

By-Email/Speed Post

То,

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

Subject: Representation against the Draft Red Herring Prospectus (DRHP) of Inox Green Energy Services Ltd. submitted before SEBI on 17.06.2022

Dear Sir(s),

- The present representation is being filed by LNJ Power Ventures Ltd.
 (LNJPVL) to bring on record the incorrect and incomplete disclosures
 made by Inox Green Energy Services Ltd. (earlier known as Inox Wind
 Infrastructure Services Ltd.) ("Inox Green") in its Draft Red Herring
 Prospectus (DRHP) which has been filed before the Securities and
 Exchange Board of India (SEBI) on 17.06.2022.
- 2. That LNJPVL is a company registered under the Companies Act, 1956 having its registered office at Plot No. 201, Third Floor, Okhla Industrial Estate, Phase- III, New Delhi -110020. LNJPVL is involved in the business of generation of renewable energy *inter alia* through development, implementation, operation and maintenance of nonconventional wind power projects. The present representation has been verified and signed by Mr. Abhishek Gupta on behalf of LNJPVL as he has been authorized to do so vide Board Resolution dated 07.12.2018 which has been enclosed along with the present representation.



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- 3. It is submitted that Inox Green Energy Services Ltd. has deliberately and wilfully made incomplete disclosures in the first part of Section VII of its DRHP titled 'Outstanding Litigation and Material Developments' under the head of 'Litigation involving our Group Companies'. The foregoing has been done in order to put forth an inaccurate portrayal of its monetary exposure on the basis of pending litigations and to dupe prospective investors by presenting a picture of Inox Green Energy Services Ltd. which is far from the truth. It is stated that the DRHP filed by Inox Green is liable to be rejected on account of suppression of material facts as the true and correct picture of the company is not reflected in the said DRHP.
- 4. It is submitted that Inox Green has once given a completely wrong undertaking that all "Outstanding Litigation and Material Developments - Litigations involving our Group Companies" have been disclosed in the DRHP. It is stated that Inox Green has once again not disclosed the action taken by a statutory body namely Rajasthan Rajya Vidyut Prasaran Nigam Limited ("RRVPNL") against Inox Green and its group companies which has a huge bearing on the financial viability of not just Inox Green but also its group companies. It is stated that RRVPNL had on 10.08.2021 issued a notice for disconnection of temporary connectivity of 102 MW and 50 MW at the Dangri Wind Park and also recovery of a sum of Rs. 870 lakhs for violation of CERC (Unscheduled Charges and related matters) Regulation, 2009 to Inox Renewables Ltd., which is a group company of Inox Green (as also disclosed in the DRHP) and the business of both the companies are deeply intertwined. It is stated that the Dangri Wind Park is being operated by Inox Green. It is stated that Inox Green has once again chosen to not disclose the actions taken by statutory authority so as to









give the innocent investors a completely incorrect position of their financial standing and exposure and to illegally induce them to make investments into Inox Green without being fully aware of the risks and dangers. The brief facts in the matter are as follows:

- That as a part of its renewable energy business, LNJPVL decided to set up a 20 MW wind park at Dangri, District Jaisalmer, Rajasthan. In furtherance of the foregoing, LNJPVL entered into various agreements with Inox Green Energy Services Ltd. (earlier known as Inox Wind Infrastructure Services Ltd.), Inox Wind Limited (Promoter/Group Company of Inox Green) and Inox Renewables Ltd. (Promoter/Group Company of Inox Green) for the purpose of developing, erecting, commissioning, operating and maintaining the aforementioned wind parks. That specifically Inox Green Energy Services Ltd. was *inter alia* tasked with operating and maintaining the Wind Turbine Generators at the said wind park at Dangri, Rajasthan in terms of various Operation & Maintenance Agreements executed between Inox Green Energy Services Ltd. and LNJPVL.
- 6. That in terms of the agreement entered into by and between the parties, Inox Green and its group companies was required to provide a permanent evacuation system including 220/33 kV pooling substation and the 220 kV Line for the 10 WTGs (amounting to 20 MW) of LNJPVL which was a condition precedent for achieving the Commercial Operation Date of the agreements. That despite the explicit understanding between the parties that an evacuation system which is capable of evacuating full generation load from the 10 WTGs had to be provided, Inox Green and its group companies has, till date, failed to provide provide a permanent evacuation system for the 10 WTGs









(amounting to 20 MW) to LNJPVL, which amounts to a fundamental breach of agreements between the parties.

- 7. It is stated that the Wind Farm situated at Dangri, Rajasthan constitutes of 286 WTGs of 2 MW each of various entities (including 20 MW of LNJPVL) and therefore Inox Green and its group companies were required to have a cumulative capacity of distribution/power capacity of 572 MW of electricity to the grid including distribution/power evacuation of full 20 MW of electricity of LNJPVL to the grid. In case the distribution/power evacuation capacity is less than 572 MW, then the entire electricity generated by the Dangri Wind Farm cannot be evacuated and it leads to load shedding wherein a proportion of electricity produced is wasted (in addition to permissible transmission loss) and cannot be distributed/evacuated to the grid leading to loss of revenue specially in the peak season.
- 8. That it is pertinent to mention herein that Inox Green and its group companies was granted approval of 428 MW permanent load evacuation capacity for the Dangri wind farm by Rajasthan Rajya Vidyut Prasaran Nigam Limited ("RRVPNL") which is a statutory body. Furthermore, an approval of temporary power evacuation capacity of 102 MW was temporarily granted to Inox Green and its group companies by RRVPNL wherein Inox Green and its group companies were required to fulfil the fundamental condition of construction and commissioning of the proposed 220 KV S/C Dangri Jaisalmer 2 line. Pertinently, the temporary power evacuation capacity of 102 MW was granted to Inox Green and its group companies only till 31.01.2019 as they were liable to fulfil the aforementioned conditions by 31.01.2019. It is further pertinent to mention herein that RRVPNL is a statutory body being a









State Transmission Utility constituted under the aegis of the Government of the State of Rajasthan by virtue of the Rajasthan Power Sector Reforms Act, 1999 read with Rajasthan Power Sector Reforms Transfer Scheme, 2000.

- 9. As such, in terms of its contractual obligations towards LNJPVL and other entities as well as in terms of the undertakings given to RRVPNL, Inox Green and its group companies, in terms of its most fundamental obligation were to construct the 220 KV S/C Dangri Jaisalmer 2 line and provide full electricity load evacuation for Dangri Wind Farm by 31.01.2019. However, on account of the failure of Inox Green and its group companies to build the requisite infrastructure to facilitate the entire electricity generated at the Dangri Wind Farm, RRVPNL restricted the power evacuation capacity of the Dangri wind farm to 340 MW leading to load shedding wherein a substantial portion of the electricity produced by the WTGs at the Dangri Wind Farm is not evacuated to the grid resulting in huge monetary losses to LNJPVL and various other entities.
- 10. That despite having been granted time till 31.01.2019, Inox Green and its group companies failed to enhance the power evacuation infrastructure to the requisite capacity which is not only a clear breach of the contractual obligations by Inox Green and its group companies but is also a clear violation of the undertakings made to RRVPNL. It is further stated that the Inox Green has also clearly stated its inability to comply with the aforementioned obligations not only towards LNJPVL (and other entities operating at the wind farm) but also to RRVPNL by stating that it does not have funds to comply with its obligations. It is stated that a company which admittedly does not have funds to carry out









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its obligations towards various entities and also a statutory body like RRVPNL if allowed to take investments from the public at large (which would include poor and middle income investors investing their life's savings) can lead to catastrophic results for such public investors and also to the country's economy.

- 11. Furthermore, on account of the foregoing, RRVPNL has also issued a correspondence dated 29.12.2020 on account of Inox Green and its group companies' failure to fulfil the conditions for grant of temporary connectivity which was valid only till 31.01.2019 including nonconstruction of the new 220KV S/C Dangri-Jaisalmer 2 line wherein RRVPNL has stated that on account of the acts of omission and commission by Inox Green and its group companies, the entire Dangri wind-farm is liable to be disconnected from the grid. It is stated that if the foregoing were to happen, it would not only result in grave losses for all the stakeholders of the Dangri Wind Farm but would also leave a deep and lasting impact on the financial health of Inox Green thereby exposing each and every investor who may unknowingly invest in Inox Green without being made aware about the dangers thereof. It is stated that this very important action by a statutory body against Inox Green and its group companies has not been disclosed in the DRHP which itself vitiates the purpose of a DRHP.
- 12. That LNJPVL has also became aware that RRVPNL had on 10.08.2021 issued a notice for disconnection of temporary connectivity of 102 MW and 50 MW and also recovery of a sum of Rs. 870 lakhs for violation of CERC (Unscheduled Charges and related matters) Regulation, 2009 to Inox Renewables Ltd., which is a group company of Inox Green. It is stated that Inox Green has not disclosed this vital information in the



DRHP even when it was duty bound to disclose the action taken by the statutory body in the DRHP in terms of the regulations issued by SEBI. It is stated that Inox Green has knowingly suppressed this vital information in the DRHP so as to illegally hide the true and correct picture of the financial health and its exposure from the public at large. It is stated that if the potential investors including poor and middle income persons (who invests their life's savings) are not made aware of the dangers of investing into Inox Green, it can lead to catastrophic effect. LNJPVL is hereby attaching the notice issued by the statutory body RRVPNL dated 10.08.2021 which has not been illegally disclosed in the DRHP. LNJPVL is also hereby attaching the notices for breach dated 05.04.2021 and 03.03.2022 issued by LNJPVL to Inox Green (erstwhile Inox Wind Infrastructure Services Ltd.) in this regard. It is pertinent to mention that Inox Green Energy Services Ltd. has failed to respond to the aforementioned notices despite its service clearly constituting an admission of breaches and violation of law.

13. It is stated that pursuant to the notice dated 10.08.2021, RRVPNL issued another notice dated 08.02.2022 to Inox Renewables Ltd. (a group company of Inox Green) allotting 220 kV Bay for connecting 220 kV S/C line from Dangri Pooling Stating and granting 4 months as a last opportunity from 08.02.2022 to complete the line and connect 152 MW wind power plant at 400 kV GSS Jaisalmer 2. It is stated that the time of 4 months granted vide notice dated 08.02.2022 issued by RRVPNL and Inox Renewables Ltd. (a group company of Inox Green) has expired in the month of June, 2022 and Inox Renewables Ltd. has miserably failed to fulfil the conditions stated in the notice dated 08.02.2022 and neither the line has been completed nor the 152 MW wind power plant is connected to 400 kV GSS Jaisalmer2. It is stated that Inox Renewables



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Ltd. (a group company of Inox Green) is again in absolute violation of the notice dated 08.02.2022 issued by RRVPNL and is liable for further action by RRVPNL including disconnection of the wind power plant from the grid and other penal actions which will wreck havoc not just on the finances of Inox Renewables Ltd. and Inox Green but also all the customers and business partners associated with Inox Renewables Ltd. and Inox Green. That the aforesaid clearly shows that Inox Green and its Group companies are in clear and egregious breach of the statutory notices issued by RRVPNL. It is stated that Inox Green has consciously not disclosed the aforementioned actions by RRVPNL and the ensuing liability so as to hoodwink the innocent public at large to invest into Inox Green without knowing the perils thereof and without being aware of the true and correct financial position of Inox Green and its exposure. It is stated that the actions of Inox Green constituting material suppression of facts which Inox Green is liable to disclose in terms of the mandatory and binding regulations amounts to playing a fraud not just upon the public at large but also the SEBI which is a statutory body primarily tasked with protecting the interest of the investors.

It is submitted that disclosing a statutory notice in respect of a group company which would have severe and material adverse financial implications on the issuer is also mandated by Regulation 13(D) of Part A to the Schedule VI of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which mandates certain disclosures in the offer document, abridged prospectus and abridged letter of offer. It is stated that the DRHP filed by Inox Green is liable to rejected so as to protect the interests of millions of investors who would be induced to invest into Inox Green without being aware of the true and correct financial position and exposure of Inox Green.

LNJ POWER VENTURES LIMITED

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- 15. The foregoing facts are being placed on record before SEBI as it is the bounden duty of SEBI to protect and safeguard investors from being cheated and defrauded. The foregoing is also evident from the Preamble of Securities Exchange Board of India which states that the function of SEBI is "...to protect the interest of investors in securities and the promote development of. and to regulate the securities market and for matters connected therewith or incidental thereto". As such, LNJPVL has filed the present representation in order to assist SEBI in carrying out its functions and with regard to the same. LNJPVL undertakes to provide all relevant materials/documents which are in the possession of LNJPVL as may be required by SEBI in respect of the present representation.
- 16. 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
- 17. We sincerely hope that you will take the points submitted by into consideration. In case you may require any clarification on any of the aforementioned points, please feel free to contact us.

Regards,

(Abhishek Gupta)

Authorised Representative of LNJPVL

CC:

Mr. S.K. Mohanty Whole Time Member, SEBI

CIN: U74899DL1995PLC065394



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

LNJ POWER VENTURES LIMITED

CIN: U74899DL1995PLC065394





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



CIN: U74899DL1995PLC065394



RAJASTHAN RAJYA VIDYUT PRASARAN NIGAM LIMITED.

[Corporate Identity Number (CIN):U40109RJ2000SGC016485]
(Regd. Office: VidyutBhawan, Jan Path, Jyoti Nagar, Jaipur - 302 005)
OFFICE OF THE SUPERINTENDING ENGINEER (PROJECT & PLANNING)
① +91-141-2740623,Fax:+91-141-2740794;
e-mail:se.pp@rvpn.co.in; website:www.rvpn.co.in

No. RVPN/SE(P&P)/XEN-2(P&P)/AE-2/ F.W-15 /D.853

Jaipur, Dt.10.08.2021

The Chief Engineer(LD), RVPN, Heerapura, Jaipur.

Sub: Regarding disconnection of temporary connectivity at 400 kV GSS Akal of 102 MW(Reg.No.72/2004) & 50 MW (Reg.No. 80/2004) Wind Power Project of M/s Inox Renewables Ltd., Noida and recovery of Rs. 870 Lacs in the matter of gaming by M/s Inox Renewables Ltd.

On the above cited subject, I am directed to convey to implement the following direction:

- To disconnect the temporary connectivity for 152 MW [102 MW(Reg.No.72/2004) & 50 MW (Reg.No. 80/2004)] Wind Power Project of M/s Inox Renewables Ltd., Noida from their Dangri Pooling Substation, which is connected to RVPN's 400 kV GSS Akal.
- To recover amount of Rs. 870 Lacs in the matter of M/s Inox Renewables Ltd.(successor of wind business of M/s Gujarat Fluorochemicals Limited, Noida) for violation of CERC (Unscheduled Charges and related matters) Regulations, 2009.

In above context, it should be ensured at your level that disconnection be done and scheduling of aforesaid Wind Power Projects be withdrawn immediately. Therefore, you are requested to take action accordingly and compliance be intimated to this office for kind appraisal of the Competent Authority.

ADDL. CHIEF ENGINEER (PP&D)

Copy submitted to the following for kind information and necessary action:

1. The Chief Engineer (NPP&RA), RVPN, Jaipur.

2. The Zonal Chief Engineer (T&C), RVPN, Jodhpur.

3. The Superintending Engineer (T&C/REMC), RVPN, Jaisalmer/Jaipur.

 M/s Manikaran Analytics Limited (Formerly known as Manikaran Wind Power Limited), 2nd Floor, D21, Corporate Park, Sector-21, Dwarka, New Delhi-110075-QCA for Dangri Pooling Substation. He is to ensure disconnection of 102 MW(Reg.No.72/2004) & 50 MW (Reg.No. 80/2004) Wind Power Project of M/s Inox Renewables Ltd., Noida immediately.

5. M/s Inox Renewables Ltd., INOX Towers, 17, Sector-16A, Noida-(UP).

ADDL. CHIEF ENGINEER (PP&D)



RAJASTHAN RAJYA VIDYUT PRASARAN NIGAM LIMITED.

[Corporate Identity Number (CIN):U40109RJ2000SGC016485]
(Regd. Office: Vidyut Bhawan, Jan Path, Jyoti Nagar, Jaipur - 302 005)
OFFICE OF THE SUPERINTENDING ENGINEER (PROJECT & PLANNING)
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No. RVPN/SE(P&P)/XEN-2(P&P)/AE-2/ F. W-15 /D 2027

Jaipur, Dt. 08.02.2012

M/s Inox Renewables Ltd., INOX Towers, 17, Sector-16A, Noida-(UP).

Sub: Regarding Temporary connectivity at 400KV GSS Akal of 102 MW (Reg.No.72/2004) & 50MW (Reg.No. 80/2004) Wind Power Project of M/s Inox Renewables Ltd., Noida.

Ref: 1. Your Office letter No. IWISL/RVPNL/2021/08/11/B-1, Dt.24.08.2021.

2. This Office letter no.1672, dt.21.02.2018.

Sir,

In this reference, 1 no. 220 kV Bay (Bay no.205) at 400 kV GSS Jaisalmer2 is hereby allotted to you for connecting 220 kV S/C line from your Dangri Pooling Substation to 400 kV GSS Jaisalmer2 for 152 MW WPP (temporarily allowed for connection on 400 kV GSS Akal) against already deposited grid connectivity charges as per Wind Policy provisions for already issued power evacuation approval by this office dated 21.02.2018.

Competent authority while allowing above has fixed 4 months period from the date of issue of this letter to complete the line and connect 152 MW WPP as above at 400 kV GSS Jaisalmer2.

Yours faithfully,

(K)K.Meena)

CHIEF ENGINEER (PP&D)

Copy submitted to the following for kind information and necessary action.

- 1. The Director (Technical), RRECL, Jaipur.
- 2. The Zonal Chief Engineer (T&C), RVPN, Jodhpur.
- 3. The Chief Engineer (NPP&RA/LD), RVPN, Jaipur.
- 4. The Addl. Chief Engineer (MPT&S), RVPN, Jodhpur.
- 5. The Chief Engineer, RUVNL, Jaipur.
- 6. The Chief Engineer (M&P), JdVVNL, Jodhpur.
- 7. The Chief Accounts Officer (PP&D), RVPN, Jaipur.
- 8. The Superintending Engineer(T&C), RVPN, Akal (Jaisalmer)/Jaisalmer2.

CHIEF ENGINEER (PP&D)



THROUGH EMAIL & SPEED POST

05.04.2021

To,

Inox Renewables Limited,
 Plot No. 17, Sector 16A,
 Noida – 201301
 Uttar Pradesh
 Through Mr. Kailash Tarachandani
 Email: kailash.tarachandani@inoxwind.com

Also at: Survey No. 1837 & 1834, Moje Jetalpur, ABS Tower, 2nd Floor, Old Padra Road, Vadodara 390007

Inox Wind Limited,
 Inox Towers, Plot No. 17,
 Sector 16A,
 Noida – 201301
 Uttar Pradesh
 Through Mr. Kailash Tarachandani
 Email: kailash.tarachandani@inoxwind.com

Also at: Plot No. 1, Khasra Nos. 264 to 267, Industrial Area, Village Basal Una, Himachal Pradesh – 174303

3. Inox Wind Infrastructure Services Limited, Plot No. 17, Sector 16A, Noida – 201301
Uttar Pradesh
Through Mr. Kailash Tarachandani
Email: kailash.tarachandani@inoxwind.com

Also at:



Survey No. 1837 & 1834, Moje Jetalpur, ABS Tower, 2nd Floor, Old Padra Road, Vadodara 390007

KIND ATTN: Mr. Kailash Tarachandani

OUR CLIENT: M/s LNJ Power Ventures Limited.

SUBJECT: Notice for Breach on account of default in Power Evacuation Capacity

Dear Sir,

Under instructions received from and on behalf of Our Client above named, I do hereby address as follows:

- That Our Client is issuing the present notice on account of breach and 1. default committed by You the Addressees towards your obligations for power evacuation. It is stated that the obligations of You the Addressees towards power evacuation are fundamental to the agreements (as stated in the scope of work in such agreements) entered into between the parties as the process of power evacuation is a critical process wherein the electricity generated by the Wind Turbine Generator(s) ("WTGs") is evacuated to the grid for transmission and distribution. It is stated that through the process of power evacuation is highly critical as any breach of the scope of work with respect to power evacuation is liable to cause huge losses to Our Client as despite having wind resource for generation of electricity the same cannot be transmitted into the grid for distribution. It is stated that You the Addressees on account of the breaches and default committed by you with respect to power evacuation restrictions has caused huge losses to Our Client. The brief facts in the matter are as under:
- That Our Client intended to set up a wind power project with a rated installed capacity of 20 (Twenty) MW comprising of 10 (Ten) WTGs, with each of the WTGs having a rated capacity of 2 (Two) MW to be located

within a wind park at site Dangri, District Jaisalmer, Rajasthan ("Dangri Project").

- That Our Client intending to establish a fully integrated operational project, entered into various agreements with You the Addressees for supply, erection, commissioning, O&M of the WTGs and shared services relating to them.
- 4. That Our Client and the Addressee No. 2 entered into a Supply Agreement dated 01.03.2013 for supply of 10 WTGs of Inox Wind make, model WT 2000 DF, 2000 kW, comprising of but not limited to Generator, Nacelles, Towers, Blade, Transformer at Dangri site ("Supply Agreement"). That Our Client and the Addressee No. 1 entered into a Development Agreement dated 01.03.2013 for land and site related development work for 10 WTGs at Dangri site ("Development Agreement"). That Our Client and the Addressee No. 3 entered into an Erection and Commissioning Agreement dated 01.03.2013 for erection and commissioning of 10 WTGs at Dangri and the civil and electrical works required for the same at Dangri site ("Erection and Commissioning Agreement"). That Our Client and Addressee No. 1 entered into a Shared Services Agreement dated 01.03.2013 (which was subsequently amended on 10.04.2013) wherein Our Client was granted an unhindered right for usage of the shared services ("Shared Services Agreement"). That Our Client and the Addressee No. 3 entered into an O&M Agreement dated 01.03.2013 for providing operation and maintenance services in relation to the 10 WTGs and the shared services at Dangri Site ("O&M Agreement").
- 5. That Our Client and the above-named Addressees entered into a Wrap Agreement dated 01.03.2013 for the purpose of You the Addressees being jointly and severally responsible for the performance of your obligations under the various agreements entered into between the parties to set up the Dangri Project ("Wrap Agreement"). It is pertinent to mention that the

Dangri Project was a turnkey project wherein the above-named Addressees had jointly and severally taken the responsibility to set-up, operate and maintain the said wind project and the entire work was bifurcated into separate contracts and awarded to different group companies/sister companies for timely performance, convenience and efficiency upon the specific representations of the above-named Addressees.

- That it is pertinent to mention that Our Client herein for the purpose of setting up the 20 MW power plant at Dangri site had made the payment of the following amounts to You the Addressees.
 - (i) Supply Agreement Rs. 96,40,00,000/- (Rupees Ninety Six Crores Forty Lakhs).
 - (ii) Erection and Commissioning Agreement Rs. 10,80,00,000/(Rupees Ten Crores and Eighty Lakhs).
 - (iii) Development Agreement Rs. 50,00,000/- (Rupees Fifty Lakhs)
 - (iv) Shared Services Agreement Rs. 4,30,00,000/- (Rupees Four Crores and Thirty Lakhs)

It is stated that the aforementioned sum of Rs.112 crores do not even include the payments made by Our Client under the Shared Services Agreement as well as the O&M Agreement.

7. That You the Addressees in addition to entering into aforementioned agreements with Our Client have also entered into various agreements with other entities for purpose of setting up their respective WTGs on the Dangri wind farm. It is stated that You the Addressees have set up a total of 286 WTGs of 2 MW each of various entities (including that of Our Client) cumulatively amounting to 572 MW at the Dangri Wind Farm. Therefore, You the Addressees had undertaken for production and distribution of 572 MW of electricity from Dangri Wind Farm to the grid and was thus required to have a cumulative capacity of distribution/power evacuation of 572 MW of electricity to the grid including distribution/power evacuation capacity of 20 MW of electricity of Our

Client to the grid. It is pertinent to mention that in case of You the Addressees have distribution/power evacuation capacity of less than 572 MW than the entire electricity generated by the Dangri Wind Farm cannot be evacuated and leads to load shedding wherein a proportion of electricity produced is wasted (in addition to permissible transmission loss) and cannot be distributed/evacuated to the grid leading to loss of revenue, specially in the peak season. That the relevant scope of work liable to be undertaken by You the Addressees with respect to power evacuation in terms of the agreements entered into between the parties are as follows:

Shared Services Agreement

"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 power evacuation system is completed and there is no restriction/constraint on the evacuation of power from WTGs; "Commissioned" shall be construed accordingly;

Wrap Agreement

- "2. Scope of Works
- 2.2 Performance obligations, inter-alia, due to delay or failure in performance of obligations under any of the Agreements by Main Contractor and/or Contractors may not in certain cases be clearly attributable to any one of the Contractors and in addition, where one or more are at fault, the respective degrees of responsibility may not be clear; and since the Owner requires that such Main Contractor/Contractors' performance related obligations are not compromised or prevented or delayed as a result of any disputes inter-se the Contractors; the Owner requires the Main Contractor to (i) ensure the coordination of the Contractors' independent scope of work under their respective

Agreements; (ii) ensure that the Project meet the guarantees under the respective Agreements, if any; and (iii) ensure that the Commissioning of the Project is achieved by the Commissioning Date as contemplated by the respective Agreements.

(...emphasis supplied)

- 8. It is stated that the obligation of You the Addressees to provide the facility of evacuation of the full generation load from the 10 WTGs of Our Client is a condition precedent for the commercial operation in terms of the agreements entered into between the parties and the said factum clearly demonstrates that the facility of evacuation of the full generation from the said 10 WTGs was the most fundamental obligation of You the Addressees. It is stated that the payment of Rs. 112 crores made by Our Client to You the Addressees in terms of the various agreements was on the basis of clear undertaking given by You the Addressees that the facility of evacuation of the full generation load from the said 10 WTGs of Our Client shall be provided by You the Addressees.
- 9. That as stated above, the obligation of a permanent, secure and complete evacuation system which should be capable of evacuating full generation load i.e. 20 MW from the WTGs of Our Client to the grid was a fundamental obligation of You the Addressees. It is stated that the evacuation system put in place by You the Addressee is neither permanent nor has the capacity for evacuating full generation of 20 MW from the WTGs of Our Client and that You the Addressee have to regularly resorted to load shedding on account thereof causing huge losses of revenue to Our Client.
- 10. That You the Addressees were granted approval of 428 MW permanent load evacuation capacity for the Dangri windfarm by Rajasthan Rajya Vidyut Prasaran Nigam Ltd ("RRVPNL"). Furthermore, an approval of temporary power evacuation capacity of 102 MW was temporarily granted

to You the Addressees by RRVPNL upon fulfilment of the various conditions including but not limited to construction and commissioning of the proposed 220KV S/C Dangri Jaisalmer 2 line.

- 11. That the temporary power evacuation capacity of 102 MW was granted to You the Addressee for a period till 31.01.2019 as You the Addressees were liable to fulfil the aforementioned conditions by 31.01.2019. It is stated that the fundamental condition for grant of temporary power evacuation capacity of 102 MW was construction and commissioning of the proposed 220KV S/C Dangri Jaisalmer 2 line. It is further stated that RRVPNL vide its letter dated 26.05.2016 while granting temporary power evacuation approval for 50MW had stated that the "line loading on 220 kV D/C Dangri-Akal line be restricted to 340 MW otherwise the feeders would be disconnected without any information".
- 12. That in view of the conditional approval granted to You the Addressees, You the Addressees were required to contractually in terms of the agreements entered into with Our Client as well as in terms of the undertaking given to the RRVPNL were required to immediately start the work and commission the 220 KV S/C Dangri Jaisalmer 2 line and provide full electricity load evacuation to Our Client. It is stated that the power evacuation capacity of the Dangri wind farm was restricted to 340 MW by the RRVPNL vide its letter dated 26.05.2016 till the time You the Addressee commissioned the 220 KV S/C Dangri Jaisalmer 2 line. It is stated that on account the acts of omission and commission committed by You the Addressees, the Dangri wind farm wherein 286 WTGs of 2 MW each of various entities (including that of Our Client) cumulatively amounting to 572 MW at the Dangri Wind Farm have been installed, only 340 MW of power evacuation capacity was available which had resulted in You the Addressee resorting to load shedding wherein a substantial portion of the electricity produced by the WTGs of Our Client (and other entities) was not evacuated to the grid resulting in huge losses to Our Client. It is stated that You the Addressees have till date completely failed

to commission the 220 KV S/C Dangri Jaisalmer 2 line in an egregious violation of the terms of the agreements entered with Our Client.

- 13. That on account of the aforementioned fundamental breach of the obligation by You the Addressees, the capacity of each WTGs of Our Client was restricted to only 1.19 MW per WTG at rated wind speed. It is stated that in terms of the power curve, whenever the wind speed had exceeded 8.5 metres/second, the production of energy exceeded 1.19 MW but the said generated electricity could not be evacuated to the grid on account of the fundamental breach of the obligations committed by You the Addressees which has resulted in huge losses to Our Client.
- 14. That the preliminary details of the losses incurred by Our Client on account of the restricted power evacuation capacity for the period from 01.04.2018 till 31.01.2021 on the basis of the data available, for which You the Addressees are solely responsible and the said restricted power evacuation capacity being a fundamental violation of the agreements entered with Our Client, are as follows:
 - (i) Total Loss Incurred from 01-Apr-18 till 31-Jan-21 is Rs.14,53,437 as per the available data with Our Client.
 - (ii) That the Plant Load Factor ("PLF") on account of default of You the Addressees has never crossed the guaranteed value of 24.97% and the yearly details of PLF is as follows:

| Site Name | Guaranteed PLF (%) | Achieved PLF (%) | |
|--------------|-----------------------|------------------|-------|
| | | 18-19 | 19-20 |
| LNJ | 24.97 | 12.90 | 9.50 |

It is stated that on account of the PLF being abysmally lower than the guaranteed figure has caused huge losses to Our Client. It is stated that Our Client is undertaking a detailed investigation into the full extent of the losses caused to Our Client due to the aforementioned defaults committed by You the Addressees. It is stated that the claims of Our Client is not restricted to the aforementioned amount as Our Client is in the process of undertaking a detailed investigation into the losses incurred by Our Client.

- 15. That it is stated that You the Addressees are in possession of various relevant documents with respect to the issue of Power Evacuation capacity and You the Addressees are hereby called upon to provide the following documents to Our Client within a period of 10 days from the receipt of the present notice:
 - Planning and Progress Report of Construction of 220 kV Line from Dangri PSS to Akal-II
 - 2. Curtailment Notices received from SLDC till 28-Feb-2021
 - 3. Total Curtailment done at the wind farm till 28-Feb-2021
 - All correspondence received from RRVPNL and RREC on the subject matter
- That the illegalities committed by You the Addressee are not limited to the 16. aforementioned aspects. It is stated that You the Addressees have clearly failed to provide the entire power evacuation load capacity to Our Client for its 10 WTGs having a capacity of 20 MW on account of your acts of omission and commission. It is stated that You the Addressees despite contractually required to (as well in terms of the undertakings given to RRVPNL) did not construct a new 220 KV line to ensure 100% power evacuation capacity. It is stated that the perversity of your actions are laid threadbare by the fact that You the Addressees have sought upfront payment from various entities having WTGs at the Dangri wind farm with adjustment from future O&M fees including Our Client by way of various correspondences for the construction of new 220 KV line despite the same falling within your scope of work from the inception and work for the same was required to be completed many years ago. It is stated that the factum of You the Addressees demanding upfront payment with adjustment for the same from future O&M fees from various entities for the construction of a new 220 KV line for ensuring 100% power evacuation is a clear and unambiguous admission of the egregious violation of the fundamental obligations by You the Addressees.



- Furthermore, Our Client has also become aware that RRVPNL has issued 17. a correspondence dated 29.12.2020 on account of You the Addressees not fulfilling the conditions for grant of temporary connectivity which was valid only till 31.01.2019 including non-construction of the new 220KV S/C Dangri-Jaisalmer 2 line wherein RRVPNL has stated that on account of your acts of omission and commission the entire wind-farm is liable to be disconnected from the grid. It is further stated that on account of your afore-mentioned illegal actions, RRVPNL has also invoked the bank guarantee amounting to Rs. 1 crore submitted before RRVPNL as a performance guarantee for fulfilling your obligations. It is stated that You the Addressees are hereby put on notice to ensure that the Dangri wind farm is not disconnected from the grid and that in case any such disconnection occurs, huge losses shall be incurred by Our Client which shall be recovered from You the Addressees along with damages and interest.
- 18. That in view of the aforesaid, You the Addressees are hereby put on notice to comply with the following terms within a period of 10 days from the receipt of the present notice:
 - (i) Payment of a sum of Rs.14,53,437 for loss incurred from 01.04.2018 till 31.01.2021. It is pertinent to mention that the losses incurred by Our Client is not restricted to the afore-mentioned amount and Our Client is in the process of calculating the full extent of the damages caused by the illegal actions of You the Addressees and the same shall be claimed from You the Addressees in due course.
 - (ii) Provide the following documents to Our Client:
 - Planning and Progress Report of Construction of 220 kV Line from Dangri PSS to Akal-II
 - Curtailment Notices received from SLDC till 28-Feb-2021
 - Total Curtailment done at the wind farm till 28-Feb-2021
 - All correspondence received from RRVPNL and RREC on the subject matter

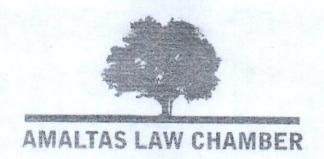
- (iii) Immediately construct and commission 220KV S/C Dangri-Jaisalmer line and ensure that RRVPNL does not disconnect the Dangri wind farm from the grid.
- (iv) Immediately withdraw correspondences seeking payment from Our Client with respect to construction of 220KV S/C Dangri Jaisalmer 2 line.
- 19. That in case, You the Addressees fail to comply with the aforementioned terms of the notice within a period of 15 days, Our Client shall be constrained to initiate appropriate legal proceedings against You the Addressees at your cost, risk and consequence. You the Addressees are hereby advised to keep the present notice safely as the same may be required to be produced by You the Addressees before appropriate judicial authorities.

Yours sincerely

Amaltas Law Chamber

Yash Srivastava/Satakshi Sood

Partner



THROUGH EMAIL & SPEED POST

03.03.2022

To.

 Inox Renewables Limited, Plot No. 17, Sector 16A, Noida – 201301 Uttar Pradesh Through Mr. Kailash Tarachandani Email: kailash.tarachandani@inoxwind.com

Also at: Survey No. 1837 & 1834, Moje Jetalpur, ABS Tower, 2nd Floor, Old Padra Road, Vadodara 390007

 Inox Wind Limited, Inox Towers, Plot No. 17, Sector 16A, Noida – 201301 Uttar Pradesh Through Mr. Kailash Tarachandani Email: kailash.tarachandani@inoxwind.com

Also at:

Plot No. 1, Khasra Nos. 264 to 267, Industrial Area, Village Basal Una, Himachal Pradesh – 174303

 Inox Wind Infrastructure Services Limited, Plot No. 17, Sector 16A, Noida – 201301 Uttar Pradesh Through Mr. Kailash Tarachandani Email: kailash.tarachandani@inoxwind.com

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Also at: Survey No. 1837 & 1834, Moje Jetalpur, ABS Tower, 2nd Floor, Old Padra Road, Vadodara 390007

KIND ATTN: Mr. Kailash Tarachandani

OUR CLIENT: M/s LNJ Power Ventures Ltd.

SUBJECT: Subsequent Notice for Breach on account of default in Power Evacuation Capacity

Dear Sir,

Under instructions received from and on behalf of Our Client above named, I do hereby address as follows:

- That the present Subsequent Notice for Breach is being issued pursuant 1. to the Notice for Breach dated 05.04.2021 ("Notice for Breach") and the subsequent correspondences issued by Our Client to You the Addressees. It is stated the contents of the Notice for Breach be read as part and parcel of the present notice as the same is not reproduced for the sake of brevity. It is stated that You the Addressees have failed to comply with the terms of the Notice for Breach and also have failed to respond to the same which amounts to the admission of the various fundamental breaches committed by You the Addressees. It is stated that You the Addressees in addition to having caused huge losses to Our Client on account of the breaches committed by You the Addressees have also placed the entire wind farm at Dangri at the risk of being disconnected/further power curtailment by the Rajasthan Rajya Vidyut Prasaran Nigam Limited ("RRVPNL"). The brief facts in the matter are as follows:
- That You the Addressees were required to provide a permanent evacuation system including 220/33 kV pooling substation and the 220 kV Line for the 10 WTGs (amounting to 20 MW) of Our Client which

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was a condition precedent for achieving the Commercial Operation Date 3 in terms of the agreements entered into between the parties. It is stated that You the Addressees were explicitly required to provide a permanent evacuation system which should not be conditional and the said system should be capable of evacuating full generation load from the 10 WTGs of Our Client. It is stated that You the Addressees have till date not been able to provide a permanent evacuation system for the 10 WTGs (amounting to 20 MW) to Our Client amounting to a fundamental breach of agreements between the parties.

- That it is pertinent to mention that the Dangri Wind Farm constitutes of 3. 286 WTGs of 2 MW each of various entities (including 20 MW of Our Client) and therefore You the Addressees were required to have a cumulative capacity of distribution/power capacity of 572 MW of electricity to the grid including distribution/power evacuation of full 20 MW of electricity of Our Client to the grid. It is pertinent to mention that in case of You the Addressees have distribution/power evacuation capacity of less than 572 MW then the entire electricity generated by the Dangri Wind Farm cannot be evacuated and it leads to load shedding wherein a proportion of electricity produced is wasted (in addition to permissible transmission loss) and cannot be distributed/evacuated to the grid leading to loss of revenue specially in the peak season.
- That You the Addressees were granted approval of 428 MW permanent 4. load evacuation capacity for the Dangri windfarm by RRVPNL. Furthermore, an approval of temporary power evacuation capacity of 102 MW was temporarily granted to You the Addressees by RRVPNL wherein You the Addressees were required to fulfill the fundamental condition of construction and commissioning of the proposed 220 KV S/C Dangri Jaisalmer 2 line. It is stated that You the Addressees have failed to provide permanent evacuation capacity to Our Client till date and have also failed to construct and commission the 220 KV S/C till date. It is stated that RRVPNL vide its letter dated 26.05.2016 had stated



in case of the failure of You the Addressees to meet the conditions put forth by RRVPNL the "line loading on 220 kV D/C Dangri-Akal line be restricted to 340 MW otherwise the feeders would be disconnected without any information".

- 5. That on account of the fundamental breaches committed by You the Addressees amounting to a fraud of an egregious nature, Our Client has suffered huge losses which Our Client shall recover from You the Addressees in terms of the provisions of the agreements entered into between the parties. It is stated that Our Client had already issued the Notice for Breach in this regard, which You the Addressees have failed to respond to till date amounting to admission of the illegalities committed by You the Addressees.
- 6. That You the Addressees made various representation to Our Client as well as other entities owning WTGs at the Dangri Wind Farm that You the Addressees do not have the funds to undertake your binding obligations to construct the 220 kV D/C line and sought financial help from the various entities at the Dangri Windfarm. It is stated that various entities including Our Client agreed to provide financial assistance to You the Addressees which was liable to be adjusted from the Operation and Maintenance Fees for the Shared Services without prejudice to the claims and legal recourse that Our Client would have against You the Addressees. It is pertinent to mention that Our Client was also forced to provide financial assistance to You the Addressee as any action taken by RRVPNL on account of the breaches committed by You the Addressees including but not limited to disconnection or even further curtailment would have caused huge further losses to Our Client. It is stated that knowing this aspect fully well, You the Addressees have sought financial assistance from various entities including Our Client at the Dangri Wind Farm as You the Addressees are fully aware that the various entities at Dangri Wind Farm would have no option but to provide You the Addressees with financial assistance. X.5.

- 7. That Our Client and You the Addressees entered into a Minutes of Meeting dated 20.09.2021 ("MoM"), without prejudice to the rights of Our Client to recover losses from You the Addressees and take recourse to the legal remedies available to Our Client, wherein You the Addressees admitted that You the Addressees are in fundamental breach of not being able to provide permanent power evacuation to Our Client which leads to load shedding/curtailment causing huge losses to Our Client. It is pertinent to mention that the capacity of each WTGs of Our Client have been restricted to only 1.19 MW per WTG at rated wind speed instead of the entire 2 MW on account of the breaches committed by You the Addressees with regard to the power evacuation capacity.
- 8. That in terms of the MoM, You the Addressees admitted that the following activities are required to be immediately completed by You the Addressees:
 - Construction and Commissioning of 220 kV Transmission Line from Dangri PSS to Akal-II GSS of RRVPNL;
 - (ii) Construction and Commissioning of 220 kV Bay at Dangri PSS;
 - (iii) Allocation and Commissioning of 220 kV Bay at Akal-II Grid Substation of RRVPNL.
 - (iv) The entire work of Sr.No. (i), (ii) and (iii) was committed to be completed by 3rd Week of November'21
- 9. That in terms of the MoM, Our Client and the sister concerns of Our Client Hero Wind Energy Pvt. Ltd & Clear Wind Power (Devgarh) Private Limited ("HWEPL & CWPDPL") (without prejudice to their rights and contentions) on account of the inability of You the Addressees to fund the binding obligations, agreed to provide you a sum of Rs. 84,00,000/- (Rupees Eighty Four Lakhs) in 4 tranches upon You the Addressees achieving the milestones as provided in the MoM within the stipulated timelines. It is pertinent to mention that the said sum of Rs. 84,00,000/- (Rupees Eighty Four Lakhs) was to be adjusted from the

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future Operation and Maintenance Fees for Shared Services. It is stated 6 that the payment milestones in terms of the MoM was as stated herein below:

| S.No. | Work Details | Payment (INR) | Target Date |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------|
| 1. | 1 st Tranche 25% Advance payment towards placing order for Bay Materials and Conductor, Insulator & Hardware for Transmission Line | 21,00,000/- | 26 th September, 2021 |
| 2. | 2 nd Tranche – 25% payment upon completion of 100% stringing work | 21,00,000/- | 24 th October, 2021 |
| 3. | 3 rd Tranche – 25% payment upon completion of Bay work at Dangri PSS | 21,00,000/- | 15 th November, 2021 |
| 4. | payment upon Commissioning of 220 kV and Associated Bays at both end and Issuance of Permanent Connectivity Approval of 582 MW from RRVPNL/RREC | 21,00,000/- | 30 th November, 2021 |

That Our Client in terms of the MoM and beliving your representations 10. to be true made the payment of the 1st tranche of Rs. 21,00,000/- on behalf of Our Client and also HWEPL and CWPDPL in parts on 01.10.2021 and 08.10.2021. It is stated that after making payment of the first tranche, Our Client issued various correspondences to You the Addressees regarding the progress of the works which You the Addressees did not even respond to. It is stated that even when the entire time for commissioning of 220 kV and associated bays at both ends and

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issuance of permanent connectivity approval of 582 MW had ended in 7 terms of the MoM, You the Addressees have failed to make any progress on 220 kV S/C transmission line, Bay Construction at Dangri Pooling Substation and even failed to secure approval from RRVPNL for Bay Allocation at Akal-II Grid Substation. It is stated that You the Addressees have now even breached the terms of the MoM itself as You the Addressees had made false representation to Our Client only for the purpose of illegally appropriating funds from Our Client. It is stated that the acts committed by You the Addressees constitute playing fraud of an egregious nature upon Our Client who had without prejudice to its rights and contentions had agreed to provide financial assistance to You the Addressees.

- That Our Client has also become aware that RRVPNL had on 10.08.2021 11. issued a notice for disconnection of temporary connectivity of 102 MW and 50 MW and also recovery of a sum of Rs. 870 lakhs for violation of CERC (Unscheduled Charges and related matters) Regulation, 2009 to You the Addressees. It is stated that You the Addressees have breached and violated all your commitments and obligations including but not limited to under the agreements entered into with Our Client, obligations towards RRVPNL and also the MoM. It is stated that You the Addressees are hereby put on notice to provide all the relevant documents with regard to the notice dated 10.08.2021 including but not limited to your reply and all subsequent correspondences exchanged with RRVPNL by You the Addressees.
- It is stated that on account of the aforementioned notice dated 10.08.2021 12. issued by RRVPNL issued to You the Addressees, Our Client's Joint Meter Reading for the month of September, 2021 was kept on hold by RRVPNL resulting in a delay of more than a month. It is stated that the Joint Meter Reading ("JMR") was done by RRVPNL only after rigorous follow up from Our Client and other entities in the Dangri Wind Farm. It is stated that the delayed JMR and invoice submission due to acts

attributable to You the Addressees have caused commercial losses to Our 8 Client which Our Client shall recover from You the Addressees.

- 13. That You the Addressees have grossly failed to undertake your obligations in terms of the agreements entered into between the parties and have even failed to undertake your obligations as stated in the MoM which has exposed Our Client (and even other entities) to huge further losses on account of power curtailment specially in the upcoming peak wind season commencing from April, 2022 in addition to the losses already incurred by Our Client. Furthermore, it is stated that You the Addressees have also exposed Our Client (and even other entities) to even the risk of delayed JMR/disconnection/further power curtailment of even the existing power evacuation of the Dangri Wind Farm to the grid by RRVPNL.
- 14. That Our Client has been requesting You the Addressees to facilitate a common meeting between You the Addressees and other entities having WTGs at the Dangri Wind Farm on the issue but You the Addressees have have failed to facilitate such a meeting so as to continue your breaches and illegalities. Our Client hereby puts You the Addressees on notice to arrange a meeting between all entities having WTGs at the Dangri Wind Farm. It is stated that Our Client hereby also puts You the Addressees on notice to appoint & announce a SPOC (Single Point of Contact) with respect to the present issue of Power Evacuation.
- That in view of the aforesaid, You the Addressees are hereby put on 15. notice to comply with the terms of the Notice for Breach within a period of 15 days and also immediately undertake and complete the following obligations within a period of 45 days:
 - Construction and Commissioning of 220 kV Transmission Line (i) from Dangri PSS to Akal-II GSS of RRVPNL;
 - Construction and Commissioning of 220 kV Bay at Dangri PSS; (ii)
 - Allocation and Commissioning of 220 kV Bay at Akal-II Grid (iii) Substation of RRVPNL.

It is stated that You the Addressees are hereby also put on notice to 9 provide all the relevant documents with regard to the notice dated 10.08.2021 issued by RRVPNL including but not limited to your reply and all subsequent correspondences exchanged with RRVPNL by You the Addressees.

That in case, You the Addressees fail to comply with the aforementioned 16. terms of the notice within the stipulated period, Our Client shall be constrained to initiate appropriate legal proceedings against You the Addressees at your cost, risk and consequence. You the Addressees are hereby advised to keep the present notice safely as the same may be required to be produced by You the Addressees before appropriate judicial authorities.

Yours sincerely

Amaltas Law Chamber

Yash Srivastava/Satakshi Sood/Kartikey Sahai

Advocates