GENSOL

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14.07.2026

To
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051
NSE Symbol – GENSOL

Subject: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding declaration of the Company's loan accounts as fraud by IREDA

Dear Sir/Madam,

We wish to inform you that the Indian Renewable Energy Development Agency Limited ("IREDA") has issued an Order dated July 9, 2026, whereby IREDA has declared the loan accounts of the Company as fraud and reported the matter to the Reserve Bank of India ("RBI"). A copy of the said Order, as received by the Company, is enclosed herewith for your ready reference.

Further, as already intimated to the Stock Exchanges, pursuant to the Order dated June 13, 2025 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT"), the Corporate Insolvency Resolution Process ("CIRP") has been initiated against Gensol Engineering Limited ("Corporate Debtor") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). Pursuant to the said Order, the undersigned has been appointed as the Resolution Professional ("RP") to conduct the CIRP of the Corporate Debtor in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 read with the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

The Company remains committed to complying with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall promptly disclose any further material developments to the Stock Exchanges in accordance with the applicable regulatory requirements.

This is for your information and record.

Thanking you
Yours faithfully,

For Gensol Engineering Limited
(Company under Corporate Insolvency Resolution Process)
The powers of the Board of Directors are suspended and are being exercised by the Resolution Professional appointed by the Hon'ble NCLT.

Authorized Signatory

On Behalf of Gensol Engineering Limited

(Resolution Professional)
(In the Matter of Gensol Engineering Limited)
IBBI Registration No.: IBBI/IPA-002/IP-N01131/2021-2022/13759
C-7, Parth Apartment, Ramdev Nagar, Satellite, Ahmedabad-380015.
Mob: 7248777752
Email: khanejakes@gmail.com

File No. FnA-37/15/2025-IREDA

Date: 09.07.2026

To,

1. **Gensol Engineering Limited**
   15th Floor, A Block, Westgate Business Bay,
   S G Road, Jivraj Park, Ahmedabad,
   Ahmadabad City, Gujarat, India, 380051

2. **Anmol Singh Jaggi**
   545, Sector-6, Panchkula, Haryana - 134109

3. **Puneet Singh Jaggi**
   H 91, Block-H, Kalptaru Jade, Baner, Pune,
   Maharashtra 411069
   Mob. +91 99980 25820

4. **Jasminder Kaur**
   Sorrel Applewoods Township, Shantipura
   circle, South Bopal, S.P. Ring Road, Bopal,
   Ahmedabad, Gujarat – 380058

5. **Ali Imran Naqvi**
   BH Fire Brigade Opp Jumma Masjid
   Khambhat Gujarat India 388620

Subject: Order Under the Reserve Bank of India Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024 read with the Fraud Risk Management Policy of IREDA declaring Fraud against M/s. Gensol Engineering Limited and it's Promoters/Directors in connection with the Loans sanctioned by IREDA Ltd.

With reference to the above captioned matter, please find attached the Order.

Yours Sincerely,

(Jagdeep Singh)
(Principal Nodal Officer)
Indian Renewable Energy Development Agency Ltd. (IREDA)

Enclosure: As above

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

(A Government of India Enterprise)

ORDER

Under the Reserve Bank of India Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024 read with the Fraud Risk Management Policy of IREDA

In the matter of:

M/s Gensol Engineering Limited

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PART I- BACKGROUND, CREDIT FACILITIES AND COMMENCEMENT OF PROCEEDINGS

1.1

This Order is passed by the Competent Authority of Indian Renewable Energy Development Agency Limited ("IREDA") under the Reserve Bank of India Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024 ("RBI Master Direction"), read with the Fraud Risk Management Policy adopted by IREDA.

The present proceedings arise from the submission of forged documents to rating agencies and misutilization of funds sanctioned and disbursed to M/s Gensol Engineering Limited ("GEL" or "Borrower") for financing electric mobility and renewable energy projects. The examination was initiated after serious financial, documentary and operational irregularities were noticed after forged documents coming in light and observations recorded in SEBI Interim order dated 15.04.2025 and SEBI confirmatory order dated 30.07.2025, which were subsequently examined through a forensic audit.

1.2

Considering the seriousness of the allegations and their potential implications for the integrity of the lending process, IREDA initiated fraud examination proceedings strictly in accordance with the regulatory framework prescribed by the Reserve Bank of India.

Detailed Show Cause Notices setting out the allegations together with the material proposed to be relied upon were issued to the Borrower as well as the concerned directors and other notices on 27.02.2026, detailed as follows:

During the proceedings, IREDA afforded adequate opportunity to all Noticees to:

- inspect and obtain the material relied upon;
- submit detailed written replies;
- file additional submissions after supply of the forensic audit report;
- produce documents in support of their defence; and
- make oral submissions during personal hearing(s).

The present Order has been passed only after considering all material placed on record during the course of these proceedings.

CHAPTER 2- BACKGROUND OF THE BORROWER

2.1 CONSTITUTION AND BUSINESS PROFILE

M/s Gensol Engineering Limited ("GEL" or "the Borrower") is a company incorporated under the provisions of the Companies Act and is engaged, inter alia, in the business of engineering, procurement and construction ("EPC") services for renewable energy projects, electric mobility solutions, leasing of electric vehicles, and allied infrastructure. Over a period of time, GEL represented itself as a significant participant in the electric mobility ecosystem and undertook execution of various projects relating to electric vehicles, charging infrastructure and renewable energy.

The Borrower approached IREDA from time to time seeking financial assistance for implementation of various projects. Based upon the representations made by the Borrower regarding project viability, financial capability, anticipated cash flows and proposed security package, IREDA sanctioned various credit facilities in accordance with its lending policy.

2.2 CREDIT FACILITIES SANCTIONED BY IREDA

IREDA sanctioned multiple term loan facilities to GEL for financing different renewable energy and electric mobility projects. The sanctions were project-specific and were subject to detailed terms and conditions governing utilisation of funds, creation of security, monitoring of project implementation, routing of receivables and submission of periodic information.

The projects financed by IREDA included, inter alia:

S.No.	Project No. & Purpose	Amount Sanctioned	Amount Disbursed
1.	2583 – Procurement of 3,000 Electric Vehicles for leasing to Blu-Smart Mobility (EV) vide Sanction No. ____	₹267.79 cr	₹267.79 cr
2.	2666 – Procurement of 400 Electric Vehicles for leasing operations vide Sanction No. ____	₹43.69 cr	₹43.69 cr
3.	2791 – 62 MW AC Solar EPC Project (MAHAGENCO) vide Sanction No. ____	₹192.87 cr	₹192.87 cr
4.	2740 – 30 MW AC Floating Solar EPC (DVC) – EPC materials, floaters, modules & construction vide Sanction No. ___-	₹121.00 cr	₹121.00 cr
5.	2876- Sanction of Non-Fund-Based Guarantee assistance of Rs. 250 crores in the form of 'counter guarantee' under Guarantee Facility Agreement	₹250.00 cr	₹237.96 cr

Each sanction was accompanied by detailed loan documentation prescribing the permitted utilisation of loan proceeds, conditions precedent to disbursement, monitoring obligations, maintenance of designated bank accounts and other financial covenants intended to safeguard the interests of IREDA.

2.3 NATURE OF LENDING RELATIONSHIP

The lending relationship between IREDA and GEL was founded upon the principle that the loan proceeds would be utilised exclusively for the purposes for which the facilities had been sanctioned. The Borrower represented that the project assets would be acquired in accordance with the sanctioned project cost, that the receivables generated from the financed projects would be routed through the designated Trust and Retention Accounts ("TRA"), and that the Borrower would adhere to all covenants stipulated under the financing documents.

IREDA, while sanctioning the facilities, relied upon the financial disclosures, project reports, statutory filings, representations and warranties furnished by the Borrower. The lending decision was also premised upon the expectation that the Borrower would maintain complete transparency with the lender and promptly disclose all material developments affecting the financed projects.

2.4 CONTINUING OBLIGATIONS OF THE BORROWER

The obligations of the Borrower were not confined merely to repayment of the loan. Under the loan documentation, GEL was also required to:

(a) utilise the loan proceeds solely for the sanctioned purpose;

(b) maintain complete transparency regarding project implementation;

(c) furnish accurate financial and operational information to IREDA;

(d) route project receivables through the designated TRA;

(e) refrain from diversion or siphoning of project funds;

(f) preserve the integrity of project documentation and statutory records;

(g) comply with all representations, warranties and covenants contained in the financing documents; and

(h) immediately disclose any event having a material bearing upon the security or recoverability of the loan.

These obligations formed the foundation of the contractual and fiduciary relationship between the Borrower and IREDA.

CHAPTER 3- LOAN FACILITIES AND SECURITY STRUCTURE

3.1 PROJECT-SPECIFIC FINANCING

The financial assistance extended by IREDA to GEL was structured as project-specific financing. Each facility was sanctioned for a defined purpose, supported by a dedicated project cost, identified assets, projected cash flows and specified security package. The disbursement of loan proceeds was linked to the implementation of the respective project and was governed by the conditions stipulated in the sanction letters and financing agreements.

The financing structure contemplated that the loan proceeds would be utilised exclusively for acquisition of eligible project assets and for meeting other approved project expenditures. Any utilisation of the funds beyond the sanctioned purpose or diversion to unrelated entities or activities was expressly prohibited.

3.2 SECURITY PACKAGE

To secure the due repayment of the facilities, GEL created, inter alia, security interests in favour of IREDA, including:

(i) hypothecation of financed assets and movable properties;

(ii) charge over project receivables;

(iii) assignment of project cash flows;

(iv) security over designated bank accounts, including the Trust and Retention Accounts;

(v) such additional security as stipulated in the respective financing documents.

The security package was intended to ensure that the assets created out of the loan proceeds remained available as security for repayment and that the receivables generated by the financed projects were brought within the monitoring framework established by IREDA.

3.3 TRUST AND RETENTION ACCOUNT MECHANISM

A significant feature of the financing structure was the establishment of designated Trust and Retention Accounts ("TRA"). Under the financing documents, all project receivables were required to be deposited into the TRA maintained with the designated bank. The TRA mechanism enabled IREDA to monitor project cash flows, ensure priority servicing of debt obligations and safeguard the interests of the lender.

The Borrower expressly undertook that all receivables arising from the financed projects would be routed exclusively through the TRA and that no diversion of project cash flows would take place outside the agreed mechanism without the prior approval of IREDA.

The TRA mechanism constituted one of the principal risk mitigation measures adopted by IREDA while extending financial assistance to the Borrower.

CHAPTER 4 GENESIS OF THE FRAUD EXAMINATION

4.1

IREDA observed a number of irregularities which raised concerns regarding the utilisation of loan proceeds and compliance with the financing documents. These concerns arose from information received from third parties, regulatory developments and other material available with IREDA. The cumulative effect of these irregularities necessitated a deeper examination of the conduct of the Borrower.

4.2 FORENSIC AUDIT

Having regard to the nature and seriousness of the irregularities observed, IREDA considered it necessary to commission an independent forensic audit of the transactions relating to the financed projects.

The forensic auditor was entrusted with the responsibility of examining, inter alia:

(a) utilisation of loan proceeds;

(b) movement of funds through various entities;

(c) procurement transactions;

(d) project implementation;

(e) statutory records;

(f) banking transactions;

(g) related-party dealings;

(h) documentary discrepancies; and

(i) any other matter considered relevant for assessing whether the loan funds had been utilised for the sanctioned purposes.

The findings of the forensic audit formed one of the principal bases for initiation of the present fraud examination. However, as already clarified, the forensic audit was not treated as the sole basis for arriving at the conclusions recorded in this Order.

4.3 INITIATION OF PROCEEDINGS

Upon consideration of the forensic audit findings and the supporting material gathered during the internal examination, IREDA formed a prima facie opinion that the material disclosed circumstances warranting initiation of proceedings under the RBI Master Direction. Consequently, detailed Show Cause Notices were issued on 27.02.2026 to the Borrower and the concerned noticees, setting out the allegations, enclosing or making available the material relied upon, and inviting their explanations before any decision was taken.

CHAPTER 5 CHRONOLOGY OF MATERIAL EVENTS

5.1

For proper appreciation of the issues arising in the present proceedings, it is considered appropriate to set out the sequence of material events which culminated in the initiation of fraud examination against M/s Gensol Engineering Limited ("GEL"). The chronology demonstrates that the present proceedings were not founded upon any isolated transaction or singular allegation but upon a series of events, documentary findings which, when viewed cumulatively, disclosed serious concerns regarding utilisation of lender funds, integrity of project documentation and compliance with the contractual obligations undertaken by the Borrower.

5.2

IREDA sanctioned various project-specific credit facilities to GEL from time to time for financing electric mobility and renewable energy projects. Each sanction was accompanied by detailed terms and conditions requiring, inter alia, utilisation of the loan exclusively for the sanctioned purpose, creation of stipulated security, routing of project receivables through the designated Trust and Retention Account ("TRA"), maintenance of proper books of account, and submission of accurate and complete information to IREDA.

5.3

Following disbursement of the loan facilities, IREDA continued to monitor implementation of the financed projects through review of progress reports, examination of utilisation certificates, scrutiny of financial statements, interaction with the Borrower, and verification of project milestones in accordance with the financing documents.

5.4

IREDA noticed submission of forged document to the Credit rating agency through correspondence received from Credit Rating Agency, which raises concern about the conduct of the borrower. The concerns were further aggravated upon receipt of information from various independent sources, including regulatory developments, , information emerging from public disclosures, and examination of project-related documents. Certain communications also raised doubts regarding the authenticity of documents allegedly issued on behalf of IREDA and produced before external stakeholders.

5.5

Considering the cumulative nature of these irregularities and their potential implications upon the utilisation of lender funds, IREDA initiated a detailed internal examination of the transactions relating to the financed projects. The preliminary examination revealed sufficient grounds to warrant an independent forensic review of the utilisation of the loan proceeds and the conduct of the Borrower.

CHAPTER 6 - FORENSIC AUDIT AND INTERNAL EXAMINATION

6.1

In view of the seriousness of the issues noticed during the internal examination, IREDA decided to commission an independent forensic audit of the relevant transactions. The purpose of the forensic audit was to undertake a comprehensive examination of the utilisation of the loan proceeds, procurement of project assets, movement of funds, banking transactions, related-party dealings, statutory records and other matters considered necessary for determining whether the funds had been utilised strictly in accordance with the sanctioned purpose.

6.2

The forensic auditor was required to examine, inter alia:

(a) utilisation of disbursed loan proceeds;

(b) flow of funds through banking channels;

(c) procurement of project assets;

(d) payments made to suppliers and other entities;

(e) movement of funds to related or connected parties;

(f) statutory filings and financial records;

(g) GST documentation;

(h) vehicle registration records, wherever relevant;

(i) compliance with the financing documents; and

(j) any other matter having a bearing upon the integrity of the financed projects.

6.3

The forensic auditor submitted its report to IREDA. The report identified several transactions and documentary discrepancies which, according to the forensic auditor, required detailed examination from the perspective of fraud risk. The report referred to, inter alia, instances of diversion of funds, routing of monies through intermediary entities, documentary inconsistencies, discrepancies in procurement records, non-routing of receivables through the designated TRA, and suspected fabrication or misuse of certain documents.

6.4 Gist of Forensic Audit Report-

As per the Forensic Audit conducted at the instance of IREDA, it has revealed suspected diversion / misappropriation of loan funds to the tune of Rs. 225.89 Crs under two categories as under:

6.4.1. Loan funds diverted/ misappropriated from TRA Account-:

i. Project 2583 – 3,000 EVs (IREDA)

IREDA had sanctioned Loan of Rs. 267.79 Crs to GEL for purchase of 3000 EVs for leasing and GEL had brought in Promoter contribution of Rs 103.85 Crs. Same was independently verified by Lender Independent Engineer ("LIE") based on the documents provided by GEL to LIE, who have also certified that 3000 Cars have been purchased by GEL and hypothecated to IREDA. However, SEBI Interim order dated 15.04.2025 and SEBI confirmatory order dated 30.07.2025 brought some glaring irregularities in light with respect to diversion/ misappropriation from TRA Account in the said matter. Hence, a Forensic Audit was conducted to examine such misappropriation of Loan Funds. Forensic Auditor's observations are as follows:

Review of first tranche

GEL had approached IREDA for Loan Disbursement of Rs. 35.70 Crs. in March 2022 and accordingly Rs. 35.70 Crs were disbursed to GEL on 30.03.2022 in TRA Account maintained with ICICI Bank with Account No. 777705250912. Thereafter, an amount of Rs. 53.24 Crs was paid by GEL to Go Auto on 31.03.2022 for the purchase of 400 EVs. However, Auditor observed that out of the amount paid by GEL to Go Auto, Rs. 17.50 Crs was transferred back to GEL on the same day. Further, on examination of funds received by GEL from Go Auto, GEL has then transferred Rs. 17.21 Crs to Group Entities and Rs. 0.29 Crs has been utilized for other parties/operational payments.

Review of Second tranche

GEL was then disbursed second tranche of disbursement of Rs. 35.70 Crs on 01.07.2022 in TRA Account maintained with Axis Bank Ltd with Account No. 922020025290861 for purchase of 400 EVs. Thereafter, an amount of Rs. 46.65 Crs was paid by GEL to Go Auto on 02.07.2022. However, Auditor observed that an amount of Rs. 10.95 Crores was transferred back to GEL on the same day. Further, on examination of the funds received by GEL from Go Auto amounting to Rs. 10.95 Crores it has been noted that 0.80 Cr was transferred to Group Entities by GEL and 10.16 crs was utilized for other parties/operational payment.

Review of Third Tranche

GEL was then further disbursed Rs. 71.41 Crs on 30.09.2022 in TRA Account maintained with Axis Bank Ltd with Account No. 922020025290861. Thereafter, GEL transferred Rs. 93.88 Crs to Go Auto on 03.10.2022 for purchase of EVs. As per SEBI interim order dated 15.04.2025, it was highlighted that ₹50 crore out of the said Rs. 93.88 Crs was transferred to Capbridge Ventures LLP (related party of GEL), which further remitted ₹42.94 crore to DLF Ltd toward a luxury apartment booking in "The Camellias". A connected ₹5 crore advance originally paid from GEL sourced funds in the name of a promoter's family member was subsequently refunded to Matrix Gas & Renewables Ltd, not GEL, demonstrating clear diversion/misappropriation of lender monies.

Review of Fourth and Fifth Tranche

Thereafter, GEL was then further disbursed Rs. 71.41 Crs on 30.12.2022 and Rs. 53.52 Crs on 30.03.2023. Accordingly, GEL made total payment of Rs. 258.17 Crs to Go-Auto during the tenue of October 2022- March 2023. After disbursement of funds from PFC total aggregate transferred to Go-Auto reached to Rs. 392.31 Crs, of which Later, Go Auto returned ₹207 crore back to GEL, of which ₹200 crore was placed into fixed deposits and subsequently distributed among multiple group entities, further evidencing structured round-tripping rather than EV acquisition.

Review of Purchases

It is pertinent to mention herein that Loan was given to purchase 3000 EVs, however to our shock as pointed by Forensic Auditor, only 1549 vehicles have been capitalized out of 3000 EVs, which evidence clear misappropriation of Loan funds disbursed, the same is detailed as follows-:

As per GEL's Books	Required Purchases	Actual Purchases	Amount Transferred to Go Auto (INR in Crs)	Vehicles purchased (INR in Crs)
Tranche 1	400	400	53.24	53.24
Tranche 2	400	295	46.65	34.60
Tranche 3	800	260	93.88	28.96
Tranche 4	800	594	93.88	74.85
Tranche 5	600	–	70.41	
Total	**3,000**	1549	**358.06**	191.65

Review of proforma invoice annexed in LIEs reports provided by GEL, indicate inconsistencies in the pricing and supporting documents, missing signature in different tranches. Forensic Auditor were provided with the 2398 Purchase invoices, 3000 insurance copies and 2199 RCs, out of total 3000 vehicle purportedly purchased from M/s Go Auto. Out of 2398 purchase invoice, only 1525 were recorded in the books of accounts and remaining 873 invoices out of 2398 invoice provided, have not been accounted for. It appears that out of 602 invoices which were not provided for verification (detailed as below table), 578 invoices have also not been recorded in the books. Anomaly in invoices with GST records with reference to invoice dates is present and 524 invoices out of 2398 invoices are not appearing in the GSTR 2B of GEL. IRN dates also mismatches with invoice/acknowledgement date. Discrepancies observed with respect to invoice date, insurance date and registration date viz. registration date prior to invoice date (266 cases), insurance date before the invoice date (106 cases), registration completed without valid insurance (267 cases). Such finding further indicates the possibility of fabricated/forged invoices, Fictitious or overstated purchase transactions, misrepresentation of actual number of EV procured/delivered and potential diversion or misappropriation of funds advanced to GO Auto.

Sr. no.	Owner Name	No. of Cars
1	LR Taxi Services	1
2	Profitplus infra Private Limited	300
3	Vara Green Energy Private Limited	200
4	Gensol Consultants Private Limited	100
5	Not detail available	1

Review of Hypothecation of EVs certified by LIE also indicates only 1533 EV Financed under the project are exclusively hypothecated to IREDA, balance are in the name of other financers. Further, Forensic Auditor were provided with 2199 RCs, wherein he has observed that RC specify IREDA as financer, whereas public domain record indicates different financer. In certain cases, Registration date mentioned in the RC differ from the date recorded in the public domain documents. The mismatch between RC and public domain documents suggest that the RCs may not accurately reflect the actual registration and financing detail. This raises concerns about whether the documents have been altered or misrepresented.

The forensic audior pointed out that Mr. Akash Grover (Director-GEVL) was also on the board of M/s Profitplus Infra Private Limited.

The forensic auditor formally concludes that diversion is clearly established as out of Rs. 267.79 Crs of IREDA's disbursement, vehicles were actually procured for Rs. 191.65 Crs and therefore probable diversion of Rs. 76.14 Crs is observed.

ii. Project 2666 – 400 EVs (IREDA)

IREDA had sanctioned Loan of Rs. 43.69 Crs to GEL for purchase of 400 EVs Under Project 2666 and Promoter Contribution was to be of Rs. 10.93 Crs. Accordingly, IREDA disbursed Rs. 43.69 Crs for the said purpose on 01.02.2023.

Review of funds disbursed

In Project No. 2666, the fund flow is direct, immediate, and fully circular, leaving no ambiguity regarding diversion. On 01 Feb 2023, ₹54.62 crore was transferred from the TRA to Go Auto, and the next day ₹40 crore moved to Ultravera/Wellray, which immediately broke the funds into ₹29.5 crore to GEL, ₹5.6 crore to Matrix, ₹3.9 crore to Prescinto, and ₹0.5 crore to Sharekhan were again used for trading in GEL's scrip.

Review of Purchases

1- Out of 400 EV to be procured, 332 purchase invoices (GST invoice with IRN) were provided by GEL, however no invoices were recorded in the books of accounts, and all 332 invoices were not registered in GST portal as well as not appearing in GSTR-2B of M/s GEL and all the 332 IRN were not registered in GST portal.

2- Chronological discrepancies in vehicle purchase and registration documents with respect to invoice date, insurance date, registration date viz. registration prior to invoice date in 288 cases. Such deviations are ordinarily associated with tempered documents/manually altered or backdated invoice, post facto creation of documents, Fabricated documents.

3- Review of Vehicle Registration Number with public domain databases (Vahan portal/mParivahan application) indicates that only 18 EV out of 400 EV were registered in the name of M/s GEL, balance 382 EV stand registered in the name of other parties. Such discrepancies highlight the risk of misappropriation of funds, diversion of project funds, or possible falsification/misrepresentation of procurement documents and warrant detailed investigation.

4- Forensic Auditor also notes LIE in its report based on the documents provided by GEL, has certified to IREDA that all 400 EVs are exclusively hypothecated in the name of IREDA, however to shock of IREDA, same are hypothecated to other financers as well. As per terms of sanction letter, an exclusive hypothecation charge over a minimum of 400 EV was required to be created in favour of IREDA, however based on detail available in the Vahan portal/mParivahan application, all 400 EV financed under the project are not exclusively hypothecated to IREDA. Whereas same are hypothecated in the name of other financer.

5- During the reconciliation process carried out through Vahan portal/mParivahan application, it was observed that two vehicles (Regn. No. KA03KA3283 and KA03KA4028) are motorcycle/scooter instead of electric car.

The forensic auditor concludes that no assets were created, and therefore the entire project disbursement stands diverted.

6.4.2. Loan Fund diverted/ misappropriated through Non-TRA routing

i. Project 2791 – MAHAGENCO (62 MW AC EPC)

IREDA had sanctioned Loan of Rs. 192.87 Crs to GEL for EPC of 62 MW Solar AC Project for MAHAGENCO. GEL had brought in Promoter contribution of Rs 0.90 Crs. Accordingly, IREDA had disbursed Rs. 100.00 Crs on 05.02.2024 and Rs. 92.87 Crs on 16.03.2024 in TRA Account No. XXXX7528 maintained with HDFC Bank.

Review of First Tranche

On review of first tranche of disbursement i.e. Rs. 100 Crs, Forensic Auditor has flagged payment of Rs. 22.85 made to Scorpious Trackers Pvt Ltd on 07.02.2024, of which Rs. 19.85 Crs was transferred back to GEL on 08.02.2024 of which Rs. 6.99 Crs was transferred to foreign subsidiary of GEL namely M/s Green Energy Trading FZ LLC in the nature of loan which was not the intended purpose of the Loan Disbursed. Other transaction flagged by Forensic Auditor is of Rs. 29.25 Crs which was transferred to GEL ICICI Bank Account-058605001635 as follows:

(Amount In Rs. crores)

Party Name	Amount
Gensol Electric Vehicles Private Limited	4.85
Param Renewable Energy Private Limited	2.70
Green Energy Trading FZ LLC	4.66
Gensol Ventures Private Limited	15.00
Gensol Consultant Pvt Ltd	0.10
Gensol EV Lease Limited (Formerly known as Gensol EV Lease Private Limited)	1.00
Others-operational expenses	0.94
Total	29.25

Returned funds were funneled to entities including Matrix, Gensol Ventures, Gensol Electric Vehicles, Param Renewable, Gensol Consultants, GEV Lease, and Green Energy Trading FZ LLC (Dubai). Further, similar to above, Rs. 4.66 Crores were transferred to M/s Green Energy Trading FZ LLC, out of Rs. 29.25 Crs, in the nature of Loan given to it Intended use of the said fund was creation of Bank Guarantee, however, funds appeared to have transferred to related parties, which shows fund was not transferred for its intended use.

Review of Second Tranche

On review of second tranche of disbursement i.e. Rs. 92.95 Crs, Forensic Auditor has flagged payment of Rs. 15.99 Crs to Scorpius Trackers on 18.03.2024, out of which Rs. 5.99 Crs was transferred back to GEL (which was then transferred to related parties) on the same day, which indicates systematic boomerang transactions. Similar to this, Rs. 9.60 Crs was transferred to Shree NM Electricals Ltd, out of which Rs. 3.84 Crs was received back by GEL and transferred to related parties.

On review of both first and second tranche it appears that a total of Rs. 63.60 Crs has been transferred to related parties/ group entities in the nature of Loans/advances or repayments for loan/advances received earlier and Rs. 9.44 Crs appears to have transferred to other parties not related to the Project.

Non-routing of funds through TRA

As per the sanction terms agreed upon by GEL, all MAHAGENCO related receipts were required to be routed through the designated TRA Account, which was also confirmed by MAHAGENCO's letter dated 15.03.2024 that the amount payable by MAHAGENCO shall be made in designated TRA Account opened with HDFC Bank having account no. ending with 7528. Further, as per terms of Sanction Letter, GEL was allowed to utilize project receivables upto 20 % of contract value in the project implementation and then subsequent receivables shall be utilized towards repayment of IREDA Loan. Forensic Auditor's review shows that ₹137.40 Crs of MAHAGENCO receipts was not routed through the TRA, violating key lender covenants, and was instead deployed toward non-project and related-party disbursements. Funds received from MAHAGENCO has been utilized as follows:

Particulars	Amount
Received in TRA	31.70
Baritech Infra Private Limited	16.44
System Renewable Energy Private Limited	13.74
Indo Tech Transformers Limited	0.65
Others	0.87
Received in Non-TRA	137.40
Gensol Electric Vehicles Private Limited	34.00
Operational Expenses	24.93
Gensol Ventures Private Limited	15.55
Matrix Gas & Renewable Limited	11.40
Go Auto Private Limited	11.34
Param renewable Energy Private Limited	7.10
Green Energy Trading FZ-LLC	6.99
Gensol Consultant Private Limited	5.72
Ultravera Industries Private Limited (formerly known as Wellray Solar Industries Private Limited)	5.00
Gensol EV Lease Limited (Formerly known as Gensol EV Lease Private Limited)	4.45
Blusmart fleet Private Limited	4.00
Gosolar Ventures Private Limited	2.60
Salary Payments	2.08
Scorpius Trackers Private Limited	0.81
Others	1.43
Total	169.10

Based on cumulative patterns of round-tripping, vendor refunds, foreign transfers, and non-TRA routing, the forensic team concludes probable diversion/misutilization of ₹73.02 crore (indicative) for this project and non-TRA routing of Rs. 137.40 Crs.

ii. Project 2740 – DVC (30 MW AC Floating Solar)

IREDA had sanctioned Loan of Rs. 121.00 Crs on 08.09.2023 to GEL for EPC of 30 MW AC Floating Solar for M/s Damodar Valley Corporation ("DVC"). GEL had brought in Promoter contribution of Rs 21.95 Crs. Accordingly, IREDA had disbursed Rs. 60.00 Crs on 30.09.2023, Rs. 40.00 Crs on 06.01.2024 and Rs. 21.00 Crs on 27.03.2024 in TRA Account No. XXXX1739 maintained with HDFC Bank.

Review of First tranche

Rs. 60.51 Crs was transferred by GEL to following parties-:

Particulars	Amount
Saatvik Green Energy Private Limited	35.10
Floatex Solar Private Limited	16.58
Sunkind India Limited	2.02
ICICI Bank -XXXXXXXX1635 – for bank guarantee	6.81
Total	60.51

Upon Review of payment made to Floatex Solar Pvt Ltd it has been observed by Forensic Auditor that 15.00 Crs was transferred back to GEL on 12.01.2024, showing boomerang transactions. Upon review of payment made to GEL ICICI Bank Account- XXXXXX1635 for purpose of obtaining a Bank Guarantee, it is observed by Forensic Auditor that the said amount was transferred to various parties, as follows:

Party Name	Amount
Bridge2me Solutions FZ-LLC	2.20
Blu Smart Fleet Private Limited	2.03
Power And sun Solar Systems Opc	0.71
Ultravera Industries Private Limited (formerly known as Wellray Solar Industries Private Limited)	0.60
Gensol Consultant Private Limited	0.70
Gosolar Ventures Private Limited	0.40
Param Renewable Energy Private Limited	0.10
Others-operational Expense	0.07
Total	6.81

Above shows that the fund which was transferred for creation of Bank Guarantee , was directed to above referred related parties and interestingly Rs. 2.20 Crs was transferred outside India to M/s Bridge 2 me Solution FZ-LLC., however, relation of said party with GEL is not clear. Further, Rs. 35.10 Crs transferred to M/s Saatvik Green Energy Pvt Ltd was entirely transferred back to GEL owing to cancellation of contract and thereafter Rs. 31.84 Crs was transferred to Rayzon Solar, of which Rs. 29.69 was again transferred back to GEL on 22.02.2024, which was then released to related parties as detailed below-:

Party Name	Amount
Matrix Gas and Renewables Limited.	9.72
Blu Smart Fleet Private Limited	8.99
Go Auto Private Limited	5.21
Gensol Electric Vehicles Private Limited	0.20
Gensol EV Lease Limited (Formerly known as Gensol EV Lease Private Limited)	1.05
Gensol Ventures Private Limited	0.60
GoSolar Venture Private Limited	1.00
Gensol Consultant Private Limited	0.60
Others-operational Expense	2.32
Total	29.69

Review of Second Tranche

Rs. 46.32 Crs was transferred from GEL to various parties as follows:

Particulars	Amount
Sunkind India Limited	17.77
System Renewable Energy Private Limited	14.27
Alnico Electric Private Limited	1.50
Shilchar Technologies Limited	2.25
Floatex Solar Private Limited	10.53
Total	46.32

On review of payments made to Floatex Solar Pvt Ltd of Rs. 10.53 Crs, it has been observed that Rs. 10.53 Crs was transferred back to GEL, out of which Rs. 6.17 Crs has been transferred to Green Energy Trading FZ LLC (Subsidiary of GEL) in nature of loan, however, no connection exists between the amount disbursed by IREDA and thereafter amount diverted to Green Energy Trading FZ LLC. Similary, funds disbursed to Alnico and Shilchar as mentioned in table above was also received back by GEL and transferred to other entities.

Review of Third Tranche

Rs. 21.00 Crs has been transferred by GEL to following parties:

Particulars	Amount
Rayzon Solar Limited	19.90
Indian Renewable Energy Development Agency (Repayment of Interest)	1.09
Total	20.99

Review of payments made to Rayzon Solar reveals that 19.00 Crs was transferred back to GEL and then has been routed to Gensol Consultants Pvt Ltd (related party) of Rs. 18.79 Crs and PFC of Rs. 0.21 Crs.

Review of all the disbursed tranches shows that a total of Rs. 60.59 Crores has been transferred to related parties/ group entities in the nature of loans/advances or repayments for loan/advances received earlier, which was not the intended use of disbursements availed by the GEL and Rs. 37.66 Crs was transferred to parties not related to the project, highlighted as follows:

S.No.	Party Name	Amount
A	***Vendor payments purportedly related to the project***	**41.47**
i	Sunkind India Limited	19.79
ii	System Renewable Energy	14.27
iii	Rayzon Solar Limited	3.05
iv	Shilchar Technologies Limited	2.75
v	Floatex Solar Private Limited	1.61
B	***Other payments***	**9.40**
i	Indian Renewable Energy Development Agency Limited	9.40
C	***Not related to project - Payments to Group Entities***	**60.58**
i	Gensol Consultants Private Limited	20.82
ii	Blu- Smart Fleet Private Limited	11.02
iii	Matrix Gas and Renewables Limited	10.72
iv	Green Energy Trading FZ LLC	6.17
v	Ultravera Industries Private Limited (formerly known as Wellray Solar Industries Private Limited)	7.00
vi	Gensol Electric Vehicles Private Limited	1.30
vii	Gensol EV Lease Limited (Formerly known as Gensol EV Lease Private Limited)	1.45
viii	Gensol Ventures Private Limited	0.60
ix	Gosolar Ventures Private Limited	1.40
x	Param Renewable Energy Private Limited	0.10
D	***Not related to project - Other parties/operational payments***	**37.66**
i	Go Auto Private Limited	5.21
ii	Purshotam Profiles Private Limited	4.00
iii	Bridge2me Solutions FZ-LLC	2.20
iv	Voyager Trading Partners LLC	2.04
v	Power Finance Corporation	0.71
vi	Insurance	1.07
vii	Advance Bank Guarantee	13.67
viii	Others-operational Expense	8.76
	Total	149.11

Non-routing of funds through TRA

As per the sanction terms agreed upon by GEL, all DVC related receipts were required to be routed through the designated TRA Account, which was also confirmed by DVC's letter dated 29.11.2023 that the amount payable by DVC shall be made in designated TRA Account opened with HDFC Bank having account no. ending with 1739. Further, as per terms of Sanction Letter, GEL was allowed to utilize project receivables upto 20 % of contract value in the project implementation and then subsequent receivables shall be utilized towards repayment of IREDA

Loan. Forensic Auditor's review shows that Rs. 91.16 Crs of DVC receipts was not routed through the TRA, violating key lender covenants, and was instead deployed toward non-project and related-party disbursements. Funds received from DVC has been utilized as follows:

Party Name	Amount
Group Entities	**39.50**
Gensol Consultants Private Limited	29.24
Param Renewable Energy Private Limited	7.91
Gensol Electric Vehicles Pvt. Ltd.	0.61
Gensol Venture Pvt Ltd	0.40
Matrix Gas and Renewables Limited	0.72
GoSolar Venture Pvt Ltd	0.27
Param Care Pvt Ltd	0.35
Other parties/operational payments	***51.67***
Indian Renewable Energy Development Agency	21.51
Go Auto Private Ltd.	7.86
Baritech infra pvt ltd	5.43
Ultravera Industries Private Limited (formerly known as Wellray Solar Industries Private Limited)	0.40
Repayment of Loan	0.45
HDFC-4757 (Balance outstanding as on 31st March 2025)	1.50
Langfang Sol-Bright New Energy Technology Co. Ltd.	0.98
Other-Operational Expense	13.54
Total	91.17

Based on cumulative patterns of round-tripping, vendor refunds, foreign transfers, and non-TRA routing, the forensic team concludes probable diversion/misutilization of Rs. 60.59 crore (indicative) for this project and non-TRA routing of Rs. 91.17 Crs.

CHAPTER 7- INITIATION OF FRAUD EXAMINATION PROCEEDINGS

7.1

Upon completion of the preliminary examination and consideration of the forensic audit report together with the supporting documentary material available on record, IREDA formed a prima facie opinion that the material disclosed circumstances warranting initiation of proceedings under the Reserve Bank of India Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024 ("RBI Master Direction").

7.2

The material available before IREDA, at the stage of initiation of proceedings, disclosed allegations relating to diversion of loan proceeds, movement of funds through entities unconnected with execution of the financed projects, discrepancies in procurement records, non-routing of receivables through the designated Trust and Retention Accounts ("TRA"), alleged submission of forged communications before credit rating agencies, and other acts requiring examination under the fraud indicators contemplated by the RBI Master Direction.

7.3

Having regard to the seriousness of the allegations and the potential regulatory consequences of fraud classification, IREDA considered it imperative that the Borrower and all concerned persons be afforded full opportunity to explain their position before any final decision was taken. Accordingly, the present proceedings were initiated strictly in accordance with the procedure prescribed under the RBI Master Direction and the Fraud Risk Management Policy of IREDA.

CHAPTER 8- ISSUANCE OF SHOW CAUSE NOTICES

8.1

In compliance with the principles of natural justice, detailed Show Cause Notices were issued by IREDA to the Borrower and the concerned Noticees (hereinafter "Noticees") on 27.02.2026 as detailed below-:

S.No.	Director name
1.	Puneet Singh Jaggi
2.	Anmol Singh Jaggi
3.	Jasminder Kaur
4.	Ali Imran Naqvi

The notices set out, in detail, the allegations proposed to be examined, the material proposed to be relied upon and the provisions of the RBI Master Direction under which the proceedings had been initiated.

8.2

The Show Cause Notices narrated the factual background, identified the specific transactions proposed to be examined, referred to the findings emerging from the forensic audit and other documentary material, and called upon the Noticees to explain why the account should not be classified as Fraud under the RBI Master Direction, and specifically asked the following-:

1. Why should action not be initiated against you for submission of a forged/ fabricated letters to rating agencies in relation to your Loan Obligations with IREDA as

enumerated in SCN "S.No. 1. Forged/ Misrepresented Letters submitted to Credit Rating Agencies"?

2. Why should action not be initiated against you for diversion/misappropriation of funds" above?
3. Why should action not be initiated against you for not routing sales proceeds to the tune of Rs. 137.40 Crs generated from MAHAGENCO EPC Project through TRA Account (as enumerated in SCN, S.No. 2i. Project 2791- MAHAGENCO (62 MW AC EPC))" above?
4. Why should action not be initiated against you for not routing sales proceed to the tune of Rs. 91.16 Crs generated from m/s Damodar Valley Corporation EPC Project through TRA Account (as enumerated in SCN, "S.No. 2 ii. Projects 2740-DVC" above?
5. Why should action not be initiated against you for other irregularities as mentioned above.

8.3

The notices also informed the Noticees that they were entitled to submit written replies together with all documents and evidence upon which they intended to rely in support of their defence. The Noticees were further informed that an opportunity of personal hearing would be afforded before any final decision was taken.

8.4

The notices were served upon the Borrower and the individual Noticees through the modes recognised under law. Wherever necessary, additional communications were issued to ensure effective service. The records maintained by IREDA demonstrate that the Noticees were duly informed of the proceedings and were afforded adequate opportunity to participate therein.

CHAPTER 9- SUPPLY OF MATERIALS AND OPPORTUNITY OF DEFENCE

9.1

Subsequent to issuance of the Show Cause Notices, the Noticees sought copies of various documents relied upon by IREDA, including the forensic audit report and other supporting material. IREDA considered the requests and supplied the documents vide email dated 19.04.2026 & 24.04.2026 which formed the basis of the allegations, subject to the requirements of law and confidentiality, thereby enabling the Noticees to effectively respond to the allegations.

9.2

In addition to the initial replies submitted in response to the Show Cause Notices, the Noticees were granted sufficient time to file supplementary replies after receipt of the forensic audit report. Wherever extensions of time were sought on reasonable grounds, IREDA considered such requests in accordance with law and granted appropriate opportunity to enable the Noticees to present their defence comprehensively.

CHAPTER 10- PERSONAL HEARINGS

10.1

Consistent with the requirements of the RBI Master Direction and the principles of natural justice, IREDA afforded an opportunity of personal hearing to the Borrower and the concerned Noticees. Personal Hearing was given to following Noticees on-:

S.No.	Noticee Name	Date
1.	Mr. Puneet Jaggi	06.05.2026
2.	Imran Ali Naqvi	06.05.2026

However, Mr. Anmol Jaggi not appeared & Ms. Jasminder Kaur did not seek opportunity for personal hearing.

10.2

During the course of the personal hearing(s), the Noticees were permitted to advance oral submissions, clarify their written replies, explain the documentary material relied upon by them and respond to the issues arising from the forensic audit and the documents forming part of the record.

CHAPTER 11- REPLIES SUBMITTED BY THE NOTICEES AND THEIR CONSIDERATION BY IREDA

11.1

Pursuant to the issuance of the Show Cause Notices, the Borrower has not submitted any reply and the individual Noticees submitted detailed written replies denying the allegations contained therein. Supplementary replies and additional documents were also submitted after supply of the forensic audit report. The Noticees further advanced oral submissions during the course of the personal hearing(s).

11.2

The principal submissions advanced by the Noticees may broadly be summarised as follows:

(a) that the forensic audit proceeds on erroneous factual assumptions and ignores the commercial realities of execution of large infrastructure and electric mobility projects;

(b) that the movement of funds identified by the forensic auditor constituted legitimate commercial transactions undertaken in the ordinary course of business and did not amount to diversion or misappropriation of lender funds;

(c) that the alleged discrepancies in procurement records, invoices and statutory documents were procedural or accounting irregularities without any fraudulent intent;

(d) that delays in project implementation, vendor payments and routing of funds arose on account of commercial exigencies and operational requirements rather than any intention to defeat the interests of IREDA;

(e) that the observations relating to project receivables and operation of the Trust and Retention Account ("TRA") did not correctly appreciate the contractual arrangements governing the respective projects;

(f) that the communications relied upon by IREDA in relation to the credit rating agencies had either been misunderstood or did not establish any deliberate act attributable to the Noticees;

(g) that no wrongful gain had accrued to the individual Noticees and that the essential ingredients of fraud were therefore absent;

(h) that the forensic auditor had failed to consider several documents and explanations furnished by the Borrower during the course of the audit.

CHAPTER 13- TRANSITION TO ISSUES FOR DETERMINATION

13.1

In view of the foregoing discussion, IREDA proceeds to examine the material allegations issue-wise. Such examination shall be undertaken by analysing the evidence relating to each allegation separately, considering the corresponding defence advanced by the Noticees and recording findings on the basis of the cumulative documentary evidence available on record.

13.2

Accordingly, the following issues arise for determination:

(i) Whether the documentary evidence establishes diversion or misutilisation of lender funds.

(ii) Whether the evidence establishes submission or use of forged communications before the credit rating agencies.

(iii) Whether project receivables were diverted outside the agreed Trust and Retention Account mechanism.

(iv) Whether the discrepancies identified in the procurement records, statutory filings and banking transactions stand satisfactorily explained.

(v) Whether the conduct established on record attracts the fraud indicators contemplated under the RBI Master Direction.

(vi) Whether the account of M/s Gensol Engineering Limited is liable to be classified as **Fraud** under the applicable regulatory framework.

PART – II- ISSUE-WISE APPRECIATION OF EVIDENCE

PART II A- SUBMISSION OF FORGED / FABRICATED LETTERS PURPORTING TO HAVE BEEN ISSUED BY IREDA BEFORE CARE RATINGS LIMITED AND ICRA LIMITED

CHAPTER 14- INTRODUCTION OF ISSUES IN PART IIA

14.1

Having examined the procedural aspects of the present proceedings in Part-I, IREDA now proceeds to examine the allegations on merits.

The first issue requiring determination relates to the submission and use of documents purportedly issued by IREDA before Credit Rating Agencies, namely CARE Ratings Limited ("CARE") and ICRA Limited ("ICRA"), for obtaining favourable rating actions and lender conduct confirmation.

The allegation is of considerable significance since the integrity of communications issued by a lending institution constitutes the foundation upon which credit rating agencies, lenders and market participants assess the creditworthiness of a borrower. Any unauthorised creation or use of documents purporting to emanate from a regulated financial institution has the potential to materially mislead third parties and undermine the credibility of the lending process.

14.2 SCOPE OF DETERMINATION

The issue arising for consideration is not merely whether certain documents subsequently came to be found to be incorrect.

The questions requiring determination are:

(i) Whether the letters dated **22.02.2025** and **27.02.2025**, purportedly issued on behalf of IREDA, were in fact issued or authorised by IREDA;

(ii) Whether such letters were submitted before CARE Ratings Limited and ICRA Limited;

(iii) Whether the contents of such letters correctly represented the status of the Borrower's loan accounts;

(iv) Whether the explanations furnished by the Borrower and the individual Noticees satisfactorily explain the origin, preparation and submission of such documents; and

(v) Whether the conduct established from the documentary evidence attracts the fraud indicators contemplated under the RBI Master Direction.

14.3 DOCUMENTARY MATERIAL RELIED UPON

For adjudication of the present issue, IREDA has relied upon the following documentary material forming part of the record:

(a) Email dated **03.03.2025** received from CARE Ratings Limited requesting verification of a purported letter dated **22.02.2025** allegedly issued by IREDA granting consent for withdrawal of the CARE rating.

(b) Email dated **03.03.2025** received from CARE Ratings Limited requesting verification of another purported letter dated **27.02.2025** allegedly issued by IREDA certifying that there were no overdue amounts, no unpaid instalments, no delay in repayment of loan dues and that the conduct of the Borrower's account was standard and regular.

(c) Email dated **04.03.2025** received from ICRA Limited requesting verification of a purported IREDA letter dated **27.02.2025** containing statements substantially similar to those referred to above.

(d) Internal records of IREDA relating to issuance of lender communications.

(e) Findings emerging from the forensic examination.

(f) Written replies submitted by the Borrower and the individual Noticees.

(g) Oral submissions advanced during the personal hearings.

14.4 EVENTS LEADING TO DISCOVERY OF THE IMPUGNED DOCUMENTS

The record reveals that on **03.03.2025**, CARE Ratings Limited addressed an email to IREDA seeking verification of a letter dated **22.02.2025** which purported to have been issued by IREDA granting its consent to withdrawal of the Borrower's credit rating from CARE.

On the same date, CARE also forwarded another communication seeking verification of a further letter dated **27.02.2025**, purportedly issued by IREDA, wherein it had allegedly been certified that:

- there were no overdue amounts in the loan account;
- there were no unpaid instalments;
- there had been no delay in repayment of loan obligations; and
- the conduct of the Borrower's account was standard and regular.

Thereafter, on **04.03.2025**, ICRA Limited also sought verification of another letter dated **27.02.2025** containing substantially identical lender confirmations.

These communications were received directly from the respective Credit Rating Agencies and were treated by IREDA as requiring immediate verification, considering that they purported to emanate from IREDA itself.

14.5 INTERNAL VERIFICATION BY IREDA

Immediately upon receipt of the aforesaid communications, IREDA undertook verification of its internal records.

Upon such verification, IREDA found that the purported letters dated **22.02.2025** and **27.02.2025** were **not traceable in the official records** of the Corporation and issued by any officials of IREDA. Further, no record was found indicating that the said communications had been approved by the competent authority or issued through any authorised officer of IREDA.

The internal verification thus established, prima facie, that the impugned letters did not originate from the official records of IREDA.

14.6 FACTUAL INCONSISTENCIES IN THE IMPUGNED LETTERS

Apart from the absence of any official issuance record, IREDA also noticed that the contents of the impugned letters themselves were inconsistent with the contemporaneous status of the Borrower's loan account.

In particular, the purported letters represented that:

- there were no overdue amounts;
- there had been no delay in servicing the loan;
- there were no unpaid instalments; and
- the account was standard and regular.

However, the contemporaneous records of IREDA reflected that, during the relevant period, the Borrower's account had already been classified as **Special Mention Account (SMA)** owing to default in repayment obligations.

14.7 EXPERT OPINION FOR FORENSIC DOCUMENT EXAMINATION OF SIGNATURE SAMPLES

IREDA apart from above had also initiate forensic document examination, wherein, forensic examiner was required to examine/compare whether the signature samples marked as 'S-1' and 'Q-1' has or has not written by the same writer.

After examining the signature samples, forensic examiner concluded that signature samples are distinctive or have completely different characteristics.

14.8 PRIMA FACIE NATURE OF THE ALLEGATION

At this stage, it is clarified that the foregoing discussion merely records the documentary circumstances which led to initiation of the present proceedings.

The above material formed the basis upon which IREDA formed a prima facie opinion that:

(a) documents purporting to have been issued by IREDA had been presented before Credit Rating Agencies;

(b) such documents were not traceable to the official records of IREDA and signed by officials of IREDA;

(c) the contents of such documents were inconsistent with the contemporaneous status of the Borrower's account; and

(d) Signature samples are distinctive and have completely different characteristics than mentioned in Letters to rating agencies.

(e) the circumstances warranted issuance of Show Cause Notices calling upon the Borrower and the individual Noticees to explain the origin, authenticity and submission of the aforesaid communications.

CHAPTER 15- REPLIES SUBMITTED BY THE NOTICEES IN RESPECT OF THE ALLEGED FORGED COMMUNICATIONS

15.1

Pursuant to the issuance of the Show Cause Notices and the supply of the forensic audit report and other relied upon documents, the individual Noticees submitted detailed written replies denying the allegations relating to the purported forged communications allegedly submitted before CARE Ratings Limited ("CARE") and ICRA Limited ("ICRA"). Supplementary replies and written submissions were also filed after receipt of the forensic audit report, and oral submissions were advanced during the course of the personal hearings.

15.2

IREDA has carefully considered the replies submitted by all the Noticees. Although several submissions overlap, the principal contentions raised by the Noticees, insofar as they relate to the alleged forged CARE and ICRA letters, are summarised hereunder.

A. COMMON DEFENCE RAISED BY THE NOTICEES

15.3

The Noticees have, as a common defence, contended that neither the Borrower nor any of the individual directors prepared, signed or authorised the alleged forged letters purportedly issued in the name of IREDA. It has been submitted that the Show Cause Notices proceed on assumptions regarding authorship of the documents without producing any direct evidence identifying the person who allegedly created, fabricated or transmitted the impugned communications.

B. ROLE OF GLOBAL FINSERVE LLP

15.4

A principal defence advanced by the Noticees is that communications with CARE and ICRA were being handled by **Global Finserve LLP**, an external consultant engaged by the Borrower for liaison with the credit rating agencies. It has been submitted that the responsibility for coordinating with the rating agencies, forwarding documents and facilitating the rating process had been entrusted to the said consultant and not to the directors individually.

15.5

The Noticees have specifically referred to **Mr. Ayush Jain**, associated with Global Finserve LLP, and have contended that he acted as the intermediary between the Borrower and the credit rating agencies. According to the replies, the communications forwarded to CARE and ICRA were transmitted by the consultant during the course of the rating exercise, and no material has been produced to establish that any of the Noticees personally generated or transmitted the impugned letters.

C. COMPLAINT BEFORE THE ECONOMIC OFFENCES WING

15.6

The Noticees have further submitted that, immediately upon becoming aware of the existence of suspicious documents purporting to have been issued by IREDA, the Borrower itself initiated steps by lodging a complaint before the Economic Offences Wing ("EOW"). According to the Noticees, the very act of approaching the investigating agency is inconsistent with any allegation that the Borrower or its directors were themselves responsible for fabrication of the documents.

15.7

It has been argued that the filing of the complaint demonstrates that the Borrower was itself a victim of the alleged fabrication and that the issue ought properly to be investigated by the competent law enforcement authorities before any adverse inference is drawn against the Borrower or its directors.

D. SUBMISSIONS REGARDING THE STATUS OF THE LOAN ACCOUNT

15.8

The Noticees have also disputed the allegation that the statements contained in the impugned letters were demonstrably false. According to the replies, the classification of the loan account and the communications exchanged between the parties during the relevant period require a holistic appreciation. It has been contended that the observations in the Show Cause Notice do not fully account for the factual circumstances prevailing at the relevant time and therefore the alleged inconsistencies cannot, by themselves, establish fabrication or fraudulent intent.

E. ABSENCE OF MENS REA

15.9

The Noticees have emphasised that fraud is a serious allegation carrying significant civil and regulatory consequences. They submit that there is no material establishing any dishonest intention, wrongful gain or deliberate attempt on the part of the Borrower or the individual Noticees to mislead the credit rating agencies. According to the replies, the Show Cause Notices proceed on inference rather than proof and fail to establish the essential factual foundation necessary for a finding of fraud.

F. INDIVIDUAL REPLIES

15.10 REPLY OF SHRI PUNEET SINGH JAGGI

Shri Puneet Singh Jaggi has denied any involvement in the preparation, issuance or transmission of the alleged forged letters. He has contended that the rating process was being handled through external consultants and that no material has been produced establishing his personal participation in the alleged acts. He has further disputed the evidentiary value of the forensic examination insofar as it attributes responsibility without identifying the actual source of the disputed communications.

15.11 REPLY OF SHRI ANMOL SINGH JAGGI

Shri Anmol Singh Jaggi has adopted substantially similar submissions and has denied any role in creation or use of the impugned letters. It has been contended that the Show Cause Notice fails to identify any specific act attributable to him and that liability cannot be inferred merely from his position as a director of the Borrower.

15.12 REPLY OF SHRI ALI IMRAN NAQVI

Shri Ali Imran Naqvi has submitted that his responsibilities were limited to the functions assigned to him within the organisation and that there is no documentary evidence linking him with the alleged forged communications. He has denied knowledge of the preparation or transmission of the disputed letters and has disputed the allegation that he participated in any fraudulent conduct.

15.13 REPLIES OF OTHER NOTICEES

The remaining Noticees have also denied participation in the alleged acts and have broadly adopted the common defence that the Show Cause Notices rely upon presumptions unsupported by direct documentary evidence. They have reiterated that the forensic examination is not conclusive and that no technical or forensic examination has established authorship of the disputed documents.

CHAPTER 16- ISSUES EMERGING FROM THE DEFENCE

16.1

From the replies submitted by the Noticees, the following principal questions emerge for consideration:

(i) Whether the absence of direct evidence identifying the author of the impugned letters is sufficient to displace the documentary material relied upon by IREDA.

(ii) Whether the involvement of Global Finserve LLP or its representatives satisfactorily explains the origin and submission of the disputed communications.

(iii) Whether the complaint lodged before the Economic Offences Wing negates the allegations contained in the Show Cause Notices.

(iv) Whether the contemporaneous records relating to the status of the loan account support the statements contained in the impugned letters.

(v) Whether the explanations furnished by the Noticees satisfactorily reconcile the documentary evidence forming part of the record.

16.2

The aforesaid questions are now required to be examined in the light of the contemporaneous documentary evidence, the internal records of IREDA, the communications received from CARE and ICRA, the findings of the forensic examination, and the replies submitted by the Noticees.

CHAPTER 17- CONSIDERATION OF THE REPLIES AND APPRECIATION OF EVIDENCE BY IREDA

17.1 GENERAL CONSIDERATION

IREDA has carefully considered the written replies, supplementary submissions and oral arguments advanced on behalf of the Borrower and the individual Noticees in relation to the allegations concerning the purported letters submitted before CARE Ratings Limited ("CARE") and ICRA Limited ("ICRA"). The submissions have been examined in conjunction with the Show Cause Notices, the forensic Audit Report, Forensic Examination Report, , the communications received from the credit rating agencies..

17.2 WHETHER THE IMPUGNED LETTERS ORIGINATED FROM IREDA

The first and foremost question requiring consideration is whether the letters dated **22.02.2025** and **27.02.2025**, which were forwarded by CARE and ICRA for verification, were in fact issued by IREDA.

Immediately upon receipt of the emails from CARE and ICRA, IREDA undertook verification of its internal records, including the dispatch records, approval files and official correspondence maintained by the concerned departments. The verification did not reveal any record demonstrating that the impugned letters had been generated, approved or issued through the official processes of IREDA. No approval of the competent authority authorising issuance of such letters has been produced before IREDA, nor have the Noticees relied upon any contemporaneous record demonstrating that the letters formed part of IREDA's official correspondence.

Accordingly, IREDA finds that the explanation furnished by the Noticees does not satisfactorily displace the documentary position emerging from the Corporation's own records.

17.3 DEFENCE REGARDING GLOBAL FINSERVE LLP

A principal defence raised by the Noticees is that the rating exercise was being coordinated through **Global Finserve LLP** and that communications with CARE and ICRA were handled by the said consultant, including through its representative, **Mr. Ayush Jain**. It has been contended that the consultant acted as an intermediary and that the Borrower and its directors cannot therefore be held responsible for the disputed communications.

IREDA has carefully considered the above submission. The contention may explain the mode through which communications were exchanged with the rating agencies. However, it does not, by itself, answer the more fundamental question that arises in the present proceedings, namely, how documents purporting to have been issued by IREDA, but not traceable to IREDA's official records, came to be placed before the credit rating agencies during the rating process.

Further, upon examination of records, it has been identified that the concerned forged letter (Conduct letter) to CARE Ratings Limited (Credit Rating Agency) was submitted by Mr. Anmol Singh Jaggi via mail on 28.02.2025 (Source- Trailing mail communication dated 03.03.2025 by CARE Ratings Limited) and the concerned forged letter (Rating withdrawal letter) CARE Ratings Limited (Credit Rating Agency) was submitted by Mr. Ayush Jain via mail on 28.02.2025 (Source- Trailing mail communication dated 03.03.2025 by CARE Ratings Limited) in which Mr. Anmol Singh Jaggi was marked marked in copy (CC).

The above available record indicates that Promotor/Directors was well aware of the fact. Further delegation of functions to external consultant/ professional agencies does not, by itself, absolve the borrower company or its Directors from their responsibility and accountability regarding the authenticity, accuracy, and correctness of information and documents submitted on behalf of the company. The ultimate responsibility for ensuring that information furnished to Credit Rating Agencies is true, complete, and free from misrepresentation rests with the company and its authorised management

17.4 DEFENCE BASED UPON THE COMPLAINT BEFORE THE ECONOMIC OFFENCES WING

The Noticees have also relied upon the complaint lodged before the Economic Offences Wing ("EOW") and have contended that the filing of such complaint demonstrates that the Noticees itself was a victim of the alleged fabrication.

IREDA has taken note of the said submission. However, the existence of such complaint does not, by itself, determine the authenticity of the impugned letters or resolve the issues arising in the present proceedings. The EOW complaint is an investigative step requesting examination by the competent agency; it is not, in itself, determinative of the factual issues which IREDA is required to examine under the RBI Master Direction.

The present proceedings are regulatory proceedings confined to determining whether the material available on record attracts the fraud indicators contemplated under the applicable regulatory framework. Accordingly, while the complaint has been taken into consideration, it does not by itself negate or explain the documentary circumstances giving rise to the present proceedings.

17.5 CONSISTENCY OF THE CONTENTS OF THE IMPUGNED LETTERS

IREDA has also considered the submission that the statements contained in the impugned letters require holistic appreciation in light of the commercial relationship between the parties. This contention cannot be accepted without qualification. The communications forwarded by the rating agencies represented, inter alia, that there were no overdue amounts, no unpaid instalments, no delay in repayment and that the conduct of the account was regular. The contemporaneous records maintained by IREDA during the relevant period, however, reflected a different position regarding the status of the loan account. It mentioned that Account is SMA-1 at the given time. The Noticees have not produced any contemporaneous record issued by IREDA supporting the assertions contained in the impugned letters.

Accordingly, the explanations offered do not satisfactorily reconcile the apparent inconsistency between the contents of the impugned letters and the official records maintained by IREDA.

17.6 EVIDENTIARY VALUE OF THE COMMUNICATIONS RECEIVED FROM CARE AND ICRA

IREDA also finds it significant that the impugned documents did not surface through an anonymous source or an unverified third party. They were brought to the notice of IREDA by the credit rating agencies themselves, which sought confirmation regarding the authenticity of documents represented to have been issued by IREDA. The communications from CARE and ICRA therefore constitute contemporaneous documentary material demonstrating that such documents had entered the rating process and were sufficiently relied upon by the rating agencies to warrant independent verification from the purported issuer.

17.7 OVERALL APPRECIATION

Having considered the material on record, IREDA is of the view that the replies submitted by the individual Noticees raise several factual and legal contentions which have been duly considered. Nevertheless, the explanations do not satisfactorily account for the presence of the impugned letters before CARE and ICRA, do not reconcile their absence from IREDA's official records, and do not explain the inconsistency between the contents of the letters and the contemporaneous status of the loan account.

The submissions relating to Global Finserve LLP, the EOW complaint and the absence of direct evidence identifying the author, those submissions do not, at this stage, sufficiently displace the objective documentary circumstances emerging from the communications received from the credit rating agencies and the internal records of IREDA.

CHAPTER 18- FINDINGS ON PURPORTED IREDA COMMUNICATIONS SUBMITTED BEFORE CARE AND ICRA

18.1 INTRODUCTION

Having examined the documentary evidence relied upon by IREDA, the replies submitted by the Borrower and the individual Noticees, the oral submissions advanced during the personal hearing(s), and the contemporaneous records available on file, IREDA now proceeds to record its findings on Issue No. I.

These findings are confined to the regulatory determination required under the RBI Master Direction and are based upon the cumulative appreciation of the material available on record.

18.2 FINDING REGARDING THE AUTHENTICITY OF THE IMPUGNED LETTERS

The contemporaneous record establishes that CARE Ratings Limited, by email dated **03.03.2025**, and ICRA Limited, by email dated **04.03.2025**, sought verification from IREDA regarding letters purportedly issued by IREDA and relied upon during the credit rating process.

Upon receipt of the aforesaid communications, IREDA undertook verification through its official records. The verification did not reveal any evidence that the letters dated **22.02.2025** and **27.02.2025** had been approved, generated, signed or issued through the official processes of IREDA.

Accordingly, IREDA records the finding that the impugned letters cannot be regarded as genuine communications issued by Noticees in the ordinary course of its official business.

18.3 FINDING REGARDING THE CONTENTS OF THE IMPUGNED LETTERS

The impugned communications, as forwarded by the credit rating agencies, contained representations to the effect that there were no overdue amounts, no unpaid instalments, no delay in repayment and that the conduct of the Borrower's account was regular.

However, the contemporaneous records maintained by IREDA during the relevant period reflected the prevailing status of the loan account, and the statements contained in the impugned letters were not shown to be supported by any contemporaneous communication or record issued by IREDA. The Noticees have not produced any official document demonstrating that

IREDA had, at the relevant time, authorised or communicated the statements attributed to it in the impugned letters.

IREDA therefore finds that the contents of the impugned letters do not stand corroborated by its own official records.

18.4 FINDING REGARDING SUBMISSION BEFORE CARE AND ICRA

The material on record establishes that the impugned letters were in the possession of CARE and ICRA during the rating process and were sufficiently relied upon by those agencies to prompt independent verification from IREDA. The emails addressed by CARE and ICRA to IREDA constitute contemporaneous evidence that documents represented to have been issued by IREDA had entered the rating process.

The replies submitted by the Noticees do not dispute that the rating exercise was being undertaken through external coordination. Instead, the defence proceeds primarily on the basis that communications with the rating agencies were handled by Global Finserve LLP and its representatives. Even if that explanation is accepted as regards the channel of communication, it does not explain the presence of documents purporting to have emanated from IREDA, when such documents are not borne out by IREDA's own records.

Accordingly, IREDA finds that the documentary record satisfactorily establishes that the impugned communications were presented before the credit rating agencies during the rating process.

18.5 FINDING REGARDING THE REPLIES OF THE NOTICEES

IREDA has carefully considered the explanations advanced by the Noticees, including:

(a) the role attributed to Global Finserve LLP;

(b) the alleged involvement of Mr. Ayush Jain;

(c) the complaint lodged before the Economic Offences Wing;

(d) the contention regarding absence of direct evidence identifying the author of the documents; and

(e) the challenge to the evidentiary value of the forensic audit report.

These submissions have been accorded due consideration. However, they do not satisfactorily explain the following objective circumstances emerging from the record:

(i) the absence of the impugned letters from IREDA's official records;

(ii) the absence of any approval or authorisation for issuance of such communications;

(iii) the inconsistency between the contents of the impugned letters and the contemporaneous records maintained by IREDA; and

(iv) the fact that the documents were placed before independent credit rating agencies as communications purportedly issued by IREDA.

18.6 FRAUD INDICATOR UNDER THE RBI MASTER DIRECTION

The RBI Master Direction contemplates examination of conduct involving, inter alia, cheating by concealment of facts with the intention to deceive any person and cheating by impersonation, forgery with the intention to commit fraud by making any false documents/electronic records, misappropriation of funds and criminal breach of trust, and other acts having the effect of misleading regulated entities or participants in the financial system.

On the basis of the evidence discussed above, IREDA finds that the use of communications purporting to have been issued by IREDA, which are not borne out by its official records and whose contents are inconsistent with the contemporaneous position reflected in those records, constitutes a serious irregularity warranting regulatory scrutiny under the fraud risk management framework.

Whether this conduct, when considered together with the remaining allegations examined in this Order, ultimately justifies classification of the account as Fraud shall be determined after appreciation of the evidence relating to all the issues framed for consideration.

18.7 Conclusion on Issue No. I

For the reasons recorded hereinabove, IREDA records the following findings:

1. The letters dated **22.02.2025** and **27.02.2025**, relied upon by CARE and ICRA during the credit rating process, are not shown to have been issued or authorised through the official processes of IREDA.
2. The contents of the impugned communications are not corroborated by the contemporaneous official records maintained by IREDA.
3. No reply received from the Borrower, and the explanations furnished by the Noticees do not satisfactorily reconcile the presence of the impugned communications before the credit rating agencies or their absence from IREDA's official records.
4. The documentary material establishes the existence of a serious irregularity attracting examination under the fraud indicators contemplated by the RBI Master Direction.

PART II-B- ALLEGED DIVERSION AND MISUTILISATION OF LOAN FUNDS UNDER PROJECT NO. 2583

CHAPTER 19- INTRODUCTION OF ISSUES IN PART IIB

19.1

The second issue arising for determination pertains to the allegations contained in the Show Cause Notice concerning the utilisation of financial assistance extended by IREDA under **Project No. 2583** for procurement of **3,000 Electric Vehicles (EVs)**.

The Show Cause Notice alleges that examination of the fund flow, procurement records and other contemporaneous documents disclosed transactions which were not consistent with the financing structure approved by IREDA and which required examination under the RBI Master Direction. The allegations are founded principally upon the findings emerging from the forensic audit, banking records, statutory records and other documents relied upon in the Show Cause Notice.

The individual Noticees have denied the aforesaid allegations and have submitted that the transactions referred to in the Show Cause Notice were undertaken during the ordinary course of implementation of the project and do not constitute diversion or misutilisation of lender funds. Those submissions shall be examined in the subsequent parts of this Order.

19.2 SANCTION OF FINANCIAL ASSISTANCE

The record indicates that IREDA sanctioned a term loan facility in favour of Gensol Engineering Limited under **Project No. 2583** for financing the procurement of **3,000 Electric Vehicles** proposed to be deployed for commercial operations.

As recorded in the Show Cause Notice, the sanctioned financial assistance formed part of a project-specific financing structure, under which the loan proceeds were to be utilised exclusively for the purpose for which the facility had been sanctioned. The financing structure also contemplated infusion of the stipulated promoter's contribution and compliance with the conditions contained in the sanction letter and the financing documents.

The terms governing utilisation of the loan proceeds constituted an integral part of the financing arrangement and were intended to ensure that the funds were deployed solely towards implementation of the sanctioned project.

19.3 PROJECT COST AND FINANCING STRUCTURE

The Show Cause Notice records that the project was financed through a combination of IREDA's term loan and the Borrower's promoter contribution. According to the financing structure referred to in the Show Cause Notice, the project cost comprised the term loan sanctioned by IREDA together with the stipulated promoter contribution required to be brought in by the Borrower. The financing arrangement contemplated that both components would be deployed towards acquisition of the project assets in accordance with the approved project cost.

The allegations examined in the subsequent chapters include whether the promoter contribution was brought into the project in the manner contemplated under the financing structure and whether the utilisation of the loan proceeds remained consistent with the sanctioned purpose.

19.4 DISBURSEMENT OF LOAN

The Show Cause Notice records that IREDA disbursed the sanctioned financial assistance in accordance with the financing arrangement entered into between the parties. The factum of sanction and disbursement is not in dispute. The controversy in the present proceedings does not relate to the disbursement of the loan by IREDA but to the subsequent utilisation of the funds after their release.

The Show Cause Notice alleges that examination of the subsequent movement of funds disclosed transactions requiring further scrutiny under the RBI Master Direction. Those allegations are founded upon the forensic audit.

19.5 ALLEGATIONS CONTAINED IN THE SHOW CAUSE NOTICE

Without expressing any opinion on their correctness at this stage, the principal allegations contained in the Show Cause Notice in relation to Project No. 2583 may broadly be summarised as follows:

(i) that the promoter contribution reflected in the project financing structure requires examination in light of the movement of funds identified during the forensic audit;

(ii) that examination of the banking transactions revealed movement of loan proceeds through certain entities in a manner requiring scrutiny;

(iii) that the utilisation of the loan proceeds gave rise to concerns regarding adherence to the sanctioned purpose of the facility;

(iv) that examination of procurement documents, GST records, accounting records and other supporting documents revealed discrepancies which have been referred to in the Show Cause Notice;

(v) That fabricated/forged invoices were submitted to IREDA.

(vi) That fictitious or overstated purchase transactions reported to the Lender during the credit process; and (vii) that the cumulative effect of the above circumstances warranted examination under the fraud indicators contained in the RBI Master Direction.

19.6 ISSUES FOR DETERMINATION

In light of the allegations contained in the Show Cause Notice and the defence raised by the Noticees, the following questions arise for consideration in relation to Project No. 2583:

(i) Whether the promoter contribution was brought into the project in accordance with the sanctioned financing structure;

(ii) Whether the movement of the loan proceeds after disbursement remained consistent with the sanctioned purpose;

(iii) Whether the documentary material relied upon by IREDA establishes the transactions referred to in the Show Cause Notice;

(iv) Whether the discrepancies noticed in the procurement and statutory records stand satisfactorily explained by the Noticees;

(v) Whether fabricated/forged invoices were submitted to IREDA;

(vi) Whether fictitious or overstated purchase transactions reported to the Lender during the credit process; and

(vii) Whether the material on record, after considering the replies, establishes any fraud indicator under the RBI Master Direction.

The above questions are examined sequentially in the succeeding chapters.

CHAPTER 20- EXAMINATION OF MOVEMENT OF LOAN FUNDS AND TRANSACTIONS REFLECTED IN THE DESIGNATED TRA ACCOUNT

During the course of multiple loan disbursements made for the procurement of electric vehicles, the borrower received funds in designated trust and retention accounts and transferred substantial amounts to Go Auto Pvt. Ltd. vehicle supplier towards the stated purpose of vehicle acquisition. However, it was observed that significant portions of these funds were returned by the supplier to the borrower shortly after receipt. The returned funds were thereafter diverted to group entities and utilized for purposes unrelated to the sanctioned objective, including operational payments and other transactions. Further examination revealed that a portion of the lender's funds was routed through related parties and ultimately used for transactions unconnected with the acquisition of electric vehicles, including payments towards luxury real estate and transfers involving promoter-linked entities. These transactions, as also highlighted in regulatory proceedings, demonstrate diversion and misutilization of loan proceeds through connected entities.

It was also observed that amounts returned by the supplier were parked in fixed deposits and subsequently distributed among various group entities, indicating a structured pattern of fund rotation and round-tripping rather than utilization for the intended purpose of vehicle procurement. The forensic audit further established that, despite the loan having been sanctioned for the purchase of a specified number of electric vehicles, only a substantially lower number of vehicles were actually procured. The significant shortfall in procurement, coupled with the diversion, round-tripping, and unrelated utilization of loan proceeds, evidences prima facie misappropriation and misuse of the lender's funds in violation of the sanctioned terms of the loan.

20.1 Review of Purchases

It is pertinent to mention herein that Loan was given to purchase 3000 EVs, however to our shock as pointed by Forensic Auditor, only 1549 vehicles have been procured out of 3000 EVs, which evidence clear misappropriation of Loan funds disbursed, the same is detailed as follows-:

As per GEL's Books	Required Purchases	Actual Purchases
Tranche 1	400	400
Tranche 2	400	295
Tranche 3	800	260
Tranche 4	800	594
Tranche 5	600	–
Total	**3,000**	1549

It has also been learnt that the vehicles provided to LIE and IREDA, were actually owned by the following entities:

Sr. No.	Owner Name	No. of Cars
1	LR Taxi Services	1
2	Profitplus Infra Private Limited	300
3	Vara Green Energy Private Limited	200
4	Gensol Consultants Private Limited	100
5	Not detail available	1

Review of Hypothecation of EVs also indicates only 1533 EV Financed under the project are exclusively hypothecated to IREDA, balance are in the name of other financers. Further, Forensic Auditor were provided with 2199 RCs, wherein he has observed that RC specify IREDA as financer, whereas public domain record indicates different financer. In certain cases, Registration date mentioned in the RC differ from the date recorded in the public domain documents. The mismatch between RC and public domain documents suggest that the RCs may not accurately reflect the actual registration and financing detail. The forensic audit report also points out that Mr. Akash Grover (Director-GEVL) was also on the board of M/s Profitplus Infra Private Limited. The forensic auditor concludes that diversion is clearly established as out of Rs. 267.79 Crs of IREDA's disbursement, vehicles were actually procured for Rs. 191.65 Crs and therefore probable diversion of Rs. 76.14 Crs is observed.

Diversion of Loan Funds Outside the Trust and Retention Account

The Forensic Audit Report records that, following disbursement of loans to M/s Gensol Engineering Limited and M/s Gensol EV Lease Pvt. Ltd., portions of the loan proceeds were transferred back to accounts other than the designated Trust and Retention Account (TRA) and thereafter routed through various group entities. The noticees have attempted to explain these transactions as pricing reconciliation and working capital management. The explanation is not found to be acceptable. Return of funds by vendors M/s Go Auto into accounts other than the designated TRA constitutes a clear violation of the sanctioned terms and conditions governing the loan facilities. Further, routing of such funds through multiple group entities has the effect of diverting the loan proceeds from their sanctioned purpose and constitutes misappropriation and diversion of funds. The material available on record establishes that the loan proceeds were not utilised entirely for the purpose for which they had been sanctioned.

CHAPTER 21- REPLIES OF THE NOTICEES

21.1

The individual Noticees have denied the allegations relating to procurement irregularities and have submitted that the procurement records were maintained in the ordinary course of business and that the vehicles financed under the project were acquired for implementation of the sanctioned project.

21.2

It has further been contended that the forensic audit has proceeded on assumptions without appreciating the commercial manner in which procurement documentation, accounting entries and statutory compliances were maintained during implementation of a large fleet acquisition project.

21.3

The Noticees have also disputed the conclusions drawn from the GST records, overstated or fictitious purchase transaction, invoice documentation and registration particulars. According to the replies, the observations referred to in the Show Cause Notice do not establish diversion or misutilisation of funds and require appreciation in the proper factual and commercial context. They have further submitted that the documentary material relied upon by the forensic auditor has been interpreted selectively and that the allegations are either capable of explanation or are not material to the purpose for which the loan was sanctioned.

21.4

The Noticees have therefore prayed that the allegations relating to procurement documentation, overstated or fictitious purchase transaction, GST records and vehicle registration particulars be rejected and that no adverse inference be drawn merely on the basis of the forensic observations.

CHAPTER 22- CONSIDERATION OF REPLIES AND APPRECIATION OF EVIDENCE BY IREDA

22.1

IREDA has carefully considered the allegations contained in the Show Cause Notice, the documentary material relied upon therein, the observations contained in the forensic audit report, the written replies submitted byNoticees, the supplementary submissions, as well as the oral submissions advanced during the course of personal hearings.

22.2 CONSIDERATION OF THE ALLEGATION RELATING TO MOVEMENT OF FUNDS

The Noticees have contended that the transactions reflected normal commercial fund management and operational requirements of the Borrower and that movement of funds through different entities cannot, by itself, be regarded as diversion of funds. However, the explanation remains largely general in nature and does not satisfactorily reconcile the specific banking transactions identified in the Show Cause Notice by forensic auditor. The replies do not adequately explain the routing of funds through intermediary entities, the subsequent utilisation of such funds or the basis on which the movement of funds remained consistent with the sanctioned purpose contemplated under the financing documents. Further, the material available on record establishes that during the relevant period of sanction and disbursement, Mr. Akash Grover, Additional Director of M/s Gensol EV Lease Pvt. Ltd., simultaneously held the office of Director in M/s Profit Plus Infra Pvt. Ltd. from 15.02.2020 to 17.04.2025. During the personal hearing, Mr. Akash Grover also stated that M/s Profit Plus Infra Pvt. Ltd. was owned by a friend of Mr. Anmol Singh Jaggi and that he had been inducted onto the Board of that company at the instance of Mr. Anmol Singh Jaggi. These facts establish a discernible nexus between the entities and materially weaken the contention that M/s Profit Plus Infra Pvt. Ltd. was an unrelated third party. The explanation advanced by the noticees is, therefore, rejected.

22.3 CONSIDERATION OF TRANSACTIONS INVOLVING GO AUTO PRIVATE LIMITED

The Noticees have submitted that Go Auto Private Limited was the supplier of Electric Vehicles and that payments made in its favour formed part of the normal procurement process.

The issue arising in the present proceedings, however, is not confined to the fact that payments were made to Go Auto Private Limited. The Show Cause Notice specifically alleges that the subsequent movement of funds after receipt by Go Auto Private Limited disclosed further transfers to other entities and receipt of funds back by GEL, which required examination from the perspective of utilisation of the sanctioned financial assistance.

The replies do not satisfactorily explain the subsequent banking trail identified during the forensic audit examination nor do they produce contemporaneous documentary material reconciling the observations referred to in the Show Cause Notice. Accordingly, the explanation furnished by the Noticees does not fully address the circumstances emerging from the banking records highlighted by forensic auditor.

22.4 CONSIDERATION OF PROMOTER CONTRIBUTION

The Noticees have disputed the allegation that the promoter contribution was not infused in accordance with the financing structure contemplated under the sanction conditions. While the replies seek to explain the commercial nature of the transactions, they do not satisfactorily address the observations regarding routing of promoter contribution through intermediary entities which formed part of the allegations contained in the Show Cause Notice. The documentary material relied upon by the Noticees also does not sufficiently explain why the promoter contribution reflected the pattern of movement identified during the forensic examination, as enumerated above.

22.5 PROCUREMENT RECORDS

The Show Cause Notice also refers to discrepancies noticed in procurement records, fictitious or overstated purchase transactions, invoices, accounting records and related supporting documents. The Noticees have submitted that these discrepancies arise from accounting practices, timing differences, reconciliation issues and documentation maintained during implementation of a large fleet acquisition programme.

The explanation, however, does not satisfactorily reconcile the specific allegations referred to in the Show Cause Notice regarding procurement documentation and supporting records. No contemporaneous documentary material has been produced which completely addresses the observations recorded during the forensic examination. Accordingly, these observations continue to remain relevant while appreciating the overall utilisation of the sanctioned funds.

22.6 GST RECORDS AND STATUTORY DOCUMENTATION

IREDA has also considered the submissions relating to GST records, Invoice Reference Numbers, statutory filings and accounting treatment. The Noticees have submitted that the observations recorded during the forensic audit are technical in nature and cannot constitute evidence of diversion of funds.

However, where such allegations are considered together with the banking trail, procurement records and other contemporaneous documentary material relied upon by forensic auditor in their report, they constitute relevant circumstances requiring appreciation while examining the overall utilisation of the sanctioned financial assistance. Accordingly, the observations relating to GST documentation have not been considered in isolation but only as corroborative circumstances supporting the broader examination undertaken in the present proceedings.

22.7 VEHICLE REGISTRATION AND HYPOTHECATION

The Noticees have also disputed the observations relating to registration particulars and hypothecation records. The allegations referred to in the Show Cause Notice have been considered together with the procurement records and banking transactions relied upon by forensic auditor. These observations are not treated independently as conclusive evidence but have been appreciated as per cumulative findings/evidence contained in the forensic audit report.

22.8 CUMULATIVE APPRECIATION OF EVIDENCE

Having considered the documentary material relied upon in the Show Cause Notice and the explanations furnished by the Noticees, IREDA is of the view that the replies do not satisfactorily reconcile the cumulative circumstances emerging from:

(a) the movement of loan proceeds after disbursement;

(b) the banking trail involving intermediary entities;

(c) the observations regarding promoter contribution;

(d) Submission of Forged/fake invoices;

(e) accounting and statutory records; and

(f) vehicle-related records, fictitious or overstated purchase transactions.

CHAPTER 23- FINDINGS

23.1

For the reasons recorded hereinabove, IREDA records the following findings in relation to Project No. 2583:

(i) No reply received from the Borrower, and the explanations furnished by the Noticees do not satisfactorily reconcile the banking transactions, procurement-related observations and other documentary material relied upon in the Show Cause Notice as pointed out by Forensic Auditor.

(ii) The documentary material relating to movement of funds, when considered together with the procurement records and other contemporaneous documents as referred in forensic audit report, raises serious concerns regarding adherence to the financing structure contemplated under the sanction terms.

(iii) The observations relating to procurement records, forged invoices, fictitious or overstated purchase transactions, GST documentation and vehicle records as pointed in forensic audit report have not been treated as independent findings of diversion but as corroborative circumstances while appreciating the cumulative evidence/finding of the same report.

(iv) Accordingly, IREDA finds that the allegations concerning Project No. 2583, to the extent set out in the Show Cause Notice and supported by the documentary material relied upon therein, stand established for the purposes of the present proceedings.

PART II-C- PROJECT NO. 2666 – PROCUREMENT OF 400 ELECTRIC VEHICLES

CHAPTER 24- BACKGROUND AND SCOPE OF EXAMINATION

24.1

Having examined the allegations relating to **Project No. 2583**, IREDA now proceeds to consider the allegations arising out of **Project No. 2666**, under which financial assistance was extended for procurement of **400 Electric Vehicles**.

The allegations relating to the present project arise from the same forensic examination which formed the basis of the Show Cause Notice. According to the Show Cause Notice, the forensic examination disclosed transactions and documentary circumstances concerning utilisation of loan proceeds under Project No. 2666 which required examination under the RBI Master Direction, **findings of forensic auditor is enumerate in Gist of Forensic Audit above.**

CHAPTER 25- SANCTION AND FINANCING STRUCTURE

25.1

IREDA sanctioned financial assistance in favour of Gensol Engineering Limited under **Project No. 2666** for financing the acquisition of **400 Electric Vehicles**. The sanctioned financial assistance was extended under a project-specific financing structure, whereby the loan proceeds were to be utilised exclusively towards procurement of the identified project assets in accordance with the sanction terms and the financing documents executed between the parties.

25.2

The financing structure contemplated infusion of the stipulated promoter contribution together with deployment of the lender's funds for acquisition of the financed assets. The utilisation of the loan proceeds was therefore required to remain consistent with the sanctioned purpose and the conditions governing the financial assistance.

CHAPTER 26- DISBURSEMENT OF LOAN

26.1

The Show Cause Notice records that the sanctioned financial assistance was disbursed by IREDA in accordance with the financing arrangement. The factum of sanction and disbursement is not disputed.

The controversy in the present proceedings relates not to the disbursement itself but to the subsequent utilisation of the loan proceeds after release by IREDA.

26.2

According to the Show Cause Notice, examination of the banking transactions undertaken after disbursement by forensic auditor disclosed movement of funds which required further scrutiny from the perspective of end utilisation of the sanctioned financial assistance.

CHAPTER 27- NATURE OF ALLEGATIONS

27.1

The principal allegations contained in the Show Cause Notice relating to Project No. 2666 may broadly be summarised as follows:

(i) that the movement of loan proceeds after disbursement disclosed transactions requiring examination;

(ii) that the promoter contribution required scrutiny in light of the banking trail identified during the forensic audit.

(iii) that the procurement documentation and supporting records disclosed discrepancies requiring explanation;

(iv) that examination of statutory records, including GST documentation, revealed observations relevant to utilisation of the sanctioned financial assistance; and

(v) that the cumulative documentary material warranted examination under the fraud indicators contained in the RBI Master Direction.

27.2

Reply submitted by the Noticees have denied the aforesaid allegations and have submitted that the transactions reflected legitimate commercial activity undertaken during implementation of the project.

CHAPTER 28- EXAMINATION OF UTILISATION OF LOAN PROCEEDS UNDER PROJECT NO. 2666

IREDA had sanctioned Loan of Rs. 43.69 Crs to GEL for purchase of 400 EVs Under Project 2666 and Promoter Contribution was to be of Rs. 10.93 Crs. Accordingly, IREDA disbursed Rs. 43.69 Crs for the said purpose on 01.02.2023. Forensic Audit conducted by IREDA revealed following glaring irregularities:

Review of funds disbursed

In Project No. 2666, the fund flow is direct, immediate, and fully circular, leaving no ambiguity regarding diversion. On 01 Feb 2023, ₹54.62 crore was transferred from the TRA to Go Auto, and the next day ₹40 crore moved to Ultravera/Wellray, which immediately broke the funds into ₹29.5 crore to GEL, ₹5.6 crore to Matrix, ₹3.9 crore to Prescinto, and ₹0.5 crore to Sharekhan were again used for trading in GEL's scrip. These transactions

Review of Purchases

1- Out of 400 EV to be procured, 332 purchase invoices (GST invoice with IRN) were provided by GEL, however no invoices were recorded in the books of accounts, and all 332 invoices were not registered in GST portal as well as not appearing in GSTR-2B of M/s GEL and all the 332 IRN were not registered in GST portal.

2- Chronological discrepancies in vehicle purchase and registration documents with respect to invoice date, insurance date, registration date viz. registration prior to invoice date in 288 cases. Such deviations are ordinarily associated with tempered documents/manually altered or backdated invoice, post facto creation of documents, Fabricated documents.

3- Review of Vehicle Registration Number with public domain databases (Vahan portal/mParivahan application) indicates that only 18 EV out of 400 EV were registered in the name of M/s GEL, balance 382 EV stand registered in the name of other parties. Such discrepancies highlight the risk of misappropriation of funds, diversion of project funds, or possible falsification/misrepresentation of procurement documents and warrant detailed investigation.

4- Forensic Auditor also notes LIE in its report based on the documents provided by GEL, has certified to IREDA that all 400 EVs are exclusively hypothecated in the name of IREDA, however to shock of IREDA, same are hypothecated to other financers as well. As per terms of sanction letter, an exclusive hypothecation charge over a minimum of 400 EV was required to be created in favour of IREDA, however based on detail available in the Vahan portal/mParivahan application, all 400 EV financed under the project are not exclusively hypothecated to IREDA. Whereas same are hypothecated in the name of other financer.

5- During the reconciliation process carried out through Vahan portal/mParivahan application, it was observed that two vehicles (Regn. No. KA03KA3283 and KA03KA4028) are motorcycle/scooter instead of electric car.

Forensic Auditor noting above misutilization/ diversion of funds noted that no assets were created, and therefore the entire project disbursement stands diverted. While Noticees has sought to justify the misutilization/ diversion of Loan Funds as commercial nature of the transactions, the replies do not satisfactorily reconcile the specific banking trail identified during the forensic audit or explain the utilisation of the funds after their transfer through intermediary entities.

CHAPTER 29 -CONSIDERATION OF REPLIES AND APPRECIATION OF EVIDENCE BY IREDA

29.1

IREDA has carefully considered the allegations contained in the Show Cause Notice relating to Project No. 2666, the observations recorded in the forensic audit report, the written replies submitted by the Borrower and the individual Noticees, the supplementary submissions, and the oral submissions advanced during the course of the personal hearing.

29.2 CONSIDERATION OF THE ALLEGATION RELATING TO UTILISATION OF LOAN FUNDS

The principal allegation contained in the Show Cause Notice is that the movement of loan proceeds after disbursement did not remain confined to the sanctioned project purpose and that the banking trail disclosed transactions requiring examination from the perspective of end utilisation of funds.

The Noticees have denied the allegation and have submitted that the movement of funds reflected ordinary commercial transactions undertaken during implementation of the project and that no adverse inference should be drawn merely because funds passed through intermediary entities. While the explanation seeks to justify the commercial nature of the transactions, the replies do not satisfactorily reconcile the specific banking trail identified during the forensic examination or explain the utilisation of the funds after their transfer through intermediary entities. The replies also do not produce contemporaneous documentary material demonstrating that the pattern of fund movement remained wholly consistent with the sanctioned financing structure.

29.3 CONSIDERATION OF TRANSACTIONS THROUGH GO AUTO PRIVATE LIMITED

The Noticees have submitted that Go Auto Private Limited was the supplier of the Electric Vehicles and that payments made to the said entity formed part of the normal procurement process.

The issue requiring determination, however, is not merely the transfer of funds to Go Auto Private Limited. The Show Cause Notice after referring to trail of diversion identified by Forensic Auditor had specifically alleged that the subsequent movement of funds after receipt by Go Auto disclosed transfers to other entities and routing of funds through intermediary accounts before utilisation. The replies furnished by the Noticees do not satisfactorily explain the subsequent banking trail forming part of the documentary material relied upon in the Show Cause Notice. Accordingly, the explanation furnished does not fully reconcile the observations emerging from the banking records as identified by the forensic auditor.

29.4 CONSIDERATION OF PROMOTER CONTRIBUTION

The Noticees have disputed the allegation that the promoter contribution was not infused in the manner contemplated under the financing structure approved by IREDA.

While the replies seek to explain the commercial rationale for the transactions, they do not satisfactorily address the observations regarding routing of promoter contribution through intermediary entities before being reflected in the project. No contemporaneous documentary material has been produced which completely reconciles the banking trail identified by the forensic auditor as referred to in the Show Cause Notice.

29.5 GST RECORDS, VEHICLE REGISTRATION AND HYPOTHECATION

The Noticees have also disputed the observations relating to GST records, Invoice Reference Numbers (IRNs), vehicle registration particulars and hypothecation records.

IREDA is of the view that such malafide manipulation of the records, when considered together with the banking trail, procurement records and the overall documentary material as identified in forensic audit report relied upon in the Show Cause Notice, they constitute relevant corroborative circumstances which cannot be ignored while appreciating the evidence as a whole.

29.6 CUMULATIVE APPRECIATION OF EVIDENCE

Having considered the documentary material relied upon in the Show Cause Notice and the explanations furnished the Noticees, IREDA is of the view that the replies do not satisfactorily reconcile the cumulative circumstances emerging from:

(a) the movement of loan proceeds after disbursement;

(b) the banking trail involving intermediary entities;

(c) the observations relating to promoter contribution;

(d) the statutory and accounting records; and

(e) the vehicle registration and hypothecation records.

CHAPTER 30- FINDINGS

30.1

For the reasons recorded hereinabove, IREDA records the following findings in relation to Project No. 2666:

(i) No reply received from the Borrower, and the explanations furnished the Noticees do not satisfactorily reconcile the banking transactions, procurement-related observations and the other documentary material as identified in forensic audit report relied upon in the Show Cause Notice.

(ii) The material relating to movement of funds, when read together with the procurement records and statutory documentation as identified in the forensic audit report, raises substantial concerns regarding adherence to the financing structure contemplated under the sanction terms.

(iii) The observations relating to GST records, invoice documentation, vehicle registration particulars and hypothecation as referred in forensic audit report have been considered as corroborative circumstances and not in isolation.

(iv) Upon cumulative appreciation of the material placed on record, IREDA is satisfied that the allegations relating to Project No. 2666, to the extent contained in the Show Cause Notice and supported by the documentary material relied upon therein, stand substantiated for the purposes of the present proceedings.

PART II-D- PROJECT NO. 2791 – MAHAGENCO 62 MW AC SOLAR EPC PROJECT

CHAPTER 31- BACKGROUND AND SCOPE OF EXAMINATION

31.1

Having considered the allegations relating to Projects No. 2583 and 2666, IREDA now proceeds to examine the allegations concerning **Project No. 2791**, relating to the execution of the **62 MW AC Solar EPC Project awarded by Maharashtra State Power Generation Company Limited ("MAHAGENCO")**.

31.2

The Show Cause Notice alleges that the forensic examination disclosed irregularities in the utilisation of loan proceeds sanctioned for the said project. The allegations principally relate to diversion and routing of loan funds through entities unrelated to the project, non-routing of project receivables through the designated TRA Account and utilisation of project proceeds in a manner allegedly inconsistent with the financing structure approved by IREDA. The allegations are founded upon the forensic audit,.

31.3

The Noticees have disputed the aforesaid allegations and have submitted that the transactions formed part of legitimate commercial operations undertaken during execution of the project. The correctness of the allegations and the explanations furnished by the Noticees shall be examined in the succeeding chapters.

CHAPTER 32- SANCTION AND FINANCING STRUCTURE

32.1

IREDA sanctioned financial assistance under **Project No. 2791** for execution of the MAHAGENCO Solar EPC Project. According to the financing documents, the sanctioned facility was project specific and was intended to finance execution of the EPC contract awarded by MAHAGENCO.

32.2

The financing arrangement required the loan proceeds to be utilised exclusively for implementation of the sanctioned project. The financing documents further contemplated routing of project receivables through the designated **Trust and Retention Account (TRA)** maintained with the approved bank, from which repayments to IREDA were to be made in accordance with the financing structure.

32.3

The Show Cause Notice records that compliance with the TRA mechanism constituted an essential condition of the financing arrangement and formed an integral part of the security structure created in favour of IREDA.

CHAPTER 33- DISBURSEMENT OF LOAN

33.1

The Show Cause Notice records that IREDA sanctioned financial assistance aggregating **₹192.87 crore**, of which disbursements were made in separate tranches during implementation of the project. The fact of sanction and disbursement is not in dispute.

33.2

The controversy in the present proceedings relates to the misutilisation of the loan proceeds after their release by IREDA and the manner in which project receivables were subsequently dealt with.

CHAPTER 34- NATURE OF ALLEGATIONS

34.1

The principal allegations contained in the Show Cause Notice while relying on forensic audit report relating to Project No. 2791 may broadly be summarised as follows:

(i) that portions of the loan proceeds were transferred to entities not connected with execution of the sanctioned project;

(ii) that certain transactions reflected routing of funds through related parties and other entities after disbursement;

(iii) that project receivables from MAHAGENCO were not routed through the designated TRA Account in accordance with the financing documents;

(iv) that amounts received from MAHAGENCO were utilised otherwise than in accordance with the agreed financing structure; and

(v) that the cumulative pattern of transactions warranted examination under the fraud indicators contained in the RBI Master Direction.

34.2

The Show Cause Notice further alleges that the forensic audit examined the movement of funds across different tranches of disbursement and the corresponding utilisation of project receivables. According to the forensic Audit Report, the banking trail disclosed transactions involving related entities, transfers outside the project structure and utilisation of funds requiring further examination.

LOAN FUND DIVERTED/ MISAPPROPRIATED THROUGH NON-TRA ROUTING

i. Project 2791 – MAHAGENCO (62 MW AC EPC)

IREDA had sanctioned Loan of Rs. 192.87 Crs to GEL for EPC of 62 MW Solar AC Project for MAHAGENCO. GEL had brought in Promoter contribution of Rs 0.90 Crs. Accordingly, IREDA had disbursed Rs. 100.00 Crs on 05.02.2024 and Rs. 92.87 Crs on 16.03.2024 in TRA Account No. XXXX7528 maintained with HDFC Bank.

Non-routing of funds through TRA

As per the sanction terms agreed upon by GEL, all MAHAGENCO related receipts were required to be routed through the designated TRA Account, which was also confirmed by MAHAGENCO's letter dated 15.03.2024 that the amount payable by MAHAGENCO shall be made in designated TRA Account opened with HDFC Bank having account no. ending with 7528. Further, as per terms of Sanction Letter, GEL was allowed to utilize project receivables upto 20 % of contract value in the project implementation and then subsequent receivables shall be utilized towards repayment of IREDA Loan. Forensic Auditor's review shows that ₹137.40 Crs of MAHAGENCO receipts was not routed through the TRA, violating key lender covenants, and was instead deployed toward non-project and related-party disbursements. Funds received from MAHAGENCO has been utilized as follows:

Particulars	Amount
Received in TRA	**31.70**
Baritech Infra Private Limited	16.44
System Renewable Energy Private Limited	13.74
Indo Tech Transformers Limited	0.65
Others	0.87
Received in Non-TRA	**137.40**
Gensol Electric Vehicles Private Limited	34.00
Operational Expenses	24.93
Gensol Ventures Private Limited	15.55
Matrix Gas & Renewable Limited	11.40
Go Auto Private Limited	11.34
Param renewable Energy Private Limited	7.10
Green Energy Trading FZ-LLC	6.99
Gensol Consultant Private Limited	5.72
Ultravera Industries Private Limited (formerly known as Wellray Solar Industries Private Limited)	5.00
Gensol EV Lease Limited (Formerly known as Gensol EV Lease Private Limited)	4.45
Blusmart fleet Private Limited	4.00
Gosolar Ventures Private Limited	2.60
Salary Payments	2.08
Scorpius Trackers Private Limited	0.81
Others	1.43
Total	169.10

Based on cumulative patterns of round-tripping, vendor refunds, foreign transfers, and non-TRA routing, the forensic auditor concluded probable diversion/misutilization of ₹73.02 crore (indicative) for this project and non-TRA routing of Rs. 137.40 Crs. The Noticees through replies seek to explain the commercial nature of the transactions, however, they do not satisfactorily reconcile the specific banking trail referred to in the Show Cause Notice or explain the utilisation of the loan proceeds after their transfer through intermediary entities and No contemporaneous documentary material has been produced which fully reconciles the observations referred to in the Show Cause Notice.

CHAPTER 35- REPLIES OF THE BORROWER AND THE NOTICEES

35.1

The Noticees have denied the allegations relating to diversion and utilisation of loan funds. According to the replies, the banking transactions referred to in the Show Cause Notice represented legitimate commercial transactions undertaken during execution of the project and cannot, by themselves, establish diversion or misappropriation of funds.

35.2

It has further been contended that the forensic audit has proceeded on assumptions regarding the nature of the transactions without appreciating the commercial realities of project implementation. According to the Noticees, transfers between different entities were undertaken for bona fide business purposes and were not inconsistent with the sanctioned project.

35.3

The Noticees have also disputed the allegation relating to routing of MAHAGENCO receivables and have submitted that no adverse inference can be drawn merely from the banking pattern reflected in the records. According to the replies, the transactions relied upon in the Show Cause Notice require appreciation in their proper commercial context and do not establish diversion of lender funds.

35.4

The Noticees have therefore prayed that the allegations relating to diversion of loan proceeds, routing of funds and utilisation of project receivables be rejected and that no adverse inference be drawn solely on the basis of the observations recorded in the forensic audit.

CHAPTER 36 CONSIDERATION OF REPLIES AND APPRECIATION OF EVIDENCE BY IREDA

36.1

IREDA has carefully considered the allegations contained in the Show Cause Notice relating to Project No. 2791, the observations recorded in the forensic audit report, the written replies submitted by the Noticees, the supplementary submissions and the oral submissions advanced during the course of the personal hearing.

36.2 CONSIDERATION OF THE ALLEGATION RELATING TO UTILISATION OF LOAN PROCEEDS

The principal allegation contained in the Show Cause Notice is that the utilisation of loan proceeds after disbursement did not remain confined to the sanctioned project purpose and that the banking trail disclosed transactions requiring examination under the RBI Master Direction.

The Noticees have denied the allegation and have submitted that the banking transactions reflected ordinary commercial operations undertaken during implementation of the MAHAGENCO project and that movement of funds through different entities does not, by itself, establish diversion of funds. While the replies seek to explain the commercial nature of the transactions, they do not satisfactorily reconcile the specific banking trail identified by forensic auditor referred to in the Show Cause Notice or explain the utilisation of the loan proceeds after their transfer through intermediary entities. No contemporaneous documentary material has been produced which fully reconciles the observations referred to in the Show Cause Notice. Accordingly, the explanation furnished by the Noticees does not satisfactorily address the documentary material relied upon by IREDA.

36.3 Consideration of Transfers through Related and Other Entities

The Noticees have further submitted that transfers made to different entities formed part of legitimate commercial arrangements connected with implementation of the project.

The issue arising in the present proceedings, however, is not confined to the existence of transfers between entities. The Show Cause Notice specifically alleges that the subsequent movement of funds through intermediary entities required examination from the perspective of end utilisation of the sanctioned financial assistance. The replies do not satisfactorily explain the subsequent banking trail identified in forensic audit report, referred to in the Show Cause Notice nor do they produce contemporaneous documentary material demonstrating that the utilisation of the transferred funds remained wholly consistent with the sanctioned purpose. Accordingly, the explanation furnished by the Noticees does not satisfactorily reconcile the documentary material relied upon by IREDA.

36.4 Consideration of the Allegation relating to Routing of MAHAGENCO Receivables

A substantial allegation contained in the Show Cause Notice relates to the routing of project receivables from MAHAGENCO. The Noticees have submitted that the receipt and utilisation of project proceeds formed part of the commercial execution of the project and that no adverse inference should be drawn from the banking pattern reflected in the records.

The financing documents governing Project No. 2791 contemplated routing of project receivables through the designated Trust and Retention Account as part of the agreed security structure. The replies furnished by the Noticees do not satisfactorily reconcile the documentary material referred to in the Show Cause Notice regarding the alleged non-routing of project receivables through the designated TRA Account. Nor has any contemporaneous documentary material been produced explaining why the banking pattern referred to in the Show Cause Notice remained consistent with the agreed financing structure. Accordingly, the explanation offered by the Noticees does not satisfactorily address this aspect of the allegations.

CHAPTER 37- FINDINGS

37.1

For the reasons recorded hereinabove, IREDA records the following findings in relation to Project No. 2791:

(i) The explanations furnished by the Noticees do not satisfactorily reconcile the banking transactions and documentary material relied upon in the Show Cause Notice.

(ii) The documentary material relating to movement of funds and utilisation of project receivables raises substantial concerns regarding adherence to the financing structure agreed between the parties.

(iii) The replies furnished by the Noticees do not satisfactorily explain the allegations relating to routing of project receivables through the designated Trust and Retention Account.

(iv) Upon cumulative appreciation of the material available on record, IREDA is satisfied that the allegations relating to Project No. 2791, to the extent contained in the Show Cause Notice and supported by the documentary material relied upon therein, stand substantiated for the purposes of the present proceedings.

PART II-E- PROJECT NO. 2740 – DVC FLOATING SOLAR EPC PROJECT

CHAPTER 38- BACKGROUND AND SCOPE OF EXAMINATION

38.1

IREDA now proceeds to examine the allegations relating to **Project No. 2740**, concerning the Floating Solar EPC Project executed for **Damodar Valley Corporation ("DVC")**. Financial assistance was sanctioned by IREDA for execution of the aforesaid EPC project. The allegations under the present issue principally relate to the utilisation of project receivables, routing of payments received from DVC, compliance with the Trust and Retention Account (TRA) mechanism and adherence to the financing structure agreed between the parties.

38.2

The Show Cause Notice records that the forensic audit examined the banking records, project receivables, contractual arrangements and other documentary material pertaining to the DVC project. Based upon such examination, various observations were recorded regarding the receipt and utilisation of project proceeds. Those observations constitute the basis of the allegations framed in the Show Cause Notice.

38.3

The individual Noticees have denied the allegations and have submitted that the project was executed in the ordinary course of business and that the transactions referred to in the Show Cause Notice do not establish diversion or misuse of lender funds.

CHAPTER 39- FINANCING STRUCTURE AND TRA MECHANISM

39.1

Financial assistance sanctioned by IREDA for Project No. 2740 was project specific and was governed by the sanction terms and the financing documents executed between the parties. According to the financing documents referred to in the Show Cause Notice, the project receivables arising from execution of the DVC contract were required to be routed through the designated Trust and Retention Account (TRA), thereby enabling application of project receipts in accordance with the agreed financing structure and security package created in favour of IREDA.

39.2

The Show Cause Notice alleges that compliance with the TRA mechanism constituted an essential obligation under the financing arrangement and that any deviation therefrom required examination in the context of the RBI Master Direction.

CHAPTER 40- ALLEGATIONS CONTAINED IN THE SHOW CAUSE NOTICE

40.1

The principal allegations contained in the Show Cause Notice in relation to Project No. 2740 may broadly be summarised as follows:

(i) that project receivables payable by DVC were not routed through the designated TRA Account in accordance with the financing documents;

(ii) that payments received from DVC were credited into bank accounts other than the designated TRA Account;

(iii) that the project proceeds were thereafter utilised otherwise than in accordance with the agreed financing structure;

(iv) that the banking records and other documentary material relied upon in the Show Cause Notice disclosed utilisation of project receipts requiring examination under the RBI Master Direction; and

(v) that the cumulative effect of the above circumstances indicated non-adherence to the sanctioned financing arrangement and misutilization of Loan funds.

40.2

The Show Cause Notice further records that the forensic audit examined the trail of project receipts from DVC together with the corresponding banking records and utilisation of funds as identified in forensic audit report. According to the allegations, the Forensic Audit Report revealed that project receipts were dealt with in a manner requiring scrutiny under the applicable regulatory framework.

LOAN FUND DIVERTED/ MISAPPROPRIATED THROUGH NON-TRA ROUTING

IREDA had sanctioned Loan of Rs. 121.00 Crs on 08.09.2023 to GEL for EPC of 30 MW AC Floating Solar for M/s Damodar Valley Corporation ("DVC"). GEL had brought in Promoter contribution of Rs 21.95 Crs. Accordingly, IREDA had disbursed Rs. 60.00 Crs on 30.09.2023, Rs. 40.00 Crs on 06.01.2024 and Rs. 21.00 Crs on 27.03.2024 in TRA Account No. XXXX1739 maintained with HDFC Bank.

Non-routing of funds through TRA

As per the sanction terms agreed upon by GEL, all DVC related receipts were required to be routed through the designated TRA Account, which was also confirmed by DVC's letter dated 29.11.2023 that the amount payable by DVC shall be made in designated TRA Account opened with HDFC Bank having account no. ending with 1739. Further, as per terms of Sanction Letter, GEL was allowed to utilize project receivables upto 20 % of contract value in the project implementation and then subsequent receivables shall be utilized towards repayment of IREDA Loan. Forensic Auditor's review shows that Rs. 91.16 Crs of DVC receipts was not routed through the TRA, violating key lender covenants, and was instead deployed toward non-project and related-party disbursements. Funds received from DVC has been utilized as follows:

Party Name	Amount
Group Entities	39.50
Gensol Consultants Private Limited	29.24
Param Renewable Energy Private Limited	7.91
Gensol Electric Vehicles Pvt. Ltd.	0.61
Gensol Venture Pvt Ltd	0.40
Matrix Gas and Renewables Limited	0.72
GoSolar Venture Pvt Ltd	0.27
Param Care Pvt Ltd	0.35
Other parties/operational payments	*51.67*
Indian Renewable Energy Development Agency	21.51
Go Auto Private Ltd.	7.86
Baritech infra pvt ltd	5.43
Ultravera Industries Private Limited (formerly known as Wellray Solar Industries Private Limited)	0.40
Repayment of Loan	0.45
HDFC-4757 (Balance outstanding as on 31st March 2025)	1.50
Langfang Sol-Bright New Energy Technology Co. Ltd.	0.98
Other-Operational Expense	13.54
Total	91.17

Based on cumulative patterns of round-tripping, vendor refunds, foreign transfers, and non-TRA routing, the Forensic Auditor concluded probable diversion/misutilization of Rs. 60.59 crore (indicative) for this project and non-TRA routing of Rs. 91.17 Crs. The Noticees through replies seek to explain the commercial nature of the transactions, however, they do not satisfactorily reconcile the specific banking trail referred to in the Show Cause Notice or explain the utilisation of the loan proceeds after their transfer through intermediary entities and No contemporaneous documentary material has been produced which fully reconciles the observations referred to in the Show Cause Notice.

CHAPTER 41- REPLIES OF THE BORROWER AND THE NOTICEES

41.1

No reply received from the Borrower, and the Noticees have denied the allegations relating to Project No. 2740. According to the replies, the receipt and utilisation of project proceeds formed part of the commercial execution of the DVC project and the transactions referred to in the Show Cause Notice do not constitute diversion or misuse of lender funds.

The Noticees have further submitted that the banking pattern relied upon in the Show Cause Notice requires appreciation in the context of the contractual obligations governing execution of the EPC project and that no adverse inference should be drawn merely because certain receipts were dealt with in a particular manner.

The Noticees have therefore prayed that the allegations contained in the Show Cause Notice be rejected.

CHAPTER 42- CONSIDERATION OF REPLIES AND APPRECIATION OF EVIDENCE BY IREDA

42.1

IREDA has carefully considered the allegations contained in the Show Cause Notice relating to Project No. 2740, the observations recorded in the forensic audit report, the written replies submitted by the Noticees, the supplementary submissions and the oral submissions advanced during the course of the personal hearing.

42.2 CONSIDERATION OF THE ALLEGATION RELATING TO ROUTING OF PROJECT RECEIVABLES

The principal allegation contained in the Show Cause Notice is that project receivables arising from execution of the DVC Floating Solar EPC Project were not routed through the designated Trust and Retention Account in accordance with the financing documents executed between the parties.

The Noticees have denied the allegation and have submitted that the receipt and utilisation of project proceeds formed part of the commercial execution of the project and that no adverse inference should be drawn merely from the banking pattern reflected in the records. The financing documents governing the project contemplated routing of project receivables through the designated TRA Account as an integral part of the agreed security structure. The replies furnished by the Noticees do not satisfactorily reconcile the documentary material relied upon in the Show Cause Notice regarding receipt and utilisation of project proceeds outside the agreed mechanism. No contemporaneous documentary material has been produced demonstrating that the banking pattern referred to in the Show Cause Notice remained consistent with the contractual financing arrangement. Accordingly, the explanation offered by the Noticees does not satisfactorily address the allegation relating to the TRA mechanism.

42.3 CONSIDERATION OF THE ALLEGATION RELATING TO UTILISATION OF PROJECT FUNDS

The Show Cause Notice further alleges that the banking trail relating to the project receipts disclosed utilisation of funds requiring examination from the perspective of end utilisation of lender funds. The Noticees have submitted that the transactions reflected legitimate commercial operations undertaken during implementation of the project and that the observations recorded in the forensic audit do not establish diversion of funds.

The issue arising in the present proceedings is not whether project expenditure was incurred in the course of business, but whether the utilisation of project receivables remained consistent with the financing structure agreed with IREDA. The replies furnished by the Noticees do not satisfactorily reconcile the documentary material referred to in the Show Cause Notice regarding the receipt, routing and subsequent utilisation of project proceeds. Accordingly, the explanation offered by the Noticees does not satisfactorily displace the documentary circumstances relied upon by IREDA.

42.4 OVERALL APPRECIATION OF EVIDENCE

Having considered the documentary material forming part of the Show Cause Notice, the replies submitted by the Noticees, IREDA is of the considered view that the explanations furnished by the Noticees do not satisfactorily explain:

(a) the documentary material relating to routing of project receivables;

(b) the alleged non-compliance with the designated TRA mechanism;

(c) the utilisation of project proceeds in the manner referred to in the Show Cause Notice; and

(d) the cumulative documentary circumstances relied upon during the proceedings.

CHAPTER 43- FINDINGS

43.1

For the reasons recorded hereinabove, IREDA records the following findings in relation to Project No. 2740:.

(i) The documentary material relating to the banking trail and the agreed Trust and Retention Account mechanism as per forensic audit report raises substantial concerns regarding adherence to the financing structure governing the sanctioned financial assistance.

(ii) Upon cumulative appreciation of the documentary material and the replies submitted by the Noticees, IREDA is satisfied that the allegations relating to Project No. 2740, to the extent contained in the Show Cause Notice and supported by the documentary material relied upon therein, stand substantiated for the purposes of the present proceedings.

PART III- ROLE AND RESPONSIBILITY OF THE BORROWER & NOTICEES–

CHAPTER 44- ROLE AND RESPONSIBILITY OF BORROWER

44.1

Having examined the project-wise allegations and the documentary material forming the subject matter of the Show Cause Notice, IREDA now proceeds to determine the role and responsibility of M/s Gensol Engineering Limited ("GEL"), being the Corporate Borrower, under the RBI Master Direction.

44.2

The documentary material placed on record establishes that GEL approached IREDA for financial assistance under various project-specific facilities, executed the loan and security documents, accepted the terms and conditions governing the sanctioned facilities, received the loan disbursements and undertook to utilise the financial assistance strictly in accordance with the financing structure approved by IREDA.

The Borrower also undertook to comply with the various contractual obligations contained in the financing documents, including maintenance of the designated Trust and Retention Accounts, deployment of funds for the sanctioned project purposes, submission of correct and complete information to IREDA and compliance with all applicable terms governing utilisation of the sanctioned facilities.

CHAPTER 45- CONDUCT OF THE CORPORATE BORROWER

45.1

The project-wise examination undertaken in Part- II demonstrates that the allegations contained in the Show Cause Notice are directed principally against the conduct of the Corporate Borrower.

Those allegations include:

(a) submission of communications and documents to CARE Ratings Limited and ICRA Limited forming the subject matter of Issue No. I;

(b) misutilisation and diversion of loan proceeds under Project No. 2583;

(c) misutilisation and diversion of loan proceeds under Project No. 2666;

(d) misutilisation/ diversion of loan proceeds and routing of project receivables under Project No. 2791; and

(e) misutilisation/ diversion of project receivables and compliance with the Trust and Retention Account mechanism under Project No. 2740.

45.2

The documentary material relating to the aforesaid issues has already been examined in detail in Part II and need not be reproduced. The findings recorded therein demonstrate that the transactions forming the subject matter of the Show Cause Notice were undertaken in the name of, and on behalf of, the Borrower.

Response of Borrower and Findings

No Reply has been Submitted on Behalf of the Borrower.

Findings regarding the Corporate Borrower are as follows:

45.3

Having considered the documentary material, IREDA records the following findings:

(i) the acts and omissions examined in Part II are attributable, in the first instance, to the Corporate Borrower;

(ii) the cumulative documentary evidence establishes non-compliance with the financing structure governing the various facilities sanctioned by IREDA to GEL; and

(iii) the Borrower has failed to produce contemporaneous material sufficient to displace the documentary evidence examined during the present proceedings.

45.4

Accordingly, IREDA holds that the responsibility of Borrower- M/s Gensol Engineering Ltd stands established under Reserve Bank of India Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024.

CHAPTER 46 ROLE AND RESPONSIBILITY OF SHRI PUNEET SINGH JAGGI

46.1

IREDA now proceeds to examine the role and responsibility of Shri Puneet Singh Jaggi, who has been issued a Show Cause Notice in the present proceedings.

The determination of his responsibility is required to be made on the basis of the documentary material forming part of the record, the allegations contained in the Show Cause Notice, the written replies submitted by him, the submissions advanced during the personal hearing and the findings recorded in the preceding chapters of this Order.

Role attributed to Shri Puneet Singh Jaggi

46.2

The Show Cause Notice and the documents relied upon therein attribute to Shri Puneet Singh Jaggi a significant role in relation to the borrowing arrangements entered into by the Corporate Borrower with IREDA.

The documentary material indicates that he was associated with the management and affairs of the Corporate Borrower during the relevant period and was connected with matters relating to the projects forming the subject matter of the present proceedings and was also holding managerial position in the related parties/ Companies to whom disbursed loan funds were transferred.

Reply Submitted by Shri Puneet Singh Jaggi

46.3

Shri Puneet Singh Jaggi has denied the allegations contained in the Show Cause Notice.

Broadly stated, he has contended that:

(i) he has not committed any act amounting to fraud;

(ii) the transactions referred to in the Show Cause Notice represented legitimate commercial transactions of the Corporate Borrower;

(iii) the forensic audit has drawn incorrect conclusions from the documentary material;

(iv) he has been incorrectly implicated merely because of his position in the Company;

(v) the allegations do not establish any personal involvement on his part in the acts complained of; and

(vi) the proceedings initiated under the RBI Master Direction deserve to be dropped.

Consideration of the Reply

46.4

IREDA has carefully considered the reply submitted by Shri Puneet Singh Jaggi together with the documentary material forming part of the record.

The principal defence taken by him is that the allegations relate to the affairs of the Company and do not establish his personal responsibility.

The documentary record relied upon in the Show Cause Notice links him with the transactions, documents and decisions examined in the preceding chapters. His explanation does not satisfactorily reconcile the documentary material specifically relied upon by IREDA.

The plea that the transactions constituted ordinary commercial decisions has likewise been considered. As already discussed, the explanation offered does not satisfactorily displace the material relied upon by IREDA.

Findings regarding Shri Puneet Singh Jaggi

46.5

Having considered the documentary material, the reply submitted by Shri Puneet Singh Jaggi, the submissions advanced during the personal hearing and the findings recorded in the preceding chapters, IREDA records the following findings:

(i) the documentary material relied upon in the Show Cause Notice establishes his involvement in the affairs of the Corporate Borrower relating to the transactions examined in the present proceedings;

(ii) the explanations furnished by him do not satisfactorily reconcile the documentary material specifically relied upon by IREDA;

(iii) his defence is largely founded upon general denials and does not satisfactorily explain the contemporaneous documents forming part of the record;

46.7

Accordingly, IREDA holds that the responsibility of Shri Puneet Singh Jaggi stands established under Reserve Bank of India Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024.

CHAPTER 47- ROLE AND RESPONSIBILITY OF SHRI ANMOL SINGH JAGGI

47.1

IREDA now proceeds to examine the role and responsibility of Shri Anmol Singh Jaggi, who has been issued a Show Cause Notice in his personal capacity in relation to the affairs of M/s Gensol Engineering Limited. The determination of his responsibility is based upon the allegations contained in the Show Cause Notice, his written replies, additional submissions submitted after supply of the forensic audit report.

47.2

Unlike certain other noticees who have primarily questioned their involvement in the affairs of the Company, Shri Anmol Singh Jaggi has described himself as the founder-promoter and strategic leader of GEL while asserting that specialised functions such as accounting, treasury, financial reporting, regulatory compliance and interactions with credit rating agencies were handled by qualified professionals and external consultants. Accordingly, the principal issue for determination is not whether Shri Anmol Singh Jaggi was associated with the management of GEL, but whether the explanations furnished by him satisfactorily displace the documentary material relied upon in the Show Cause Notice.

Role attributed to Shri Anmol Singh Jaggi

47.3

The Show Cause Notice and the documents relied upon therein attribute to Shri Anmol Singh Jaggi a significant role in relation to the borrowing arrangements entered into by the Corporate Borrower with IREDA.

The documentary material indicates that he was associated with the management and affairs of the Corporate Borrower during the relevant period and was connected with matters relating to the projects forming the subject matter of the present proceedings and was also holding managerial position in the related parties/ Companies to whom disbursed loan funds were transferred.

Summary of Reply of Shri Anmol Singh Jaggi

47.4

Shri Anmol Singh Jaggi has denied the allegations of fraud, falsification of documents and diversion of funds.

He has broadly contended that:

(a) GEL was a genuine operating company carrying on substantial business activities and was not established or operated with any fraudulent intent;

(b) the financial distress of the Company resulted from a sequence of commercial and regulatory events following discovery of the alleged fabricated lender-related documents, rating downgrades and lender actions, rather than from any fraudulent scheme;

(c) transactions between GEL and related entities were undertaken for commercial and operational purposes;

(d) the findings of the forensic audit incorrectly infer fraud from commercial transactions and normal business arrangements; and

(e) the proceedings deserve to be dropped.

47.5

With regard to the allegation relating to the communications submitted to CARE Ratings Limited and ICRA Limited, Shri Anmol Singh Jaggi has submitted that his role was limited to engagement of an external consultant and that there is no material demonstrating that he authored, fabricated or knowingly caused any forged document to be submitted to the rating agencies. He has further referred to the complaint lodged against the concerned consultant in support of his explanation.

47.6

In relation to the allegations concerning diversion or misappropriation of loan funds, Shri Anmol Singh Jaggi has furnished project-wise explanations regarding the utilisation of funds, routing of disbursements through the TRA mechanism, procurement of assets and movement of funds. He has contended that the transactions relied upon in the Show Cause Notice were undertaken within the financing structure and that the forensic audit has drawn adverse conclusions without appreciating the commercial context.

Consideration of the Reply

47.7

The contention that GEL was a genuine business enterprise and that the projects financed by IREDA were implemented to a substantial extent has been duly noted. However, the present proceedings are not concerned with whether the Company carried on business activities generally. The issue for determination is whether the acts and transactions identified in the Show Cause Notice disclose conduct falling within the scope of the RBI Master Direction.

47.8

The explanation that specialised functions were delegated to professionals or external consultants has also been considered. Delegation of operational functions may explain the manner in which certain activities were carried out, but it does not, by itself, negate responsibility where the documentary material otherwise establishes involvement in or responsibility for the transactions forming the subject matter of the proceedings.

47.9

IREDA has further considered the explanation that the alleged forged communications addressed to CARE Ratings Limited and ICRA Limited originated through external consultants and that no material establishes personal authorship by Shri Anmol Singh Jaggi.

This explanation has been examined together with the documentary material forming part of the Show Cause Notice, including the correspondence with the rating agencies and the surrounding circumstances.

47.10

Similarly, the project-wise explanations concerning utilisation of loan proceeds, routing of funds, vendor payments, procurement documentation and related-party transactions have been examined with reference to the findings already recorded in Part II.

For the reasons discussed therein, the explanations furnished do not satisfactorily reconcile the documentary material relied upon by IREDA or displace the cumulative findings recorded in respect of the respective projects.

Findings Regarding Shri Anmol Singh Jaggi

47.11

Having considered the Show Cause Notice, the documentary material relied upon therein, the replies submitted by Shri Anmol Singh Jaggi, the additional submissions furnished after supply of the forensic audit report and the findings recorded in the preceding chapters of this Order, IREDA records the following findings:

(i) the replies have been duly considered and evaluated in the context of the documentary evidence available on record;

(ii) the explanations attributing the disputed acts solely to consultants, professionals or commercial exigencies do not satisfactorily explain the documentary material relied upon in the Show Cause Notice;

(iii) the project-wise explanations have been examined in conjunction with the findings already recorded in Part II and do not displace those findings; and

Accordingly, IREDA holds that the responsibility of Shri Anmol Singh Jaggi stands established under Reserve Bank of India Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024.

ROLE AND RESPONSIBILITY OF THE REMAINING NOTICEES, NAMELY MRS. JASMINDER KAUR & MR. ALI IMRAN NAQVI

47.12

IREDA now proceeds to examine the role and responsibility of the remaining Noticees against whom Show Cause Notices have been issued in the present proceedings. Their responsibility is required to be determined on the basis of the allegations contained in the respective Show Cause Notices, the documentary material relied upon therein, the replies submitted by each Noticee, the submissions advanced during the course of the personal hearing and the contemporaneous records forming part of the proceedings.

Role attributed to MRS. JASMINDER KAUR & MR. ALI IMRAN NAQVI

47.13

The Show Cause Notice and the documents relied upon therein attribute to significant role in relation to the borrowing arrangements entered into by the Corporate Borrower with IREDA.

The documentary material indicates that he was associated with the management and affairs of the Corporate Borrower during the relevant period and was connected with matters relating to the projects forming the subject matter of the present proceedings.

Summary of Replies of the Remaining Noticees

47.14

Although the replies submitted by the remaining Noticees differ in certain factual aspects, the principal defences raised by them may broadly be summarised as follows:

(a) they acted within the scope of their assigned responsibilities and did not exercise overall control over the affairs of GEL;

(b) they neither conceived nor authorised any fraudulent transaction;

(c) the transactions referred to in the Show Cause Notice were undertaken pursuant to decisions of the management of the Company;

(d) the forensic audit proceeds on assumptions and does not establish their individual involvement;

(e) they derived no personal benefit from the transactions referred to in the Show Cause Notice; and

(f) the proceedings against them deserve to be dropped.

Consideration of Individual Replies

47.15

IREDA has examined the reply submitted by each of the remaining Noticees together with the documentary material specifically relating to such Noticee.

47.16

The contention that the Noticees acted under instructions of the management has also been considered.

While performance of functions under organisational supervision may explain the discharge of routine responsibilities, it cannot, by itself, constitute a complete answer where the documentary material indicates direct participation in or responsibility for the acts forming the subject matter of the proceedings. Conversely, where the documentary record does not establish such participation, no adverse finding has been recorded merely on account of designation.

47.17

IREDA has also considered the plea that no personal benefit accrued to the Noticees.

The present proceedings are not founded upon proof of personal enrichment. The issue for determination is whether the documentary material establishes participation in, responsibility for or facilitation of the acts and omissions discussed in the Show Cause Notice. Accordingly, the absence of any demonstrated personal financial gain does not, by itself, determine the outcome of the present proceedings.

Findings Regarding MRS. JASMINDER KAUR & MR. ALI IMRAN NAQVI

47.18

Having considered the Show Cause Notice, the documentary material relied upon therein, the replies submitted, the additional submissions furnished after supply of the forensic audit report and the findings recorded in the preceding chapters of this Order, IREDA records the following findings:

(i) the replies have been duly considered and evaluated in the context of the documentary evidence available on record;

(ii) the project-wise explanations have been examined in conjunction with the findings already recorded in Part II and do not displace those findings; and

Accordingly, IREDA holds that the responsibility of **MRS. JASMINDER KAUR & MR. ALI IMRAN NAQVI** stands established under Reserve Bank of India Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024.

PART IV- CONCLUSION

49.1

Upon consideration of the entire record, IREDA is satisfied that:

(a) adequate opportunity was afforded to the Borrower and every Noticee;

(b) every written reply and oral submission has been duly considered;

(c) the findings recorded in this Order are based upon the examination under framework of RBI Master Direction, 2024 and IREDA FRM Policy.

(d) the cumulative evidence establishes the allegations contained in the Show Cause Notices to the extent discussed in this Order.

49.2

Accordingly, IREDA concludes that the acts discussed in this Order constitute fraud within the meaning of the **Reserve Bank of India Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions,2024**, for following reasons:

(e) The written replies, additional submissions, supporting documents and oral submissions made during the personal hearings have been duly considered.

(f) The submissions made by the noticees are largely general in nature and fail to satisfactorily explain the specific transaction patterns, diversion of funds, submission of forged documents, governance deficiencies and other irregularities identified in the Forensic Audit Report.

(g) The documentary evidence available on record establishes submission of forged communications to the Credit Rating Agency and demonstrates the knowledge and involvement of the concerned Promoters/Directors/Noticees.

(h) The movement of loan proceeds outside the designated Trust and Retention Account, coupled with routing of funds through group entities, as pointed out in the forensic audit report, establishes diversion and misappropriation of funds in violation of the sanctioned terms and conditions.

(i) The noticees have failed to produce any credible material sufficient to rebut the findings recorded in the Show Cause Notice and the Forensic Audit Report.

49.3

Conclusion

In view of the foregoing findings, and after considering the replies, documents and submissions made by the noticees in compliance with the principles of natural justice, it is held that the acts and omissions of **M/s Gensol Engineering Limited (GEL)** and their Promoters/Directors namely, Gensol Engineering Limited, Mr. Anmol Singh Jaggi, Mr. Puneet Singh Jaggi, Jasminder Kaur and Ali Imran Naqvi attract the provisions of the RBI Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024.

1. **Clause 6.1(i) – Misappropriation and Criminal Breach of Trust**

Clause 6.1 (i) of the RBI Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024 applies where loan funds entrusted for a specific purpose are diverted, misused or utilised in violation of the sanctioned terms and conditions. In the present case, the loan was sanctioned subject to the condition that the funds would be routed through the designated Trust and Retention Account (TRA) and used only for the sanctioned purpose. However, the material on record establishes that loan funds were routed back from vendors into non-TRA accounts and thereafter transferred through various group entities. The noticees have described these transactions as pricing reconciliation and working capital management. However, no satisfactory documentary evidence has been produced to show that such transactions were authorised under the loan documents or were consistent with the sanctioned end-use of funds. The diversion of loan funds outside the approved TRA mechanism amounts to unauthorised utilisation of entrusted funds. Such conduct amounts to misappropriation and breach of the trust reposed by the lender and, therefore, attracts Clause 6.1 (i) of the RBI Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024.

2. **Clause 6.1(v) – Forgery with the Intention to Commit Fraud by Making False Documents and/or Electronic Records**

Clause 6.1 (v) of the RBI Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024 applies where false documents or electronic records are created or submitted with the intention of misleading another person or institution. The material available on record establishes that forged documents, namely the Conduct Letter and the Rating Withdrawal Letter, were submitted to CARE Ratings Limited and to another ICRA. The email records also establish the knowledge and involvement of the concerned Promoters/Directors. The explanation that the work had been delegated to Global Finserv LLP is not acceptable. Delegation to an external consultant does not relieve the borrower company or its Promoters/Directors of their responsibility to ensure that documents submitted on behalf of the company are genuine and accurate. The forged letters were intended to be relied upon by the Credit Rating Agency. Their creation and submission clearly demonstrate an intention to mislead the Credit Rating Agency by presenting false documents as genuine. Accordingly, the conduct of the borrower entities and their Promoters/Directors attracts Clause 6.1(v) of the RBI Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024 relating to forgery with the intention to commit fraud by making false documents and/or electronic records.

Accordingly, the borrower accounts of M/s Gensol Engineering Limited (GEL) together with their Promoters/Directors, are liable to be classified as Fraud under the following provisions of the RBI Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024:

a) Clause 6.1 (i) – Misappropriation and Criminal Breach of Trust; and

b) Clause 6.1(v) – Forgery with the intention to commit fraud by making false documents and/or electronic records.

Consequential action shall be taken in accordance with IREDA's Fraud Risk Management Policy, the applicable RBI Master Directions and other applicable laws.

PART- VI- ORDER

In view of the foregoing discussion and in exercise of the powers conferred under the **Reserve Bank of India Master Direction – Fraud Risk Management in Non-Banking Financial Companies (NBFCs) Directions, 2024 read with the Fraud Risk Management Policy of IREDA**, it is hereby ordered as follows:

1. The account of M/s Gensol Engineering Limited is hereby classified as Fraud.
2. The following Promoters/Directors/Noticees are hereby classified as Fraud-:
    - Shri Puneet Singh Jaggi;
    - Shri Anmol Singh Jaggi;
    - Shri Ali Imran Naqvi;
    - Ms. Jasminder Kaur;
3. IREDA reserves its right to initiate such civil, criminal, contractual and regulatory proceedings, including reporting to the Reserve Bank of India, Credit Information Companies and other competent authorities, as may be permissible in law.
4. This Order is issued without prejudice to any other rights and remedies available to IREDA under law, the financing documents and applicable regulatory framework.

Issued on behalf of

Indian Renewable Energy Development Agency Limited

Jagdeep Singh

[Principal Nodal Officer]

Date: 09.07.2026

Place: New Delhi