolution Professional (“IRP”) for supervising the CIRP of Zed Ria. Subsequently, Mrs. Nidhi Seksaria was confirmed as the Resolution Professional by the Committee of Creditors (“CoC”) of the Company, which was constituted by Mrs. Nidhi Seksaria in accordance with the provisions of IBC. . Further, as per the directions of the CoC, Mrs. Nidhi Seksaria (“RP”) is inviting the Expression of Interest (“EOI”) from the potential resolution applicants (“RAs”) to submit the Resolution Plan for the insolvency resolution of the Company.

The Invitation for Expression of Interest as per Form G under sub-regulation (1) of regulation 36A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for the attention of the Prospective Resolution Applicants of Zed Ria is set out in **“Annexure – F”** hereto.

It is clarified that the Bid Process document detailing the procedure for submitting resolution plan, criteria for evaluation of bids, etc., shall be disclosed at a later stage.

2. SUBMISSION OF EOI:

RA submitting the EOI should meet the Eligibility Criteria as set out in **“Annexure – A”** hereto. EOI shall be submitted in the prescribed format as set out in **“Annexure – B”** hereto along with the supporting documents as set out in **“Annexure – C”** and the details of RA as set out in **“Annexure – D”** hereto.

EOI in the prescribed format along with annexure is required to reach in a sealed envelope at below mentioned address through speed post / registered post or by hand delivery. The sealed envelope should be superscribed as *“Expression of Interest for Zed Ria”* in the name of Nidhi Seksaria, Resolution Professional for Zed Ria, BDO Restructuring Advisory LLP, Level 9, The Ruby, North West Wing, Senapati Bapat Marg, Dadar (W), Mumbai 400028. A soft copy of EOI along with annexure stated above also is required to be mailed to nidhiseksaria@bdo.in / irp.zedria@bdo.in

3. LAST DATE OF SUBMISSION OF EOI:

(i) The last date for submission of EOI is 18.00 hrs on 07 November 2018. In case the designated day happens to be a public holiday in Bengaluru, 18.00 hours on the next working day, which does not happen to be a public holiday, will be deemed as the last date for submission of EOI.

(ii) All the EOIs received on or before the last date of submission of EOI will be reviewed by RP and/or members of CoC. Qualified and shortlisted applicants will be informed on or before 22 November 2018 about the same. The Bid Process Memorandum containing the information memorandum, evaluation matrix and request for resolution plan (RFRP) would be issued to the qualified and shortlisted applicants pursuant to Regulation 36B of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“CIRP Regulations”).

(iii) The qualified and shortlisted RAs will be given 30 (Thirty) days to carry out further due- diligence (DD) and submit their Resolution Plan, in accordance with the provisions of the IBC, by 18.00 hours on or before 22 December 2018.

(iv) Access to Information Memorandum (IM), data room for DD and other relevant information will be provided to qualified and shortlisted RA after receiving a confidentiality undertaking as per section 29(2) of the IBC. The confidentiality undertaking to be submitted by RA shall be circulated along with the RFRP.

(v) By submitting the EOI, RA agrees that its EOI is unconditional. Along with the EOI, the RA shall also provide with undertaking under regulation 36A(7) of the CIRP Regulations as set out in “Annexure – E” hereto.

(vi) For any clarifications, please write to: nidhiseksaria@bdo.in / irp.zedria@bdo.in on or before 2 November 2018.

4. NOTES AND OTHER TERMS AND CONDITIONS:

(i) The Invitation for EOI is not an offer or invitation for sale or the solicitation of an offer to buy, purchase or subscribe to any securities, if any, of Zed Ria.

(ii) COC / RP reserve the right to withdraw EOI and/or cancel the Resolution Plan process at any stage. Mere submission of the EOI shall not create any rights in favour of the RA and the decision of the CoC / RP regarding the resolution plan process shall be final and binding on all parties. The CoC / RP further reserves the right to (a) amend, extend, vary or modify the terms and conditions regarding submission of Resolution plan, including but not limited to Evaluation Matrix, timelines regarding submission of Resolution Plans; and (b) disqualify and/or reject any RA at any stage of the bid process without assigning any reason and without any liability, including any tortious liability.

(iii) Amendments / Clarifications / Information regarding extension, if any, of time for submission of EOI shall be uploaded on the Zed Ria's website. All interested parties should regularly visit Zed Ria's website at www.zed.in to keep themselves updated regarding the same.

(iv) No agreements with RP or any official, representative, affiliates, associate, advisor, agent, director, partner or employee of the RP or Zed Ria or any member of the COC or verbal communication by them shall affect or modify any terms of this EOI.

(v) No claims against the RP or Zed Ria or any member of the COC or any of their official, representative, affiliates, associate, advisor, agent, director, partner or employee would arise out of this EOI.

(vi) By submitting a proposal, each RA shall be deemed to acknowledge that it has carefully read the entire EOI, its terms and conditions and has fully informed itself as to all existing conditions and limitations.

SD/-

Nidhi Seksaria

Resolution Professional for BCIL ZED RIA PROPERTIES PRIVATE LIMITED

Registration No. IBBI/IPA-001/IP-P00866/2017-2018/11464

E-mail: nidhiseksaria@bdo.in / irp.zedria@bdo.in

Registered Address:

BDO Restructuring Advisory LLP

Level 9, The Ruby, North West Wing, Senapati Bapat Road,

Dadar (W), Mumbai 400028,

INDIA

Office: +91 22 3332 1600

Corporate Debtor Office:

No. 37-1/1, R.K. Chambers,

Ground Floor,

Aga Abbas Ali Road,

Bengaluru - 560042, Karnataka

Place: Bengaluru

Date: 23 October 2018

Attachments: Annexure - A to G

“ANNEXURE – A”**ELIGIBILITY CRITERIA**

The eligibility criteria for EOI for submitting resolution plan for Zed Ria are as follows:

EOI would be subject to evaluation of the Financial Capacity of the RA:

Eligibility Criterion: The applicant should not be disqualified under Section 29A of the Code. The provisions of Section 29A of the Code are set out in Annexure – G herein for reference of the RA.

- **Financial Capacity**

- 1) Category A - Private/Public Limited Company, LLP, Body Corporate ('Body Corporates'), Partnership Firms, Sole Proprietorships whether incorporated in India or outside India

- Minimum Group Net worth (NW) of Rs. 50 Lakhs (as per Companies Act, 2013 or in case of NBFC'S, applicable RBI regulations) as on 31st March 2018 or latest available financial statements, but not earlier than twelve months from the date of submission of EoI, and
- Cumulative Group turnover of Rs. 25 crores for the last three years
- Minimum of 2.5 lac square feet must have been built/plotted (ongoing / delivered) in the last 10 years ending 31st March 2018 by the group / group companies either in the capacity of a developer or a contractor.

Group companies include corporates, LLP, partnership firms, sole-proprietorships where the holding of the common promoter group is equal to or more than 26%

- 2) Category B - Financial Institutions (FI)/ Funds / Private Equity (PE) Investors

- Minimum Assets Under Management (AUM) of Rs. 200 Crores as on 30th September 2018, and
- Committed funds available for investment/deployment in Indian Companies or Indian assets of Rs 50 Crores or more as at 30th September 2018.

- 3) Category C - Individual investor/ Consortium of individual Investors:

- Minimum consolidated net worth of INR 20 Crs as on 30th September 2018 at sole or at the consortium level.
- Individual investor to include HUFs and family trusts.
- Net Worth of consortium shall be calculated as weighted average of individual member's Net Worth (value of negative Net Worth members shall be considered as Nil basis their proposed participation in the consortium)

- 4) Category D - Consortiums

- At least one of the members must hold at least 26% total equity participation in the consortium who shall be designated as the lead member. All other members would need to have a minimum stake of 10% each in the consortium.
- All the members of the consortium shall be jointly and severally responsible for compliance with the terms of the invitation for submission of EOI, the request for resolution plan and the resolution plan submitted by the consortium.
- Each member of the consortium shall have to meet the eligibility criteria applicable to its category as defined above.
- No change in lead member of the consortium shall be permitted after the last date for submission of EOIs.

- ***In addition to the above, the following shall be considered as an added advantage:***

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- a. *Experience of the applicant in Real estate Sector*
 - b. *Experience of the applicant in acquisition / turnaround of stressed assets*

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"ANNEXURE - B"

FORMAT OF EXPRESSION OF INTEREST (EOI)

To

Mrs. Nidhi Seksaria

Resolution Professional (RP) for BCIL Zed Ria Properties Private Limited ("Zed Ria")

BDO India LLP

Level 9 The Ruby NW Wing,

Senapati Bapat Marg,

Dadar West,

Mumbai 400028,

Maharashtra

Subject: Expression of Interest (EOI) for BCIL Zed Ria Properties Private Limited (Zed Ria)

Dear Sir,

In response to your public advertisement in Business Standard / KarnatakPrabha / Dinamini and uploaded on the website of Zed Ria on 23 October 2018, inviting EOIs to submit the Resolution Plan for Zed Ria, we hereby submit our EOI.

We have attached the supporting documents required to be submitted with EOI as published on the website of Zed Ria at www.zed.in

The information furnished by us in this EOI is true, correct and accurate to the best of our knowledge.

We understand that based on this information you and Committee of Creditors (CoC) of Zed Ria would be able to review and evaluate our EOI for submitting the Resolution Plan for Zed Ria.

We however, understand that Mrs. Nidhi Seksaria, RP for Zed Ria and the CoC of Zed Ria reserve their right to decide whether or not we are eligible for submitting the Resolution plan for Zed Ria without disclosing any reason whatsoever and without any liability.

Thanking you.

Yours truly.

On behalf of the firm/company/organization/ Consortium / Name of Individual:

Signature:

Name of signatory:

Designation:

Company Seal/stamp

Place:

Date:

Enclosures: Annexures

“ ANNEXURE - C ”

SUPPORTING DOCUMENTS REQUIRED TO BE SUBMITTED WITH EOI

1. Profile of Resolution Applicant
2. **Legal Documents:** Copies of Certificate of Registration / Incorporation and Constitutional Documents (Memorandum and Articles of Association, etc.) of Resolution Applicant and information / details & undertakings required as per Regulation 36A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
3. **For Turnover / Net-worth:** Certified true copies of Audited financial statements of immediately preceding 3 (three) years of RA and / or its promoter / promoter group or any other group company as per eligibility criteria.
4. A notarized declaration from RA in order to demonstrate that the promoter/promoter group or any other group company are part of the same group, in case the interested party is using such entities for meeting the eligibility criteria. Please note that RA shall provide all relevant documents for its promoter / promoter group or any other group company, if required to meet the eligibility criteria.
5. Any other documents / information which Potential Resolution Applicant finds necessary to share or as may be notified by the RP from time to time.

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" ANNEXURE - 'D' "

DETAILS OF THE POTENTIAL RESOLUTION APPLICANT

1. Name and address:

Name:

Address (with proof): Telephone No.:

Fax No.: Email:

2. Name and address (with proof) of the Firm / Company / Organization:

3. Date of establishment of Resolution Applicant / Promoter Group and copies of documents:

4. Core area of expertise of Resolution Applicant:

5. Contact Person:

Name:

Designation:

Telephone No:

Mobile No.:

Email:

6. PAN No. and / or CIN No. and / or Aadhaar No. or equivalent details of Resolution Applicant and copies of documents:

7. Company / FI Profile:

(i) Company Financial Profile (consolidated / standalone as applicable):

(Note: The Company profile should necessarily include tangible net worth and revenue numbers of the preceding three years. Where the entity submitting the EOI is a financial investor / fund entity, please provide details pertaining to "assets under management" and / or "committed funds" for the preceding three years or the committed funds available as on 30 September 2018 for investment. Further the fulfilment of eligibility criteria must be clearly identified / certified herein)

(ii) Experience of the Company in the relevant sector(s).

(iii) History if any, of the Company or affiliates of the Company being declared a 'willful defaulter' or 'non-cooperative borrower' or 'non-impaired asset' or 'non-performing asset'.

(Note: In case of consortium, the details set out above are to be provided for each of the member of the consortium)

“ ANNEXURE - ‘E’ ”

UNDERTAKING

(Pursuant to Regulation 36A(7) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

(To be executed on stamp paper of appropriate value)

Dated: [●]

We, [●], *[insert name of the Prospective Resolution Applicant]* (“**Resolution Applicant**”), hereby declare and confirm that the Expression of Interest being submitted by the Resolution Applicant for submission of resolution plan for **BCIL Zed Ria Properties Private Limited** (“**Company**”) is unconditional. Further, the Resolution Applicant undertakes, confirms, agrees and acknowledges that:

- a) it meets the criteria specified by the committee of creditors under clause (h) of sub-section (2) of section 25 of the Insolvency and Bankruptcy Code 2016 (“**Code**”), which is specified in the Invitation for Expression of Interest Process Document issued by the Resolution Professional of the Company;
- b) neither it nor any of its connected person(s) suffer from any ineligibility under section 29A of the Code to the extent applicable;
- c) it shall intimate the resolution professional of the Company forthwith if it or any of its connected person(s) becomes ineligible at any time during the corporate insolvency resolution process;
- d) every information and records provided in expression of interest is true and correct and discovery of any false information or record at any time will render the Resolution Applicant ineligible to submit resolution plan, forfeit any refundable deposit, and attract penal action under the Code;
- e) 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 (2) of section 29 of the Code.

Signature:

Date:

Place:

Deponent

Verification

Verified at [Place] at this [Date] day of [Month] 2018, that the content of the above undertaking is true and correct to my personal knowledge, nothing is false in it and no material facts have been concealed therefrom.

Deponent

“ ANNEXURE - ‘ F ’

**FORM G
Invitation of Resolution Plans**

*(Under sub-regulation (1) of regulation 36A of the Insolvency and Bankruptcy Board of India
(Insolvency Resolution Process for Corporate Persons) Regulations, 2016)*

FOR THE ATTENTION OF THE PROSPECTIVE RESOLUTION APPLICANTS OF Zed Ria

RELEVANT PARTICULARS		
1.	Name of the corporate debtor	BCIL Zed Ria Properties Private Limited
2.	Date of incorporation of corporate debtor	01/05/2013
3.	Authority under which corporate debtor is incorporated / registered	Registrar of Companies, Bangalore under Companies Act, 1956
4.	Corporate identity number / limited liability identification number of corporate debtor	CIN: U45205KA2013PTC068868
5.	Address of the registered office and principal office (if any) of corporate debtor	No. 37-1/1, R.K. Chambers, Ground Floor, Aga Abbas Ali Road, Bengaluru – 560042, Karnataka
6.	Insolvency commencement date of the corporate debtor	August 9, 2018 (Copy of order made available to IRP on August 11, 2018)
7.	Date of invitation of expression of interest	October 23, 2018
8.	Eligibility for resolution applicants under section 25(2)(h) of the Code is available at:	www.zed.in
9.	Norms of ineligibility applicable under section 29A are available at:	www.zed.in
10.	Last date for receipt of expression of interest	November 07, 2018
11.	Date of issue of provisional list of prospective resolution applicants	November 17, 2018
12.	Last date for submission of objections to provisional list	November 22, 2018
13.	Date of issue of final list of prospective resolution applicants	December 02, 2018
14.	Date of issue of information memorandum, evaluation matrix and request for resolution plans to prospective resolution applicants	November 22, 2018
15.	Manner of obtaining request for resolution plan, evaluation matrix, information memorandum and further information	The prospective resolution applicants are requested to send an email to irp.zedria@bdo.in Information Memorandum, RFRP and Evaluation matrix will be provided via email / Data room after execution of the confidentiality undertaking
16.	Last date for submission of resolution plans	December 22, 2018

17.	Manner of submitting resolution plans to resolution professional	Soft copy of Resolution Plan should be sent via email to irp.zedria@bdo.in and hard copy to be sent in a plain sealed envelope marked to Mrs. Nidhi Seksaria (Resolution Professional), BDO Restructuring Advisory LLP, The Ruby, Level 9, North West Wing, Senapati Bapat Marg, Dadar West, Mumbai 400028, India
18.	Estimated date for submission of resolution plan to the Adjudicating Authority for approval	January 21, 2019
19.	Name and registration number of the resolution professional	Mrs. Nidhi Seksaria (Resolution Professional) IBBI/IPA-001/IP-P00866/2017-2018/11464
20.	Name, Address and e-mail of the resolution professional, as registered with the Board	Mrs. Nidhi Seksaria BDO Restructuring Advisory LLP Level 9, The Ruby, North West Wing, Senapati Bapat Marg, Dadar (W), Mumbai 400028 Office +91 022 3332 1600 nidhiseksaria@bdo.in
21.	Address and email to be used for correspondence with the resolution professional	Mrs. Nidhi Seksaria BDO Restructuring Advisory LLP Level 9, The Ruby, North West Wing, Senapati Bapat Marg, Dadar (W), Mumbai 400028 Office +91 022 3332 1600 Email: irp.zedria@bdo.in nidhiseksaria@bdo.in
22.	Further Details are available at or with	www.zed.in
23.	Date of publication of Form G	October 23, 2018

Sd/

Mrs. Nidhi Seksaria

Resolution Professional in the matter of CIRP of BCIL Zed Ria Developers (India) Private Limited
Communications Email Address: irp.zedria@bdo.in ; nidhiseksaria@bdo.in

IBBI Registration no. IBBI/IPA-001/IP-P00866/2017-2018/11464

IBBI Registered Email: nidhiseksaria@bdo.in

IBBI Registered Address: BDO India LLP Level 9 The Ruby NW Wing, Senapati Bapat Marg, Dadar West, Mumbai 400028, Maharashtra

Insolvency Professional Entity: BDO Restructuring Advisory LLP, Level 9, The Ruby, North West Wing, Senapati Bapat Road, Dadar (W), Mumbai 400028, India

“ ANNEXURE – G ”

PERSONS NOT ELIGIBLE TO BE RESOLUTION APPLICANT (u/s 29A of The Insolvency & Bankruptcy Code, 2016)

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) 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 non-performing 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 for two years or more;

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 non-performing 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 4 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 Organisation 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 Securitisation 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