

The Trip Comes To An End

How Anmol and Puneet Jaggi misled investors, lenders and regulators, as per Sebi, even as they were celebrated as the poster boys of India's cleantech revolution for being the face of the much-loved cab service BluSmart

PRANAV MUKUL, REENA ZACHARIAH & JOEL REBELLO

When BluSmart first hit the roads in June 2019, it made quite a statement. Positioned as India's first all-electric ride-hailing service, it arrived with the promise of transforming urban mobility. For consumers tired of the incumbent app-based duopoly's practice of exorbitant surge pricing, messy cars, and those frustrating "driver cancelled" notifications, BluSmart brought a breath of fresh (and emission-free) air. The clean fleet of company-operated electric cars with salaried drivers (as opposed to driver-partners with varying degrees of commitment) won over passengers quickly. Many became loyalists.

"The reason I loved BluSmart was because with other apps you didn't know if they would turn up or not, and even after they did there was no guarantee on how the driver would be. I used BluSmart a lot for airport trips," says Nakul, a Bengaluru-based restaurateur.

After the scale-up to a fleet of 8,000 cars at its peak, with partnerships with Tata Motors and other Tata Group companies, Anmol Singh Jaggi rose to prominence as the face of the clean mobility revolution sweeping Indian shores. With investments from marquee names such as BP Ventures and celebrities such as Deepika Padukone and Mahendra Singh Dhoni, the BluSmart star was on the ascend, with the perfect brew of high customer satisfaction, the aura of the spunky disruptor committed to clean energy and a cap table with some muscle.

It was that perfect visage that came crumbling down when the securities markets regulator Sebi this week found BluSmart promoters Anmol and Puneet Singh Jaggi had diverted funds from their listed solar energy company Gensol, and indulged in a range of fraudulent activities, including stock price manipulation, sending shockwaves through India's markets, startup and clean energy ecosystems. The episode has come as a wake-up call on the roles and effectiveness of auditors, independent directors and rating agencies, and has also shone a spotlight on retail investors who are being lured into tricky scrips by social media influencers who don't disclose any conflict of interest, such as if they have been paid to promote that stock.

BROTHERS' BLUES

For BluSmart watchers, the writing was on the wall for a while now. The firm had failed in its efforts to raise \$50 million earlier this year, and as a result, salary payments were delayed in March. The number of daily rides on its platform had dipped to less than half of the 25,000-30,000 it was clocking at its peak last year. And then there was the exodus at the top including CEO of fleets business Anirudh Arun, CTO Rishab Sood and CBO Tushar Garg.

Despite Gensol Engineering not holding any stake in BluSmart, the two firms shared an asset relationship. A large part of the over 8,000 electric cars plying on BluSmart were owned by Gensol. Other lessors included state-owned firm Energy Efficiency Services Ltd and Mahindra & Mahindra Financial Services' vehicle leasing unit Quiklyz.

According to Tracxn, BluSmart has raised around \$168 million in total funding through both debt and equity from investors such as BP Ventures, Mayfield, impact investor responsibility and celebrities.

In mid-2022, the firm said it was looking to raise \$250 million from investors including BP's venture capital division but ended up conducting two smaller fundraising instances totalling about \$66 million in 2023, including a rights issue later in the year that saw its founders increase their stake.

"This relationship made it look like BluSmart could improve efficiencies by not bearing the cost of those vehicles or the cost to finance those vehicles... but really that cost was being passed on to Gensol," said a

Mumbai-based investor, who backed BluSmart in its early years. "Once we realised this murkiness, we decided to not participate in another funding again," he added.

THE RED FLAG

Sometime in the first half of 2024, markets regulator Sebi received a complaint about share price manipulation and fund diversion at Gensol Engineering, a solar EPC (engineering, procurement and construction) contractor and EV lessor. Upon scrutinising Gensol's financial records and associated data, the regulator sensed something was amiss.

The company's operating profit had rocketed 10,350% to ₹209 crore in FY25 from ₹2 crore in FY17, and investors jumped in, with the number of shareholders surging to 1.09 lakh from just 155. The stock touched an all-time high of ₹1,126 in June 2024, giving Gensol a market cap of ₹4,300 crore. At that price, it was more valuable than Pilani Investments, one of the holding companies of the \$66-billion Aditya Birla Group.

But what alarmed Sebi was the company's borrowings, which increased from zero in FY2017 to ₹1,260 crore in FY2024, while the promoters' holding in Gensol reduced from 71% to 35%.

The turning point came when credit rating agencies, Care and Icra, informed Sebi that Gensol had not provided them with term loan statements from their lenders IREDA and PFC when sought. Instead, it had shared conduct letters from the lenders that stated it was regular in its debt servicing. However, when cross-checked, they found the company had forged the letters. The agencies acted quickly, downgrading Gensol's credit facilities owing to concerns about delays in servicing debt.

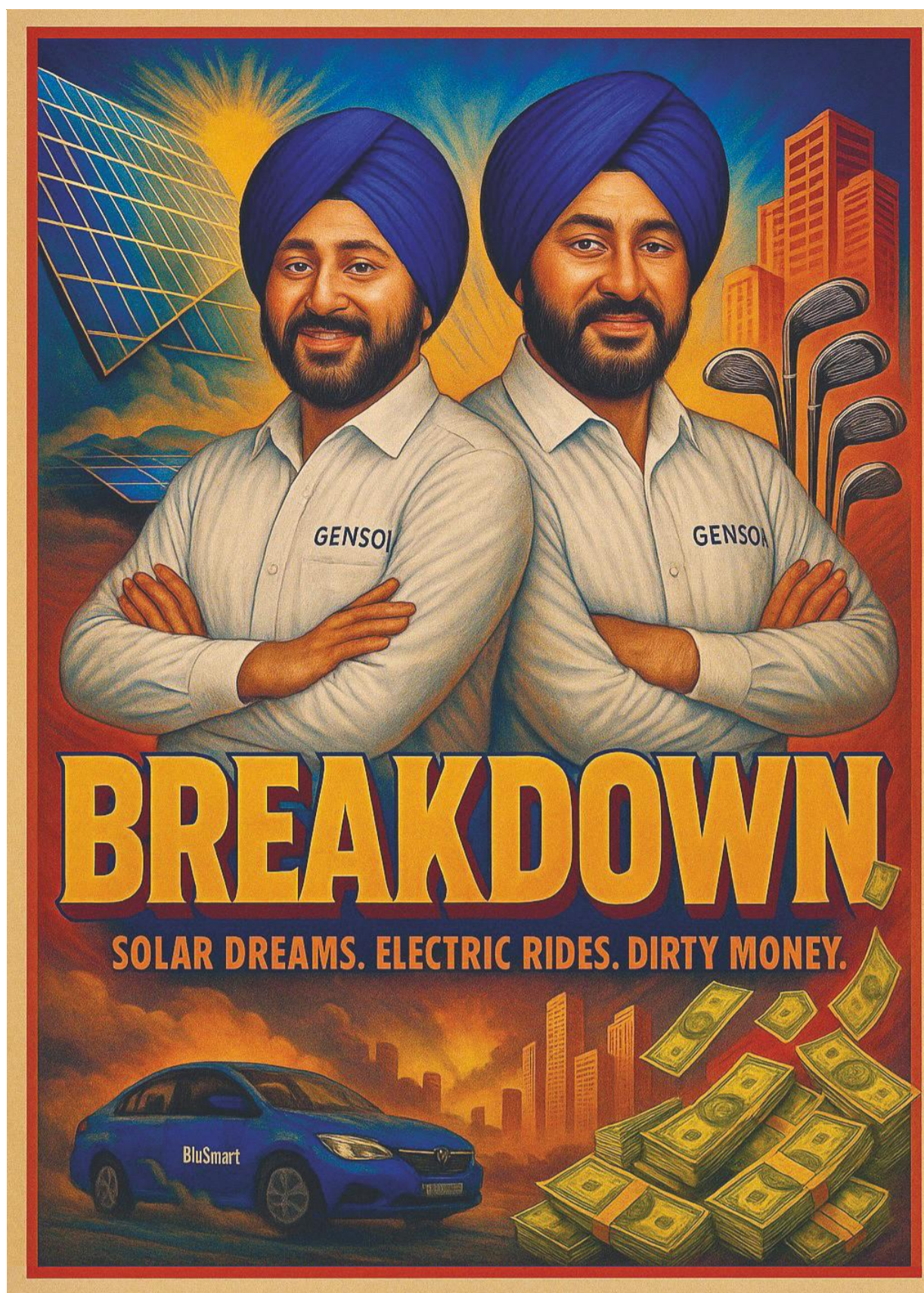
Sebi called for more information from the lenders on Gensol's debt servicing status, loan sanction letters issued to the company, and its account statements. Soon the regulator discovered an unexplained gap between the ₹978 crore loan obtained for buying EVs and the actual amount it utilised for the purpose. ₹262 crore had vanished.

Further scrutiny revealed the unaccounted amount was transferred to its dealer Go Auto, which funnelled the money back to the company or to entities related to the promoters.

The ₹262 crore was used by the promoters, the Jaggi brothers, to purchase a luxury apartment in DLF Camellias, Gurugram (₹43 crore), an ultra-expensive golf set from US-based TaylorMade (₹26 lakh), to make an investment in Ashneer Grover's Third Unicorn (fantasy cricket platform Crickpe), and transfer ₹9.18 crore to their mother and spouses. A part of the ₹262 crore was also used by the promoters to trade in Gensol's stock. The trading, which accounted for 99% of the total trade value, was conducted through one of their affiliated entities, Wellray Solar Industries. Sebi analysed Wellray's bank statements, which revealed that out of the ₹138 crore transferred to stock broker Sharekhan, ₹101 crore was received from Gensol and its related parties.

LIES AND HALF-TRUTHS

Sebi also found that Gensol misled investors



by making incorrect disclosures. For example, it claimed to have received orders for 30,000 EVs, but those memoranda of understanding were just expressions of willingness with no reference to the price of the EV or delivery schedules, Sebi noted. Similarly, Gensol claimed in February 2025 it had signed a non-binding deal for the sale of its US subsidiary for ₹350 crore. But in reality, it had set up the US subsidiary only in July 2024. When Sebi probed the company for the rationale behind such valuation, it failed to explain. Another startling revelation was that the company's Pune facility had just three labourers with no manufacturing activity to show for.

The lenders informed Sebi that the promoters had pledged a significant part of their stake as collateral for the loans and they had been invoking them following

defaults. As a result, the promoter holdings have fallen further in the company. The stock price of Gensol has dropped 85% in 2025.

Legal experts noted that while Sebi meticulously traced the promoters' transactions, it has conspicuously remained silent on the accountability of key gatekeepers—auditors, independent directors, and stock exchanges—particularly regarding related-party transactions that in retrospect should have raised more questions.

"While Sebi has not halted trading in the company's shares, it has imposed sweeping restrictions by suspending the stock split—an action that neither addresses nor achieves its intended regulatory objective," according to Regstreet Law Advisors' managing partner and former Sebi officer Sumit Agrawal. He added that

the "regulator's directive singularly targets the promoters' conduct but ends up injuring the company and, consequently, its investors."

Sebi will now engage a forensic auditor to scrutinise the books of Gensol and its related parties.

THE ROAD AHEAD

Ironically, the Gensol scam—built on massive loans extended by state-run NBFCs Power Finance Corp (PFC) and Indian Renewable Energy Development Agency Ltd (IREDA)—unravels the same week that IREDA reported its highest ever annual net profit at ₹1,699 crore on a loan book of ₹76,281 crore. However, there was no mention of any increase in provisions due to the Gensol defaults.

Today, both the NBFCs are staring at an

What next for BluSmart

FLEET TRANSITION

BluSmart has suspended ride-hailing operations and is transitioning its fleet to Uber

CUSTOMERS' MONEY

Uncertainty brews over users' money loaded into BluSmart wallet with no clarity so far on refunds

FUNDING CHALLENGE

A failed \$50 million raise leaves BluSmart scrambling for fresh capital and a new path forward

LEADERSHIP SCRUTINY

With Sebi disallowing Anmol Jaggi from accessing markets, co faces uncertainty around leadership

TOP LEVEL EXODUS

Amid cash strain, unpaid salaries and top execs leaving, questions remain on who will run the show

What next for Gensol

JAGGI BROTHERS STEP DOWN

The Jaggi brothers have stepped down from directorship, now removed from decision-making within the co

SEBI'S FORENSIC AUDIT

A lot hinges on the final outcome of Sebi's forensic audit—next steps will be guided by its findings

LEGAL UNCERTAINTY

Sebi or Gensol's lenders could file complaints with authorities over alleged financial irregularities

INVESTOR EXODUS

Investors are dumping the stock en masse, signalling a loss of confidence in Gensol's future prospects

DEBT SITUATION

Gensol had over ₹1,100 crore in debt as of March this year. Repayment of this debt is now uncertain

immediate provision of close to ₹1,000 crore for their loan exposure to Gensol due to the proven fund diversion allegations against the promoters of the company. The detailed SEBI order pegs the ongoing term loans given to the company by PFC and IREDA at ₹978 crore. Rating agencies put the total fund and non-fund based exposure to the company by NBFCs and banks at more than ₹2,050 crore.

IND AS guidelines followed by NBFCs in India require them to make a 100% provision in fraud accounts. According to those calculations, PFC will have to make a minimum provision of ₹353 crore while IREDA will have to set aside ₹625 crore as provision on its term loans which are in default today.

Both PFC and IREDA have remained silent on how things came to such a pass and how they are going to deal with it. IREDA and PFC officials did not reply to ET's emails, phone calls and messages. Anmol Jaggi did not respond to messages.

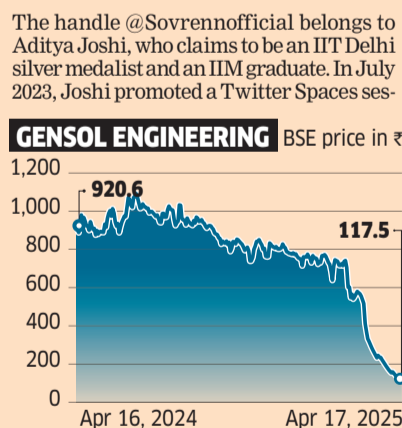
As the regulators and credit agencies ponder how matters went on for this long under their nose, there is an outpouring of grief on the demise of what netizens call as "rare, perfectly functional" cab service. As one of them posted on X: "A cab service that simply worked, and was the gold standard ahead of the Uber-Ola nightmares. Mostly good cabs and drivers, including so many women drivers. So how did that happen? How did such evil, scamming founders manage to build such a great cab service that beat global and local giants? What did they do right?"

Meanwhile, Nakul in Bengaluru is weighing his options for his next ride to the airport. "I have a trip to Delhi next month, and I'm dreading BluSmart not being around anymore," he said.

Wrong Signals from Financial Influencers

Kayezad Adajania

DINESH KUMAR, 35, an insurance professional from Chennai, bought 10 shares of Gensol Engineering at ₹935 each in June 2024, influenced by social media financial influencers, particularly an X handle named @Sovrenofficial. He added two more shares in January 2025 at ₹758.30, investing a total of ₹10,867. Today, his holding is worth just ₹1,410—a staggering 95% loss. "I tried to sell the shares, but it kept hitting the lower circuit. I just couldn't exit," says Kumar. He's not alone. Dozens of investors are now stuck with Gensol shares, many having acted on advice from unregistered financial influencers.



the handle @Sovrenofficial belongs to Aditya Joshi, who claims to be an IIT Delhi silver medalist and an IIM graduate. In July 2023, Joshi promoted a Twitter Spaces session with Gensol promoter Anmol Jaggi. On April 16, Joshi posted that he had written about Gensol in the past because the company had a huge order book and was doing well as per results. "I couldn't have imagined even in my wildest dreams that the company promoter would be mis-using funds and using the funds for personal purposes."

Another influencer, Dr. Prashant Mishra, whose X handle has over 2.14 lakh followers, posted in July 2022 about his long-term bet on Gensol. A chance meeting with CEO Anmol Jaggi deepened his admiration for the founder, who he believed was ahead of his time in both solar power and EVs. Mishra bought 8,000 shares, which later became 24,000 after bonus issues. He sold 75% of his holding in July 2024. His post about the

saleremains online. "Jaggi's increasing presence on social media and constant dilution of his shareholding didn't sit right with me," he says.

Does he regret possibly influencing others to buy the stock? "In hindsight, I wish it hadn't happened," says Mishra. "But I only posted what I bought or sold—never as investment advice." For the past 18 months, he's avoided commenting on specific stocks, noting SEBI's tighter regulations on unregistered advisors. The Gensol saga is a cautionary tale of how influence, hype, and lack of regulation can trap unsuspecting investors—and how trust in the wrong voices can come at a steep cost. More importantly, it also tells us to be more diligent about our money, instead of relying on short cuts and tips.

AFTER PROMOTERS' EXIT

Three Independent Directors Step Down from Gensol Engg

One director says he was asked to delay resignation until successful listing of Gensol group company

Our Bureau

Bengaluru: Three independent directors of Gensol Engineering Ltd (GEL) resigned in quick succession following a regulatory order against the Ahmedabad-based company by the Securities and Exchange Board of India (Sebi).

Arun Menon, Harsh Singh and Kuljit Singh Popli resigned as independent directors, GEL informed the stock exchanges. Promoters Anmol Singh Jaggi and Puneet

Singh Jaggi have also stepped down to comply with Sebi's order. Menon's resignation came into effect on Tuesday, the exchange filing read.

In his resignation letter, Menon said that he had offered to help the company reduce its interest cost through the debt restructuring route, but was never taken up on the offer.

"There was growing concern on the leveraging of GEL balance sheet to fund the capex of other businesses [businesses]; and the sustainability of servicing such high debt costs by GEL," Menon said in his resignation letter.

Menon said his earlier intentions to resign were dismissed as he was told to wait till Gensol Group company Matrix Gas & Renewables was successfully listed on the ex-

changes. With Gensol in trouble, that IPO hangs in the balance.

Popli wrote in his letter, "I was hoping for some positive developments to happen (in the) past one month... however the way things have unfolded and come to light I'm not in a position to continue as independent director."

"I was hopeful that the company that has grown so fast and had been enjoying good reputation and goodwill, will continue to grow and create value for all stakeholders and governance issues as brought out will be addressed. However, that has not happened," he added.

In a separate exchange filing, Gensol said that Anmol Singh Jaggi and Puneet Singh Jaggi are no longer participating in the management of the company in accordance with Sebi's interim order.

Stranded by Swindle: Gensol, BluSmart Staff Queue Up to Catch Better Ride

CXOs already offered jobs with over ₹2 cr salary; drivers on lookout for new platforms

Prachi Verma & Ratna Bhushan

New Delhi: Search firms, recruitment services companies, cab-hailing service providers, quick commerce and food delivery platforms have been inundated with resumes from employees across levels at under-scrutinised cab-hailing service provider BluSmart and its promoter company Gensol Engineering, these executives told ET.

CXOs at BluSmart and Gensol, who declined job offers just until a few months ago, are now desperately looking for an exit opportunity. "They had started hunting for jobs even when the entire news became official, as they were aware of the downfall," said an executive at a leading search firm recently approached by these executives.



BluSmart has suspended electric car services after market regulator Sebi barred parent Gensol and its promoters Anmol Singh Jaggi and Puneet Singh Jaggi, from the securities market, citing serious financial misconduct and corporate governance lapses. Search firms say these CXOs have already got job offers with salary packages starting at ₹2 crore.

There is also a surge in queries by BluSmart drivers for contractual

jobs in new car rental platforms such as Shoffr and Voler Cars, EV bus services such as Green Cell Mobility and food delivery platforms, executives from these companies said, requesting anonymity.

"The recent exit of Gensol promoters from BluSmart has created uncertainty for a significant portion of their employees, with layoffs and delayed salaries adding to the challenge," said Neeti Sharma, chief ex-

ecutive at specialised staffing firm Team Lease Digital.

Many have started to explore roles within the EV ecosystem including with other fleet operators, said executives.

"Many of their skills will also match requirements in other sectors such as logistics, automotive, technology, renewable energy, etc. In the short term, many employees are taking up employment where it is available," said Sharma.

Aditya Mishra, chief executive officer at staffing firm CIEL HR Services noted that it is natural to see a sharp shift in talent sentiment across all levels in an organisation in the event of unfavourable news. "We have been seeing these tensions for the last few weeks. As of now, more than 600 individuals from both these companies are actively seeking new opportunities," he said.