

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 1419
TO BE ANSWERED ON MONDAY, FEBRUARY 9, 2026/MAGHA 20, 1947 (SAKA)**

FINANCIAL IRREGULARITIES IN GENSOL ENGINEERING LTD.

1419. SHRI LAXMIKANT PAPPU NISHAD:

Will the Minister of Finance be pleased to state:

- (a) whether it is a fact that SEBI initiated investigation against Gensol Engineering Ltd. for share price manipulation, misappropriation of funds and other financial irregularities in June 2024, if so, the details thereof;
- (b) whether it is true that the company defaulted on loan repayment in December 2024, while giving false information of "no default" to credit rating agencies, if so, the details thereof;
- (c) whether it is true that a loan of Rs. 978 crore from Power Finance Corporation (PFC) and Indian Renewable Energy Development Agency Ltd. (IREDA) was raised for procuring 6,400 EV vehicles, but only 4,704 vehicles were purchased and about Rs. 262 crore was diverted, if so, the details thereof;
- (d) whether PFC kept the seized vehicle in safe custody, if so, the cost of their disposal and storage;
- (e) whether sufficient time was given to bidders in the public tender, if so, the details thereof; and
- (f) the details of the Government action and liability fixed in the above cases?

**ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) SEBI had initiated a detailed investigation against Gensol Engineering Ltd. in December 2024 to ascertain any misrepresentation/ misstatement in the financial statements and diversion of funds from the listed entity during the FYs 2021-22 to 2024-25, which is in violation of the Securities and Exchange Board of India Act, 1992, SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) As brought out in the Interim Order dated April 15, 2025, Gensol had defaulted in loan repayment of IREDA and PFC and provided false information to CRAs that it was regular in its debt servicing.

(c) Preliminary observation of SEBI, as brought out in the Interim Order dated April 15, 2025, ascertain that Rs. 977.75 Crore was availed by the Company from IREDA and PFC as term loans out of which Rs. 663.89 Crore (Rs. 352.42 Cr. from PFC and Rs. 311.48 Cr. from IREDA) was for purchasing 6,400 Electric Vehicles and only 4,704 EVs were procured, as on the date of the interim order.

(d) to (f) PFC filed an Original Application (OA) against Gensol for loan default and the Hon'ble Debts Recovery Tribunal (DRT) had restrained the defendants from disposing their movable as well as immovable assets and appointed PFC representative with liberty to appoint any independent agency having expertise to take physical possession of the vehicles and maintain/ preserve the same. However, upon initiation of Corporate Insolvency Resolution Process (CIRP) the process could not continue. Gensol has been admitted into CIRP by National Company Law Tribunal (NCLT) and the affairs of the company are being managed by the Resolution Professional (RP) as per the provisions of the Insolvency and Bankruptcy Code (IBC), 2016. IREDA and PFC have also filed complaints with the Economic Offences Wing of the Delhi Police. Further, based on preliminary findings, SEBI has passed an interim order on April 15, 2025 and a confirmatory order on July 30, 2025, and inter-alia restrained Company and Key Managerial Personnel (KMPs) from buying, selling or dealing in securities and/or holding the position of a director or a KMP in Gensol until further orders.
