

National Stock Exchange of India Circular

Department: Investigation	
Download Ref No: NSE/INVG/67564	Date: April 15, 2025
Circular Ref. No: 463/2025	

To All NSE Members,

Sub: SEBI Interim Order in the matter of Gensol Engineering Limited.

This is with reference to SEBI vide order no WTM/AB/CFID/CFID-SEC1/31379/2025-26 dated April 15, 2025, wherein SEBI has restrained following entities from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, until further orders. If the said entities have any open position in any exchange-traded derivative contracts, as on the date of the Order, they can close out /square off such open positions within 7 days from the date of the Order or at the expiry of such contracts, whichever is earlier.

Sr. No.	Noticee	PAN
1	Gensol Engineering Limited	AAECG9092M
2	Anmol Singh Jaggi	AGNPJ4504B
3	Puneet Singh Jaggi	AHRPJ5583B

The detailed order is available on SEBI website (<https://www.sebi.gov.in/enforcement.html>).

Further, the consolidated list of such entities is available on the Exchange website <http://www.nseindia.com> home page at the below mentioned link:

<https://www.nseindia.com/regulations/member-sebi-debarred-entities>

Members are advised to take note of the above and ensure compliance.

In case of any further queries, members are requested to email us at dl-invsg-all@nse.co.in



National Stock Exchange of India

**For and on behalf of
National Stock Exchange of India Limited**

**Sandesh Sawant
Senior Manager**

Annexure: SEBI Interim Order in the matter of Gensol Engineering Limited.

SECURITIES AND EXCHANGE BOARD OF INDIA**INTERIM ORDER**

Under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992

In respect of:

Noticee No.	Name of Noticee	PAN
1.	Gensol Engineering Limited	AAECG9092M
2.	Anmol Singh Jaggi	AGNPJ4504B
3.	Puneet Singh Jaggi	AHRPJ5583B

In the matter of Gensol Engineering Limited

Background

1. Gensol Engineering Limited (Gensol/GEL/Company), a company having its registered office at 15th Floor, A Block, Westgate Business Bay, S G Road, Ahmedabad – 380 051, is engaged in providing solar consulting services, Engineering, Procurement and Construction (EPC) services, leasing of electric vehicles, etc.
2. Gensol was initially listed on the BSE SME Platform on October 15, 2019 and subsequently, it got listed on the main board of BSE and NSE on July 03, 2023.
3. The Company has grown impressively over the past few years as per the information available on Screener.in. On a standalone basis, the sales of the company have grown from Rs. 61 Crore in FY 2017 to Rs. 1,152 Crore in FY 2024. The trailing 12-month data shows that its sales went up to Rs. 1,297 Crore. During the same period, operating profit went up from Rs. 2 Crore to Rs. 209 Crore and net profit from Rs. 2 Crore to Rs. 80 Crore. The same is depicted in the table below:

	Mar 2013 6m	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	TTM
Sales +	1	5	3	12	61	64	79	75	60	154	371	1,152	1,297
Expenses +	1	5	3	11	60	58	71	73	55	136	295	943	979
Operating Profit	0	0	-1	1	2	6	8	2	5	17	76	209	318
OPM %	3%	1%	-23%	5%	3%	10%	10%	3%	8%	11%	20%	18%	25%
Other Income +	0	0	0	0	0	1	1	3	1	2	8	4	17
Interest	0	0	0	0	0	0	1	1	1	5	24	103	137
Depreciation	0	0	0	0	0	0	0	1	1	1	25	72	28
Profit before tax	0	0	-1	1	2	7	7	3	4	14	35	108	170
Tax %	0%	44%	0%	0%	7%	34%	27%	31%	14%	23%	28%	26%	
Net Profit +	0	0	-1	1	2	4	5	2	3	11	25	80	140

Source: Screener.in

4. For the corresponding period (FY 2017 to H1 of FY 2025), the balance sheet of the Company recorded an equally impressive growth. The total liabilities/balance sheet size expanded from Rs. 10 Crore in FY 2017 to Rs. 2,202 Crore in the first half of FY 2025. During this period, Gensol's borrowings increased from Nil in FY 2017 to Rs. 1,045 Crore in the first half of FY 2025, after touching Rs. 1,260 Crore in FY 2024.
5. The expansion in the balance sheet size of Gensol between FY 2017 and H1 of FY 2025 is shown below (Source: Screener.in):

Standalone Figures in Rs. Crores / View Consolidated													
	Mar 2013	Mar 2014	Mar 2015	Mar 2016	Mar 2017	Mar 2018	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Sep 2024
Equity Capital	0.01	0.01	0.01	0.01	0.01	0.01	6	8	8	11	12	38	38
Reserves	0	0	-0	0	2	6	6	23	27	35	191	306	606
Borrowings +	0	0	0	0	0	1	3	7	5	78	574	1,260	1,045
Other Liabilities +	1	2	3	4	8	17	18	25	22	76	229	424	513
Total Liabilities	1	2	2	4	10	24	32	64	61	200	1,006	2,028	2,202
Fixed Assets +	0	0	0	0	0	1	1	1	1	50	261	571	26
CWIP	0	0	0	0	0	0	0	0	0	0	7	2	37
Investments	0	0	0	0	0	0	0	2	0	4	14	124	203
Other Assets +	1	2	2	4	9	23	31	61	60	146	724	1,330	1,937
Total Assets	1	2	2	4	10	24	32	64	61	200	1,006	2,028	2,202

6. As per publicly information available on Screener.in and the latest data on shareholding pattern of Gensol obtained from Registrar & Transfer Agent (RTA) of the company, the number of shareholders increased from a mere 155 in FY 2020 (the year in which the company was listed on the BSE SME Platform) to 1,09,872 as of March 31, 2025. During this period, promoter holding in Gensol came down from 70.72% in FY 2020 to 35% as on March 31, 2025. The

shareholding pattern of Gensol from the time of its listing till December 2024 is given below (*Source: Screener.in*):

Shareholding Pattern						
Numbers in percentages						
	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Dec 2024
Promoters +	70.72%	70.72%	71.17%	64.67%	62.63%	62.66%
FIIIs +	0.00%	0.00%	0.00%	1.83%	2.39%	0.63%
DIIIs +	0.00%	0.00%	0.00%	0.66%	0.09%	0.00%
Government +	0.00%	0.00%	0.00%	0.00%	0.00%	1.37%
Public +	29.28%	29.28%	28.83%	32.85%	34.88%	35.34%
No. of Shareholders	155	132	408	2,299	60,735	94,031

7. The latest shareholding pattern as obtained from RTA, is given below:

Category	No. of Shareholders	No. of Shares	percentage of total shares held)
Promoter	3	1,33,48,359	35.1250
Public	109869	2,46,54,075	64.8750
Total	109872	3,80,02,434	100.0000

8. The healthy numbers shown in the operating performance of the company as shown in para 3 above and the expansion in the balance sheet size of Gensol as shown in para 4 above, reflected in the performance of the shares of Gensol that traded on the exchanges.
9. During the past year, the share price of the Company touched a high of Rs. 1,126 per share with a market capitalization of around Rs. 4,300 Crore at that price. On April 11, 2025, the share of Gensol traded at Rs. 133 per share with market capitalization of Rs. 506 Crore. The movement of the share price of Gensol since its listing is graphically shown below (*source: Screener.in*):



10. SEBI received a complaint in June 2024, relating to manipulation of share price and diversion of funds from GEL and thereafter, started examining the matter.

Recent Developments

11. Credit Rating Agencies, CARE Rating Limited (CARE) and ICRA Limited (ICRA) on March 03, 2025, and March 04, 2025, respectively, downgraded the ratings assigned by them for fund-based and non-fund based credit facilities availed by the Company, to “D” as delays in servicing debt obligations.
12. The rationale for the downgrade as per the press release issued by ICRA is extracted below:

*“The ratings for the bank facilities of Gensol Engineering Limited (GEL) have been downgraded to [ICRA]D following **feedback received by ICRA from the company’s lenders about the ongoing delays in debt servicing**. GEL, in its latest public disclosures as well as in its recent communications with ICRA, had highlighted sizeable available liquidity to support its operations during its ongoing growth phase.”*
13. ICRA, in its statement also disclosed that “**certain documents shared by GEL with ICRA, on its debt servicing track record, were apparently falsified,** which raises concerns on its corporate governance practices, including its liquidity position.”
14. On March 05, 2024, Gensol issued an investor release through the stock exchange platform, signed by its CEO, Anmol Singh Jaggi, wherein the Company categorically denied “any involvement in falsification claims” made by the rating agency.
15. SEBI called for information from the CRAs regarding the downgrade of the ratings assigned to Gensol. The CRAs submitted that pursuant to news reports concerning default by BluSmart Mobility Private Limited (BluSmart), a related party of Gensol, on February 24, 2025, the CRAs initiated a review of the ratings assigned to the instruments of Gensol.
16. As per submissions of CRAs, Gensol responded to CRA queries by stating that it was regular in its debt servicing and that the default by BluSmart had no impact on the Company.

17. The CRAs further submitted that when they sought term loan statements, Gensol provided the statements of all lenders except those of Indian Renewable Energy Development Agency Ltd. (IREDA) and Power Finance Corporation (PFC). In respect of these two lenders (PFC and IREDA), Gensol shared Conduct Letters purportedly issued by IREDA and PFC, which stated that Gensol was regular in its debt servicing.
18. CARE also submitted that Gensol requested withdrawal of the ratings assigned to it and, in support of this request, submitted a No Objection Certificate (NOC) purportedly issued by its (Gensol) lenders.
19. However, upon seeking confirmation from IREDA and PFC regarding the issuance of the Conduct Letters and NOCs, **both the lenders categorically denied having issued such letters**. Images of the conduct letters purportedly issued by IREDA and PFC and submitted by Gensol to the CRAs are provided below:





20. SEBI subsequently called for detailed information from IREDA and PFC regarding the debt servicing status of loans sanctioned to Gensol along with the loan sanction letters and account statements. On reviewing the information submitted by the aforesaid lenders, multiple instances of default by the Company in servicing their loans were observed, the details of which are given in the table below:

Sl. No.	Lender	Due Amount (Rs. in Crores)	Due Date for Payment	Actual Date of Payment
1.	IREDA (Project 2583)	2.03 (Int)	31-12-2024	29-01-2025
2.	IREDA (Project 2666)	0.35 (Int)	31-12-2024	04-01-2025
3.	IREDA (Project 2583)	2.04 (Int)	31-01-2025	Unpaid
4.	IREDA (Project 2791)	48.22 (Pri)	31-01-2025	Unpaid
5.	PFC	6.99 (Pri +Int)	01-02-2025	05-02-2025
6.	IREDA (Project 2740)	0.73 (Int)	15-02-2025	Unpaid
7.	IREDA (Project 2791)	0.97 (Int)	15-02-2025	Unpaid
8.	IREDA (Project 2583)	1.74 (Int)	28-02-2025	Unpaid
9.	IREDA (Project 2666)	0.29 (Int)	28-02-2025	Unpaid
10.	PFC	6.68 (Pri + Int)	01-03-2025	19-03-2025
11.	IREDA (Project 2740)	0.67(Int)	15-03-2025	Unpaid
12.	IREDA (Project 2791)	0.90(Int)	15-03-2025	Unpaid

21. It can be noted from the above table, that the first instance of default occurred on December 31, 2024. The Company however continued to submit statements to the CRAs certifying there was no delay or default in servicing any loans (No Default Statements). The statements for December 2024, January 2025 and February 2025 were submitted on January 6, 2025, February 10, 2025 and March 3, 2025, respectively. The text of the No Default Statement submitted for the month of February 2025 is reproduced below:

“We hereby confirm that as on date and in the month ended [Feb – 2025] there are no over dues or default on payment of interest/ instalment obligations on loans from banks/ financial institutions.”

22. Para 4.1 of Section V-B of the SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 provides that *“Listed entities shall make disclosure of any default on loans, including revolving facilities like cash credit, from banks / financial institutions which continues beyond 30 days. Such disclosure shall be made promptly, but not later than 24 hours from the 30th day of such default.”*
23. Accordingly, the defaults mentioned at Sl. Nos. 3, 4, 6, 7, 8 and 9 of the Table under paragraph 20 were required to be made as per the SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/0155 since the defaults on the loans continued for 30 days or more as of February 28, 2025 and March 31, 2025.
24. The details of the term loans availed by Gensol from IREDA and PFC during the period FY 22 to FY24 were looked into. The details of the individual term loans sanctioned by the two lenders are given in the Table below:

Sl. No.	FY	Lender Name	Amount as per Annual Report (Rs. In Crores)	Purpose of loan
1.	2021-22	IREDA	35.70	Procurement of EVs
2.	2022-23	IREDA	35.70	
3.	2022-23	IREDA	71.41	
4.	2022-23	IREDA	71.41	
5.	2022-23	IREDA	53.56	
6.	2022-23	IREDA	43.69	
7.	2022-23	PFC	117.47	
8.	2023-24	PFC	117.47	
9.	2023-24	PFC	117.47	
10.	2023-24	IREDA	192.87	For carrying out EPC works
11.	2023-24	IREDA	121.00	
Total			977.75	

25. It was noted that out of Rs. 977.75 Crore availed by the Company from IREDA and PFC as term loans, Rs. 663.89 Crore was for purchasing 6,400 Electric Vehicles. As per the submissions made by Gensol, EVs were procured by the Company and subsequently leased to BluSmart, a related party.
26. Gensol, vide its response dated February 14, 2025, acknowledged that it had procured only 4,704 electric vehicles (EVs) till date, as against the 6,400 EVs for which it had secured funding. This position is corroborated by Go-Auto Private Limited (Go-Auto), the stated supplier of the EVs, which confirmed that it sold 4,704 EVs to the Company for a total consideration of Rs. 567.73 Crore.
27. However, records show that the company received loans aggregating Rs. 663.89 Crore for the stated purpose from IREDA and PFC. Gensol was to provide an additional equity (margin) contribution of 20%, bringing the total expected deployment of approximately Rs. 829.86 Crore for the purchase of 6,400 Electric Vehicles. Based on these figures, an amount of Rs. 262.13 Crore (Rs. 829.86 Crore – Rs. 567.73 Crore) remains unaccounted, even though more than a year has passed since the Company availed the last tranche of the above mentioned financing.
28. Given the above, to understand the end-use of funds, bank statements of both the Company and the dealer, Go-Auto, were examined. The analysis showed that once the funds were transferred from Gensol to Go-Auto, ostensibly for the purchase of EVs, they were, in most of the instances, either transferred back to the Company itself or routed to entities that were directly or indirectly related to Anmol Singh Jaggi and Puneet Singh Jaggi, promoters and directors of Gensol.
29. Some of these funds were then used for purposes unrelated to the purpose/objective of the sanctioned term loans, which included (i) personal expenses of the promoter, including purchase of high-end real estate; (ii) benefit to the private promoter entities / transfer of funds to promoters' close relatives; etc. In order to demonstrate the nature and structure of these diversions/misutilization, the flow of funds from Gensol to Go-Auto and thereafter to entities connected to promoters of Gensol in the case of three of

the above mentioned loans (viz. loans mentioned at serial numbers 3, 6 and 8 in the Table under Para 24), on sample basis, is discussed below.

30. For ease of reference, the details of the related parties to which fund transfers were observed from Go-Auto are detailed in the Table below, before explaining the nature of transactions entered with these entities.

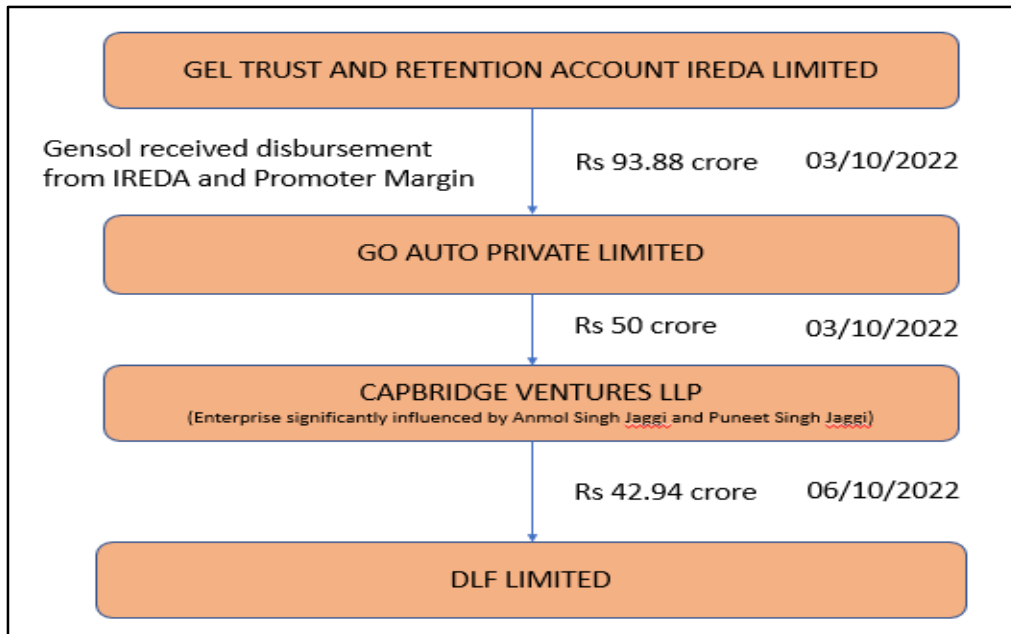
Sl. No	Related or Connected entities	Relationship	Disclosed by the Company as Related party
1.	Capbridge Ventures LLP (Capbridge)	Anmol Singh Jaggi and Puneet Singh Jaggi are designated partners of Capbridge.	Yes
2.	Matrix Gas and Renewable Ltd. (Matrix)	Anmol Singh Jaggi is a promoter Director. Puneet Singh Jaggi is an Ex-Director.	Yes
3.	Param Care Private Limited (Param)	Anmol Singh Jaggi and Puneet Singh Jaggi are Directors .	Yes
4.	Wellray Solar Industries Private Limited (Wellray)	Company was owned by Gensol Ventures Pvt. Ltd. and Puneet Singh Jaggi till March 2020. Lalit Solanki, a former employee of Gensol, is now the majority shareholder.	No
5.	Prescinto Technologies Private Limited (Prescinto)	Disclosed as related party of Gensol under the category "Under significant influence by KMP or their relative."	Yes
6.	Gensol Consultant Private Limited (Gensol Consultant)	Anmol Singh Jaggi and Puneet Singh Jaggi are promoter Directors.	Yes
7.	GoSolar Ventures Private Limited (GoSolar)	Anmol Singh Jaggi and Puneet Singh Jaggi are / were promoter Directors.	Yes
8.	Gensol Ventures Private Limited	Part of the promoter group of Gensol	Yes
9.	Gensol EV Lease Private Limited	Subsidiary(Gensol held 88.21% of the company)	Yes

Loan for Rs. 71.41 Crore from IREDA (Serial No. 3 in the Table under Para 24)

31. The disclosure made by Gensol in its annual report for FY 2023, in respect of this loan is given below:

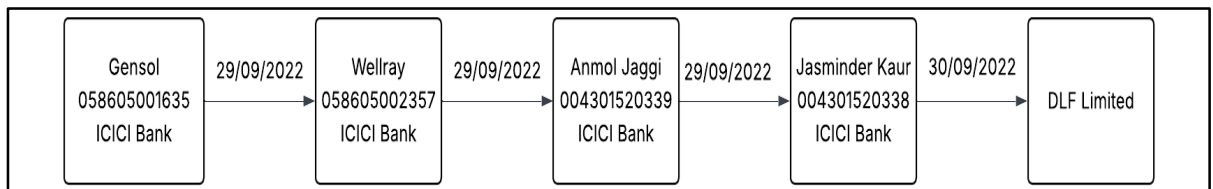
(g)	Indian Renewable Energy Development Agency Limited (IREDA) Ruppee term loan of Rs.71,41,00,000/- carries interest @ 9.95% p.a. The Loan is repayable in 20 quarterly instalments plus interest thereon and repayment starting from June 1, 2023 of Rs. 1,78,52,500/- each for first 4 installment, 3,57,05,000/- each for next "5 - 12" installment and 4,46,31,250/-each for "13-20" installment. The above loan is secured against hypothecation of 400 EV cars.	7,141
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32. On September 30, 2022, Gensol received a disbursement of Rs. 71.39 Crore from IREDA in its "*GEL Trust and Retention Account IREDA Limited*" (Bank A/c No. 922020025290861) maintained with Axis Bank. On the same day, the Company transferred promoter contribution of Rs. 26.06 Crore from another internal account into the above Trust and Retention Account. The total funds credited in the said account amounted to Rs. 97.46 Crore.
33. On October 03, 2022, Rs. 93.88 Crore was transferred from the Trust and Retention Account to Go-Auto (Bank A/c No. 06792000003065 with HDFC Bank). Prior to this transfer, the balance in the said account of Go-Auto was Rs. 0.79 Crore. It was noted that immediately upon receipt of the said amount, Go-Auto, on the same day, transferred Rs. 50 Crore to *Capbridge* (Bank A/c No. 920020064107731 with Axis Bank), a disclosed related party of Gensol. The Capbridge account had a balance of Rs. 0.15 Crore prior to this transaction.
34. On October 06, 2022, it was noted that Capbridge transferred Rs. 42.94 Crore to DLF Limited (DLF). As per information provided by DLF (email dated December 17, 2024), the above payment was made towards consideration for the purchase of an apartment in the project *The Camellias*. The submissions made by DLF Ltd. are summarised below:
- (a) On September 29, 2022, a sum of Rs. 5 Crore was paid to DLF by Jasminder Kaur, as advance, for booking an apartment in the project *The Camellias*.
 - (b) On October 06, 2022, Capbridge paid Rs. 42.94 Crore to DLF as part of the consideration for the above apartment booked by Jasminder Kaur.
 - (c) On October 20, 2022, the allotment was formally made to Jasminder Kaur.
 - (d) Thereafter, on request, the allotment was substituted in favour of Capbridge.
 - (e) The advance of Rs. 5 Crore was returned to Jasminder Kaur by DLF on November 21, 2022.
35. A pictorial representation of the above movement of funds is given below:

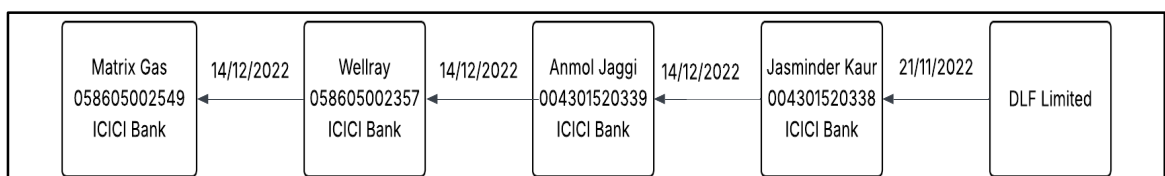


36. It can be noted from the above that funds availed by Gensol as loans for procuring EVs were, through layered transactions, partly utilised for buying a high-end apartment in *The Camellias*, DLF Gurgaon, in the name of a firm where the MD of Gensol and his brother are designated partners.
37. It was separately noted that the Rs. 5 Crore which was initially paid as booking advance by Jasminder Kaur, mother of Anmol Singh Jaggi, was also sourced from Gensol. Further, it was noted that once DLF returned the advance to Jasminder Kaur, the funds did not go back to the Company but were instead credited to another related party of Gensol viz. Matrix Gas and Renewables Ltd. (Matrix). The fund flow, as per the bank statements, is shown below:

Movement of funds from Gensol to DLF Limited while booking apartment



Movement of funds, after DLF returned the funds to Ms. Jasminder Kaur



38. Bank statements of Capbridge Ventures LLP further showed that it received Rs. 70 Crore in FY 2023 from Go-Auto: Rs. 50 Crore on October 03, 2022 which was partly utilized for acquiring the apartment in *The Camellias*, DLF; and another Rs. 20 Crore on December 31, 2022, which *prima facie* appears to be diverted from the funds transferred to Go-Auto from the proceeds of Loan amounting to Rs. 71.41 Crore availed by Gensol from IREDA (*Loan at Sl. No. 4 in the Table under Para 24*). This amount (Rs.20 Crore) was also noted to have been routed through Go-Auto. Capbridge repaid Rs. 47.50 Crore to Go-Auto on March 31, 2023.
39. Upon tracing the source of this Rs. 47.50 Crore which Capbridge repaid to Go-Auto, it was observed that this amount was funded by M/s Param Care Pvt. Ltd. (a disclosed related party of Gensol), from its Overdraft Account No. 68230000001652 with Bandhan Bank. Bandhan Bank vide email dated February 12, 2025, has submitted that Overdraft facility to Param Care Pvt. Ltd. was provided on the basis of an FD of Rs. 50 Crore subscribed by Blu-Smart Mobility Pvt. Ltd. (Blu-Smart”) from its Bank Account No. 68230000001712 with Bandhan Bank. The source of these funds and transactions need further examination.

Loan for Rs. 43.69 Crore from IREDA (Serial No. 6 in the Table under Para 24)

40. The disclosure made by Gensol in its annual report for FY 2022-23, w.r.t. this loan is given below:

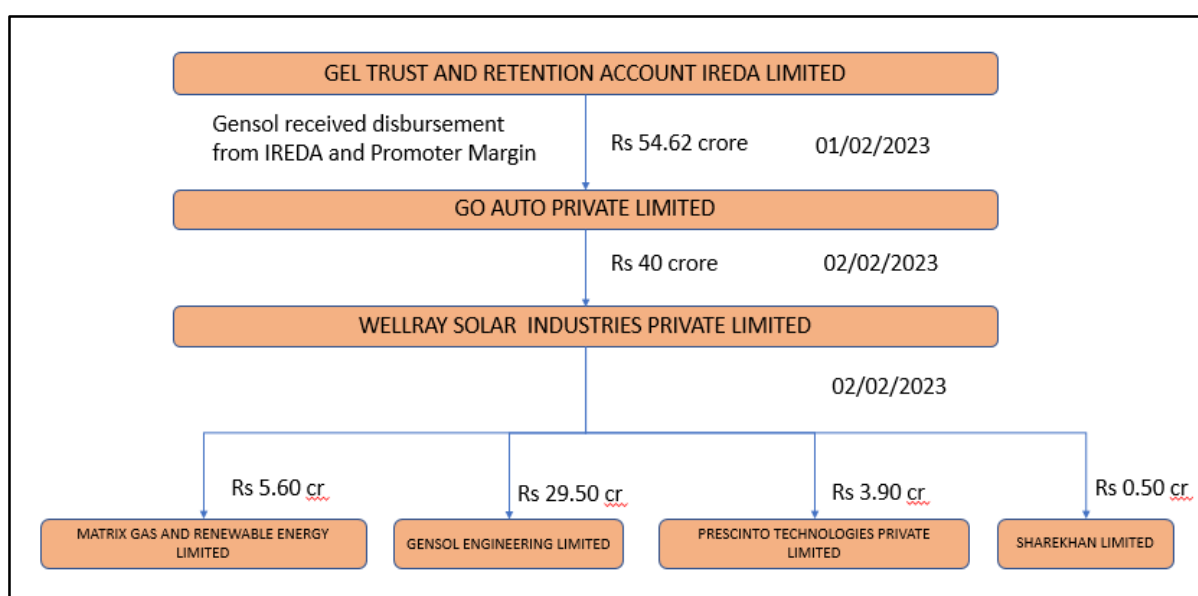
(i)	Indian Renewable Energy Development Agency Limited (IREDA) Ruppee term loan of Rs.43,69,00,000/- carries interest @ 9.95% p.a. The Loan is repayable in 20 quarterly instalments plus interest thereon and repayment starting from September 1, 2023 of Rs. 1,09,22,500/- each for first 4 installment, 2,18,45,000/- each for next "5 - 12" installment and 2,73,06,250/-each for "13-20" installment. The above loan is secured against hypothecation of 400 EV cars.	4,369
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41. On February 01, 2023, Gensol received disbursement of Rs. 43.68 Crore in respect of the above loan from IREDA which was credited to “GEL Trust and Retention Account IREDA Limited” (Bank A/c No. 923020004443250 with Axis Bank). On the same day, the Company transferred Rs. 13.13 Crore to the said account resulting in a total fund availability of Rs. 56.82 Crore.

42. Subsequently, on the same day (February 01, 2023) Rs. 54.62 Crore was transferred to Go-Auto (Bank A/c No. 06792000003065 with HDFC Bank). Before this transaction, Go-Auto's account had a balance of Rs. 4.86 Crore. On the very next day (February 02, 2023), Go-Auto transferred Rs. 40 Crore to the Bank Account of Wellray (A/c No. 058605002357 with ICICI Bank), which had a balance of Rs. 4.93 Lakh before the receipt. Thereafter, on the same day, Wellray made the following outward transfers, totaling Rs. 39.50 Crore:

- (a) Rs. 5.60 Crore was transferred to *Matrix* (Bank A/c No. 058605002549 with ICICI Bank), which it prima facie appears to have been utilized for meeting operational expenses.
- (b) Rs. 29.50 Crore was transferred back to *Gensol Engineering Limited* (Bank A/c No. 058605001635 with ICICI Bank). This amount appears to have been deployed for meeting operational expenses.
- (c) Rs. 3.90 Crore was transferred to *Prescinto* (Bank A/c No. 058605002184 with ICICI Bank) and the funds were similarly utilized for operational needs of Prescinto.
- (d) Wellray transferred Rs. 50 Lakh to stock broker Sharekhan Limited (Sharekhan). These funds were subsequently deployed to trade in the scrip of Gensol Engineering Limited. (This aspect is also addressed separately in subsequent paragraphs of this Order.)

43. A pictorial representation of the above movement of funds is given below:



44. Further, it was noted that Wellray had transferred funds back to Go-Auto through circular movement of funds which originated from Go-Auto itself. It was noted that an amount of \geq Rs. 8.5 Crore was circulated four times by Go-Auto, itself through Gensol on 28/11/2023 and 29/11/2023. Details are given below:

Date	From party	Amount (Rs. in Crores)	To party	Amount (Rs. in Crores)	To party	Amount (Rs. in Crores)	To party	Amount (Rs. in Crores)
28/11/2023	Go Auto	8.5	GEL	8.5	Wellray Solar	8.5	Go Auto	8.5
28/11/2023	103705	8.5	058605	8.5		8.5	103705	8.5
28/11/2023	000861	8.5	001635	8.5	058605	8.5	000861	8.5
29/11/2023		8.65		8.65	002357	8.65		8.65
		34.15		34.15		34.15		34.15

Loan for Rs. 117.47 Crore from PFC (Serial No. 8 in the Table under Para 24)

45. The disclosure made by Gensol in its annual report for FY 2023-24, in respect of this loan is given below:

(i) Power Finance Corporation Ltd. (PFC)-T2	116.71	-	-
Less: Current Maturity of Long-term Debts	(24.73)	-	-
	91.98	-	-
(Rupee term loan of ₹ 117,47,00,000/- carries interest @ 10.95% p.a. The Loan is repayable in 57 equal monthly principal installments plus interest thereon starting from June -2024 of ₹ 2,06,08,772/- each. The above loan is secured against hypothecation of 1000 cars			

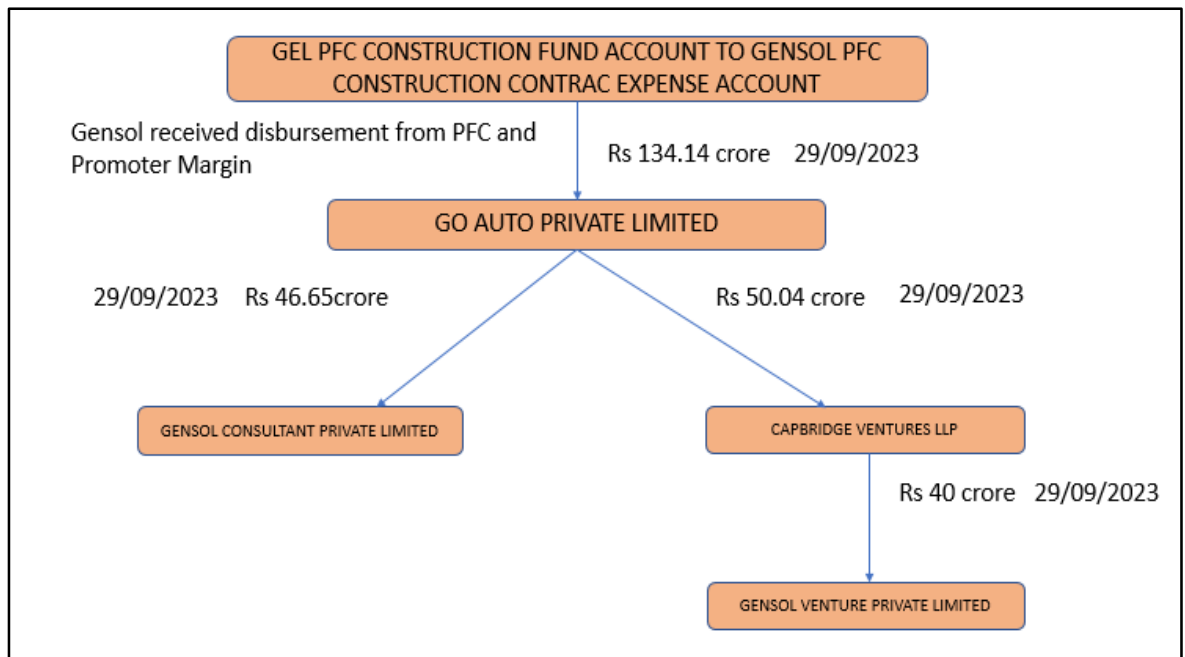
46. On September 27, 2023, Gensol was disbursed a loan of Rs. 117.47 Crore from PFC into its designated “Gensol Engineering Limited–PFC–Construction Fund Account” (Bank A/c No. 058605004913 with ICICI Bank). This was supplemented by Rs. 29.37 Crore transferred from another internal account of the Company. The total funds credited in the account stood at Rs. 146.84 Crore.
47. On September 29, 2023, the Company transferred Rs. 134.14 Crore from the above ICICI Bank Account to another bank account of Gensol viz. Gensol Engineering Limited–PFC–Construction Contract Expense Account having Account No. 058605004917 with ICICI Bank. On the same day, Gensol from the said bank account transferred funds of Rs. 134.14 Crore to Go-Auto (ICICI Bank A/c No. 103705000861). The balance in Go-Auto’s account prior to this transaction was Rs. 0.19 Crore. Immediately upon receipt of these funds

(September 29, 2023), Go-Auto transferred Rs. 96.69 Crore to the following entities:

- (a) Rs. 46.65 Crore was transferred to Gensol Consultant Pvt. Ltd. (Axis bank A/c No. 921020036427118), which had a prior balance of Rs. 5.07 Lakh
- (b) Rs. 50.04 Crore was transferred to Capbridge Ventures LLP (A/c No. 920020064107731 with Axis Bank), which had a balance of Rs. 97,209 before the transaction. On the same date, Capbridge transferred Rs. 40 Crore to Gensol Ventures Pvt. Ltd. (A/c No. 058605500770 with ICICI Bank), which had a debit balance of Rs. 38.12 Crore prior to this transaction.

48. Based on the fund trail and account balances, it is prima facie observed that Rs. 96.69 Crore was diverted to promoter and promoter-linked entities, bypassing the stated end-use of the PFC loan.

49. A pictorial representation of the above movement of funds is given below:



50. Further, it was noted that Capbridge had transferred funds back to Go-Auto, through circular movement of funds which originated from Go-Auto, itself. It was noted that an amount of Rs. 10 Crore was circulated four times by Go-Auto itself through Gensol EV Lease Pvt. Ltd. and Go-Solar Venture Private Limited on 04/01/2024. Details are given below:

Date	From party	Amount (Rs. In Crores)	To party	Amount (Rs. In Crores)	To party	Amount (Rs. In Crores)	To party	Amount (Rs. In Crores)	To party	Amount (Rs. In Crores)
04/01/2024	Go Auto 0679200 0003065	10	Gensol EV Lease 058605 005018	10	Gosolar Venture 058605 500461	10	Capbridge Ventures 9200200 64107731	10	Go Auto 103705 000861	10
04/01/2024	Go Auto 103705 000861	10		10		10		10		10
04/01/2024		10		10		10		10		10
04/01/2024		10		10		10		10		10

51. Capbridge transferred back additional Rs. 10 Crore using funds which it had received, from Gensol EV Lease / Blu-Smart. The movement of funds is given below:

Date	From party	Amount (Rs. In Crores)	To party	Amount (Rs. In Crores)	To party	Amount (Rs. In Crores)	To party	Amount (Rs. In Crores)	To party	Amount (Rs. In Crores)
27/12/2023	BLU SMART MOBILITY	23.75	Gensol Consultant 9210200 36427118	23.75	Gensol Consultant 9210200 36427118	23.75	Capbridge Ventures 92002006 4107731	30	Go Auto 0679200 0003065	10
28/12/2023	Gensol EV Lease 058605 005018	10	Gensol Consultant 058605 500351	10		10				

52. Further, it was noted that Gensol Consultant transferred back funds amounting to Rs.46.65 Crore to Go-Auto, using the funds taken from Gensol EV Lease. The amount transferred by Gensol EV Lease was out of a loan received by it from IREDA (IREDA sanctioned two loans to Gensol EV Lease in FY 2024). Details of the above transfers are given below:

Date Party Name and Amount	To party	Date	To party	Amount (Rs. In Crores)	To party	Amount (Rs. In Crores)	To party	Amount (Rs. In Crores)	To party	Amount (Rs. In Crores)
22/12/2023 IREDA 171.30	GENSOL EV LEASE TRUST AND RETENTION A/C IREDA LIMITED	27/12/2023	Go Auto 0679200 0003065	95.3	Gensol EV Lease 058605 005018	72.5	Gosolar Venture 058605 500461	37.5	Anmol Singh Jaggi	37.5
		27/12/2023	Jubilant Motor Works Pvt Ltd	33.02		24.98	Gensol Consultant 058605 500351	50	Go Auto 0679200 0003065	46.64

53. From the above, it is prima facie observed that funds amounting to Rs. 96.69 Crore (Rs. 46.65 Crore + Rs. 50.04 Crore), as mentioned at para 48 above, were diverted from the listed company and ultimately reached the private promoter related entities of Gensol. Further, it can be seen that Rs. 37.5 Crore out of the loan amount of Rs.171.30 Crore taken by Gensol EV Lease Pvt. Ltd., (a subsidiary of Gensol), from IREDA was ultimately transferred to Anmol Singh Jaggi. This aspect need further examination.
54. From the above analysis of the utilization of funds (loans) received by Gensol from IREDA and PFC, it prima-facie appears that the Company grossly mis-utilized funds and also diverted certain funds to the promoter/promoter-related entities. While the Company was to have spent an amount of Rs. 829.86 Crore (including promoter contribution) for buying EVs, bank statement analysis showed that it had transferred Rs. 775 Crore to Go-Auto against which it has obtained delivery of 4,704 EVs costing Rs. 567.73 Crore.
55. Ajay Agarwal, Managing Director of Go-Auto, in his statement recorded before SEBI on March 24, 2025, deposed that an amount of around Rs. 50 Crore was due from Gensol and therefore, Go-Auto would not be delivering anymore EVs to Gensol.
56. In this regard, Gensol has now submitted to SEBI in its communication dated April 05, 2025 that Go-Auto owes the Company an amount of Rs. 21.25 Crore as interest for which it has raised a debit note on the dealer. Interestingly, in the same letter, Gensol has noted that, on a consolidated basis, Gensol has a payable of Rs. 5.37 Crore to Go-Auto.
57. From the examination done by SEBI so far, it can be noted *prima-facie* that even after transferring Rs. 207.27 Crore (Rs. 775 Crore – Rs. 567.73 Crore) over and above the cost price of the 4,704 EVs that have been delivered to Gensol, the Company still had a payable of about Rs. 50 Crore to Go-Auto, as per the claim of MD of Go-Auto submitted under oath. This shortfall prima facie appears to be diversion of funds by Gensol to connected entities using Go-Auto as a conduit, which needs detailed investigation.

Diversion of funds through a connected entity, Wellray Solar Industries Pvt. Ltd.

58. As stated above, Wellray was also one of the recipients of funds out of money borrowed by Gensol from IREDA and PFC, which was routed through Go-Auto. It was further noted during the examination that Anmol Singh Jaggi and Puneet Singh Jaggi—current promoters and directors of Gensol—were also directors in Wellray until April 15, 2020. Further, up to the financial year 2019–20, the entire shareholding in Wellray was held by Puneet Singh Jaggi and Gensol Ventures Private Limited –both promoters of Gensol.
59. Presently, almost the entire shareholding (99%) of Wellray is held by Lalit Solanki, who was employed as Regulatory Affairs Manager at the Gensol Group until December 2018, as per information available on LinkedIn. Given the same, it is *prima facie* observed that Wellray is connected to Gensol, both through historical promoter positions and current key managerial associations.
60. When the ledgers of Wellray in the books of Gensol were examined, it was noted that significant sales and purchases were recorded between both companies in FY 23 and FY24, the details of which are given in the Table below:

Particulars	FY 23 (Rs. In Crores)	FY 24 (Rs. In Crores)
Total Purchases and Expenses booked by Gensol against Wellray	66.98	71.55
Total Sales and Income booked by Gensol against Wellray	6.03	6.10

61. It was also noted that Wellray had made an investment in Gensol and was a disclosed public shareholder of Gensol. A snapshot of the financial position of Wellray is also given below:

Particulars	FY20 (Rs. In Crores)	FY 21 (Rs. In Crores)	FY 22 (Rs. In Crores)	FY 23 (Rs. In Crores)
Profit & Loss Statement				
Revenue from operations	9.53	17.75	23.65	65.25
Cost of Goods Sold	9.11	25.37	29.73	72.22
Profit after tax	0.00	-7.71	-5.42	-5.80
Balance Sheet				
Investments in Gensol	-	-	-	14.18

62. Thus, it is observed that most of the revenue of Wellray was booked through Gensol. Details are given below:

Particulars	FY 22 (Rs. In Crores)	FY 23 (Rs. In Crores)
Sales to Gensol by Wellray	13.07	59.46
Total Sales of Wellray	23.65	65.25
% of total Sales of Wellray	55%	91%

*Financials for FY 2023-24 have not been filed till the date of this Order

63. An analysis of bank statements of Gensol and Wellray revealed that the actual transactions (payments and receipts) between Gensol and Wellray were much higher than the figures recorded in the ledgers of Wellray in the books of Gensol, the details of which are given in the Table below:

Payments and Receipts reflected in the bank statement of Gensol

Particulars	FY23 (Rs. In Crores)	FY24 (Rs. In Crores)	Total (Rs. In Crores)
Funds transferred by Gensol to Wellray Solar	215.89	208.25	424.14
Funds received back by Gensol from Wellray	166.94	143.25	310.19

64. Considering that a substantial portion of funds transferred between Gensol and Wellray did not correspond to the quantum of underlying commercial transactions, a detailed analysis was undertaken to examine the utilization of funds by Wellray. The prima facie findings of the said examination are detailed below:
65. Upon review of the bank statements of Wellray's account (A/c No. 058605002357 with ICICI Bank), it was observed that out of the amount of Rs. 424.14 Crore received from Gensol, as mentioned in para 63 above, Rs. 382.84 Crore was transferred by Wellray to various other entities. These transfers may be broadly categorized as follows:

Name of the Party	Amount paid during FY23 and FY24 (Rs.)
Related/Linked parties of Gensol	246.07 Crore
Sharekhan Limited	40.70 Crore
Public Shareholders of Gensol	5.17 Crore
Others	90.90 Crore
Total	382.84 Crore

66. The break-up of the funds paid to related parties and connected entities of Gensol by Wellray in FY 23 and FY 24 is given in the Table below:

Rs. In Crores				
Name of the Party	Funds transferred during FY 2022-23	Funds transferred during FY 2023-24	Total amount paid during FY 2022-23 to FY 2023-24	Relationship with Gensol
Anmol Singh Jaggi	19.48	6.28	25.76	Promoter of Gensol
Puneet Singh Jaggi	10.66	2.90	13.55	Promoter of Gensol
Gensol Ventures Pvt. Ltd.	-	16.00	16.00	Promoter of Gensol
Capbridge Venture LLP	5.00	6.00	11.00	Designated Partners are Anmol Singh Jaggi and Puneet Singh Jaggi
Matrix Gas and Renewable Ltd.	40.20	23.70	63.90	Disclosed Related Party
Gosolar Ventures Pvt. Ltd.	19.80	48.20	68.00	Disclosed Related Party
Gensol Consultants Pvt. Ltd.	11.50	10.10	21.60	Disclosed Related Party
Blu-Smart Fleet Pvt. Ltd.	10.00	-	10.00	Disclosed Related Party
Prescinto Technologies Pvt. Ltd.	3.84	5.42	9.26	Disclosed Related Party
Param Renewable Energy Pvt. Ltd.	7.00		7.00	Disclosed Related Party
Total	127.47	118.60	246.07	

67. As brought out in the Table above, Wellray has transferred funds amounting to Rs. 39.31 Crore to Anmol Singh Jaggi and Puneet Singh Jaggi, promoters of Gensol. The details of the analysis of the further utilization of funds by the said promoters are given below:

Utilization of funds by Anmol Singh Jaggi

68. From the analysis of the bank statements of Anmol Singh Jaggi, it is *prima-facie* observed that majority of the funds (Rs. 25.76 Crore) as mentioned above, were transferred to other related parties, family members or utilized for personal expenses. The details of further utilisation of funds received from Wellray by Anmol Singh Jaggi are given in the Table below:

Name of The Party	Amount (Rs.)	Remarks
Gensol Ventures Pvt. Ltd.	10,63,91,890	Promoter of Gensol
Jasminder Kaur	6,20,22,500	Mother of Anmol Singh Jaggi
Mugdha Kaur Jaggi	2,98,50,000	Spouse of Anmol Singh Jaggi
Foreign Currency Purchased - AED	1,86,35,600	Appears to be for personal use

Name of The Party	Amount (Rs.)	Remarks
Batx Energies Private Limited	1,35,19,600	Anmol Singh Jaggi is a shareholder in Batx Energies Private Limited (holding 681 shares as of 31-03-2024)
Third Unicorn Private Limited	50,00,000	Anmol Singh Jaggi is a shareholder in Third Unicorn Private Limited (holding 2000 shares as of 31-03-2024).
TaylorMade	26,00,000	Appears to be related to purchase of golf set
Capbridge Venture LLP	25,00,000	Designated Partners are Anmol Singh Jaggi and Puneet Singh Jaggi
ICICI Securities	23,00,000	Appears to be for personal use
Jabir Mahendi M	20,00,000	Jabir Mahendi M worked as CFO of GEL from 2019- to 2024
Titan Company	17,28,350	Appears to be for personal use
DLF Homes	11,75,000	Appears to be for personal use
Kamco Chew Food Pvt Ltd Spa	10,36,860	Appears to be for personal use
ICICI Bank Credit Card	9,95,266	Credit Card payment. Appears to be for personal use.
Mayo Design	8,00,000	Appears to be for personal use
Shalmali Kaur Jaggi	6,00,000	Former Director of GEL and Gensol Consultants Private Limited and current director of Param Seva Foundation (disclosed related party by GEL).
Make my trip	3,00,000	Appears to be for personal use
Ali Imran Naqvi	1,50,000	Executive Director at GEL
Total	25,16,05,066	

Utilization of funds by Puneet Singh Jaggi

69. Analysis of the bank statements of Puneet Singh Jaggi *prima facie* revealed that majority of the funds (Rs. 13.55 Crore) as mentioned above, received from Wellray were transferred to other related parties, family members or utilized personal expenses, the details of which are given in the Table below:

Name of The Party	Amount (Rs.)	Remarks
Gensol Ventures Pvt. Ltd.	10,03,31,624	Promoter of Gensol
Shalmali Kaur Jaggi	1,13,00,000	Spouse of Puneet Singh Jaggi.
Jasminder Kaur	87,52,500	Mother of Puneet Singh Jaggi
Foreign Currency Purchase - AED	66,35,599	Appears to be for personal use
Americian Express Card	36,00,000	Appears to be for personal use
Amex Card	13,00,000	Appears to be for personal use
BIL/INFT/000671661789/PSJCC/Self	11,40,000	Appears to be for personal use
Psjcc1008/Self	4,00,000	Appears to be for personal use
Lease Deed Regi	3,00,000	Appears to be for personal use
Mugdha Kaur Jaggi	3,00,000	Spouse of Anmol Singh Jaggi
Ali Imran Naqvi	2,61,843	Executive Director at Gensol
Total	13,43,21,567	

Preferential Issue by Gensol Engineering Limited

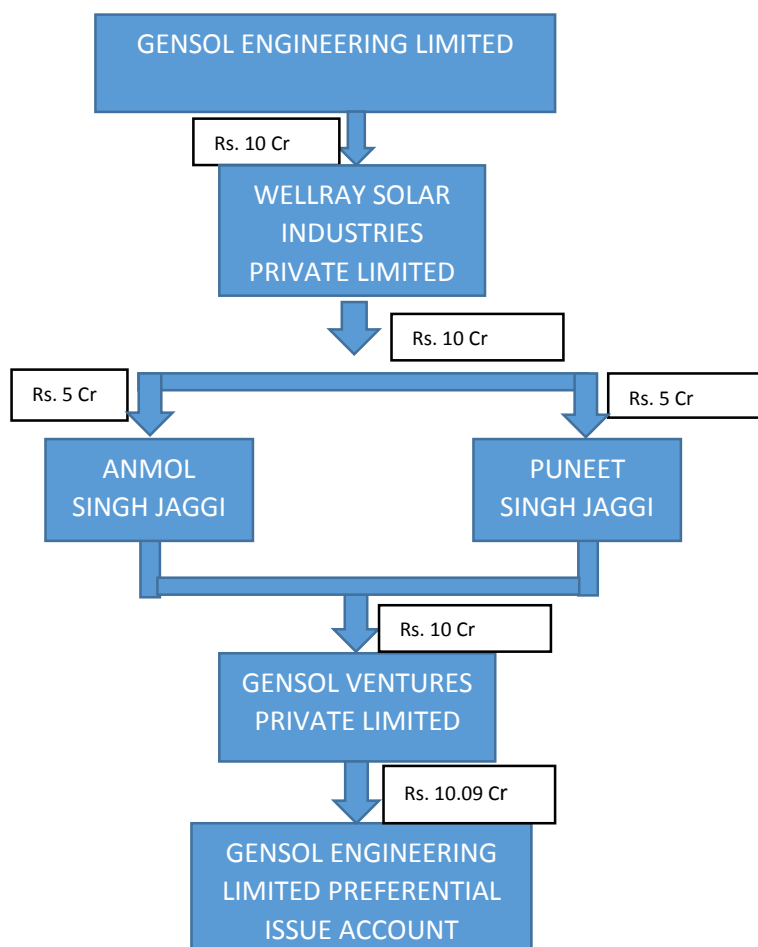
70. In September 2022, Gensol made a preferential issue of 12,81,993 equity shares at a price of Rs. 1,036.25/- per share to investors which included promoter group entities, details of which are given in the Table below:

Particulars	Number of shares	Amount in Crores (Rs.)
Promoter/Promoter Group	97,445	10.09
Others	11,84,548	122.75
Total	12,81,993	132.84

71. Under the promoter/promoter group category, 'Gensol Ventures Private Limited invested Rs. 10.09 Crore in the above preferential allotment on September 26, 2022, from its Account No. 058605500770 with ICICI Bank.
72. Upon tracing the source of funds, it was noted that Anmol Singh Jaggi and Puneet Singh Jaggi had transferred Rs. 10.07 Crore to Gensol Ventures Private Limited on September 26, 2022. Anmol Singh Jaggi and Puneet Singh Jaggi, had, prior to the said transfer, received funds from Wellray in the following manner:

Entity Name	Account No.	Balance before receipt of funds from Wellray (Rs.)	Amount received from Wellray (Rs.)
Anmol Singh Jaggi	004301520339 ICICI Bank	65.45 Lakh	5 Crore
Puneet Singh Jaggi	004301532231 (ICICI Bank)	3.06 Lakh	5 Crore

73. Further, on the same day, Wellray received funds amounting to Rs. 10 Crore from Gensol in A/c. No. 058605002357 with ICICI Bank. The balance in the said bank account of Wellray prior to this transfer was Rs. 8,81,783/-.
74. A pictorial representation of the above movement of funds is given below:



75. Based on the above, it is *prima facie* observed that Gensol had provided funds, through layered transactions, to Gensol Ventures Private Limited (promoter of Gensol) for subscribing to 97,445 equity shares of Gensol.

Trading in the scrip of Gensol Engineering Limited by Wellray

76. As stated in the earlier part of this Order, Wellray had utilised funds received from Gensol for trading in the Company's scrip. The details of the trades executed by Wellray for the period April 2022 to December 2024 were obtained from BSE and NSE and given in the Table below:

Period	Scrip Name	Amount in Rs.	
		Buy Value	Sale Value
April 2022 to December 2024	Reliance Infrastructure Limited	17,791	-
	Shyam Metallic & Energy Limited	4,628	-
	Tata Chemicals Limited	9,650	-
	Tata Motors Limited	25,306	-
	Mufin Green Finance Limited	71,23,530	15,22,963
	Gensol Engineering Limited	160,51,05325	178,44,28,644
Total		161,22,86,230	178,59,51,607

77. From the above, it is noted that Wellray predominately traded in the scrip of Gensol Engineering Limited (99% of total trade value) during the period April 2022 to December 2024. The month wise breakup of the value of trades executed in the scrip of Gensol by Wellray is given in the Table below:

Year	Month	GENSOL ENGINEERING LIMITED	
		BUY VALUE (Rs.)	SELL VALUE (Rs.)
2022	Nov	2,21,56,090	-
	Dec	98,37,733	-
2023	Jan	2,32,55,449	-
	Feb	3,20,02,357	-
	Mar	9,27,69,605	2,56,72,230
	Apr	14,23,72,696	-
	May	7,78,22,780	-
	Jun	4,82,72,008	30,76,176
	Jul	1,97,70,884	48,89,70,887
	Aug	-	9,96,60,761
	Nov	14,95,44,688	-
	Dec	48,60,180	11,78,96,384
2024	Jan	1,49,32,076	-
	Feb	3,84,62,148	5,63,63,679
	Mar	4,60,31,549	3,57,94,628
	Apr	8,66,53,854	3,88,85,000
	May	6,11,02,180	-
	Jun	20,95,86,297	14,23,00,844
	Jul	7,91,53,950	36,82,94,973
	Aug	10,09,789	35,93,48,082
	Oct	4,55,09,012	-
	Nov	-	4,81,65,000
Total		1,60,51,05,325	1,78,44,28,644

78. It was noted from the analysis of the bank statements of Wellray that out of the Rs. 137.57 Crore cumulatively transferred by Wellray to the stockbroker Sharekhan till March 2024, Rs. 101.35 Crore was received from Gensol and its related parties. A party-wise breakup of these inflows is provided below:

			Rs. In Crores
Source of Funds for Wellray	FY 2022-23	FY 2023-24	Grand Total
Gensol Engineering Limited	3.75	36.95	40.70
Matrix Gas and Renewable Limited	7.10	38.90	46.00
Go-solar Ventures Private Limited	1.80	3.85	5.65
Anmol Singh Jaggi	-	3.10	3.10
Capbridge Ventures LLP	-	2.10	2.10
Gensol Consultants Private Limited	0.50	1.10	1.60

Source of Funds for Wellray	FY 2022-23	FY 2023-24	Grand Total
Param Care Private Limited	0.40	0.40	0.80
Go Auto Private Limited	0.50	-	0.50
Gensol Ventures Private Limited	-	0.60	0.60
Prescinto Technologies Pvt. Ltd.	0.20	-	0.20
Puneet Singh Jaggi	-	0.10	0.10
Total	14.25	87.10	101.35

79. In view of the above, it is *prima facie* observed that Gensol and its promoters/promoter related entities have funded Wellray for trading in the scrip of Gensol which is a violation of the restrictions contained in section 67 of the Companies Act, 2013. As is also apparent from the trading in the shares of Gensol by Wellray, the latter made handsome gains from the transactions.

Disclosures made by the Company

80. It was noted that the Company had made a disclosure dated January 28, 2025, to the exchanges that it had received pre-orders for 30,000 of its newly launched electric vehicles unveiled at the Bharat Mobility Global Expo 2025. However, when relevant documents were called for from the Company and examined it was noted that the Orders in question were Memorandum of Understandings (MOUs) entered with 9 entities for 29,000 cars. The MOUs were in the nature of an expression of willingness with no reference to the price of the vehicle or delivery schedules. Therefore, it *prima facie* appeared that the Company was making misleading disclosures to investors.
81. In this regard, representative of NSE visited the plant site of Gensol Electric Vehicle Private Limited located at Gat No. 877, Next to Mahindra Towers, Khed, Nighoje, Chakan, Pune – 410501 on April 09, 2025.
82. It was found during the visit that there was no manufacturing activity at the plant with only 2-3 labourers present there. The NSE official called for details of electricity bills of the unit and it was observed that the maximum amount billed by Mahavitaran during last 12 months was Rs. 1,57,037.01 for the month of December 2024. Hence, it can be inferred that there has been no manufacturing activity at the plant site which is on a leased property.

83. In another disclosure dated January 16, 2025, Gensol had informed Exchanges that Gensol and Refex Green Mobility Limited (Refex) were “*pleased to announce a strategic tie-up for the transfer of 2,997 electric four-wheelers (e4Ws)*” to Refex. As per the said disclosure, Refex would in turn, assume Gensol’s existing loan facility amounting to Rs.315 Crore. However, in a disclosure dated March 28, 2025, the proposed takeover by Refex was withdrawn.
84. Further, vide a disclosure dated February 25, 2025, Gensol informed Exchanges that Gensol had signed a non-binding term sheet for an amount of Rs. 350 Crore for a strategic transaction involving the sale of Gensol’s US Subsidiary, viz., Scorpius Trackers Inc. It was noted that the said US Subsidiary was incorporated on July 22, 2024. When probed by SEBI regarding the basis of such valuation of Rs.350 Crore, Gensol has failed to submit any explanation / rationale.

Pledge of Shares made by Promoters to IREDA

85. As mentioned in para 6 above, the shareholding of the promoters of Gensol had come down to 35.125% as of March 31, 2025. The promoters now hold 1,33,48,359 shares in the Company.
86. We have been informed by IREDA vide email dated April 11, 2025 that promoters have created pledges for 75.74 Lakh shares of Gensol. Further, the latest pledge invocation data available on the BSE website, indicates that more pledges have been invoked during this month. This would lead to the possible conclusion that promoter shareholding in Gensol would become even lower, may be negligible, if IREDA were to invoke the pledge created by Anmol Singh Jaggi and Puneet Singh Jaggi.

Prima facie violations found against the Noticees

87. In the above paragraphs, the *prima facie* findings have shown mis-utilization and diversion of funds of the Company in a fraudulent manner by its promoter directors, Anmol Singh Jaggi and Puneet Singh Jaggi, who are also the direct beneficiaries of the diverted funds, as has been detailed above. The Company

has attempted to mislead SEBI, the CRAs, the lenders and the investors by submitting forged Conduct Letters purportedly issued by its lenders. In view of these *prima facie* findings, the Noticees 1, 2 and 3 are alleged to have violated the provisions of Section 12A(a), (b) and (c) of the SEBI Act, 1992 and Regulations 3(b), (c) and (d), 4(1) and 4(2)(f), (k) & (r) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003.

88. Further, the above paragraphs in this Order have also shown how the promoters and their related parties / relatives benefitted from the funds of Gensol, a listed company, through layered transactions, such transactions qualified to be related party transactions in terms of Regulation 2(zc) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations, 2015). Accordingly, such transactions were required to be disclosed as per the provisions of Regulation 4 and 48 of the LODR Regulations, 2015 read with applicable accounting standards, which Gensol has allegedly failed to do.

Need for Interim Directions

89. What has been witnessed in the present matter is a complete breakdown of internal controls and corporate governance norms in Gensol, a listed company. The promoters were running a listed public company as if it were a propriety firm. The Company's funds were routed to related parties and used for unconnected expenses, as if the Company's funds were promoters' piggybank. The result of these transactions would mean that the diversions mentioned above would, at some time, need to be written off from the Company's books, ultimately resulting in losses to the investors of the Company.
90. While the fund diversion primarily occurred in the context of electric vehicle (EV) purchases intended for leasing to a related party, the risk it creates is neither isolated nor contained. The company has a substantial order book, comprising critical infrastructure contracts awarded by government and public sector entities in the renewable EPC space. These contracts are not just capital-

intensive - they also require strict financial discipline, timely execution, and reputational credibility to retain project flow and institutional trust.

91. In the instant case, *prima facie* evidence of blatant violation of rules of corporate governance is writ large over the workings of the Company. The diversion of funds of the Company by promoter entities reflects a culture of weak internal control, where even ring-fenced borrowings from institutional creditors were rerouted at the total discretion of the promoters. The internal controls at Gensol appear to be loose and through the quick layering of transactions, funds have seamlessly flowed to multiple related entities/individuals.
92. The promoter holding in the Company has already come down substantially and there is a risk of the promoters (Noticees 2 and 3) further off-loading the shares on gullible investors. Thus, investors need to be made aware of the alleged wrongdoings detailed above through regulatory action. At the same time, allowing Noticees 2 and 3 to remain at the helm of affairs as directors or KMPs in the Company is likely to do further damage to the interests of the Company.
93. It must be mentioned that Gensol recently announced stock split of its shares in the ratio of 1:10, which is likely to attract more retail investors to the scrip. At this stage, allowing this Corporate Action may not be in the interest of the investors.
94. In view of the above, pending detailed investigation, I deem it fit to issue immediate interim directions to safeguard the interests of the investors and preserve market integrity.
95. At the same time, I deem it fit to caution the investors, as done on previous occasions, to be careful while investing their savings in the capital markets.

Directions

96. Keeping in view the foregoing, I, in exercise of the powers conferred upon me under Sections 11, 11(4) and 11B (1) read with Section 19 of the SEBI Act, 1992, hereby issue by way of this interim order the following directions, which shall be in force until further orders: -

- (a) Noticees 2 and 3 are restrained from holding the position of a director or a Key Managerial Personnel in Gensol, until further orders.
 - (b) Noticees 1, 2 and 3 are restrained from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever until further orders. If the said Noticees have any open position in any exchange-traded derivative contracts, as on the date of the Order, they can close out /square off such open positions within 7 days from the date of the Order or at the expiry of such contracts, whichever is earlier. The Noticees are permitted to settle the pay-in and pay-out obligations in respect of transactions, if any, which have taken place before the close of trading on the date of this Order.
 - (c) Noticee 1 is directed to put on hold the stock split announced by it.
 - (d) SEBI shall appoint a forensic auditor to examine the books of accounts of Gensol and its related parties.
97. The forensic auditor/ audit firm so appointed as per this Order shall submit a Report to SEBI within six months from the date of appointment.
98. The foregoing *prima facie* observations contained in this Order are made on the basis of the material available on record. The concerned Noticees may, within 21 days from the date of receipt of this Order, file their reply/objections, if any, to this Order and may also indicate whether they desire to avail an opportunity of personal hearing on a date and time to be fixed in that regard.
99. The above directions shall take effect immediately and shall be in force until further orders.
100. A copy of this Order shall be served upon Entities, Stock Exchanges, RTAs and Depositories for necessary action and compliance with the above directions.

DATE: APRIL 15, 2025

PLACE: MUMBAI

ASHWANI BHATIA

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA