

To,

11.08.2022

Smt. Madhabi Puri Buch
Chairperson, Securities and Exchange Board of India (SEBI)
Plot No C-4-A, G Block, Bandra Kurla Complex
Bandra (East), Mumbai – 400051
chairman@sebi.gov.in
sebi@sebi.gov.in

Mr. Nitesh Bhandari,
Assistant General Manager
Securities and Exchange Board of India (SEBI)
Western Regional Office (WRO)
Panchvati 1st Lane,
Gulbai Tekra Road,
Ahmedabad – 380 006, Gujarat
niteshbh@sebi.gov.in

Subject: Response to the Reply dated 08.08.2022 issued by Inox Green Energy Services Ltd. pursuant to the Complaint dated 30.07.2022 filed by LNJPVL before SEBI in relation to the Draft Red Herring Prospectus dated 17.06.2022

Dear Sir(s),

1. That we are in receipt of the reply dated 08.08.2022 issued by Inox Green Energy Services Limited (“IGESL”) to the representation/complaint dated 30.07.2022 issued on behalf of LNJPVL Power Ventures Limited. (“LNJPVL”). At the outset, it is stated that the reply dated 08.08.2022 issued by IGESL (“**Reply**”) is blatantly dishonest and is clearly evident of the fact that IGESL is seeking to hide statutory actions and material facts to the public at large as well as SEBI so as to keep the prospective investors as well as SEBI in dark regarding

LNJ POWER VENTURES LIMITED

CIN: U74899DL1995PLC065394

Registered office: 201, FIRST FLOOR, OKHLA INDUSTRIAL ESTATE PH-III, NEW DELHI 110020, INDIA

Corporate office: 202, THIRD FLOOR, OKHLA INDUSTRIAL ESTATE PH-III, NEW DELHI 110020, INDIA

the true exposure and risks of investing in IGESL. It is stated that the Draft Red Herring Prospectus dated 17.06.2022 (“**DRHP**”) is in absolute violation of the SEBI ICDR Regulations, 2018 regarding the relevant disclosure liable to be made by IGESL and thus the said DRHP is liable to be rejected immediately. It is stated that the contents of the Reply are denied as wrong and incorrect as IGESL has resorted to material suppression of facts and false hood for the purpose of fraudulently inducing investments from the public at large without disclosing the relevant information regarding the exposure and risk of investing in IGESL.

2. That the Reply does not deny in any way the action taken by the statutory body Rajasthan Rajya Vidyut Prasaran Nigam Limited (“**RRVPL**”) as detailed in the complaint dated 30.07.2022. It is stated that the Reply falsely and dishonestly seeks to state that the DRHP is not required to disclose the statutory actions taken against Inox Renewables Limited (now Inox Wind Energy Limited and is referred to as “**IWEL**” hereinafter). It is stated that the Reply falsely and incorrectly states that statutory action against IWEL has no material adverse effect on the business, operations, performance, prospects, financial or reputation of IGESL. It is stated that the Reply for the purpose of hoodwinking SEBI and the public at large into making investments into IGESL without having the true and correct information regarding the financial exposure and risks have maliciously made completely false and incorrect statements.
3. That IGESL in its Reply has sought to falsely give an impression that the statutory action against IWEL does not have any material adverse effect on IGESL or its financial position and operation. The

Complainant herein is seeking to put forth the true and relevant facts which clearly showcases the falsehood of IGESL and also the violation of SEBI ICDR Regulation, 2018 which renders the DRHP liable for outright rejection.

- (i) That in terms of the shareholding pattern of IGESL, Inox Wind Limited (“IWL”) holds 93.84% of shares of IGESL. It is stated that IWEL (erstwhile Inox Renewables Ltd.) in turn holds 50.53% of shares of IWL. It is stated that in view of the shareholding pattern of IGESL and IWEL as stated in the DRHP itself, IWEL has 47.41% ownership of IGESL. It is stated that shockingly and in a blatant attempt to play fraud upon the SEBI and public at large, the DRHP does not disclose the statutory actions taken against IWEL which has 47.41% ownership of IGESL. It is stated that such shocking and appalling non-disclosure renders the DRHP completely illegal as it clearly seeks to fraudulently induce investments from the public at large without disclosing the statutory actions against IWEL which has a clear ownership of 47.41% of IGESL. Furthermore, the dishonest and perverse conduct of IGESL is laid threadbare by the fact that IGESL illegally and shockingly seeks to state that the statutory actions against IWEL which owns 47.41% of IGESL has no material adverse effect on the “*business, operations, performance, prospects, financial position or reputation*” of IGESL. The conduct and falsehood of IGESL before a statutory authority like SEBI is absolutely appalling and if a company like IGESL is allowed to attract investment from public at large without disclosing the statutory actions against IWEL which owns 47.41% of IGESL, the same is liable to have a chilling effect on the investment climate of the country wherein innocent investors are fraudulently induced to invest without even being provided the most important disclosures regarding

the financial exposure of the company in which they are invited to invest.

- (ii) That the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 clearly states that “Pending Litigations” which forms part of “Outstanding Litigations and Material Developments” of the DRHP would include the following disclosures:

- “(a) All criminal proceedings;*
- (b) All actions by regulatory authorities and statutory authorities;*
- (c) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;*
- (d) Claims related to direct and indirect taxes, in a consolidated manner, given the number of cases and total amount;*
- (e) Other pending litigations – As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document.”*

(...emphasis added)

That as stated above, with regard to the “Pending Litigations”, DRHP is liable to disclose “all actions by regulatory authorities and statutory authorities” in terms of the SEBI regulations. It is stated that DRHP discloses the ongoing arbitration proceedings against IWEL instituted by M/s Ivy Ecoenergy Private Limited and Vanilla Clean Power Private Limited but does not disclose the action taken by the statutory authority namely RRVPNL against IWEL as detailed in the representation/complaint issued by LNJPVL dated 30.07.2022. It is stated that the dishonesty of IGESL and also its Reply is laid threadbare by the fact that IGESL has illegally and for the purposing of playing fraud upon SEBI and innocent investors, have adopted a pick and

choose policy for disclosure so that the correct financial exposure and risks of investing in IGESL is never disclosed to the investors at large. It is stated that the pick and choose policy for disclosure as adopted by IGESL is the anti-thesis to the intent and purpose of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. It is stated that SEBI, being the statutory authority constituted to protect the interests of investors in the country as well as to take stringent action against actions seeking to play fraud upon investors is liable to immediately reject the DRHP of IGESL.

- (iii) That in addition to the aforesaid, it is stated that IGESL in its DRHP has grossly violated the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as various other relevant mandatory disclosures have not been made in the DRHP. It is stated that IGESL has not only failed to disclose the relevant “Pending Litigations” with respect to IWEL but also various other entities/persons related to IGESL which are liable to be disclosed in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. It is stated that DRHP is a gross abuse of the regulations promulgated for the purpose of providing necessary and mandatory disclosures to the prospective investors and thus the DRHP is liable to be rejected immediately.

4. That further, the Reply seeks to state that IGESL is not involved in the statutory action initiated by RRVPNL against IWEL which is a blatant lie. It is stated that the falsehood and perversity of the IGESL in its Reply before a statutory authority like SEBI is absolutely shocking. The relevant facts in this regard are as follows:

- (i) That notices dated 10.08.2021 and 08.02.2022 issued by the statutory authority - RRVPNL to IWEL is with regard to disconnection of the grid connectivity (and also penalties imposed for violation of applicable law) of the Dangri windfarm located at site Dangri, District Jaisalmer, Rajasthan. It is stated that the operation and maintenance of the Wind Turbine Generators (for production of electricity) at the Dangri windfarm for its various customers is the responsibility of IGESL as IGESL has entered into various operation and maintenance agreements with various entities for the same. It is stated that a huge amount of revenues are generated by IGEL from providing operation and maintenance services to various entities at Dangri windfarm. In addition thereto, on account of any possible grid disconnect, IGESL is liable to face a slew of civil as well as criminal actions by its customers due to non-performance of their respective Wind Turbine Generators (“WTGs”). It is stated that any action by RRVPNL regarding grid connectivity of the various WTGs at the Dangri Wind farm (wherein IGESL is responsible for the operation and maintenance of such WTGs) would have a clear and undeniable material adverse effect on the “*business, operations, performance, prospects, financial position or reputation*” of IGESL. It is completely shocking that IGESL have resorted to making blatant lies before a statutory authority.
- (ii) That the following agreements have entered into between LNJPVL and various companies of Inox Group for the purpose of setting up a 20 MW Wind Power Plant at Dangri Wind Farm:

- (a) That LNJPVL and IWL had entered into a Supply Agreement dated 01.03.2013 for supply of 10 WTGs to LNJPVL of Inox Wind make.
- (b) That LNJPVL and IWEL had entered into a Development Agreement dated 01.03.2013 for the land and site related development work at the Dangri Site for the 10 WTGs.
- (c) That LNJPVL and IGESL had entered into an Erection and Commissioning Agreement dated 01.03.2013 for erection and commissioning of the 10 WTGs at the Dangri Site including but not limited to civil and electrical works. It is stated that the sine qua non for commissioning of the WTGs under the Erection and Commissioning Agreement dated 01.03.2013 was obtaining the permanent evacuation system by IGESL for the 20 MW WTGs of LNJPVL. It is stated that the statutory action by RRVPNL clearly and directly threatens the provisioning of the permanent evacuation system which is the responsibility of IGESL. The relevant contractual provision is also reproduced hereunder:

"1. Definitions

...

"Commissioning " means commissioning of the relevant WTG on the date of connection to the utility's grid and duly certified as commissioned by competent Authority of the State DISCOM /TRANSCO and the permanent evacuation system is completed and there is no restriction/constraint on the evacuation of power from WTGs;

"Commissioned" shall be construed accordingly"

It is stated that IGESL has entered into similar agreements with various other entities apart from LNJPVL. Therefore, it is stated that any action by RRVPNL regarding grid

connectivity at the Dangri Wind Farm would constitute a direct breach of the obligations of IGESL and would have a direct material adverse effect on IGESL.

- (d) That LNJPVL and IWEL had entered into a Shared Services Agreement dated 01.03.2013 for providing an unhindered right of usage to the shared services at the Dangri Wind Farm.
 - (e) That LNJPVL and IGESL had entered into an O&M Agreement dated 01.03.2013 for providing operation and maintenance services to the 10 WTGs of LNJPVL at the Dangri Wind Farm.
 - (f) That LNJPVL had entered into Wrap Agreement dated 01.03.2013 with IGESL, IWL and IWEL for the purpose of making each of the entity (i.e. IGESL, IWL and IWEL) as jointly and severally liable for the actions of the other entities under the aforementioned agreements. Therefore, IGESL is legally and contractually liable for the actions of IWEL. The falsehood as contained in the Reply issued by IGESL before SEBI is truly shocking and is demonstrative of the dishonest conduct adopted by IGESL for the purpose of fraudulently inducing investments from the public at large.
- (iii) In view thereof, it is stated that it is an absolutely blatant lie to state that the statutory actions by RRVPNL taken against IWEL has no involvement, bearing or relation to IGESL. It is stated that enormity of the falsehood as contained in the Reply before a statutory authority like SEBI is absolutely shocking and appalling. It is stated that the actions by the statutory authority against IWEL (as stated in detail in the representation/complaint dated 30.07.2022 by LNJPVL) would have a clear and

undeniable material adverse effect on the “*business, operations, performance, prospects, financial position or reputation*” of IGESL. The DRHP being in absolute violation of the provisions of law/regulations is liable to be rejected immediately.

5. Accordingly, it is prayed that:

- (i) The present representation of LNJPVL be allowed; and
- (ii) The DRHP filed by Inox Green Energy Services Ltd. be rejected

Regards,



[Abhishek Gupta]
Authorised Representative of LNJPVL

CC:

Mr. S.K. Mohanty
Whole Time Member, SEBI
Plot No C-4-A, G Block,
Bandra Kurla Complex
Bandra (East), Mumbai – 400051
skmohanty@sebi.gov.in

Mr. Ananta Barua
Whole Time Member, SEBI
Plot No C-4-A, G Block,
Bandra Kurla Complex
Bandra (East), Mumbai – 400051
anantab@sebi.gov.in

Ms. Pooja Paul,
Company Secretary, Inox Green Energy Services Ltd.
Inox Towers, Plot No. 17,
Sector 16A, NOIDA,
Uttar Pradesh – 201301
investor@inoxgreen.com

Edelweiss Financial Services Limited,
6th Floor, Edelweiss House
Off C.S.T. Road, Kalina
Mumbai -400 098
igesl.ipo@edelweissfin.com

Equirus Capital Private Limited
12th Floor, C Wing
Marathon Futurex
N.M. Joshi Marg, Lower Parel
Mumbai-400013
igesl.ipo@equirus.com

DAM Capital Advisors Limited
(formerly IDFC Securities Limited)
One BKC, Tower C,
15th Floor, Unit No. 1511,
Bandra Kurla Complex
Bandra (East), Mumbai – 400 051
inoxwind.ipo@damcapital.in

IDBI Capital Markets & Securities Limited
6th Floor, IDBI Tower
WTC Complex, Cuffe Parade
Mumbai- 400 005
igesl.ipo@idbicapital.com

Systematix Corporate Services Limited,
The Capital, A Wing No. 603-606,
6th Floor, Plot No. C-70,
G Block, BKC, Bandra (East),
Mumbai- 400051
investor@systematixgroup.in

LNJ POWER VENTURES LIMITED

CIN: U74899DL1995PLC065394

Registered office: 201, FIRST FLOOR, OKHLA INDUSTRIAL ESTATE PH-III, NEW DELHI 110020, INDIA

Corporate office: 202, THIRD FLOOR, OKHLA INDUSTRIAL ESTATE PH-III, NEW DELHI 110020, INDIA