

# PREMIER CHENNAI PROPERTIES LIMITED

February 22, 2022

To,

The Interim Resolution Professional

Mr. Madhu Desikan (Registration No. IBBI/IPA-001/IP-P00579/2017-18/11021)

1 / 4, Vijay Laxmi Apartment, Balasubramanium Street,

Mylapore, Chennai-600004

Email: [gkindustrialCIRP@gmail.com](mailto:gkindustrialCIRP@gmail.com); [desikan.madhu@gmail.com](mailto:desikan.madhu@gmail.com)

Dear Sir,

**Subject:**

- A. Claim form dated February 4, 2022, submitted on behalf of Premier Chennai Properties Limited (“PCPL”) vide email dated February 4, 2022 (“Claim Form”);**
- B. Email dated February 18, 2022 issued by your good offices addressed to PCPL (“Feb 18 Email”).**

1. We write to you in relation to the captioned matter. Capitalised terms used herein but not defined shall have the meaning ascribed to them in the Claim Form.
2. As per the Feb 18 Email, we understand that PCPL’s claim as a financial creditor has been recognized by you but PCPL has not currently been given any right of representation, participation or voting on the Committee of Creditors (“COC”) of the Corporate Debtor as you have considered PCPL to be a related party of the Corporate Debtor under Section 5 (24) of the Insolvency and Bankruptcy Code, 2016 (“IBC”).
3. In relation to the same, please note the following:
  - a. Investor India Realty Fund II LLC (“IIRF II”), is a company incorporated in Mauritius and is a private equity fund incorporated for the purpose of making foreign direct investment in the construction development sector in India. IIRF II is registered with and regulated by the Financial Services Commission, Mauritius (“FSC”) with licence no. C107004620. A copy of the licence granted by the FSC to IIRF II is annexed hereto as **Annexure A** hereto. FSC is the integrated regulator for the non-bank financial services sector and global business in Mauritius. Further information about FSC can be accessed using the following link: <https://www.fscmauritius.org/en/about-us/who-we-are>. As you will see from condition 1 of the FSC licence granted to IIRF II, IIRF II is authorised to operate as a closed end fund by the FSC.

Registered Office Address: DAA, 5/32 First Cross Street, Shenoy Nagar East, Near Municipal Corporation Building,  
Shenoy Nagar, Chennai – 600030, Tamil Nadu

Correspondence Address: C/o Lapis India Capital Advisors Private Limited, 301- 306, 3rd Floor, Makhija Chambers, 196,  
Turner Road, Bandra (West), Mumbai- 400050. CIN - U70101TN2007PLC065552

Email: [cs@premierchennai.co.in](mailto:cs@premierchennai.co.in)

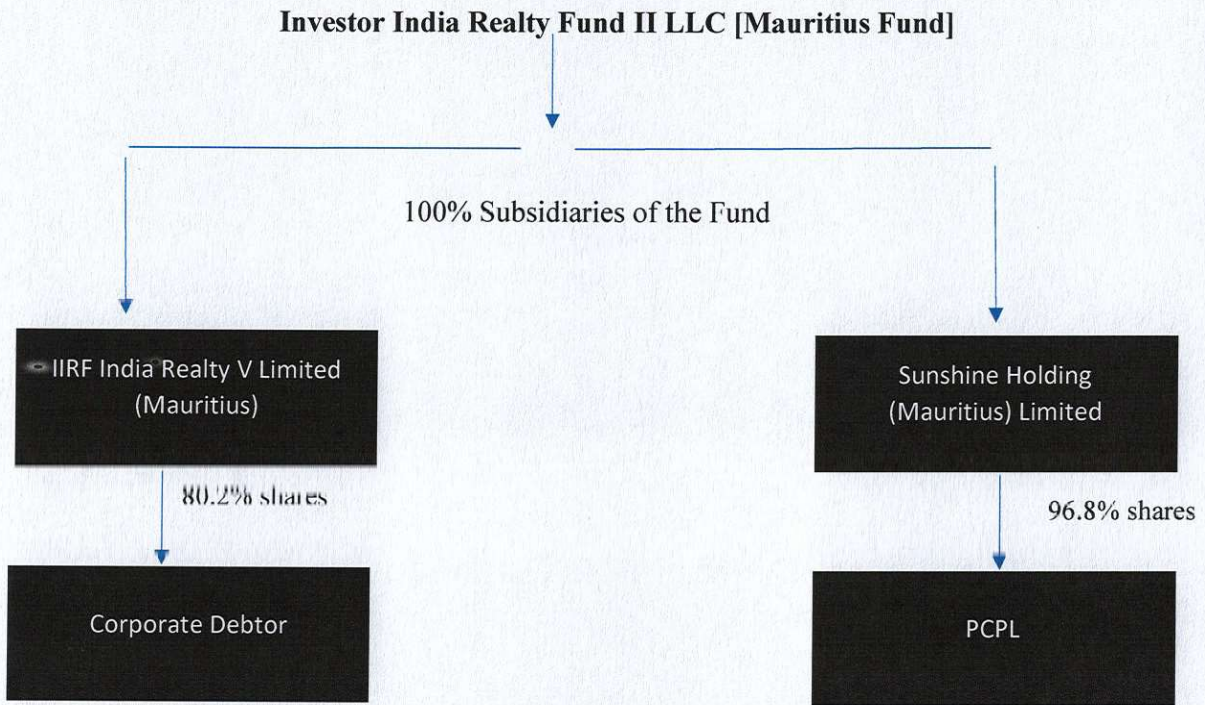


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## PREMIER CHENNAI PROPERTIES LIMITED

- b. IIRF II through its subsidiaries has in compliance with the foreign direct investment policy of the Government of India and the Foreign Exchange Management Act, 1999 invested through foreign direct investment route in various construction development projects in India. These investments have been made as a pure financial investor, with a view to exiting these investments during a definite time frame at a rate of return.
- c. In 2014 when the inter-corporate deposit agreement was entered into *inter alia* between the Corporate Debtor and PCPL, the structure was the following:



- d. However, with effect from November 10, 2020, IIRF India Realty V Limited amalgamated with Sunshine Holding (Mauritius) Limited. Hence, at the time when the inter-corporate deposit was advanced to the Corporate Debtor, the holding company of the Corporate Debtor and PCPL were separate legal entities.
- e. From June 20, 2014 until November 9, 2020, PCPL's equity shares were listed on SME Institutional Trading Platform of the Bombay Stock Exchange (code: 780007). During this period, PCPL being a listed company had a board of directors with 3 to 5 directors of which 2 were independent directors for majority of the said period. From 2014 onwards and till today, PCPL and the Corporate Debtor have not had any common directors. PCPL has never been directly or indirectly involved in the decision making process of the Corporate Debtor and had no opportunity to control, influence the decision making process of the Corporate Debtor.



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- f. PCPL agreed to lend monies to the Corporate Debtor through the inter-corporate deposit agreement, as the Corporate Debtor was in need of funds at that point in time and due to the Corporate Debtor's inability to repay the amounts due under the inter-corporate deposit agreement, PCPL agreed to renew the inter-corporate deposit agreement from time to time. PCPL's Board in their independent judgement had approved the ICD transaction and it was entered into to support the business of Corporate Debtor on arms' length basis.
  - g. PCPL has no conflict of interest with the other members of the COC and is willing to work to preserve and promote the interest of the Corporate Debtor.
  - h. Hence, in our opinion, PCPL cannot be classified as a related party and is entitled to have the right of representation, participation and voting in the meetings of the committee of creditors of the Corporate Debtor.
4. Further, we hereby clarify that the 18% penal interest charged by us was in fact a contractual stipulation as provided in Clause 3 of the intercorporate deposit agreement dated September 27, 2018.

We trust this addresses your queries. Please feel free to revert to us if you require any clarification.

Yours truly,

**For Premier Chennai Properties Limited**

**(Formerly known as Pallanishamy Properties Private Limited)**



**Vinode Thomas**

Director

Encl.: Annexure A



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