



WTM/KV/CFID/CFID-SEC6/32431/2026-27

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**INTERIM ORDER**

**UNDER SECTIONS 11 (1), 11 (4) AND 11B OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 IN THE MATTER OF RAJESH EXPORTS LIMITED**

**In respect of:**

<b>Sr. No.</b>	<b>Name of <i>Noticees</i></b>	<b>PAN</b>
1.	Rajesh Exports Limited (REL)	AAACR8642N
2.	Rajesh Mehta	ADKPM0172C

*(The entities mentioned above are individually referred to by their respective names or Noticee No. and collectively referred to as “Noticees”, unless the context specifies otherwise)*

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## A. BACKGROUND

1. The present proceedings have emanated from an investigation conducted for the period between April 01, 2020 to March 31, 2024 (hereinafter referred to as “**Investigation Period**”) by the Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) involving abovementioned *Noticees*. Wherever deemed necessary, reference has been made to period outside the investigation period.
2. SEBI received a complaint vide e-mail dated March 11, 2024 wherein a shareholder of Rajesh Exports Limited (hereinafter referred to as “**Company**”/ “**REL**”) has alleged potential financial misrepresentation in the books of REL with respect to large sum of trade receivables outstanding for more than two years.
3. REL is a public limited company incorporated on February 01, 1995 under CIN No: L36911KA1995PLC017077 having its registered office at #4, Batavia Chambers, Kumara Krupa Road, Kumara Park East, Bangalore - 560001. The Company is a gold refiner and manufacturer of gold products. It exports its products to various countries around the world. It also sells its products in wholesale and retail in India and through its own retail showrooms under the brand name ‘SHUBH Jewellers’. It is a mid-cap company having INR 3,210 crore market capitalization as on June 03, 2026. The shares of the Company are listed on BSE (531500) and NSE (RAJESHEXPO) and the share price as on June 03, 2026, was INR 108.70 (Face Value: INR 1/- per share).
4. Pursuant to preliminary examination of the complaint received from the shareholder, SEBI appointed an Investigating Authority on October 23, 2024 to, *inter alia*, investigate into possible violations of provisions of the Securities Contracts (Regulation) Act, 1956 (hereinafter referred to as the “**SCRA**”), the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the “**SEBI Act**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “**LODR Regulations**”) and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities



Markets) Regulations, 2003 (hereinafter referred to as the “**PFUTP Regulations**”) and other applicable provisions of securities laws. A Forensic Auditor viz. BDO India Services Pvt Ltd (hereinafter referred to as “**Forensic Auditor**”/ “**BDO**”) was also appointed in the matter on December 03, 2024.

## **B. PRIMA FACIE FINDINGS OF INVESTIGATION AND CONSIDERATION OF ISSUES**

5. During the course of investigation, the Investigating Authority (hereinafter referred to as the “**IA**”) issued various summons for personal appearance and for production of documents to the *Noticees*. The *Noticees* submitted information and documents in multiple tranches, which were incomplete in many aspects even after providing sufficient time to furnish the same. The *Noticees* have also not cooperated with the Forensic Auditor and resultantly, the Forensic Audit Report (hereinafter referred to as “**FAR**”) dated March 25, 2026 has been prepared subject to several limitations that have impeded the audit process and consequently the ongoing investigation. Based on the information available on record, the *prima-facie* findings and observations with respect thereto are discussed in the subsequent paragraphs. The relevant provisions of securities laws *prima facie* violated by the *Noticees* as discussed in this order are reproduced in **Annexure-A** for ease of reference.

### **B.1. Non-cooperation by the *Noticees***

6. Upon perusal of the FAR submitted by the Forensic Auditor, it is *prima facie* observed that the conduct of REL has been characterized by significant non-cooperation, resulting in several limitations that have impeded the audit process.
7. The Forensic Auditor has highlighted grave restrictions on the scope of their audit, notably:
  - I. REL failed to provide access to its Enterprise Resource Planning (ERP) systems and Books of Accounts. Furthermore, the vital Journal Dump of the company was withheld, effectively shielding the underlying accounting entries from independent scrutiny.



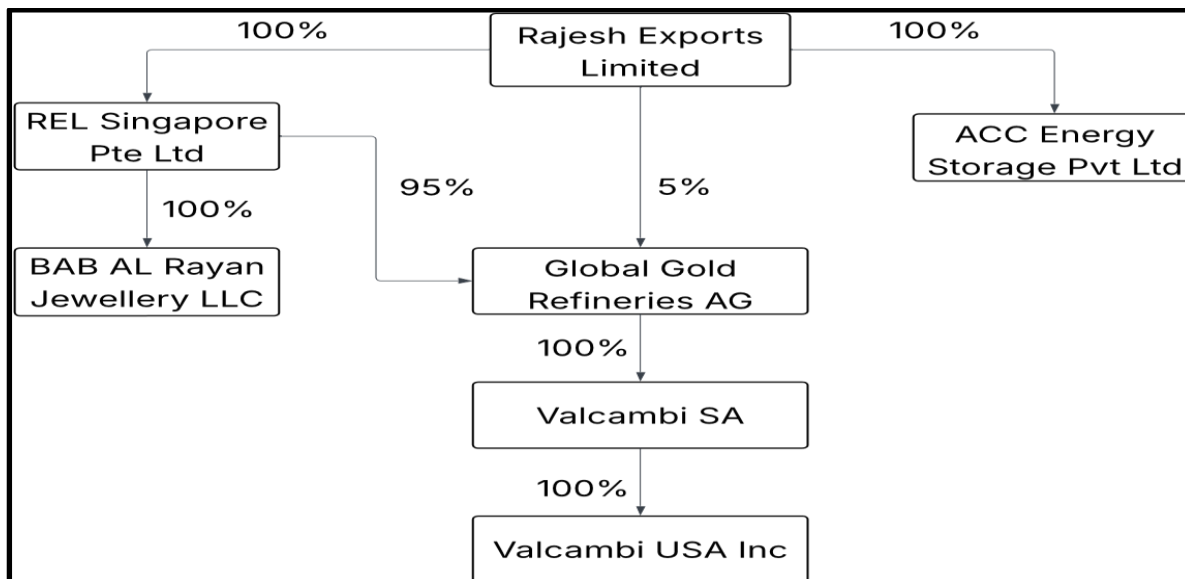
- II. With respect to foreign subsidiaries, REL refused to share requisite data, taking shelter under the Swiss Federal Act on Data Protection. Consequently, the Forensic Auditor's review was confined solely to financial statements, without access to primary evidentiary records.
  - III. Even where ledgers were produced, they were found to be deficient since Narrations were only partially visible, and the omission of corresponding ledger account names rendered it impossible to ascertain the true nature or purpose of the recorded transactions.
8. The FAR reveals a systematic failure on the part of REL to substantiate its financial figures through transaction testing. Out of a selected sample of INR 7,021.36 crores, REL provided a complete set of documents for a negligible 2.03% of the sample value. Similarly, in the testing of sales samples totalling INR 12,217.15 crores, the Forensic Auditor could verify only 35.07% of the value with complete documentation. For the remainder of the samples, documentation was either partial or completely absent, leaving substantial transactions entirely unsubstantiated. Such a high degree of data and document pendency, as tabulated in the 'Limitations – Data Pendency' section of the FAR, *prima facie* suggest a deliberate attempt to withhold information and raise serious concerns regarding the authenticity of the financial disclosures made by REL.

## **B.2. Non-disclosure of material consolidated financial information**

9. As per the Annual Reports and submissions of REL, it is noted that REL has a multi-layered corporate structure comprising domestic operations and multiple overseas subsidiaries/ step-down subsidiaries, with a substantial portion of consolidated operations originating outside India. The corporate structure of REL is illustrated below.



**Figure No. 1**  
**Corporate Structure of REL**



*Note: During FY 2024-25 REL's shareholding in ACC Energy Storage Pvt Ltd was reduced from 100% to 51.05%.*

10. REL, vide emails dated August 27, 2024 and September 13, 2024, *inter-alia*, provided below-mentioned details regarding the aforesaid subsidiaries of REL:

- I. Rajesh Exports Limited, India: A listed public limited company engaged in the import and sale of gold bullion, manufacture of gold products, and export, wholesale and retail sale (including under the brand 'Shubh Jewellers') of gold products.
- II. REL Singapore Pte Ltd, Singapore (hereinafter referred to as 'REL Singapore'): A wholly owned subsidiary of REL, stated to be a holding Company and not engaged in any day to day business activity.
- III. Global Gold Refineries AG, Switzerland (hereinafter referred to as 'GGR'): An entity in which REL Singapore Pte Ltd holds 95% and REL holds 5%. It is stated to be a holding company of Valcambi SA and not engaged in day to day business activities.



- IV. Valcambi SA, Switzerland (hereinafter referred to as 'Valcambi'): A wholly owned subsidiary of GGR engaged in refining precious metals and sale of branded precious metal bars including gold bullion bars to various entities including bullion banks, international banks, central banks, bullion exchanges and bullion dealers; receives precious metals under arrangements such as purchase, loan and safekeeping.
- V. Valcambi USA Inc, USA (dissolved in December 2023): A wholly owned subsidiary of Valcambi SA engaged in marketing Valcambi brand in North America.
- VI. Bab AL Rayan Jewellery LLC, UAE: A wholly owned subsidiary of REL Singapore Pte Ltd, stated to be engaged in procuring scrap gold/ gold dore bars and refining/ manufacturing gold products for sale/export.
- VII. ACC Energy Storage Pvt Ltd, India: A wholly owned subsidiary of REL, stated to be a start-up engaged in the research of Advanced Energy Storage Devices with operations yet to begin.
11. Upon analysis of the 'Revenue from Operations' and 'Profit After Tax' of REL on standalone and consolidated basis, as disclosed in its financial statements, it is observed that significant component of REL's consolidated operations are emanating from its subsidiaries/ step-down subsidiaries. The same is tabulated as under:

**Table no. 1**  
**Revenue from Operations and Profit After Tax of REL on standalone and consolidated basis (INR in crore)**

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Consolidated Revenue from Operations <b>(A)</b>	2,58,306	2,43,128	3,39,690	2,80,676	4,23,099	7,78,716
Standalone Revenue from Operations <b>(B)</b>	2,060	6,237	5,762	5,401	7,027	9,189



Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Revenue from Operations emanating from subsidiaries/ stepdown subsidiaries <b>(A-B)</b>	2,56,245	2,36,891	3,33,928	2,75,276	4,16,072	7,69,527
Consolidated Profit After Tax <b>(C)</b>	845	1,009	1,432	336	95	113
Standalone Profit After Tax <b>(D)</b>	99	23	30	17	24	32
Profit After Tax emanating from subsidiaries/ stepdown subsidiaries <b>(C-D)</b>	746	987	1,402	318	71	81

12. In view of the above and based on REL's own submissions and disclosures, it is observed that REL's subsidiaries/ step-down subsidiaries constitute a significant component of REL's consolidated operations. Accordingly, the revenue, profitability, receivables, payables, inventory etc., of REL's subsidiaries/ step-down subsidiaries have a direct and material bearing on REL's consolidated financial position, performance and valuation, and consequently on the decision making of investors investing in the equity of REL in the Indian securities market. Therefore, the financial information relating to REL's subsidiaries/ step-down subsidiaries assumes material significance for assessment of REL's consolidated financial statements.

**Non-availability of financial statements of REL's subsidiaries/ step-down subsidiaries**

13. It is noted that under the provisions of section 128(1) of the Companies Act, 2013, every company is under a statutory obligation to maintain books of account and financial statements that reflect a "true and fair view" of its state of affairs. This transparency is further reinforced by Section 136(1) of the Companies Act, 2013, which mandates companies with subsidiaries to place separate audited financial statements of each such subsidiary on their website. Furthermore, Regulation 46(2)(s) of the LODR Regulations casts a specific duty upon listed entities to publish the separate audited financial statements of every subsidiary on its website at least 21 days prior to the Annual General Meeting.



14. Upon examination of material on record, it is noted that REL has failed to upload the financial statements of any of its subsidiaries or step-down subsidiaries (**SDSs**) on its website. By failing to provide these statements, particularly for significant entities like Valcambi SA which drive the bulk of REL's consolidated operations, the company has effectively shielded its primary revenue-generating components from the scrutiny of investors, auditors and regulators alike. Such non-disclosure deprives the shareholders of their right to assess the true financial health and risks associated with the consolidated entity, thereby impairing their ability to make informed investment decisions in the equity of REL in securities market.
15. It is further observed that when directed to rectify these omissions, REL's compliance was marked by selective and incomplete disclosures. While certain statements for REL Singapore, GGR, and Valcambi SA were provided, the following material financial statements remain outstanding:
- I. Standalone financial statements of REL Singapore for FY 2023-24 to FY 2024-25;
  - II. Standalone financial statements of Bab AL Rayan Jewellery LLC for FY 2020-21 to FY 2024-25;
  - III. Consolidated financial statements of GGR for calendar years 2024;
  - IV. Standalone financial statements of GGR for calendar years 2020 to 2024;
  - V. Standalone financial statements of Valcambi SA for calendar years 2020;
  - VI. Standalone financial statements of Valcambi USA Inc for calendar years 2020 to 2023;
  - VII. Standalone financial statements of ACC Energy for FY 2022-23 to FY 2024-25.
16. The conduct of CA P V Ramana Reddy, the Proprietor at M/s P V Ramana Reddy & Co, and CA P L Venkatadri, Partner at M/s BSD & Co, the Statutory Auditors of REL (Statutory Auditors) also warrants scrutiny. During their depositions on January 16, 2026, the statutory auditors undertook to provide the missing subsidiary financial statements and their complete audit working papers.





However, as on the date of this Order, no such documents have been received by SEBI, indicating a lack of cooperation with the investigatory process.

17. REL was granted multiple opportunities to explain these lapses via summons dated January 30, February 09, and February 16, 2026. In its response dated March 17, 2026, REL contended that its standalone and consolidated filings were "adequate" and that subsidiary financials were "clearly derivable" from the consolidated figures. The response of REL received vide email dated March 17, 2026, *inter alia* stated as under:

*"...REL has diligently published the stand alone financial statements and the consolidated financial statements on it's website for all the years which can be found on the website. From the consolidated and the standalone financial statements, the financial statements of the subsidiaries are clearly derivable. We are of the opinion that publishing the standalone and consolidated financial statements was adequate and fulfilled the required provision."*

18. I find the aforementioned contention of REL to be fundamentally untenable. The requirement to publish subsidiary-wise financial statements under Section 136(1) of the Companies Act and Regulation 46(2)(s) of the LODR Regulations is an independent, mandatory disclosure requirements that cannot be substituted by consolidated reporting at the company's discretion as has been done by REL. Consolidated statements, by their very nature, involve the elimination of intra-group transactions and provide an aggregated view that masks entity-specific risks, cash flows, and related-party exposures. REL's argument that these details are "derivable" is conceptually flawed and appears to be an attempt to circumvent the transparency requirements essential for the integrity of the securities market.

**Non availability of information at consolidated level**

19. It is observed that REL exercises absolute control (100%) over GGR and Valcambi SA through a combination of direct and indirect holdings. Notwithstanding this control, SEBI issued multiple communications—including



emails dated June 28, July 11, August 06, August 21, and September 04, 2024, as well as summons dated June 16, July 02, and July 24, 2025—seeking granular details of consolidated operations, specifically party-wise data for sales, purchases, debtors, creditors, and inventory. In its responses, REL contended that it lacked access to such information, citing the restrictive nature of Swiss laws and confidentiality agreements governing GGR and Valcambi SA.

20. To substantiate its claim of legal impossibility, REL, vide email dated September 13, 2024, submitted copies of the Swiss Federal Act on Data Protection (**'FADP'**) and a sample confidentiality agreement. REL asserted that these statutes prohibit the cross-border transfer of "personal data" to India. This position was further reiterated by an email from the CEO of Valcambi, forwarded by Mr. Rajesh Mehta on September 12, 2024. I have examined the provisions of the FADP and find REL's reliance on the same to be misplaced. The relevant Articles of the FADP are reproduced as under::

*"Art. 1 Purpose: This Act has the purpose of protecting the personality and fundamental rights of natural persons whose personal data is processed.*

*Art. 2 Personal and material scope of application:*

*1 This Act applies to the processing of personal data of natural persons..."*

*Art. 16 Principles*

*1 Personal data may be disclosed abroad if the Federal Council has decided that the legislation of the State concerned or the international body guarantees an adequate level of protection.*

*.....*

*Art. 17 Exceptions*

*1 In derogation from Article 16 paragraphs 1 and 2, personal data may be disclosed abroad in the following cases:*

*a. ....*



b. ....

c. *Disclosure is necessary in order to:*

1. *safeguard an overriding public interest; or*

2. *establish, exercise or enforce legal rights before a court or another competent foreign authority.*

.....

21. From a plain reading of the aforesaid provisions, I note that the protection afforded by the FADP is explicitly limited to "natural persons" and does not extend to corporate information or the data of legal entities like Valcambi. Even otherwise, Article 17 of the FADP provides statutory exceptions allowing personal data transfers if disclosure is necessary to establish, exercise, or enforce legal rights before a competent foreign authority such as SEBI. Consequently, REL's plea that it is legally barred from furnishing corporate financial data to a regulator is untenable.
22. I further note that a listed entity operating in the Indian securities market cannot rely upon private confidentiality arrangements or foreign data protection provisions to defeat or dilute its statutory disclosure obligations under Indian securities laws. Where a listed entity chooses to structure its operations through overseas subsidiaries and thereafter consolidates the financial results of such entities into its public disclosures, it remains under a continuing obligation to maintain and furnish sufficient underlying information to enable regulatory verification and investor transparency.
23. From the aforesaid, it is *prima facie* evident that while REL's consolidated financial performance is almost entirely (approx. 97%-99%) dependent on its overseas subsidiaries, particularly Valcambi SA, the company has systematically withheld the financial statements of these entities from the public domain. Furthermore, it has failed to provide the necessary underlying data (party-wise details of vendors, customers, etc.) to the Investigating Authority despite repeated summons.



24. The cumulative effect of these omissions is that investors have been presented with consolidated revenue and balance sheet figures without any means to verify the underlying financial numbers of the subsidiaries. This has created a severe information asymmetry, keeping the public investors and shareholders in the dark regarding the true financial position of REL's consolidated operations and the veracity of its reported performance.

**Information/ Documentation required from REL:**

25. REL failed to provide the below-mentioned financial statements of its subsidiaries/ step-down subsidiaries:
- I. Standalone financial statements of REL Singapore for FY 2023-24 to FY 2024-25;
  - II. Standalone financial statements of Bab AL Rayan Jewellery LLC for FY 2020-21 to FY 2024-25;
  - III. Consolidated financial statements of GGR for calendar years 2024;
  - IV. Standalone financial statements of GGR for calendar years 2020 to 2024;
  - V. Standalone financial statements of Valcambi SA for calendar years 2020;
  - VI. Standalone financial statements of Valcambi USA Inc for calendar years 2020 to 2023;
  - VII. Standalone financial statements of ACC Energy for FY 2022-23 to FY 2024-25.
26. Additionally, REL also failed to provide the below-mentioned information pertaining to its subsidiaries/ step-down subsidiaries for each year under investigation:
- I. sales register indicating the customer wise list of sales;
  - II. purchase register indicating the vendor wise list of purchases;
  - III. detailed breakup of customer wise debtors;
  - IV. detailed breakup of vendor wise creditors;
  - V. list of related parties and related party transactions



27. By failing to provide above information, despite multiple emails and summons, REL obstructed the investigation and impaired SEBI's ability to verify the authenticity of consolidated financial statements, thereby violating Section 11(2) (ia) and 11C (3) of the SEBI Act, 1992. Further, by failing to upload the audited financial statements of its subsidiaries/ step-down subsidiaries on its website, REL violated Regulation 46(2)(s) of the LODR Regulations and Section 136(1) of the Companies Act, 2013.

### **B.3. Misrepresentation of Financial Statements - Consolidated basis**

28. I note that REL, in its annual reports for FY 2020-21 to FY 2024-25, disclosed consolidated revenues from operations aggregating to approximately INR 15,44,899 crore and consolidated purchases aggregating to approximately INR 15,43,533 crore. The details thereof are reproduced below:

**Table no. 2**

#### **Sales and Purchases of REL on consolidated basis (INR in crore)**

<b>Particulars</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>Total</b>
Sales	2,58,306	2,43,128	3,39,690	2,80,676	4,23,099	15,44,899
Purchases	2,59,600	2,41,771	3,35,980	2,78,167	4,28,015	15,43,533

29. In order to examine the genuineness and verifiability of the aforesaid consolidated sales and purchase figures, SEBI sought customer-wise and vendor-wise details pertaining to the consolidated revenues and purchases. However, despite repeated summons dated June 16, 2025, July 02, 2025 and July 24, 2025 and subsequent reminders, REL failed to furnish party-wise breakups, sales registers, purchase registers, invoices, purchase orders or any other supporting documentary evidence.

30. I note that REL furnished incomplete figures relating to the top customers and vendors on a consolidated basis, as it did not disclose the identities of such counterparties by contending that the same pertained to GGR/Valcambi SA and could not be disclosed due to Swiss laws and confidentiality obligations. In the absence of underlying transactional records and supporting documents, the



consolidated sales and purchase figures disclosed by REL could not be independently verified.

31. I further note from the annual reports of REL that more than 97% of REL's consolidated revenues during FY 2020-21 to FY 2024-25 were attributed to its subsidiaries and step-down subsidiaries.

**Table no. 3**  
**Comparison of REL's consolidated and standalone revenues**  
**(INR in crore)**

<b>Particulars</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
Consolidated Revenue from Operations of REL <b>(A)</b>	2,58,306	2,43,128	3,39,690	2,80,676	4,23,099	7,78,716
Standalone Revenue from Operations of REL <b>(B)</b>	2,060	6,237	5,762	5,401	7,027	9,189
Revenue from Operations of Subsidiaries/ step-down subsidiaries of REL <b>(C=A-B)</b>	2,56,245	2,36,891	3,33,928	2,75,276	4,16,072	7,69,527
% of Revenue from Operations of Subsidiaries/ step-down subsidiaries of REL <b>(C/A)</b>	99.20%	97.43%	98.30%	98.08%	98.34%	98.82%

32. Thus, it is observed that the consolidated financial position and operational scale projected by REL before investors was substantially dependent upon the revenues allegedly generated by its overseas subsidiaries and step-down subsidiaries.



33. REL, vide email dated April 10, 2025, *inter alia* furnished the consolidation workings for FY 2020-21 to FY 2023-24. Upon examination of the same, it is observed that REL arrived at the consolidated revenue from operations of REL by undertaking a line-by-line consolidation of the revenues of REL (standalone), REL Singapore and ACC Energy, after giving effect to certain “inter-company adjustments”. REL further stated that the audited financial statements of the step-down subsidiaries were first consolidated at the level of REL Singapore and thereafter forwarded to REL for preparation of the final consolidated financial statements.
34. However, I note that the aforesaid explanation by REL appears inconsistent with the notes to financial statements mentioned in REL Singapore’s Annual Reports itself which *inter-alia* reads as under:
- “These financial statements are the separate financial statements of the Company. The Company is exempted from the preparation of consolidated financial statements as the consolidated financial statements are prepared by the Company’s ultimate holding company, Rajesh Exports Limited where the consolidated financial statements are available for public use.”*
35. From the aforesaid it is evident that REL Singapore prepared only standalone financial statements and was exempted from preparing consolidated financial statements on the ground that the ultimate holding company, i.e., REL, prepared consolidated financial statements.
36. I further note that while the standalone financial statements of Valcambi SA were audited under Swiss law by KPMG SA, the consolidated financial statements of GGR were voluntarily prepared under a “Group Accounting Manual” and were not subjected to any statutory audit under Swiss law. It is also observed that KPMG SA specifically clarified that its opinion on GGR’s consolidated financial statements did not constitute a statutory audit opinion under Swiss law.



37. In view of the aforesaid, I note *prima facie* inconsistencies in the process of consolidation described by REL. While REL stated that audited financial statements of the overseas entities were consolidated at the level of REL Singapore, the material available on record indicates that REL Singapore itself did not prepare consolidated financial statements.
38. REL, vide email dated August 27, 2024, furnished audited standalone financial statements of REL Singapore for FY 2020-21 to FY 2022-23. Upon perusal of the same, it is observed that REL Singapore reported nil revenue from operations during the relevant period. I further note that ACC Energy, which was incorporated on July 04, 2022, also reported nil/negligible revenues during the relevant period.
39. REL, through various communications and through the depositions of its Managing Director (MD) and Chief Financial Officer (CFO), *inter alia*, stated that REL Singapore, GGR and ACC Energy had no substantive business operations and that Valcambi SA constituted the principal operating entity of the group. It was further stated that Bab Al Rayan Jewellers LLC and Valcambi USA had ceased operations several years earlier and that the consolidated revenues of REL, other than the standalone revenues of REL India, substantially emanated from Valcambi SA.
40. In light of the aforesaid statements, it is *prima facie* observed that the consolidated revenues disclosed by REL were substantially dependent upon the financials attributed to Valcambi SA. In order to examine the aforesaid claim, the standalone revenues of Valcambi SA (audited) were compared with the consolidated revenues reported by GGR (unaudited) and REL (audited).

**Table no. 4**

**Comparison of consolidated revenue of GGR and standalone revenue of Valcambi SA with consolidated revenue of REL**

Particulars		2020	2021	2022	2023	2024
Consolidated Revenue from sale of goods	CHF in million	29,162	25,779	35,372	31,828	Not provided by REL
	INR/CHF	79.06	80.89	82.34	91.97	





Particulars		2020	2021	2022	2023	2024
and services of GGR (unaudited) (A)	INR in crore	2,30,555	2,08,519	2,91,264	2,92,714	Not provided by REL
% of A in C	%	89.26%	85.76%	85.74%	104.29%	
Standalone Revenue from sale of goods and services of Valcambi SA (audited) (B)	CHF in million	74.13	90.10	90.25	59.01	44.87
	INR/CHF	79.06	80.89	82.34	91.97	95.08
	INR in crore	586.11	728.82	743.14	542.68	426.63
% of B in C	%	0.23%	0.30%	0.22%	0.19%	0.10%
Particulars		2020-21	2021-22	2022-23	2023-24	2024-25
Consolidated Revenue from Operations of REL (audited) (C)		2,58,306	2,43,128	3,39,690	2,80,676	4,23,099

**Note:** GGR & Valcambi prepare financial statements on calendar year basis i.e., Jan – Dec. As per Ind AS 21, the translation of revenue from operations is to be done at average exchange rate for that year. Accordingly, the average exchange rates taken from [www.exchangerates.org.uk](http://www.exchangerates.org.uk) are used for converting INR/CHF.

41. Upon comparison, I note that the standalone revenues of Valcambi SA constituted only a negligible fraction of the consolidated revenues reported by GGR and REL. For instance, during CY 2023, the standalone revenue of Valcambi SA amounted to approximately INR 542.68 crore, whereas GGR reported consolidated revenues of approximately INR 2,92,713.71 crore and REL reported consolidated revenues of approximately INR 2,80,676.35 crore.
42. Thus, it is observed that the standalone revenues of Valcambi SA constituted less than 0.50% of the consolidated revenues reported by GGR and REL, which appears fundamentally inconsistent with REL's repeated assertion that Valcambi



SA was the principal operating entity driving the group's revenues and the fact that GGR is holding company and is not having any day to day operations.

43. Upon being called upon to explain the aforesaid discrepancy, REL contended that Valcambi SA accounted only for "processing revenues" or "value addition", whereas GGR recognized the gross value of gold transactions together with processing charges. However, I note that the aforesaid explanation appears *prima facie* untenable. The audited standalone financial statements of Valcambi SA, prepared in accordance with Swiss law and audited by KPMG SA, correctly recognize only the processing charges/value addition as revenue and do not reflect any recognition of the alleged "true and fair sales revenue" now sought to be relied upon by REL. REL has failed to furnish adequate documentary and accounting basis supporting such treatment for example accounting opinions, principal-agent assessments, bullion ownership records, inventory risk allocation, inter-company arrangements or reconciliation statements demonstrating the basis on which gross transaction values aggregating to several lakh crores came to be recognized at the GGR level despite the principal operating entity reflecting only processing charges as standalone revenues. It is not clear as to how the consolidating entity changes fundamental of accounting by including market value of goods belonging to third party as its revenue, when the operating entity itself accounts for only value addition (as it does not claim to take ownership of goods belonging to someone else).
44. I further note that REL's explanation effectively implies that GGR, despite being merely a holding company with no independent operational activities or trading operations, recognized incorrectly market value of goods as revenues arising from processing transactions undertaken by Valcambi SA, even though such revenues were not recognized in the books of Valcambi SA itself as Valcambi SA was only accounting for value addition. In my view, such accounting treatment is *prima facie* internally inconsistent, commercially implausible and unsupported by verifiable underlying records.



45. It is pertinent to note that despite repeated summons and opportunities granted by SEBI, REL failed to furnish party-wise sales details, invoices, purchase records, confirmations, customer details or vendor details in respect of the alleged overseas revenues. SEBI also sought information directly from Mr. Michael Mesaric, Chief Executive Officer of Valcambi SA. However, no response was received. Consequently, SEBI was prevented from independently verifying the authenticity and genuineness of the purported consolidated revenues disclosed by REL.
46. From the material available on record, I note the following *prima facie* findings:
- I. the overwhelming majority (approx. 97%-99%) of REL's consolidated revenues were attributed to overseas subsidiaries and step-down subsidiaries;
  - II. REL failed to furnish verifiable records supporting such revenues despite repeated summons;
  - III. REL Singapore and other subsidiaries admittedly had little or no substantive operations;
  - IV. Valcambi SA, projected as the principal operating entity, disclosed only negligible standalone revenues in its audited financial statements on account of value addition/ processing charges; and
  - V. the inflated unaudited revenues disclosed by GGR at the consolidated level is not supported either by audited standalone financial statements or by underlying transactional records or concept of accounting.
47. At this *prima facie* stage, the issue is not merely that certain information remains unavailable, but that the revenues disclosed by REL at the consolidated level appear incapable of independent verification despite repeated regulatory requisitions and opportunities granted over an extended period. The failure of REL to furnish transaction-level records, customer details, vendor confirmations, invoices, inventory trails, or other primary evidentiary material, coupled with the negligible standalone revenues disclosed by only overseas operating entity and the absence of demonstrable substantive operations by others, renders the consolidated revenue figures of REL commercially implausible. This *prima facie*



raises doubt on the genuineness of the disclosures in the financial statements. Viewed cumulatively, the material available on record indicates that the consolidated financial statements of REL appear to have materially overstated and misrepresented the operational scale and financial performance of the group during FY 2020-21 to FY 2024-25. The FY-wise impact of such misrepresentation is tabulated below:

**Table no. 5**  
**FY-wise impact of misrepresentation**

(INR in crore)

Particulars	20-21	21-22	22-23	23-24	24-25	Total
Consolidated Revenue of REL (A)	2,58,306	2,43,128	3,39,690	2,80,676	4,23,099	15,44,899
Standalone Revenue of REL (B)	2,060	6,237	5,762	5,401	7,027	26,486
Revenue of Subsidiaries/ Step-down subsidiaries <sup>1</sup> (C=A-B)	2,56,245	2,36,891	3,33,928	2,75,276	4,16,072	15,18,413
Particulars	2020	2021	2022	2023	2024	Total
Revenue of Valcambi SA (CHF in million)	74.13	90.10	90.25	59.01	44.87	358.36
Avg. INR/CHF rate (www.exchangerates.org.uk)	79.06	80.89	82.34	91.97	95.08	-
Revenue of Valcambi SA (INR in crore) (D)	586.11	728.82	743.14	542.68	426.63	3,027.38
Misrepresentation (E=C-D)	2,55,659	2,36,163	3,33,185	2,74,733	4,15,646	15,15,385
% of Misrepresentation (E)/(C)*100	99.77	99.69	99.78	99.80	99.90	99.80

48. From the table above, I note that REL has prima facie misrepresented approximately INR 15,15,385 crore i.e. representing 99.80% of its revenues which are attributed to subsidiaries during the period FY 2020-21 to FY 2024-25. The aforesaid conduct appears to have *prima facie* enabled REL to portray an inflated and misleading picture of its operational scale, consolidated financial position and financial health before investors and the securities market.

49. It is admitted position that GGR (unaudited) was a mere a holding company without having any operations. Yet GGRs' revenue from operations were significantly higher than the revenue from operations of Valcambi SA (audited). It

<sup>1</sup> Subject to inter-company adjustments



is further noted that REL has considered the inflated revenue from operations of GGR in its consolidated financial statements, which *prima facie* appears to be inflated.

50. Further, despite having the audited financial statements of Valcambi SA with it, and knowing the real position of Valcambi SA, REL considered the unaudited consolidated figures recorded by GGR for the purpose of its own consolidation. It is also noted that REL failed to disclose the audited financial statements of Valcambi SA on its website, thereby keeping the investors in dark from knowing the true and fair picture of the financial affairs of the Company.
51. I note that the consolidated revenues and financial disclosures of REL constituted material information for investors and market participants in assessing the valuation, operational strength, growth trajectory, liquidity position and overall financial health of REL. The disclosures relating to overseas subsidiaries and step-down subsidiaries formed the substantial basis of REL's projected scale of operations and market standing. Consequently, dissemination of financial statements containing *prima facie* unverifiable, unsupported and materially inconsistent financial information appears to have created a misleading impression regarding the true financial position and operational capabilities of REL, thereby impairing informed price discovery in the scrip of REL in the securities market.
52. The material available on record *prima facie* indicates that REL employed a scheme or device which appears to have misled investors by portraying an inflated picture of its operational scale and financial position. Accordingly, REL has *prima facie* violated Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Sections 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.
53. I further note that by disseminating financial statements and disclosures containing such *prima facie* unverifiable and improperly consolidated financial information, REL has *prima facie* failed to ensure accuracy, completeness and



transparency in its disclosures to stock exchanges and failed to present a true and fair view of its consolidated financial performance and position before the investors. Accordingly, REL has violated Regulations 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j) and 4(2)(e)(i) of the LODR Regulations.

#### B.4. Discrepancies in submissions made by REL

54. I note that the sales (revenue from operations) and purchase figures disclosed by REL in its Annual Reports for FY 2020-21 to FY 2024-25 on a standalone basis are as follows:

**Table no. 6**  
**Sales and Purchases of REL on standalone basis**  
**(INR in crore)**

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Sales	2,060	6,237	5,762	5,401	7,027	26,486
Purchases	1,784	6,118	5,637	5,364	6,950	25,853

55. In order to verify the authenticity and correctness of the sales figures disclosed by REL in its Annual Reports, SEBI issued summons dated June 16, 2025, July 02, 2025 and July 24, 2025 for production of documents, *inter alia* seeking customer-wise lists of sales and vendor-wise lists of purchases on a standalone basis from REL. In response thereto, REL furnished certain information through a pen-drive received by SEBI on August 06, 2025 (hereinafter referred to as “**Submission I**”).

56. I further note that prior to furnishing Submission I, REL had made multiple submissions before SEBI containing sales related information in different formats. Vide email dated June 28, 2024, SEBI sought from REL details of sales made by REL on a standalone basis to Aurofin SA, ESG Edelmetall Handel GmbH & Co, Al Jameelat Jewellery LLC and Al Sultan Jewellery LLC for the period April 01, 2020 to March 31, 2024. In response thereto, REL, vide email dated July 10, 2024, furnished a summary of sales pertaining to the aforesaid entities (hereinafter referred to as “**Submission II**”).



57. Further, vide emails dated June 28, 2024, July 11, 2024, August 06, 2024 and August 21, 2024, SEBI sought from REL the list of top 20 customers of REL on a standalone basis for FY 2021-22, FY 2022-23 and FY 2023-24. In response thereto, REL, vide email dated August 27, 2024, furnished the sought information (hereinafter referred to as “**Submission III**”).

58. I also note that vide email dated April 10, 2025, REL furnished certain compilations in the nature of sales registers and purchase registers on a standalone basis. However, the narration column in the ledgers furnished by REL was only partially visible and the ledgers did not contain corresponding ledger account names or sufficient particulars enabling independent verification of the nature of the entries recorded therein.

59. Upon comparison of Submission I, Submission II and Submission III, material discrepancies and inconsistencies were observed in the sales figures furnished by REL to SEBI. I note that the sales figures pertaining to the aforesaid overseas entities as reported by REL vide Submission II materially differed from the figures appearing in the customer-wise sales list furnished vide Submission I. It is further observed that certain entities whose names appeared in Submission II did not appear at all in Submission I for the corresponding periods. The discrepancies noted are tabulated below:

**Table no. 7**  
**Comparison of Submission I & Submission II**

(INR in crore)

Name of the customer	Sale as per Submission I	Sale as per Submission II	Discrepancy noted
<b>2020-21</b>			
Aurofin SA	1,050.88	1,201.71	Name of the entity present in the customer wise list. However, mismatch in amount is noted



Name of the customer	Sale as per Submission I	Sale as per Submission II	Discrepancy noted
ESG Edelmetall Handel GmbH & Co	652.76	749.07	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Al Jameelat Jewellery LLC	-	(149.14)	Name of the entity not present in the customer wise list
Al Sultan Jewellery LLC	-	(5.46)	Name of the entity not present in the customer wise list
<b>2021-22</b>			
Aurofin SA	247.07	323.83	Name of the entity present in the customer wise list. However, mismatch in amount is noted
ESG Edelmetall Handel GmbH & Co	-	3.55	Name of the entity not present in the customer wise list
Al Jameelat Jewellery LLC	-	44.30	Name of the entity not present in the customer wise list
Al Sultan Jewellery LLC	-	8.68	Name of the entity not present in the customer wise list
<b>2022-23</b>			
Aurofin SA	-	145.64	Name of the entity not present in the customer wise list
ESG Edelmetall Handel GmbH & Co	-	21.18	Name of the entity not present in the customer wise list
Al Jameelat Jewellery LLC	-	274.91	Name of the entity not present in the customer wise list
Al Sultan Jewellery LLC	-	24.90	Name of the entity not present in the customer wise list
<b>2023-24</b>			





Name of the customer	Sale as per Submission I	Sale as per Submission II	Discrepancy noted
Aurofin SA	-	3.36	Name of the entity not present in the customer wise list
ESG Edelmetall Handel GmbH & Co	-	6.28	Name of the entity not present in the customer wise list
Al Jameelat Jewellery LLC	-	52.28	Name of the entity not present in the customer wise list
Al Sultan Jewellery LLC	-	1.71	Name of the entity not present in the customer wise list

60. I further note that the sales figures pertaining to several customers as reported by REL vide Submission III also materially differed from the customer-wise sales figures furnished vide Submission I. In several instances, entities appearing in one submission did not appear in the corresponding submission for the relevant financial year, while in numerous other instances the sales amounts materially varied across submissions. The discrepancies noted are tabulated below:

**Table no. 8**  
**Comparison of Submission I & Submission III**

(INR in crore)

Name of the customer	Sale as per Submission I	Sale as per Submission III	Discrepancy noted
<b>2021-22</b>			
Almas Jewellery Co	935.34	-	Name of the entity not present in the customer wise list
Retail Division Sales	414.21	32.10	Name of the entity present in the customer wise list. However, mismatch in amount is noted



Name of the customer	Sale as per Submission I	Sale as per Submission III	Discrepancy noted
Amar Jewellers	104.85	1,104.85	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Jain Jewels	91.34	-	Name of the entity not present in the customer wise list
N R Jewellers	73.21	-	Name of the entity not present in the customer wise list
Al Jameelat Jewellery LLC	44.30	-	Name of the entity not present in the customer wise list
Shankeshwar Jewellers	42.86	-	Name of the entity not present in the customer wise list
Ashta Siddhi Bullion	33.62	-	Name of the entity not present in the customer wise list
Al Sultan Jewellery LLC	33.58	-	Name of the entity not present in the customer wise list
M S Bullion	32.82	-	Name of the entity not present in the customer wise list
D M R	31.83	-	Name of the entity not present in the customer wise list
Pankaj Jewellers	29.32	-	Name of the entity not present in the customer wise list
ESG Edelmetall	24.73	-	Name of the entity not present in the customer wise list
Namrata Jewellers	21.42	-	Name of the entity not present in the customer wise list



Name of the customer	Sale as per Submission I	Sale as per Submission III	Discrepancy noted
Bangalore Refinery	17.91	17.91	No discrepancy
Sidhi Art	17.27	-	Name of the entity not present in the customer wise list
D M Jewells	12.12	-	Name of the entity not present in the customer wise list
<b>2022-23</b>			
Almas Jewellery Co	1,726.12	-	Name of the entity not present in the customer wise list
Retail Division Sales	361.23	23.21	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Al Jameelat Jewellery LLC	274.91	-	Name of the entity not present in the customer wise list
Aurofin SA	145.64	-	Name of the entity not present in the customer wise list
Amar Jewellers	100.88	100.88	No discrepancy
Augmont Enterprises	70.33	8.91	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Namrata Jewellers	57.26	57.26	No discrepancy
Ashta Siddhi Bullion	43.34	43.34	No discrepancy



Name of the customer	Sale as per Submission I	Sale as per Submission III	Discrepancy noted
Nakoda Bullion	36.75	36.75	No discrepancy
Choksi Devang Pravinchandra	31.12	-	Name of the entity not present in the customer wise list
Al Sultan Jewellery LLC	24.90	-	Name of the entity not present in the customer wise list
ESG Edelmetall	21.18	-	Name of the entity not present in the customer wise list
Shankeshwar Jewellers	20.40	20.40	No discrepancy
Sidhi Art	14.80	14.80	No discrepancy
SPN Gold & Precious	13.97	13.97	No discrepancy
Swastic Corporation	6.55	6.55	No discrepancy
Riddhi Siddhi Bullion	3.95	3.95	No discrepancy
Hundia Exports	3.81	3.81	No discrepancy
Dilipkumar Manilal Ranpara	2.62	2.62	No discrepancy



Name of the customer	Sale as per Submission I	Sale as per Submission III	Discrepancy noted
<b>2023-24</b>			
Almas Jewellery Co	520.12	-	Name of the entity not present in the customer wise list
Nakoda Bullion & Traders	356.43	387.19	Name of the entity present in the customer wise list. However, mismatch in amount is noted
JK Sons Precious Metals	339.35	417.36	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Retail Division Sales	264.32	18.02	Name of the entity not present in the customer wise list
Deep Trading	221.26	271.93	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Dilipkumar Manilal Ranpara	172.36	210.24	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Sidhi Art	142.37	148.70	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Harikala Bullion	98.90	172.11	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Parekh Brothers	90.00	116.81	Name of the entity present in the customer wise list. However, mismatch in amount is noted



Name of the customer	Sale as per Submission I	Sale as per Submission III	Discrepancy noted
Swastic Corporation	83.08	83.08	No discrepancy
Jain Jewels	80.50	103.33	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Ashta Siddhi Bullion	74.81	74.81	No discrepancy
Namrata Jewellers	69.32	72.42	Name of the entity present in the customer wise list. However, mismatch in amount is noted
M S Bullion	67.10	91.34	Name of the entity present in the customer wise list. However, mismatch in amount is noted
N R Jewellers	63.60	94.93	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Pankaj Jewellers	63.59	72.26	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Balaji Bullion	62.09	70.26	Name of the entity present in the customer wise list. However, mismatch in amount is noted
C B Brothers	58.74	60.00	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Aarav Bullion	53.68	59.98	Name of the entity present in the customer wise list. However, mismatch in amount is noted



Name of the customer	Sale as per Submission I	Sale as per Submission III	Discrepancy noted
Al Jameelat Jewellery LLC	52.28	-	Name of the entity not present in the customer wise list
SPN Gold & Precious	42.40	45.50	Name of the entity present in the customer wise list. However, mismatch in amount is noted
P R Trading	38.50	38.50	No discrepancy
Gurukrupa Commodities	37.31	37.31	No discrepancy
Dishant Ornament	34.62	34.62	No discrepancy
Somnath Trading Company	32.44	48.73	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Jyotirmay Jewels	28.85	28.85	No discrepancy
Karuna Bullion	26.56	26.56	No discrepancy
Aarav Jewellers	26.07	67.17	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Nakoda Bullion	22.35	9.08	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Giriraj Trading	20.70	20.70	No discrepancy



Name of the customer	Sale as per Submission I	Sale as per Submission III	Discrepancy noted
Dhanlaxmi Jewellers	19.29	24.86	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Vitraag Gold	18.00	18.00	No discrepancy
Kothari Gold	17.56	17.56	No discrepancy
Parth Gold	16.27	19.41	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Choksi Vachharaj Makanji	15.24	20.25	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Augmont Enterprises	13.45	14.07	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Choksi Devang Pravinchandra	12.97	34.90	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Suvidhi Gold Pvt Ltd	10.57	37.36	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Vrajkamal Ornament	10.37	10.37	No discrepancy
Rupali Gold	8.80	8.80	No discrepancy
Labh Commodities	7.71	8.95	Name of the entity present in the customer wise list. However, mismatch in amount is noted
H P Jewels	6.72	6.72	No discrepancy





Name of the customer	Sale as per Submission I	Sale as per Submission III	Discrepancy noted
Sreenathji Bullion	12.94	17.89	Name of the entity present in the customer wise list. However, mismatch in amount is noted
ESG Edelmetall	6.28	-	Name of the entity not present in the customer wise list
Radha Mohan	5.94	20.43	Name of the entity present in the customer wise list. However, mismatch in amount is noted
VP Jewellers	5.87	5.87	No discrepancy
Hasmukh Bullion	5.27	5.27	No discrepancy
Pooja Jewellers	4.97	8.73	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Sapna Bullion	4.28	4.28	No discrepancy
D M R	3.71	52.09	Name of the entity present in the customer wise list. However, mismatch in amount is noted
Aurofin SA	3.36	-	Name of the entity not present in the customer wise list
D M Jewells	3.08	3.08	No discrepancy
Bhansali Bullion	2.91	2.91	No discrepancy
Vitraag Trading	2.29	2.29	No discrepancy
Nakoda Coins	2.15	2.15	No discrepancy



Name of the customer	Sale as per Submission I	Sale as per Submission III	Discrepancy noted
KM Impex	1.82	1.82	No discrepancy
Shyam Enterprise	1.79	1.79	No discrepancy
Trikut Trading	1.76	1.76	No discrepancy
Al Sultan Jewellery LLC	1.71	-	Name of the entity not present in the customer wise list

61. In view of the aforesaid discrepancies, SEBI, vide summons dated March 06, 2026, granted an opportunity to REL to explain the materially varying and inconsistent submissions made before SEBI in relation to its sales figures. In response thereto, REL, vide email dated March 17, 2026, *inter alia* stated that no sales figures had been furnished vide email dated July 10, 2024 and further requested SEBI to rely only upon the latest data furnished through the pen-drive received on August 06, 2025 while ignoring earlier submissions in case discrepancies were found therein.

62. I note that REL's contention that no sales figures were furnished vide email dated July 10, 2024 is factually incorrect. A perusal of the annexures accompanying REL's emails dated July 10, 2024 and March 17, 2026 indicates that sales related data had in fact been furnished by REL therein. *Prima facie*, the aforesaid response appears to be an attempt by REL to distance itself from its earlier submissions after inconsistencies therein were pointed out during the course of investigation.

63. I further note that REL's explanation that different submissions were made in response to different queries does not satisfactorily explain the material variations in the underlying sales figures across submissions. Irrespective of whether the



information sought pertained to “top customers” or “customer-wise sales”, the underlying sales figures disclosed by the company ought to have remained internally consistent and reconcilable.

64. I note that in the instant matter, information was sought from REL in exercise of powers conferred upon SEBI under section 11(2)(ia) and section 11C(3) of the SEBI Act, 1992. In terms of the said provisions, REL was mandatorily required to provide accurate information/ documents to SEBI. However, as noted above, material inconsistencies and contradictions across the submissions made by REL are found, which raise serious concerns regarding the integrity, reliability and authenticity of the sales data furnished by REL during the course of investigation. REL’s request that earlier submissions be ignored and only the latest submission be relied upon is also not acceptable, as REL was required to furnish accurate data and information in response to emails/summons issued by SEBI. Further, each and every submission furnished by REL before SEBI forms part of the evidentiary record and contradictions therein materially affect the credibility of the disclosures and information furnished by REL.
65. In view of the foregoing, I note that REL failed to furnish a satisfactory explanation for the materially varying and inconsistent submissions made before SEBI in relation to its sales figures. By furnishing contradictory figures at different stages of the investigation, REL impeded SEBI’s ability to independently verify the reported sales figures. The furnishing of inconsistent and misleading information by REL obstructed and hampered the investigative process and demonstrates non-cooperation with the Investigating Authority. Accordingly, I find that REL has, *prima facie*, violated Section 11(2) (ia) of the SEBI Act, 1992.
66. While the inconsistencies and contradictions noted in the various submissions furnished by REL materially impair the reliability and credibility of the information placed before SEBI, Submission I, being the latest and comparatively most granular dataset furnished by REL during the course of investigation, has been provisionally relied upon for limited analytical purposes and without prejudice to



further investigation, verification and reconciliation. Such reliance does not amount to acceptance of the correctness or authenticity of the contents thereof.

#### **B.5. Misrepresentation of Financial Statements - Standalone basis**

67. Upon examination of the customer-wise list of sales and vendor-wise list of purchases furnished by REL on a standalone basis for the period FY 2021-22 to FY 2023-24 (Submission I), it is observed that REL had recorded sale transactions aggregating to INR 11,487 crore and purchase transactions aggregating to INR 11,488 crore with an entity namely Affluence Shares and Stocks Private Limited (hereinafter referred to as “**Affluence**”). The aforesaid transactions constituted approximately 66.02% of REL’s standalone sales and 67.11% of REL’s standalone purchases during the said period.

68. The financial year-wise comparison of REL’s standalone sales and purchases vis-à-vis transactions recorded with Affluence is tabulated below:

**Table no. 9**  
**Comparison of REL’s standalone sales and purchases vis-à-vis transactions with Affluence**

(INR in crore)

<b>FY</b>	<b>Sales</b>	<b>Sales to Affluence</b>	<b>% of total sales</b>	<b>Purchases</b>	<b>Purchases from Affluence</b>	<b>% of total purchases</b>
2021-22	6,237	4,625	74.17%	6,118	4,627	75.62%
2022-23	5,762	4,935	85.66%	5,637	4,935	87.54%
2023-24	5,401	1,926	35.67%	5,364	1,927	35.92%
<b>Total</b>	<b>17,399</b>	<b>11,487</b>	<b>66.02%</b>	<b>17,119</b>	<b>11,488</b>	<b>67.11%</b>

69. I note that despite the substantial quantum of transactions allegedly undertaken with Affluence, the sales and purchases recorded by REL with Affluence reflected negligible differences over multiple financial years, resulting in near-zero or negative value addition. The same is tabulated below:



**Table no. 10**  
**Comparison of sales and purchases recorded with Affluence**  
**(INR in crore)**

<b>FY</b>	<b>Sales to Affluence</b>	<b>Purchases from Affluence</b>	<b>Difference</b>
2021-22	4,625.32	4,626.67	(1.35)
2022-23	4,934.98	4,935.24	(0.26)
2023-24	1,926.29	1,926.51	(0.22)
<b>Total</b>	<b>11,486.60</b>	<b>11,488.42</b>	<b>(1.82)</b>

70. In order to verify the genuineness of the aforesaid transactions, the customer-wise sales and vendor-wise purchase data furnished by REL were examined along with GST records, bank statements, ledger extracts and supporting documents furnished by REL and Affluence.
71. I note that review of the GSTR-2A records of REL for the period FY 2020-21 to FY 2023-24 did not reveal any purchase transaction between REL and Affluence. Further, the Forensic Auditor selected sample purchase and sale transactions allegedly undertaken by REL with Affluence and sought supporting documentation in respect thereof. However, REL failed to furnish supporting documents for the aforesaid sample transactions. I further note that pursuant to summons dated June 16, 2025, July 02, 2025 and July 24, 2025, REL furnished the ledger of Affluence through a pen-drive submitted to SEBI on August 06, 2025. However, the narration column in the ledger was only partially visible and the ledger did not contain corresponding ledger account names or sufficient particulars enabling independent verification of the nature of the recorded entries.
72. Upon examination of the Ledger of Affluence in the books of REL for FY 2021-22 to FY 2023-24, it is observed that the ledger reflected 102 sale entries aggregating to INR 11,330 crore and 102 purchase entries aggregating to INR 11,332 crore. A comparison of these entries with the customer-wise list of sales and vendor-wise list of purchases furnished by REL revealed discrepancies in FY 2021-22, wherein the sales and purchases disclosed by REL exceeded the amounts



recorded in the ledger by approximately INR 157 crore and INR 157 crore respectively.

73. I note that other than the aforesaid sale and purchase entries, the Ledger of Affluence contained nine additional entries. Upon comparison with the bank statements of REL, seven entries were traced to transactions between REL and Mr. Rajesh Mehta and not between REL and Affluence. No direct banking transaction between REL and Affluence was observed in the bank statements of REL during FY 2020-21 to FY 2023-24. It is further observed that REL transferred an aggregate amount of INR 7.45 crore to Mr. Rajesh Mehta through multiple tranches, and Mr. Rajesh Mehta transferred back an aggregate amount of INR 3.57 crore to REL. The relevant entries were reflected in the bank statements of REL.
74. The examination of financial statements of Affluence - a SEBI registered stock broker - from FY 2021-22 to FY 2023-24 revealed an aggregate Revenue from Operations of INR 113.22 crore and aggregate Purchases of Stock-in-Trade of INR 84.64 crore during the said period. I note that as per Form MGT-7 filings of Affluence, the source of revenue of Affluence was disclosed as financial advisory, brokerage and consultancy services. The disclosed scale and nature of operations of Affluence *prima facie* appear to be inconsistent with REL's claim of having undertaken sale and purchase transactions aggregating to more than INR 11,400 crore each with Affluence during FY 2021-22 to FY 2023-24.
75. In response to SEBI summons dated September 19, 2025 and September 30, 2025, Affluence, vide emails dated September 23, 2025 and October 01, 2025, *inter alia* stated that:
- I. REL was never a client of Affluence;
  - II. No agreement or contract was entered into with REL; and
  - III. No sale or purchase transactions were executed with or on behalf of REL.
76. I further note that officials of Affluence, including Mr. Dhiren Shah, promoter of Affluence, in their depositions recorded before SEBI on October 03, 2025, stated



that Affluence had trading relations only with Mr. Rajesh Mehta in his personal capacity and had not undertaken any transactions with REL. Affluence subsequently furnished KYC documents, contract notes and ledger statements pertaining to Mr. Rajesh Mehta. On examination of the contract notes and ledger of Mr. Rajesh Mehta in the books of Affluence, it is observed that Mr. Rajesh Mehta traded in gold derivatives through Affluence on 102 trading days during FY 2021-22 to FY 2023-24. The records indicate that Mr. Rajesh Mehta made aggregate net payments of INR 7.45 crore to Affluence and incurred aggregate net losses amounting to INR 3.50 crore in the said transactions.

77. I note that comparison of:

- I. customer-wise sales and vendor-wise purchase data furnished by REL,
  - II. the Ledger of Affluence in the books of REL,
  - III. REL's bank statements,
  - IV. Mr. Rajesh Mehta's bank statements, and
  - V. contract notes and ledger of Mr. Rajesh Mehta in the books of Affluence,
- prima facie* indicates that the sale and purchase transactions recorded by REL with Affluence substantially corresponded with the transactions executed by Mr. Rajesh Mehta in gold derivatives through his personal trading account with Affluence.

78. It is further observed that:

- I. INR 7,45,00,000 was transferred by REL to Mr. Rajesh Mehta,
- II. Mr. Rajesh Mehta utilised the said funds for trading in gold derivatives through his personal account with Affluence,
- III. Affluence refunded the net balance of INR 3,94,35,510 to Mr. Rajesh Mehta after accounting for trading loss of INR 3,50,64,490, and
- IV. Mr. Rajesh Mehta transferred INR 3,91,07,478 thereof back to REL.

79. I note that out of the nine entries in the Ledger of Affluence in the books of REL, other than sale and purchase entries, seven entries were found reflected in the ledger of Mr. Rajesh Mehta maintained by Affluence. However, two credit entries amounting to INR 1.18 crore and INR 45.16 lakh respectively were neither



reflected in the bank statements of REL nor in the ledger of Mr. Rajesh Mehta maintained by Affluence. *Prima facie*, the aforesaid entries appear to have been recorded to reconcile or tally the Ledger of Affluence in the books of REL.

80. During the course of investigation, explanations were sought from REL and its KMPs regarding the accounting treatment adopted by REL in recording the aforesaid transactions. Mr. Suresh Gowda, Managing Director of REL, and Mr. Vijendra Rao, CFO of REL, in their depositions recorded before SEBI, *inter alia* stated that there was nothing improper in such accounting treatment.
81. Subsequently, in reference to the aforesaid transactions, vide email dated March 17, 2026, REL stated that:
- I. REL intended to conduct digital sale and purchase of gold through MCX;
  - II. due to litigation with MCX, trades were routed through the personal account of Mr. Rajesh Mehta;
  - III. the margin money was provided by REL through Mr. Rajesh Mehta;
  - IV. Mr. Rajesh Mehta acted merely as a conduit; and
  - V. the transactions were conducted for and on behalf of REL and therefore recorded in REL's books of accounts.
82. I note that REL's explanation that trades executed through the personal account of Mr. Rajesh Mehta constituted transactions of REL is unsupported by contemporaneous documentary evidence. The trades were admittedly undertaken through the personal trading account of Mr. Rajesh Mehta, the contractual relationship existed between Mr. Rajesh Mehta and Affluence, and the transactions were settled through his personal account. Further, REL failed to furnish any agreement, authorization, board approval, audit committee approval or contemporaneous record demonstrating that Mr. Rajesh Mehta acted as an authorized conduit or nominee for REL in respect of the impugned trades.
83. *Prima facie*, recording trades executed through the personal account of Mr. Rajesh Mehta as REL's own sale and purchase transactions resulted in inflation of REL's standalone sales and purchase figures during FY 2021-22 to FY 2023-





24. The near matching of sales and purchases, absence of meaningful commercial value addition, absence of direct banking transactions between REL and Affluence, denial by Affluence regarding existence of transactions with REL, and absence of supporting documentation collectively raise serious concerns regarding the genuineness and economic substance of the transactions recorded by REL with Affluence.

84. I further note that the aforesaid transactions involving routing of company funds through the personal account of Mr. Rajesh Mehta for derivative trading activity were neither disclosed as related party transactions nor placed before the Board of Directors or Audit Committee of REL for approval. *Prima facie*, such utilisation of company funds without requisite approvals and disclosures appears prejudicial to the interests of the company and its public shareholders.

85. In view of the foregoing, I *prima facie* find that REL misrepresented its standalone financial statements for FY 2021-22 to FY 2023-24 by recording non-genuine sales and purchase transactions aggregating to INR 11,486.60 crore and INR 11,488.42 crore respectively in the name of Affluence. The financial impact of the aforesaid transactions on the standalone financial statements of REL is tabulated below:

**Table no. 11**  
**Impact of Misrepresentation – Affluence**

(INR in crore)

Particulars	2021-22	2022-23	2023-24	Total
Revenue disclosed by REL in its Annual Reports (A)	6,237	5,762	5,401	17,399
Fictitious revenue - Affluence (B)	4,625	4,935	1,926	11,487
% of Fictitious Revenue identified (B/A*100)	<b>74.17%</b>	<b>85.66%</b>	<b>35.67%</b>	<b>66.02%</b>
Purchases disclosed by REL in its Annual Reports (C)	6,118	5,637	5,364	17,119



Particulars	2021-22	2022-23	2023-24	Total
Fictitious purchases - Affluence (D)	4,627	4,935	1,927	11,488
% of Fictitious purchases identified (D/C*100)	75.62%	87.54%	35.92%	67.11%

86. By disseminating annual reports and financial statements containing the aforesaid transactions to stock exchanges and investors, REL *prima facie* communicated false and misleading information regarding its operational scale, revenue and financial performance. Accordingly, REL has *prima facie* violated Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations, read with Sections 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.
87. Further, by publishing financial statements containing the aforesaid transactions and failing to ensure accurate, complete and transparent disclosures to stock exchanges and investors, REL has *prima facie* violated Regulations 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j), 4(2)(e)(i), 33(1)(a), 33(1)(c) and 48 of the LODR Regulations.

#### **Foreign Exchange Fluctuations and Interest on Fixed Deposits/Mutual Funds**

88. Upon examination of the customer-wise list of sales furnished by REL on a standalone basis, along with the "Sales 2" sub-ledger furnished by REL vide email dated April 10, 2025, it is observed that during FY 2020-21 to FY 2023-24, REL recorded:
- I. foreign exchange fluctuations arising from revaluation of foreign currency debtors aggregating to INR 866.60 crore as part of Revenue from Operations; and
  - II. interest income on Fixed Deposits/Mutual Funds aggregating to INR 204.00 crore as part of Revenue from Operations.
89. The financial year-wise comparison of REL's standalone sales vis-à-vis the aforesaid foreign exchange fluctuations and interest income is tabulated below:

**Table no. 12****Comparison of REL's standalone sales vis-à-vis foreign exchange fluctuations and Interest****(INR in crore)**

<b>FY</b>	<b>Sales</b>	<b>Exchange Fluctuation</b>	<b>% of Exchange fluctuation on sales</b>	<b>Interest</b>	<b>% of Interest on sales</b>
2020-21	2,060	149	7.22%	159	7.73%
2021-22	6,237	188	3.01%	22	0.35%
2022-23	5,762	467	8.10%	23	0.40%
2023-24	5,401	64	1.18%	-	0.00%
<b>Total</b>	<b>19,459</b>	<b>867</b>	<b>4.45%</b>	<b>204</b>	<b>1.05%</b>

90. I note that examination of the vendor-wise list of purchases furnished by REL on a standalone basis, along with the "Purchase 2" sub-ledger furnished vide email dated April 10, 2025, revealed that REL had recorded foreign exchange fluctuations arising from revaluation of foreign currency creditors aggregating to INR 716.18 crore as part of Purchases / Cost of Materials Consumed during FY 2020-21 to FY 2023-24.
91. The financial year-wise comparison of REL's standalone purchases vis-à-vis the aforesaid foreign exchange fluctuations is tabulated below:

**Table no. 13****Comparison of REL's standalone purchases vis-à-vis foreign exchange fluctuations****(INR in crore)**

<b>FY</b>	<b>Purchases</b>	<b>Exchange Fluctuation</b>	<b>% of Exchange fluctuation on purchases</b>
2020-21	1,784	207	11.63%
2021-22	6,118	114	1.86%
2022-23	5,637	353	6.27%
2023-24	5,364	42	0.78%



FY	Purchases	Exchange Fluctuation	% of Exchange fluctuation on purchases
Total	18,903	716	3.79%

92. Upon being called upon to explain the aforesaid accounting treatment, REL, vide email dated April 10, 2025, *inter alia* stated that:
- I. exchange differences arising upon settlement or year-end revaluation of foreign currency receivables/payables were adjusted through “Sales 2” and “Purchase 2” ledgers; and
  - II. such treatment reflected the actual realization/payment value of export and import transactions.
93. I note that Paragraph 28 of Ind AS 21 (“The Effects of Changes in Foreign Exchange Rates”) provides that exchange differences arising on settlement or translation of monetary items are required to be recognized in profit or loss in the period in which they arise. *Prima facie*, foreign currency trade receivables and payables constitute monetary items within the meaning of Ind AS 21 and the exchange differences arising therefrom are required to be recognized separately as foreign exchange gain/loss in the Statement of Profit and Loss. However, REL recorded such exchange differences as part of Revenue from Operations and Cost of Materials Consumed by routing the same through sales and purchase ledgers.
94. I further note that review of the audited standalone financial statements of REL for FY 2020-21 to FY 2023-24 did not reveal any specific disclosure explaining the inclusion of foreign exchange fluctuations within Revenue from Operations or Cost of Materials Consumed. *Prima facie*, the absence of transparent disclosure regarding such material accounting treatment appears to have resulted in a misleading presentation of REL’s operational performance.
95. I also note that REL disclosed in the notes to accounts that Revenue from Operations included interest income earned on Fixed Deposits and Mutual Funds allegedly maintained for margin purposes relating to buyers’ credit



facilities. However, the accounting policies disclosed in the Annual Reports of REL for FY 2020-21 to FY 2022-23 stated that interest income was recognized under “Other Income” in the Statement of Profit and Loss. Paragraph 65 of Ind AS 115 (“Revenue from Contracts with Customers”) provides that effects of financing, including interest revenue or interest expense, are required to be presented separately from revenue arising from contracts with customers. *Prima facie*, interest income earned on Fixed Deposits and Mutual Funds does not arise from contracts with customers and does not represent consideration for transfer of goods or services. Accordingly, inclusion of such interest income within Revenue from Operations appears inconsistent with the recognition and presentation requirements under Ind AS 115.

96. In view of the aforesaid accounting treatment, it *prima facie* appears that REL inflated its Revenue from Operations and Cost of Materials Consumed by including:
- I. foreign exchange fluctuations within sales and purchases; and
  - II. interest income within operational revenue, thereby distorting reported turnover, expense levels, operating margins and key financial ratios disclosed to investors.
97. Subsequently, vide email dated March 17, 2026, REL reiterated that:
- I. exchange differences on foreign currency receivables/payables ought to be reflected within sales and purchases since the ultimate realization/payment values differed from initial booking values; and
  - II. interest income from Fixed Deposits and Mutual Funds constituted operational income as the deposits were maintained for obtaining buyers’ credit facilities relating to import of gold.
98. I note that REL’s contention regarding accounting treatment of foreign exchange fluctuations is *prima facie* inconsistent with the requirements of Ind AS 21, which mandates separate recognition of exchange differences in profit or loss. REL’s treatment of adjusting such exchange fluctuations against Revenue from



Operations and Cost of Materials Consumed resulted in inflation of turnover and expenses reflected in the financial statements.

99. I further note that REL's reliance upon judicial precedents relating to classification of interest income as "business income" under the Income-tax framework is misplaced in the context of financial statement presentation under applicable Accounting Standards. Even assuming that the Fixed Deposits and Mutual Funds were maintained for business purposes, the interest income arising therefrom does not constitute revenue arising from contracts with customers. *Prima facie*, inclusion of such income within Revenue from Operations resulted in overstatement of operational revenue and distorted presentation of REL's operational performance.
100. In view of the foregoing, I *prima facie* find that:
- I. foreign exchange fluctuations aggregating to INR 866.60 crore and INR 716.18 crore were improperly included within Revenue from Operations and Cost of Materials Consumed respectively; and
  - II. interest income aggregating to INR 204.00 crore was improperly included within Revenue from Operations, during FY 2020-21 to FY 2023-24.
101. *Prima facie*, the aforesaid accounting treatment, being inconsistent with Ind AS 1, Ind AS 21 and Ind AS 115, resulted in inflation of reported revenue and purchases and rendered the standalone financial statements of REL misleading to that extent. Accordingly, the standalone financial statements of REL for FY 2020-21 to FY 2023-24 appear *prima facie* misstated to the extent of sales aggregating to INR 1,070.60 crore and purchases aggregating to INR 716.18 crore. The financial impact thereof is tabulated below:



**Table no. 14**  
**Impact of Misrepresentation - Exchange Fluctuation & Interest**  
**(INR in crore)**

Particulars	2020-21	2021-22	2022-23	2023-24	Total
Revenue disclosed by REL in its Annual Reports <b>(A)</b>	2,060	6,237	5,762	5,401	19,459
Fictitious revenue – Exchange Fluctuation <b>(B)</b>	149	188	467	64	867
Fictitious revenue – Interest <b>(C)</b>	159	22	23	-	204
Fictitious revenue – Sub-total <b>(D = B+C)</b>	308	209	490	64	1,071
% of Fictitious Revenue identified <b>(D/A*100)</b>	<b>14.96%</b>	<b>3.36%</b>	<b>8.50%</b>	<b>1.18%</b>	<b>5.50%</b>
Purchases disclosed by REL in its Annual Reports <b>(E)</b>	1,784	6,118	5,637	5,364	18,903
Fictitious Purchases – Exchange Fluctuation <b>(F)</b>	207	114	353	42	716
% of Fictitious Purchases identified <b>(F/A*100)</b>	<b>11.63%</b>	<b>1.86%</b>	<b>6.27%</b>	<b>0.78%</b>	<b>3.79%</b>

102. By disseminating financial statements and annual reports containing the aforesaid accounting treatment to stock exchanges and investors, REL *prima facie* communicated misleading information regarding its operational revenue, turnover and financial performance. Accordingly, REL has *prima facie* violated Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Sections 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.

103. Further, by publishing financial statements containing the aforesaid accounting treatment and failing to ensure accurate and transparent financial disclosures, REL *prima facie* violated Regulations 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j), 4(2)(e)(i), 33(1)(a), 33(1)(c) and 48 of the LODR Regulations.

#### **Vienna Multiventures Private Limited and Harshil Enterprise**

104. Upon examination of the vendor-wise list of purchases furnished by REL on a standalone basis (Submission I), it is observed that REL recorded purchase transactions dated December 31, 2022 aggregating to:



- I. INR 16.46 crore from Harshil Enterprise (hereinafter referred to as **"Harshil"**); and
- II. INR 42.54 crore from Vienna Multiventures Private Limited (hereinafter referred to as **"Vienna"**).

105. I note that REL failed to furnish any supporting documentation in respect of the alleged purchase transaction with Harshil. In respect of Vienna, REL furnished certain invoices purportedly relating to purchase of gold bars, all of which were dated March 2019, i.e., more than three years prior to recording of the transaction in REL's books. REL, however, failed to furnish purchase orders, delivery challans, material receipt records, gate entries or any contemporaneous evidence substantiating the alleged purchase of gold bars from Vienna.
106. I further note that review of the GSTR-2A records and bank statements of REL for FY 2020-21 to FY 2023-24 did not reveal any transaction between REL and Vienna or Harshil. Further, neither Vienna nor Harshil appeared in the creditors/debtors list furnished by REL.
107. Examination of the ledger of Vienna in the books of REL, furnished by REL revealed that an opening debit balance of INR 42.54 crore appearing as on April 01, 2022 was subsequently reduced to zero by passing a corresponding credit entry dated December 31, 2022 towards the alleged purchase transaction. From information available in public domain and filings available on the MCA portal, it was found that Vienna was engaged in IT/accounting related services. Further, Form MGT-7 filed by Vienna for FY 2018-19 disclosed revenue under "Other Information and Communication Service Activities" and did not indicate any business relating to trading in gold bars, diamonds or precious metals. From publicly available location, I also note that public domain information indicated that Vienna was undergoing Corporate Insolvency Resolution Process ("CIRP") with effect from April 06, 2023. However, as per the latest information available on the Insolvency and Bankruptcy Board of India website, as per list of claims dated October 13, 2023, REL did not appear as a creditor in the CIRP proceedings of Vienna.





108. During the course of investigation, the Managing Director, CFO and statutory auditors of REL, in their respective depositions before SEBI, stated that they did not identify either Vienna or Harshil. Subsequently, vide email dated March 17, 2026, REL stated that:
- I. goods were purchased from Vienna in March 2019,
  - II. the goods were physically received but were not accounted for as they were not of the required brand, and
  - III. the purchase entry was subsequently passed in FY 2022-23 after the goods were accepted.
109. I note that REL failed to furnish any evidence supporting its claim regarding physical receipt, storage or deferred acceptance of the alleged goods purchased from Vienna. In the absence of supporting documentation such as delivery records, gate entries, inventory records or material receipt notes, REL's explanation regarding deferred accounting treatment of the alleged purchases does not appear satisfactorily substantiated.
110. In view of the foregoing, I *prima facie* find that the purchase transactions aggregating to INR 42.54 crore recorded in the name of Vienna and INR 16.46 crore recorded in the name of Harshil lacked adequate supporting evidence and appear non-genuine. Accordingly, the standalone financial statements of REL for FY 2022-23 appear *prima facie* misstated to the extent of purchases aggregating to INR 59 crore.
111. By disseminating financial statements containing the aforesaid purchase transactions to stock exchanges and investors, REL *prima facie* communicated misleading information regarding its financial performance and operational activities. Accordingly, REL has *prima facie* violated Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Sections 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.



112. Further, by publishing financial statements containing the aforesaid transactions and failing to ensure accurate and transparent disclosures to stock exchanges and investors, REL has *prima facie* violated Regulations 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j) and 4(2)(e)(i) of the LODR Regulations.

## B.6. Misrepresentation of Financial Statements – Incorrect Consolidation

113. I note that the investments, trade payables and trade receivables disclosed by REL on a consolidated basis in its Annual Reports for FY 2020-21 to FY 2024-25 are as follows:

**Table no. 15**  
**Investments, trade payables and trade receivables of REL on a consolidated basis**  
**(INR in crore)**

FY	2020-21		2021-22		2022-23		2023-24		2024-25	
Particulars	Amount	% of Total Assets/Liabilities	Amount	% of Total Assets/Liabilities	Amount	% of Total Assets/Liabilities	Amount	% of Total Assets/Liabilities	Amount	% of Total Assets/Liabilities
Investment	1,041	4.44%	1,113	4.65%	1,241	5.42%	1,292	5.85%	10,750	36.60%
Trade Payable	11,018	46.94%	10,421	43.57%	7,157	31.29%	5,920	26.82%	12,418	42.28%
Trade Receivable	10,349	44.09%	10,709	44.78%	10,356	45.27%	11,304	51.22%	4,933	16.79%
Total Assets/Liabilities	23,473		23,916		22,875		22,072		29,372	

114. From the aforesaid figures, it is observed that there were significant changes in the consolidated investments, trade receivables and trade payables of REL between FY 2023-24 and FY 2024-25. REL furnished certain entity-wise breakups of the aforesaid balances to NSE and *prima facie* findings on the same are detailed hereinafter.

115. **Investments:** I note that the consolidated investments of REL increased sharply from INR 1,292 crore as on March 31, 2024 to INR 10,750 crore as on March 31, 2025. The breakup of investments furnished by REL is tabulated below:



**Table no. 16**  
**Breakup of Investments on consolidated basis as on March 31, 2025**  
**(INR in crore)**

REL's group company in which investments were recorded	Date of investment	Amount of investment	Entity in which investment is made
Global Gold Refineries AG	2017-2024	7,745.42	Investments (Details not provided)
Rajesh Exports Limited	15/04/2015	2,346.39	REL Singapore Pte Ltd
ACC Energy Storage Pvt Ltd	31/12/2025	262.00	Elest Pvt Ltd
Rajesh Exports Limited	02/07/2021	200.00	Elest Pvt Ltd
Rajesh Exports Limited	15/03/2025	153.05	ACC Energy Storage Pvt Ltd
Rajesh Exports Limited	13/10/2023	11.22	Kotak Mutual Fund
Rajesh Exports Limited	13/10/2023	11.20	Aditya Birla Mutual Fund
Rajesh Exports Limited	13/10/2023	11.18	DSP Mutual Fund
Rajesh Exports Limited	13/10/2023	5.59	SBI Mutual Fund
Rajesh Exports Limited	09/06/2014	2.00	Eaglesight Media Pvt Ltd
Rajesh Exports Limited	15/07/2015	1.68	Global Gold Refineries AG
Rajesh Exports Limited	22/01/2016	0.02	Sovereign Gold Bonds
Rajesh Exports Limited	27/01/2005	0.01	Asta Lakshmi Pvt Ltd
	<b>Total</b>	<b>10,749.74</b>	

116. REL stated that investments aggregating to INR 7,745.42 crore were recorded in the books of GGR during the period 2017-2024. However, examination of the consolidated financial statements of GGR for CY 2020 to CY 2023 revealed that the consolidated financial assets of GGR were not more than INR 10.14 crore till such period. The same is tabulated below:



**Table no. 17**

**Breakup of GGR's consolidated financial assets**

<b>Consolidated Financial Assets of GGR as on</b>	<b>USD</b>	<b>INR/USD<sup>2</sup></b>	<b>INR in crore</b>
December 31, 2020	10,70,639	73.0574	7.82
December 31, 2021	10,40,241	74.5113	7.75
December 31, 2022	10,30,187	82.7696	8.53
December 31, 2023	12,17,918	83.2315	10.14

117. *Prima facie*, the aforesaid data indicates that the increase in the investments recorded in the books of GGR from approximately INR 10.14 crore as on December 31, 2023 to INR 7,745.42 crore as on March 31, 2025 substantially contributed to the sharp increase in REL's consolidated investments from INR 1,292 crore as on March 31, 2024 to INR 10,749.74 crore as on March 31, 2025. However, REL failed to furnish date-wise, party-wise or instrument-wise details of the investments aggregating to INR 7,745.42 crore recorded in the books of GGR.

118. I further note that Paragraph 21 read with Paragraph B86 of Ind AS 110 ("Consolidated Financial Statements") requires elimination of:

- I. carrying amount of investments held by the parent entity in each subsidiary against the parent's portion of equity in such subsidiary; and
- II. intra-group assets, liabilities, income, expenses and cash flows arising from transactions between entities within the group.

119. However, examination of the breakup furnished by REL revealed that investments aggregating to INR 2,501.12 crore made by REL in its subsidiaries/step-down subsidiaries continued to appear in the consolidated balance sheet without elimination. The same is tabulated below:

<sup>2</sup> As per Ind AS 21, the translation of financial assets is to be done at exchange rate at the end of reporting period. Accordingly, the exchange rates taken from [www.exchangerates.org.uk](http://www.exchangerates.org.uk) are used for converting INR/USD



**Table no. 18**  
**Investments made by REL in its subsidiaries/step-down subsidiaries**  
**(INR in crore)**

REL's group company in which investments were recorded	Date of investment	Amount of investment	Entity in which investment is made
Rajesh Exports Limited	15/04/2015	2,346.39	REL Singapore Pte Ltd
Rajesh Exports Limited	15/03/2025	153.05	ACC Energy Storage Pvt Ltd
Rajesh Exports Limited	15/07/2015	1.68	Global Gold Refineries AG
<b>Sub-total (A)</b>		<b>2,501.12</b>	
Total Investment as on March 31, 2025 <b>(B)</b>		10,749.74	
% of A in B		23.27%	
Total Consolidated Balance Sheet size as on March 31, 2025 <b>(C)</b>		29,372.34	
% of A in C		8.52%	

120. *Prima facie*, the aforesaid non-elimination resulted in inflation of consolidated investments and distortion of the consolidated balance sheet size disclosed by REL to investors.

121. **Trade Payables:** I note that the consolidated trade payables of REL increased from INR 5,920.38 crore as on March 31, 2024 to INR 12,418.02 crore as on March 31, 2025. The breakup furnished by REL is tabulated below:



**Table no. 19**  
**Breakup of trade payables on consolidated basis**  
**(INR in crore)**

REL's group company in which trade payables were recorded	2024-25	2023-24	Entity to which trade payables were due
Global Gold Refineries AG	10,953.33	4,533.78	Trade Payables (Details not provided)
Rajesh Exports Limited	1,456.77	1,378.66	Valcambi SA
Rajesh Exports Limited/ ACC Energy Storage Pvt Ltd	7.98	7.69	Others (31 parties)
<b>Total</b>	<b>12,418.08</b>	<b>5,920.12</b>	

122. It is observed that trade payables aggregating to INR 4,533.78 crore as on March 31, 2024 and INR 10,953.33 crore as on March 31, 2025 were recorded in the books of GGR and constituted the substantial portion of consolidated trade payables disclosed by REL. However, REL failed to furnish party-wise breakup or supporting details of the aforesaid balances despite being called upon to do so. I further note that trade payables allegedly due by REL to Valcambi SA aggregating to INR 1,378.66 crore as on March 31, 2024 and INR 1,456.77 crore as on March 31, 2025 continued to appear in the consolidated balance sheet without elimination, despite both entities forming part of the same group structure.
123. *Prima facie*, continuation of the aforesaid intra-group trade payables in the consolidated financial statements appears inconsistent with the elimination requirements prescribed under Ind AS 110.
124. **Trade Receivables:** I note that the consolidated trade receivables of REL decreased from INR 11,304.47 crore as on March 31, 2024 to INR 4,932.75 crore as on March 31, 2025. The breakup furnished by REL is tabulated below:



**Table no. 20**  
**Breakup of trade receivables of REL on consolidated basis**  
**(INR in crore)**

REL's group company in which trade receivables were recorded	2024-25	2023-24	Entity from which trade receivables were due
Global Gold Refinery	2,288.54	8,803.67	Trade Receivables (Details not provided)
Rajesh Exports Limited	2,150.36	2,035.06	Al Jameelat Jewellery
Rajesh Exports Limited	218.41	206.70	ESG Edelmetall
Rajesh Exports Limited	123.63	120.55	Al Sultan Jewellery
Rajesh Exports Limited	116.81	110.55	Aurofin SA
Rajesh Exports Limited	23.48	23.67	Shubh Receivables
Rajesh Exports Limited	11.24	4.19	Others (53 parties)
<b>Total</b>	<b>4,932.75</b>	<b>11,304.47</b>	

125. It is observed that trade receivables aggregating to INR 8,803.67 crore as on March 31, 2024 and INR 2,288.54 crore as on March 31, 2025 were allegedly recorded in the books of GGR and constituted a substantial portion of the consolidated trade receivables disclosed by REL. However, REL failed to furnish party-wise breakup or supporting details of the aforesaid balances despite specific requisition.

126. In view of the foregoing, I *prima facie* note that REL failed to furnish:

- I. date-wise, party-wise and instrument-wise details of investments aggregating to INR 7,745.42 crores allegedly recorded in the books of GGR;
- II. party-wise breakup of trade payables aggregating to INR 4,533.78 crores as on March 31, 2024 and INR 10,953.33 crores as on March 31, 2025 allegedly recorded in the books of GGR; and
- III. party-wise breakup of trade receivables aggregating to INR 8,803.67 crores as on March 31, 2024 and INR 2,288.54 crores as on March 31, 2025 allegedly recorded in the books of GGR.



127. During the course of investigation, REL was granted an opportunity to explain the apparent non-elimination of intra-group investments and intra-group trade payables in the consolidated financial statements. In response thereto, REL, vide email dated March 17, 2026, *inter alia* stated that:
- I. certain entries were inadvertently classified incorrectly in its response furnished to the exchange;
  - II. the investments represented investments made into other assets by the concerned entities; and
  - III. the entry relating to Valcambi SA ought to have been eliminated and was incorrectly classified in the reply furnished to the exchange.
128. I note that REL's explanation regarding "inadvertent classification errors" does not satisfactorily establish whether the requisite elimination of intra-group balances was actually carried out while preparing the consolidated financial statements. Further, REL failed to furnish revised consolidation workings, elimination entries or supporting documentation evidencing that such balances were in fact eliminated during consolidation.
129. *Prima facie*, REL's explanations are vague, unsupported and insufficient to reconcile the discrepancies observed in the consolidated financial statements. The mere assertion that certain entries were incorrectly classified in replies furnished to the exchange does not explain the continued appearance of intra-group balances in the consolidated financial statements disclosed to investors.
130. In view of the foregoing, I *prima facie* find that intra-group investments aggregating to INR 2,501.12 crore and intra-group trade payables aggregating to INR 1,456.77 crores, continued to remain un-eliminated in the consolidated financial statements of REL as on March 31, 2025, resulting in inflation of consolidated investments, liabilities and overall balance sheet size. *Prima facie*, the aforesaid accounting treatment appears inconsistent with the consolidation requirements provided under Ind AS 110 and resulted in presentation of misleading consolidated financial statements to investors.





131. By disseminating annual reports and consolidated financial statements containing the aforesaid balances to stock exchanges and investors, REL *prima facie* communicated misleading information regarding its consolidated financial position and balance sheet strength. Accordingly, REL has *prima facie* violated Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Sections 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.

132. Further, by publishing consolidated financial statements containing the aforesaid balances and failing to ensure accurate, complete and transparent financial disclosures, REL has *prima facie* violated Regulations 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j), 4(2)(e)(i), 33(1)(a), 33(1)(c) and 48 of the LODR Regulations.

#### **B.7. Misrepresentation of Financial Statements – Claim of “Investment in Gold Mines in Africa”**

133. I note that the “Total Non-Current Investments” disclosed by REL on a consolidated basis in its Annual Reports for FY 2020-21 to FY 2024-25 are as follows:

**Table no. 21**

#### **Total Non-Current Investments disclosed by REL on a consolidated basis in its Annual Reports**

(INR in crore)

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Investment in Equity Instruments (unquoted)	202.01	205.41	205.41	205.41	5.41
Investments in Government or Trust – securities and others	0.02	0.22	0.22	0.22	0.22
Investments in Mutual Funds	-	-	-	-	155.90



Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Other Non-Current Investments	10,547.72	1,086.37	1,035.27	907.08	879.60
<b>Total Non-Current Investments</b>	<b>10,749.74</b>	<b>1,086.37</b>	<b>1,240.90</b>	<b>1,112.72</b>	<b>1,041.14</b>

134. It is observed that “Other Non-Current Investments” disclosed on a consolidated basis increased from INR 879.60 crore as on March 31, 2021 to INR 1,035.27 crore as on March 31, 2023 and further to INR 10,547.72 crore as on March 31, 2025. Vide email dated June 28, 2024, NSE sought from REL details of the “Other Non-Current Investments” amounting to INR 1,035.27 crore as on March 31, 2023. In response thereto, REL, vide email dated July 11, 2024, stated that the aforesaid amount pertained to “Investment in Gold Mines in Africa”.

135. In order to verify the aforesaid claim of REL, the standalone financial statements of REL, the standalone financial statements of REL Singapore and the consolidated financial statements of GGR were examined. Examination of the standalone financial statements of REL for FY 2022-23 revealed the following breakup of investments:

**Table no. 22**  
**Breakup of Standalone Investments of REL**

(INR in crore)

Particulars	March 31, 2023	
<b>Investment in Equity Instruments (unquoted)</b>		<b>205.41</b>
-Elest Pvt Ltd (1 crore shares of INR 10/- each fully paid up)	200.00	
-Rajesh Global Solutions Ltd (33,99,980 shares of INR 10/- each fully paid up)	3.40	
-Eaglesight Media Pvt Ltd (2,00,000 shares of INR 10/- each fully paid up)	2.00	
-Sri Ashtalaxmi Mktg Pvt Ltd	0.01	
<b>Investments in Government or Trust</b>		<b>0.22</b>



Particulars	March 31, 2023	
-Sovereign Gold Bonds	0.22	
<b>Investments in Subsidiary Firms/Companies</b>		<b>2,348.11</b>
-Global Gold Refineries SA (250 shares of CHF 1,000 each fully paid up)	1.68	
-REL Singapore PTE Ltd (9,980 shares of SGD 1 each fully paid up 7,70,01,000 shares of USD 1 each fully paid up)	477.45	
-REL Singapore PTE Ltd (3,23,000 Preference shares of USD 1,000 each fully paid up)	1,868.93	
-ACC Energy Storage Pvt Limited (5,0000 shares of INR 10 each fully paid up)	0.05	
<b>Total Investments</b>		<b>2,553.74</b>

136. I note that no identifiable investment in gold mines in Africa corresponding to the amount of INR 1,035.27 crore was reflected in the standalone financial statements of REL for FY 2022-23. Similarly, no such identifiable investment in gold mines in Africa could be found in the standalone financial statements of REL Singapore and GGR. The breakup of the standalone total assets of REL Singapore and GGR is tabulated below:

**Table no. 23**  
**Breakup of Standalone Total Assets of REL Singapore Pte Ltd**

Particulars	March 31, 2023	
	USD	INR in crore <sup>3</sup> (1\$ = INR 82.1807)
Investment in subsidiaries		
-BAB AL Rayan Jewellery LLC (3,00,00,000 USD)	3,50,40,518	287.89

<sup>3</sup> As per Ind AS 21, the translation of monetary assets is to be done at closing exchange rate and translation of non-monetary assets is to be done at historical exchange rate of acquiring that asset. However, for simplistic comparison purposes, closing exchange rates from [www.exchangerates.org.uk](http://www.exchangerates.org.uk) are considered.



Particulars	March 31, 2023	
	USD	INR in crore <sup>3</sup> (1\$ = INR 82.1807)
-Global Gold Refineries AG (50,40,518 USD)		
Other receivables (Amount due from subsidiaries)	37,66,82,973	3,095.61
Cash and cash equivalents	3,388	0.03
<b>Total Assets</b>	<b>41,17,26,879</b>	<b>3,383.60</b>

**Table no. 24**  
**Breakup of Consolidated Total Non-Current Assets of GGR (excluding financial assets and goodwill)**

Particulars	Dec 31, 2022		Dec 31, 2023	
	USD	INR in crore <sup>3</sup> (1\$ = INR82.7696)	USD	INR in crore <sup>3</sup> (1\$ = INR 83.2315)
Land and Buildings	1,95,19,573	161.56	2,05,01,717	170.64
Machinery	2,39,83,650	198.51	2,66,63,851	221.93
Other Equipment	34,37,357	28.45	41,95,659	34.92
Work in Progress	17,55,901	14.53	10,01,201	8.33
Intangible Assets	12,32,433	10.20	9,88,158	8.22
<b>Total non-current assets</b>	<b>4,99,28,914</b>	<b>413.26</b>	<b>5,33,50,586</b>	<b>444.04</b>

137. In view of the foregoing, it is observed that the claim made by REL that “Other Non-Current Investments” represented “investment in gold mines in Africa” could not be corroborated with financial statements available on record. During the course of investigation, REL was granted an opportunity to explain the aforesaid discrepancy. In response thereto, REL, vide email dated March 17, 2026, *inter alia* stated that:

- I. it was unable to locate its earlier response furnished to the exchange due to absence of date details;



II. investments in gold mines existed through foreign subsidiaries and the investment figures were “tallying and correct”.

138. I note that REL failed to furnish any entity-wise breakup, reconciliation statement, financial statement reference, valuation report or supporting documentation demonstrating the existence of the alleged investment in gold mines in Africa aggregating to INR 1,035.27 crores. I *prima facie* find REL’s explanation to be vague, unsupported and incapable of verification. Mere assertions that investments exist through foreign subsidiaries, without furnishing any traceable linkage in the financial statements or supporting records, do not satisfactorily explain the disclosure made in the consolidated financial statements.
139. In view of the foregoing, I *prima facie* find that REL’s disclosure that “Other Non-Current Investments” included “investment in gold mines in Africa” remained unsubstantiated and unverifiable from the financial statements and information so far available on record. *Prima facie*, disclosure of unverifiable investments of such magnitude in the consolidated financial statements without adequate supporting records or transparent disclosures resulted in dissemination of misleading information regarding the asset base and financial position of REL to stock exchanges and investors.
140. Accordingly, REL has *prima facie* violated Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Sections 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.
141. Further, by publishing consolidated financial statements containing unverifiable disclosures relating to non-current investments and failing to ensure accurate, complete and transparent disclosures to stock exchanges and investors, REL has *prima facie* violated Regulations 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j), 4(2)(e)(i), 33(1)(a), 33(1)(c) and 48 of the LODR Regulations.



## B.8. Incorrect Adjustment of Trade Receivables against Trade Payables

142. I note from the material available on record, including the submissions and documents furnished by REL, that the standalone trade receivables of REL constituted a substantial portion of its total assets during FY 2020-21 to FY 2024-25. Vide emails dated April 06, 2024 and May 09, 2024, REL initially stated that the trade receivables were neither written off nor adjusted and that none of the debtors were related or connected to REL. However, analysis of the party-wise details furnished by REL revealed that approximately 98%-99% of REL's standalone trade receivables during FY 2021-22 to FY 2023-24 were concentrated in four overseas entities, namely Al Jameelat Jewellery LLC ("Al Jameelat"), Aurofin SA ("Aurofin"), ESG Edelmetall Handel GmbH & Co ("ESG") and Al Sultan Jewellery LLC ("Al Sultan"), as tabulated below:

**Table no. 25**  
**Trade Receivables on standalone basis**

(INR in crore)

Name of the Debtor	2023-24	2022-23	2021-22
AL Jameelat Jewellery LLC	2,035.05	2,571.32	2,296.41
ESG Edelmetall Handel GMBH & Co	206.69	200.41	179.23
AL Sultan Jewellery LLC	120.54	311.40	286.51
Aurofin SA	110.55	873.07	2,094.49
<b>Total</b>	<b>2,472.83</b>	<b>3,956.20</b>	<b>4,856.64</b>
% of Total Trade Receivables on standalone basis	98%	99%	99%

143. I note that REL, vide email dated July 10, 2024, furnished a summary of transactions with the aforesaid entities and stated that amounts aggregating to INR 2,941.13 crores were realised during FY 2020-21 to FY 2023-24, including INR 1,367.06 crores during FY 2022-23 and INR 1,547.01 crores during FY 2023-24. I further note that REL subsequently clarified that the alleged realisations of INR 1,367.06 crores and INR 1,547.01 crores were not through banking channels but were allegedly settled through "supplies of gold".



144. I note that in support of such alleged realisations, REL furnished import invoices and related documents purportedly evidencing receipt of gold from various counterparties. However, upon examination of the documents submitted by REL, it is observed that:

- I. several invoices pertained to periods substantially prior to the years in which the alleged realisations were accounted for;
- II. certain invoices dated back as far as FY 2012-13;
- III. the invoices pertained to counterparties different from the debtors whose receivables were purportedly settled; and
- IV. the documents furnished did not substantiate actual physical receipt of gold during FY 2022-23 and FY 2023-24.

145. I further note that REL furnished inconsistent and contradictory explanations regarding the reduction in trade receivables. Initially, REL stated that no adjustments had been carried out and that the reduction represented actual realisation of receivables. Subsequently, REL stated that the receivables had been settled through supplies of gold and adjustment against trade payables.

146. I note that based on REL's own submissions and documents furnished during investigation, the reduction in standalone trade receivables from INR 4,894.32 crores as on March 31, 2022 to INR 2,500.71 crores as on March 31, 2024 was primarily effected through adjustment entries aggregating to INR 2,914.07 crores, whereby trade receivables were offset against trade payables.

147. The details of the aforesaid adjustments are tabulated below:

**Table no. 26**  
**Adjustment of Trade Receivables against Trade Payables**  
**(INR in crore)**

Adjustment No.	Debtor	Creditor	Settlement Date	Amount
1	Al Jameelat Jewellery LLC	Valcambi SA	December 16, 2023	588.55



Adjustment No.	Debtor	Creditor	Settlement Date	Amount
2	Al Sultan Jewellery LLC	Basma Jewellery LLC	December 16, 2023	192.58
3	Aurofin SA	Valcambi SA	December 16, 2023	765.88
4	Aurofin SA	Aurofin SA	September 28, 2022	1,367.06
			<b>Total</b>	<b>2,914.07</b>

148. I note that Adjustment Nos. 1, 2 and 3 involved different counterparties, different accounting periods and import invoices dating back as far as FY 2012-13. I further note that REL admitted that no formal agreements were executed contemporaneously in respect of the aforesaid adjustments and that the same were allegedly effected on the basis of email correspondence and telephonic understandings among the concerned parties.

149. In respect of Adjustment No. 1 involving Al Jameelat and Valcambi SA, I note that REL relied upon email correspondence originating from the email address 'abdullah.jameelath@proton.me'. The existence of Al Jameelat could not be independently corroborated through public domain searches. Further, SEBI's attempt to independently verify the genuineness of the arrangement by sending official communication to the aforesaid email address resulted in permanent delivery failure with the mail server indicating that the recipient address was "not configured to receive emails". The KYC documents furnished by REL in respect of Al Jameelat included expired licences and that inconsistencies were observed between the spelling of the entity name reflected in the KYC documents and the email ID relied upon by REL.

150. In respect of Adjustment No. 2 involving Al Sultan and Basma Jewellery LLC, I note that REL admitted that the understanding for adjustment was arrived at telephonically and that no formal agreement was executed at the time of recording the accounting entry. I further note that the confirmation letters relied upon by REL were obtained only subsequent to commencement of regulatory scrutiny. The existence of both Al Sultan and Basma Jewellery could not be independently corroborated through public domain searches. I also note that on





validation of the commercial licence submitted by REL in respect of Al Sultan, the licence corresponded to an entity named “Al Aziza Jewellery LLC” and not “Al Sultan Jewellery LLC”.

151. In respect of Adjustment No. 3 involving Aurofin and Valcambi SA, I note that REL relied solely upon email correspondence exchanged among the parties and that no formal agreement was executed contemporaneously for recording the adjustment. SEBI attempted to independently verify the genuineness of the outstanding receivables and adjustment arrangements involving Aurofin and Valcambi SA through official communications addressed to the concerned entities. However, no response was received.
152. In respect of Adjustment No. 4 involving Aurofin SA, I note that REL furnished a letter dated October 06, 2022 from Canara Bank evidencing adjustment of export bills on November 17, 2021, i.e., during FY 2021-22. REL accounted for the said adjustment in FY 2022-23 stating that the decision to square-off was taken later due to Covid-related disruptions. In this regard, no adverse inference is drawn at this stage in respect of Adjustment No. 4.
153. I further note that the Forensic Auditor sought supporting documentation in respect of multiple sample export and import transactions involving Al Jameelat, Al Sultan, Aurofin and Valcambi SA. However, REL failed to furnish critical supporting documentation including sales orders, purchase orders, shipping bills, export declaration forms and ICEGATE import records. In my view, the absence of such primary transactional records has materially impaired verification of the genuineness, accuracy and legitimacy of the underlying export/import transactions and corresponding receivables and payables.
154. I note that paragraphs 32 and 33 of Ind AS 1 prohibit offsetting of assets and liabilities unless such offsetting is specifically required or permitted by another applicable Accounting Standard. I further note that paragraph 42 of Ind AS 32 permits offsetting of financial assets and financial liabilities only where the entity currently has a legally enforceable right to set off the recognised amounts; and



the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

155. In the instant matter, I note that REL has failed to demonstrate the existence of any legally enforceable right of set-off in respect of the aforesaid adjustments. In the absence of contemporaneous agreements, and considering the reliance on telephonic understandings, unverifiable email correspondence and ex-post confirmations obtained after commencement of regulatory scrutiny, REL's contention that the aforesaid adjustments constituted bona fide settlements in the ordinary course of business *prima facie* does not seem tenable.
156. I further note that paragraphs 13A to 13F of Ind AS 107 mandate detailed disclosures relating to offsetting arrangements. However, REL failed to disclose the aforesaid adjustments in its financial statements for FY 2022-23 and FY 2023-24, thereby depriving investors and users of financial statements of material information necessary to assess the impact of such arrangements on REL's financial position.
157. I *prima facie* find that REL reduced long outstanding trade receivables aggregating to INR 2,914.07 crore through inadequately substantiated netting arrangements involving trade payables, without adequate documentary support and without making appropriate disclosures in the financial statements. I further *prima facie* find that by artificially reducing long outstanding receivables through opaque adjustment arrangements and by disseminating financial statements containing such improperly adjusted balances, REL misrepresented its financial position and failed to present a true and fair view of its financial affairs during FY 2022-23 and FY 2023-24.
158. I *prima facie* find that the aforesaid acts of REL constitute a device, scheme and artifice to mislead and defraud investors dealing in the shares of REL by portraying a misleading picture of its trade receivables, trade payables and overall financial position. Accordingly, I *prima facie* find that REL violated Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the



PFUTP Regulations read with Sections 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.

159. I further *prima facie* find that by publishing financial statements containing improperly adjusted trade receivables and trade payables without adequate disclosures explaining the nature and basis of such adjustments, REL failed to ensure accuracy, completeness and transparency in disclosures made to stock exchanges and investors. Accordingly, REL *prima facie* violated Regulations 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j) and 4(2)(e)(i) of the SEBI (LODR) Regulations, 2015. Further, by failing to comply with Ind AS 1, Ind AS 32 and Ind AS 107, REL has *prima facie* violated Regulations 4(1)(a), 4(1)(b), 4(2)(e)(i), 33(1)(a), 33(1)(c) and 48 of the SEBI (LODR) Regulations, 2015.

#### **B.9. Misutilization of Funds by REL**

160. I note from the Annual Reports of REL for FY 2020-21 to FY 2024-25 that REL disclosed only limited related party transactions and outstanding balances with related parties, as tabulated below:

**Table no. 27**  
**Related Party Transactions disclosed by REL**

(INR in lakh)

Related Party	Nature of Transaction	2020-21	2021-22	2022-23	2023-24	2024-25
Rajesh Mehta	Remuneration	1.20	1.20	1.20	1.20	1.20
Bhavesh Mehta	Remuneration	1.80	1.80	1.80	1.80	1.80
Prashant Mehta	Remuneration	1.20	1.20	0.60	-	-
Suresh Gowda	Remuneration					1.82
Valcambi SA	Purchases	79,102.46	-	-		
ACC Energy Storage Pvt Ltd	Investment in Equity Shares					15,300.00



Related Party	Nature of Transaction	2020-21	2021-22	2022-23	2023-24	2024-25
ACC Energy Storage Pvt Ltd	Repayment of Loan					28.33
ACC Energy Storage Pvt Ltd	Rental Income					3.00
Elest Pvt Ltd	Rental Income					12.60

161. I further note that REL disclosed certain outstanding balances with related parties in its Annual Reports for FY 2020-21 to FY 2024-25, as tabulated below:

**Table no. 28**  
**Outstanding balances with related parties disclosed by REL**  
**(INR in lakh)**

Related Party	2020-21	2021-22	2022-23	2023-24	2024-25
Laabh Jewels Gold Pvt Ltd	18.25	18.25	18.25	18.25	-
Shubhlaabh Housing Pvt Ltd	379.00	379.00	379.00	379.00	-
Valcambi SA	(2,35,906.40)	(2,40,672.50)	(2,69,117.27)	(1,37,886.04)	(1,45,676.89)
Rajesh Mehta	(50.00)	-	-	-	-
Prashant Mehta	-	(144.02)	(9.61)	(9.61)	(9.61)
Elest Pvt Ltd	-	7,514.73	7,818.48	-	-
ACC Energy Storage Pvt Ltd	-	-	17.25	28.33	-

162. I note that despite the movements in the aforesaid outstanding balances, REL failed to disclose the corresponding movements as related party transactions in its Annual Reports. I further note from the examination of bank statements of REL for the period April 01, 2020 to September 30, 2025 that REL entered into substantial banking transactions with related parties including Mr. Rajesh Mehta and Mr. Siddharth Mehta, which were neither disclosed as related party transactions nor placed before the Audit Committee for approval.



### **Transactions of REL with Mr. Rajesh Mehta and Mr. Siddharth Mehta**

163. I note that Mr. Rajesh Mehta, being the Promoter, Executive Chairman and Director of REL, is a related party of REL. Analysis of bank statements revealed that during the period April 01, 2020 to September 30, 2025, REL transferred funds aggregating to INR 338.90 crore to Mr. Rajesh Mehta, whereas amounts aggregating to INR 232.44 crore were transferred back by Mr. Rajesh Mehta to REL.
164. The FY-wise summary of banking transactions between REL and Mr. Rajesh Mehta is tabulated below:

**Table no. 29**

**FY wise summary of banking transactions between REL and Mr. Rajesh Mehta**

**(INR in crore)**

<b>FY</b>	<b>Transfer of funds from REL to Rajesh Mehta (A)</b>	<b>Transfer of funds from Rajesh Mehta to REL (B)</b>	<b>Net (A-B)</b>
2020-21	8.07	8.50	(0.43)
2021-22	180.35	89.46	90.89
2022-23	16.55	1.25	15.30
2023-24	1.01	-	1.01
2024-25	0.01	0.34	(0.32)
2025-26	132.91	132.90	0.01
<b>Total</b>	<b>338.90</b>	<b>232.44</b>	<b>106.39</b>

165. The details of banking transactions between REL and Mr. Rajesh Mehta during FY 2020-21 to FY 2025-26, is tabulated below.

**Table no. 30****Summary of banking transactions between REL and Mr. Rajesh Mehta**

#	Bank Account of Rajesh Mehta	Transferred by REL to Rajesh Mehta		Transferred by Rajesh Mehta to REL	
		Particulars	Amount (INR)	Particulars	Amount (INR)
1.1	RBL - 90091	Amounts transferred by REL to Rajesh Mehta	1,32,90,00,000	Amounts transferred by Rajesh Mehta to REL	1,32,90,00,000
1.2	RBL - 90091	Amounts transferred by REL to Rajesh Mehta	72,59,97,973	Amounts transferred by Rajesh Mehta to REL	72,59,97,973
1.3	RBL - 90091	Amounts transferred by REL to Rajesh Mehta	36,02,055	Amounts transferred by Rajesh Mehta to REL	36,02,055
1.4	RBL - 90094	Amounts transferred by REL to Rajesh Mehta	8,50,00,000	Amounts transferred by Rajesh Mehta to REL	8,50,00,000
2	RBL - 90091	Amounts transferred by REL to Rajesh Mehta - Demand Draft favouring 'The Registrar General High Court of Karnataka'	77,00,00,000		
3	RBL - 90094	Amounts transferred by REL to Rajesh Mehta - From Dividend Accounts of REL	28,23,55,519		
4	RBL - 90091	Amounts transferred by REL to Rajesh Mehta - Purpose unknown	10,75,00,000		
5	RBL - 90091	Amounts transferred by REL to Rajesh Mehta - For payment to Affluence	7,45,00,000	Amounts transferred by Rajesh Mehta to REL - Refund from Affluence	3,91,07,477
6	RBL - 90091	Amounts transferred by REL to Rajesh Mehta - Purpose unknown	96,00,000		
7	IDFC - 75519	Amounts transferred by REL to Rajesh Mehta - Purpose unknown	6,94,049		
8	RBL - 90091	Amounts transferred by REL to Rajesh Mehta - Remuneration	6,59,934		



#	Bank Account of Rajesh Mehta	Transferred by REL to Rajesh Mehta		Transferred by Rajesh Mehta to REL	
		Particulars	Amount (INR)	Particulars	Amount (INR)
9	RBL - 90091	Amounts transferred by REL to Rajesh Mehta - Purpose unknown	50,000		
10	RBL - 90094			Amounts transferred by Rajesh Mehta to REL - Purpose unknown	12,91,95,125
11	RBL - 90091			Amounts transferred by Rajesh Mehta to REL - Purpose unknown	1,25,04,168
		<b>Total</b>	<b>3,38,89,59,530</b>	<b>Total</b>	<b>2,32,44,06,798</b>

166. I note that the analysis of the aforesaid banking transactions revealed multiple instances of routing and exchange of funds between REL and Mr. Rajesh Mehta through his personal bank accounts, including:

- I. exchange of funds aggregating to INR 132.90 crore and INR 72.60 crore in multiple tranches;
- II. transfer of INR 77.00 crore towards obtaining a demand draft favouring “The Registrar General High Court of Karnataka”;
- III. transfers aggregating to INR 10.75 crore subsequently utilised for payments to Ambicaa Sales Corpn;
- IV. routing of funds aggregating to INR 7.45 crore through Mr. Rajesh Mehta in connection with Affluence; and
- V. several other transactions stated to be towards interest free loans, reimbursements and onward transfers.

167. I further note that despite the aforesaid banking transactions, REL disclosed only remuneration of INR 1.20 lakh per annum paid to Mr. Rajesh Mehta in its Annual Reports and failed to disclose the aforesaid transfers as related party transactions. I note that examination of the minutes of the Board Meetings and Audit Committee Meetings of REL for FY 2020-21 to FY 2023-24 did not reveal any approval granted for routing substantial corporate funds through the personal bank accounts of Mr. Rajesh Mehta.



168. I further note that REL vide email dated March 17, 2026 and Mr. Rajesh Mehta in his deposition at SEBI dated October 28, 2025 have admitted that corporate funds were routed through the personal bank account of Mr. Rajesh Mehta for various reasons including:

- I. maintaining confidentiality of REL's bank accounts;
- II. parking of funds for court proceedings;
- III. facilitation of onward transfers;
- IV. interest-free loan arrangements; and
- V. routing of transactions without revealing the originating bank account.

169. I note that REL has failed to furnish any documentary evidence such as loan agreements, escrow arrangements, contractual obligations, or Board/Audit Committee approvals supporting the aforesaid routing of funds through Mr. Rajesh Mehta's personal bank account. I further note that REL has, *inter alia*, admitted vide email dated March 17, 2026 that funds were routed through Mr. Rajesh Mehta's bank account "without revealing the bank account from which the funds had come". In my view, the said explanation itself indicates intentional obfuscation of fund trails and layering of transactions through the promoter's personal bank account.

170. I also note that substantial amounts transferred by REL to Mr. Rajesh Mehta were subsequently transferred back to REL in multiple tranches, thereby indicating exchange of funds devoid of clear commercial rationale or economic substance. In view of the aforesaid facts, I *prima facie* find that Mr. Rajesh Mehta exercised control over the funds of REL in a manner unsupported by disclosed or approved business arrangements. I further note that during the period April 01, 2020 to September 30, 2025, an amount aggregating to INR 338.90 crore was transferred by REL to Mr. Rajesh Mehta, whereas an amount aggregating to INR 232.44 crore was received back by REL from Mr. Rajesh Mehta. After adjusting for (i) INR 77.00 crore deposited with the Hon'ble High Court of Karnataka (based on available material), (ii) INR 0.07 crore towards remuneration, and (iii) INR 28.24 crore pertaining to dividend-related transfers,





there still remains an unexplained differential of INR 1.15 crore. Further, from the aforesaid banking transactions, I note that the transfer of substantial amounts to Mr. Rajesh Mehta, without any commercial rationale, benefitted Mr. Rajesh Mehta including by way of earning interest on such large amount of funds and caused a loss of interest on such funds to the shareholders of REL.

171. I further note that Siddharth Mehta, being the son of Mr. Rajesh Mehta, is also a related party of REL. I note that the KMPs of REL stated in their depositions before SEBI that Siddharth Mehta had no role in REL and did not receive monetary benefits from REL. However, analysis of bank statements revealed that during the period April 01, 2020 to September 30, 2025, REL transferred amounts aggregating to INR 21.25 crore to Siddharth Mehta and amounts aggregating to INR 5.79 crore were transferred back by Siddharth Mehta to REL.
172. The FY-wise summary of banking transactions between REL and Siddharth Mehta is tabulated below:

**Table no. 31**  
**FY wise summary of banking transactions between REL and Mr. Rajesh Mehta**

(INR in crore)

<b>FY</b>	<b>Transfer of funds from REL to Siddharth Mehta (A)</b>	<b>Transfer of funds from Siddharth Mehta to REL (B)</b>	<b>Net (A-B)</b>
2020-21	11.05	5.79	5.26
2021-22	0.49	-	0.49
2022-23	0.40	-	0.40
2023-24	2.56	-	2.56
2024-25	4.72	-	4.72
2025-26	2.03	-	2.03
<b>Total</b>	<b>21.25</b>	<b>5.79</b>	<b>15.46</b>

173. I note that despite the aforesaid transactions, REL neither disclosed Siddharth Mehta as a related party nor disclosed the aforesaid banking transactions as



related party transactions in its Annual Reports. I further note that no approval of the Board or Audit Committee was obtained for routing company funds through Siddharth Mehta's personal bank accounts and credit cards.

174. REL vide email dated March 17, 2026 has contended that the aforesaid transactions were undertaken for facilitating payments through Siddharth Mehta's credit cards and for incurring operational expenses on behalf of REL. I note that REL furnished approximately 140 credit card statements of Siddharth Mehta pertaining to multiple banks and lenders. However, several such statements appeared incomplete and deficient. Further, the aggregate amount reflected in the statements did not reconcile with the aggregate reimbursements claimed by REL.
175. I further note that REL furnished invoices, utility bills and supporting documents relating to certain expenses including statutory dues, electricity bills, telephone bills, taxes, flight tickets and insurance payments. However, the same require independent verification and reconciliation with the corresponding bank entries and underlying transactions.
176. In my view, routing statutory dues, operational expenses and other corporate payments through the personal bank account and credit cards of Siddharth Mehta, who admittedly had no formal role in REL, is contrary to established principles of financial controls, transparency and corporate governance applicable to a listed entity. I further note that REL's explanation that such routing was undertaken for operational convenience, better pricing, credit card benefits and confidentiality is untenable, particularly considering the magnitude and repetitive nature of such transactions.
177. In view of the aforesaid facts, I *prima facie* find that the personal bank accounts and credit cards of Siddharth Mehta were utilised for routing and utilisation of company funds through non-transparent channels, in a manner inconsistent with principles of transparency, governance and proper financial controls.



178. I note that Ind AS 24 mandates disclosure of all transactions and outstanding balances with related parties, irrespective of whether such transactions are claimed to be temporary, facilitative or without commercial substance. I further note that Regulation 23(2) of the LODR Regulations mandates prior approval of the Audit Committee for all related party transactions. In the instant matter, I note that REL failed to disclose substantial related party transactions involving Mr. Rajesh Mehta and Siddharth Mehta, failed to place such transactions before the Audit Committee for approval, and failed to disclose the corresponding arrangements to shareholders and investors.
179. I *prima facie* find that the pattern of routing substantial sums through the personal bank accounts of Mr. Rajesh Mehta and Siddharth Mehta, coupled with absence of approvals, non-disclosure and inconsistent explanations, demonstrates systemic failure of corporate governance, concealment of material information and deliberate circumvention of regulatory requirements.
180. Accordingly, I *prima facie* find that:
- I. by failing to disclose the aforesaid related party transactions and outstanding balances, REL violated Para 18 of Ind AS 24 and thereby violated Regulation 34(3) read with Clause 1 of Para A of Schedule V of the LODR Regulations
  - II. by failing to comply with Ind AS 24, REL violated Regulations 4(1)(a), 4(1)(b), 4(2)(e)(i) and 48 of the LODR Regulations;
  - III. by not placing the aforesaid related party transactions before the Audit Committee and by not obtaining prior approvals, REL violated Regulation 23(2) of the LODR Regulations.
181. I further *prima facie* find that by routing substantial amounts of company funds through the personal bank accounts of Mr. Rajesh Mehta and Siddharth Mehta in the aforesaid manner, REL mis-utilised funds of a listed company and employed devices and arrangements which were manipulative, fraudulent and deceptive in nature. Accordingly, I *prima facie* find that REL violated Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP



Regulations read with Sections 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.

### **Transactions of REL with Elest**

182. I note from the material available on record that Elest Pvt Ltd (hereinafter referred to as “**Elest**”) was incorporated on October 26, 2020 by Mr. Rajesh Mehta and Mr. Prashant Mehta with a nominal capital of INR 1 lakh. I further note that as per the Annual Report of Elest for FY 2020-21, Elest is engaged in the business of manufacturing Lithium Ion Cells, Lithium Ion Battery Packs and Electric Vehicles. Elest, by virtue of Mr. Rajesh Mehta being a common director and an entity under common control, is a related party of REL.
183. I note that analysis of the available bank statements of REL for the period April 01, 2020 to December 31, 2025 revealed substantial fund transfers between REL and Elest. The FY-wise summary of banking transactions between REL and Elest is tabulated below:

**Table no. 32**

### **FY-wise Summary of Banking Transactions between REL and Elest**

**(INR in crore)**

<b>FY</b>	<b>Transfer of funds from REL to Elest (A)</b>	<b>Transfer of funds from Elest to REL (B)</b>	<b>Net (A-B)</b>
2020-21	68.48	16.33	52.15
2021-22	318.92	226.01	92.91
2022-23	52.10	52.16	(0.06)
2023-24	86.37	6.28	80.09
2024-25	40.00	49.14	(9.14)
2025-26	0.01	0.12	(0.11)
<b>Total</b>	<b>565.88</b>	<b>350.03</b>	<b>215.85</b>



184. I note that during the period April 01, 2020 to December 31, 2025, an amount aggregating to INR 565.88 crore was transferred by REL to Elest, whereas an amount aggregating to INR 350.03 crore was transferred back by Elest to REL, resulting in a net outflow of INR 215.85 crore from REL to Elest. I further note that despite the aforesaid banking transactions, REL disclosed only rental income of INR 12.60 lakh from Elest in its Annual Report for FY 2024-25 and failed to disclose the aforesaid fund transfers as related party transactions in its Annual Reports.
185. I also note that examination of the minutes of the Board and Audit Committee meetings of REL for FY 2020-21 to FY 2023-24 revealed discussions and approvals only in respect of
- I. investment of INR 200 crore in Elest; and
  - II. grant of loan of INR 75.15 crore carrying interest @ 4.5% p.a. to Elest for two years.
186. I note that the minutes of the Board and Audit Committee did not reveal any discussion or approval in respect of the remaining banking transactions between REL and Elest. I further note that Suresh Gowda, Managing Director of REL, and Vijendra Rao, Chief Financial Officer of REL, in their respective depositions before SEBI dated January 21, 2026 and January 22, 2026, stated that except for REL's investment of INR 200 crore in Elest, they were unaware of the other banking transactions between REL and Elest.
187. I note that Mr. Rajesh Mehta, Promoter and Executive Chairman of REL, in his deposition before SEBI dated October 28, 2025, stated that he would provide explanations regarding the banking transactions between REL and Elest. However, despite multiple summons and reminders, the requisite documents and explanations were not furnished. I further note that REL, vide email dated March 17, 2026, furnished certain responses in relation to the transactions with Elest. However, the same require detailed examination and independent verification including reconciliation with corresponding bank entries and examination of the business purpose underlying such transactions.



188. In view of the aforesaid facts, I *prima facie* note that REL transferred substantial funds aggregating to INR 565.88 crore to Elest, an entity substantially owned and controlled by Mr. Rajesh Mehta, without adequate disclosures and without requisite approvals for a significant portion of such related party transactions. I further *prima facie* note that the net diversion of funds amounting to INR 215.85 crore from REL to Elest remains inadequately explained for the time being.
189. I further note from the material available on record that on April 21, 2021, Mr. Rajesh Mehta acquired additional 15 crore shares of Elest at a valuation of INR 10 per share. Subsequently, on July 02, 2021, i.e., within approximately three months of the aforesaid acquisition by Mr. Rajesh Mehta, REL subscribed to one crore shares of Elest at a valuation of INR 200 per share.
190. I also note that during November–December 2021, Geraldton Finance Ltd acquired 27 lakh shares of Elest at a valuation of INR 1,000 per share and during FY 2023-24, Geraldton Finance Ltd, Aviator Global Fund and Knightsbridge Ltd collectively acquired approximately 33 lakh shares of Elest at a valuation of INR 3,000 per share. I note that as on March 31, 2024, Mr. Rajesh Mehta, REL and the aforesaid FPIs collectively held approximately 90%, 6% and 4% stake respectively in Elest.
191. I further note that:
- I. preliminary examination of the available bank statements of Mr. Rajesh Mehta and Elest did not reveal payment of INR 150 crore by Mr. Rajesh Mehta to Elest towards acquisition of shares;
  - II. the Annual Report of Elest for FY 2020-21 disclosed conversion of loan of INR 36.31 crore from Mr. Rajesh Mehta into equity;
  - III. Elest disclosed that out of the aforesaid loan amount, INR 7.81 crore was received by Elest through REL on the standing instructions of Mr. Rajesh Mehta.



192. I note that REL was granted an opportunity vide summons dated January 30, 2026, February 09, 2026 and February 16, 2026 to explain the rationale underlying the investment by REL in Elest. However, the responses furnished by REL vide email dated March 17, 2026 require detailed examination and independent verification which is ongoing.
193. I further note from the material available on record that ACC Energy Storage Pvt Ltd (hereinafter referred to as “**ACC Energy**”) was incorporated on July 04, 2022 by REL for setting up a 5 GWH Advanced Chemistry Cell manufacturing facility. I note that on January 01, 2025 REL acquired additional 2.55 crore shares of ACC Energy at a valuation of INR 60 per share and Elest subscribed to 2.45 crore shares of ACC Energy at a valuation of INR 60 per share. Pursuant to the aforesaid transactions, REL’s shareholding in ACC Energy reduced from 100% to approximately 51.05%, whereas Elest’s shareholding increased to approximately 48.95%. I also note that preliminary analysis of available bank statements of Elest and ACC Energy revealed transfer of INR 147 crore from Elest to ACC Energy, out of which ACC Energy transferred back INR 112 crore to Elest on the same date. I further note that as per disclosures made by REL to NSE, ACC Energy invested INR 262 crore in Elest during FY 2024-25. However, the details relating to valuation, percentage stake acquired and underlying terms of such investment were not available on record.
194. I note that Mr. Suresh Gowda Managing Director of REL, and Mr. Vijendra Rao, CFO of REL, in their respective depositions before SEBI dated January 21, 2026 and January 22, 2026, stated that they were unaware of the investment of INR 147 crore by Elest in ACC Energy and the subsequent investment of INR 262 crore by ACC Energy in Elest. REL was granted an opportunity to explain the aforesaid cross-holdings between ACC Energy and Elest. However, the responses furnished by REL require detailed examination and independent verification including reconciliation with bank entries and examination of the business purpose thereof which is ongoing.



195. In view of the aforesaid facts, I *prima facie* note that the cross-holding arrangements between ACC Energy and Elest resulted in dilution of REL's stake in ACC Energy and alienation of approximately 48.95% stake in ACC Energy to Elest, an entity substantially owned and controlled by Mr. Rajesh Mehta. I *prima facie* find that the aforesaid transactions involving REL, Elest and ACC Energy disclose serious concerns regarding diversion and routing of funds, non-transparent related party arrangements, absence of adequate approvals and deficiencies in disclosures made to shareholders and investors. *Prima facie*, REL has failed to disclose material related party transactions and failed to ensure transparency in utilisation of company funds and investments involving entities controlled by its promoter group.
196. Accordingly, I *prima facie* find that the aforesaid acts and omissions of REL are violative of the provisions of Para 18 of Ind AS 24 and Regulations 4(1)(a), 4(1)(b), 4(2)(e)(i), 23(2), 34(3) read with Clause 1 of Para A of Schedule V and Regulation 48 of the LODR Regulations.
197. I further *prima facie* find that routing and utilisation of company funds through opaque and inadequately disclosed arrangements involving promoter-controlled entities constitutes a device, scheme and artifice to mislead investors and amounts to fraudulent and unfair trade practice in the securities market. Accordingly, REL *prima facie* violated Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Sections 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.

### **C. DEALING IN SECURITIES AND PRICE VOLUME IMPACT**

198. I note that the Explanation to Regulation 4(1) of the PFUTP Regulations clarifies that any act of diversion or siphoning of assets or earnings of a listed company, or concealment thereof so as to manipulate the books of account or financial statements which would manipulate the price of securities, shall be deemed to be manipulative, fraudulent and unfair trade practice in the securities market. I further note that Regulations 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP





Regulations specifically enumerate instances of manipulative, fraudulent and unfair trade practices in dealing in securities.

199. The regulation 4(1) of the PFUTP Regulations seeks to prohibit manipulative, fraudulent or unfair trade practices relating to securities market. Provision contained in the Explanation to regulation 4(1) of the PFUTP Regulations were already covered under regulation 4(1) as being fraudulent as well as unfair trade practices. What was earlier implicit has now been made explicit by adding the 'Explanation' to regulation 4(1) of the PFUTP Regulations with effect from October 19, 2020. The amendment in the above mentioned provision, though made effective from October 19, 2020, is a clarificatory explanation explaining the existing situation that acts of diversion/misutilisation/siphoning of funds of a listed company or employment of any device, scheme or artifice to manipulate the books of accounts or financial statements of such company, that would directly or indirectly manipulate the price of the securities of that company, thereby inducing the investors to deal in securities or to remain invested in the securities of that company, are fraudulent and amount to unfair trade practices relating to the securities market, which are covered under regulation 4(1) of the PFUTP Regulations.
200. Further, the terms "dealing in securities" and "fraud" as defined in regulation 2(1)(b) & (c) of the PFUTP Regulations, respectively, are inclusive. In terms of regulation 2(1)(b)(ii) of the PFUTP Regulations, dealing in securities includes such acts which may be knowingly designed to influence the decision of investors in securities.
201. Further, regulation 4(2) of the PFUTP Regulations lays down specific rules that prohibit conduct by deeming them fraudulent activities. In terms of regulation 4(2)(e) of the PFUTP Regulations, any act or omission amounting to manipulation of the price of a security including, influencing or manipulating the reference price or bench mark price of any securities is deemed to be a fraudulent activity.



202. Further, in terms of regulation 4(2)(f) of the PFUTP Regulations, the act of knowingly publishing or causing to publish or reporting or causing to report by a person dealing in securities any information relating to securities, including financial results, financial statements, mergers and acquisitions, regulatory approvals, which is not true or which he does not believe to be true prior to or in the course of dealing in securities, is deemed to be a fraudulent activity.
203. Further, in terms of regulation 4(2)(k) of the PFUTP Regulations, an act of disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities, was deemed to be fraudulent or unfair trade practice. The above provision was amended with effect from January 25, 2022 vide the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) (Amendment) Regulations, 2022. The amended provision provides that the act of disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities, shall be deemed to be a fraudulent activity.
204. In terms of regulation 4(2)(r) of the PFUTP Regulations, an act of knowingly planting false or misleading news or information which may induce sale or purchase of securities, shall be deemed to be a fraudulent activity.
205. I note from the findings brought out in the preceding paragraphs that the books of account and financial statements of REL for FY 2020-21 to FY 2024-25 were *prima facie* manipulated through recording of non-genuine and unverifiable transactions, incorrect consolidation, improper adjustment of trade receivables and payables, unexplained investments, non-disclosure of material related party transactions, routing and diversion of funds through promoter-linked entities and personal accounts and concealment and misrepresentation of material financial information. I further note that the aforesaid acts resulted in publication and dissemination of misleading financial statements and financial results portraying



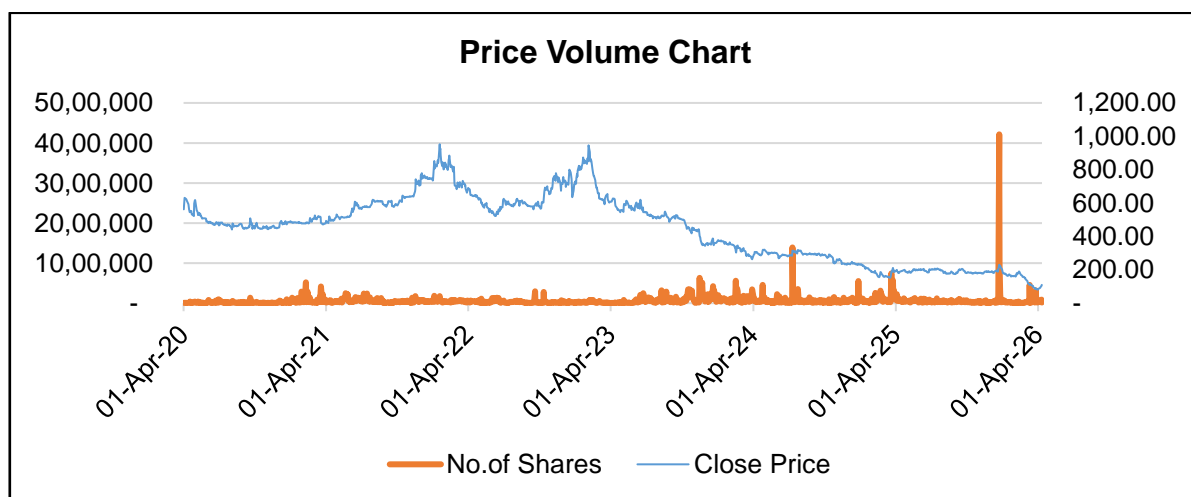
an inflated and misleading picture of REL's operational scale, balance sheet size and financial health.

206. I note that the manipulated financial statements and disclosures of REL operated as a deceit not only upon the shareholders of REL but also upon investors and the securities market at large, who were induced to deal in the shares of REL on the basis of misleading and incomplete information regarding the financial performance and position of the Company. The investors dealing in the shares of REL were not privy to the actual financial position of REL and its subsidiaries and consequently took investment decisions on the basis of *prima facie* manipulated and misleading disclosures made by REL.

207. I further note that the aforesaid acts interfered with the normal process of price discovery in the securities market and created a misleading appearance with respect to the financial health, operational performance and valuation of REL, thereby indirectly influencing and manipulating the price of the shares of REL.

208. I further note that during the period March 31, 2020 to September 30, 2025, the number of shareholders of REL increased substantially from 22,472 shareholders to 2,06,942 shareholders. The price volume chart is depicted below:

**Figure 2**  
**Price Volume Chart of REL**





209. I note that during the period April 01, 2020 to June 03, 2026, the share price of REL witnessed a significant rise followed by a steep decline. I further note that the share price of REL reached a peak of INR 1,028.40 on February 06, 2023. Accordingly, I note that the market capitalisation of REL reached approximately INR 30,364.53 crore at its peak, computed on the basis of 29,52,59,959 outstanding shares and share price of INR 1,028.40.
210. I further note that till near June 2023, the share price of REL continued to trade at elevated levels of upwards of approximately INR 500 per share. This period substantially coincides with the period during which REL recorded *prima facie* non-genuine and unsupported transactions, booked non-genuine sales and purchases, adopted improper accounting treatments, disseminated misleading financial statements, and failed to disclose the financial statements of its subsidiaries on its website as mandated under law.
211. I note that by disseminating *prima facie* manipulated financial statements and concealing material information relating to subsidiaries, REL created an illusion of operational growth and financial strength, thereby misleading existing and prospective investors regarding the true financial performance and contribution of its subsidiaries. I further note that proper and complete disclosures are fundamental for ensuring symmetry of information in the securities market and enabling investors to take informed investment decisions. Due to *prima facie* concealment and misrepresentation of material financial information by REL market transparency was impaired and process of price discovery in the scrip of REL appears to have been distorted.
212. I further note that subsequently, upon delays and non-disclosures in filing of financial statements with stock exchanges, particularly non-filing of cash flow statements for FY 2022-23, the share price of REL declined sharply from June 2023 onwards. The share price of REL eventually declined to INR 80.11 on April 02, 2026, corresponding to a market capitalisation of approximately INR 2,365.33 crore. I note that the aforesaid decline represents erosion of



approximately INR 27,999.21 crore in the market capitalisation of REL from its peak market capitalisation. Considering the public shareholding in REL, the aforesaid erosion in market capitalisation resulted in substantial erosion of public investor wealth estimated at approximately INR 12,725.53 crore. While the precise extent to which such decline may be attributable to the matters under investigation would require detailed examination, the available material *prima facie* indicates that concerns regarding the reliability and integrity of REL's financial disclosures materially affected investor confidence in the scrip.

213. In view of the above, I *prima facie* find that the misleading financial statements, concealment of material information and improper disclosures by REL created a false and misleading appearance regarding the financial health, operational performance and valuation of REL and thereby distorted the natural price discovery mechanism in the securities market. I further *prima facie* find that the aforesaid acts and omissions of REL induced investors to deal in the shares of REL at prices which were not reflective of the true financial position and affairs of the Company.
214. Accordingly, I *prima facie* find that the acts of REL constitute manipulative, fraudulent and unfair trade practices in terms of Regulations 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Sections 12A(a), 12A(b) and 12A(c) of the SEBI Act, 1992.

#### **D. PRIMA FACIE FINDINGS AGAINST NOTICEES**

215. Before summarising the *prima facie* findings against the *Noticees* in the instant matter, it is necessary to refer to the relevant provisions of the SEBI Act, 1992, PFUTP Regulations, LODR Regulations and the applicable Indian Accounting Standards governing disclosures, accounting treatment, transparency and integrity in financial reporting by listed entities.
216. The relevant provisions of securities laws *prima facie* violated by the *Noticees* as discussed in this order are reproduced in Annexure-A for ease of reference



The said provisions form a comprehensive framework to ensure that every person dealing in the securities market does so on the basis of truthful, complete and reliable information, and that no one profits from misrepresentation, deception, concealment or manipulation at the expense of investors. Any wilful departure from this framework, whether through manipulated accounts, suppressed disclosures, artificial netting of liabilities, or siphoning of assets through related party transactions, strikes at the foundation of investor confidence and market integrity, and is squarely prohibited by law.

217. REL, being a listed company, is expected to function in a manner that its utmost priority is to protect the rights of their stakeholders (including investors, lenders, customers, and suppliers) and that they get adequate and accurate information w.r.t. financial performance/ position of the listed company on a timely manner by way of quarterly results, annual reports, corporate announcements etc.
218. I note that, when the irregularities pointed out earlier are examined cumulatively, including the persistent non-production of records, contradictory submissions, unverifiable subsidiary operations, unsupported revenue recognition, opaque adjustments of receivables and payables, routing of funds through promoter-controlled accounts, non-disclosure of related party transactions, and improper accounting treatment, the conduct of REL *prima facie* reveals a coordinated pattern of financial misrepresentation, concealment and regulatory non-compliance extending across multiple financial years.
219. I note that the financial statements of a listed company are the primary documents that stakeholders rely upon to take informed decisions. Hence, the financial statements of a listed company must contain all the relevant and material information, must be free from any misstatement and misrepresentation and must represent the actual financial position of the entity, both in letter and in spirit. Investigation, as detailed in the preceding paragraphs, *prima facie* revealed that REL had:



- I. Deprived investors of access to material financial information relating to key entities contributing to the substantial majority of REL's consolidated revenues and assets by failing to upload the financial statements of any of its subsidiaries/ step-down subsidiaries on its website.
- II. Falsely recorded derivative transactions executed by Mr. Rajesh Mehta in his personal capacity as its own sales (INR 11,487 crore) and purchases (INR 11,488 crore) with Affluence
- III. Falsely recorded exchange fluctuation amounting INR 867 crore & INR 716 crore as Revenue from operations & Purchases, respectively;
- IV. Falsely recorded interest from Mutual Funds/ Fixed Deposits amounting INR 204 crore as Revenue from operations; and
- V. Misled and defrauded investors dealing in the shares of REL by portraying an inflated and misleading picture of its operational scale, balance sheet size and financial health.
- VI. Misrepresented consolidated revenues aggregating to approximately INR 15,15,385 crore, representing 99.80% of the total consolidated revenue for the period FY 2020-21 to FY 2024-25.
- VII. Misrepresented standalone revenues aggregating to approximately INR 12,557 crore, representing 64.53% of the total standalone revenue for the period FY 2020-21 to FY 2023-24.
- VIII. Hampered SEBI's investigation by failing to provide consolidated level information and furnishing varying and inconsistent submissions w.r.t. standalone level information, at different stages of the investigation.
- IX. Failed to present a true and fair view of its financial position by incorrectly including intra-group investments (INR 2,501 crore as on March 31, 2025) and intra-group trade payables (INR 1,457 crore as on March 31, 2025 & INR 1,379 crore as on March 31, 2024) in consolidated statements.
- X. Artificially reduced long-outstanding receivables amounting INR 2,914 crore through opaque netting arrangements, without adequate disclosures explaining the nature and basis of such adjustments.
- XI. Routed Company's funds through the personal bank accounts of Mr. Rajesh Mehta and Siddharth Mehta. Such transactions were neither



disclosed as Related Party Transactions nor placed before or approved by the Board of Directors or the Audit Committee.

- XII. Failed to comply with the applicable Accounting Standards.
- XIII. Failed to ensure accuracy, completeness and transparency in its disclosures to stock exchanges and investors and failed to present a true and fair view of its consolidated and standalone financial statements during the period April 01, 2020 to March 31, 2025.
- XIV. Failed to provide true and complete information to the Forensic Auditor.

220. In this context, I note that the Hon'ble Supreme Court of India has recently passed a judgement in the matter of **Reliance Industries Limited and others vs. SEBI (2026 INSC 585)**, *inter alia*, clarifying the interpretation of term "fraud" in the context of the PFUTP Regulations. The Hon'ble Supreme Court has reconciled various judgements on this issue and laid down a clear guideline for classifying a violation as fraud. The relevant extract is as under:

*"175. .... In our opinion, it cannot be the intention of the PFUTP Regulation to give unfettered powers to the respondent authority to decide the question of fraud. We find it apposite to purposively interpret Regulation 2(1)(c). In our considered view, both mens rea and actus reus cannot be made into irrelevant factors for deciding fraud. Therefore, we may outline the following scenarios for a more purposive approach to Regulation 2(1)(c):*

*i. in situations where injury due to wrongful act is established, i.e, inducement to deal in securities has caused the other person to be adversely affected and allowed the party accused of fraud to gain unlawful profits or avert ordinary losses at the former's expense, there would be no requirement on the respondent authority to prove deceitful intention. In other words, where injury is impossible to be proved, the requirement of wrongful intention becomes mandatory.*

*ii. Secondly, similarly, in situations where deceitful or mala fide intention to defraud and manipulate the securities market is clear from the blatant misconduct or attending circumstances that*





*cogently establish wrongful intention, then injury would not be required.”*

221. In the aforesaid judgement, the Hon'ble Supreme Court has provided further clarity on interpretation of the term “fraud” in the context of the PFUTP Regulations. The threshold laid down by the Hon'ble Supreme Court in the aforesaid judgement to determine “fraud” is now required to be proved and accordingly has been tested in this interim order before holding *Noticees prima facie* liable for the alleged violations of PFUTP Regulations. The instant case satisfies the threshold in the aforesaid judgment as there is clear inducement to investors to invest in the Company. The blatant misconduct of *Noticees* and attending circumstances, as summarised in paragraph 219 of this Order, *prima facie* establishes wrongful intention of *Noticees* to induce the investors to deal in shares of the Company, by giving them a patently incorrect picture about the financial status of the Company.

222. In view of the above, I *prima facie* find that:

- I. The acts of REL, as detailed in this order, constitute a deliberate device, scheme and artifice to mislead and defraud investors dealing in the shares of REL by portraying an inflated and misleading picture of its operational scale, revenue and financial health. Accordingly, REL has *prima facie* violated Regulation 3(b), 3(c), 3(d), 4(1), 4(2)(e), 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations read with Section 12A(a), 12A(b), and 12A(c) of SEBI Act, 1992.
- II. By publishing such misrepresented financial results and annual financial statements containing *prima facie* non-genuine and unsupported transactions, REL failed to ensure accuracy, completeness and transparency in its disclosures to stock exchanges and investors. Accordingly, REL is in violation of Regulation 4(1)(c), 4(1)(e), 4(1)(g), 4(1)(h), 4(1)(j) and 4(2)(e)(i) of the LODR Regulations.



- III. By not disclosing the related party transactions, REL violated the provisions of Para 18 of Ind AS 24 (Related Party Disclosures) and thereby violated Regulation 34(3) read with Clause 1 of Para A of Schedule V to the LODR Regulations. By not placing the related party transactions before the Audit Committee and not obtaining prior approvals, REL violated Regulation 23(2) of the LODR Regulations.
- IV. By failing to comply with the applicable Accounting Standards, including Ind AS 1, Ind AS 21, Ind AS 24, Ind AS 32, Ind AS 107, Ind AS 110, and Ind AS 115, REL is in violation of Regulation 4(1)(a), 4(1)(b), 4(2)(e)(i), 33(1)(a), 33(1)(c) and 48 of the LODR Regulations.
- V. By failing to upload the audited financial statements of its subsidiaries/ step-down subsidiaries on its website, REL violated Regulation 46(2)(s) of the LODR Regulations and Section 136(1) of the Companies Act, 2013.
- VI. By failing to provide information, despite multiple emails and summons, REL obstructed the investigation and impaired SEBI's ability to verify the authenticity of consolidated financial statements, thereby violating Section 11(2)(ia) and 11C(3) of the SEBI Act, 1992.
- VII. By providing contradictory figures at different stages of the investigation REL impeded verification of the reported sales figures by SEBI. By submitting incorrect and misleading information, REL obstructed and hampered the investigation process. Such conduct of REL amounts to non-cooperation with the Investigating Authority, thereby violating Section 11(2)(ia) of the SEBI Act, 1992.

#### **Role of Mr. Rajesh Mehta**

223. Mr. Rajesh Mehta, the Promoter, Executive Chairman, Director and Audit Committee member of REL, continues to hold this position. As disclosed in the Annual Reports, he attended all the 51 board meetings and all the 21 Audit



Committee meetings of REL for FY 2020-21 and FY 2024-25. Further, the statements recorded during investigation indicate that Mr. Rajesh Mehta exercised substantial control over the operations and financial affairs of REL and its subsidiaries. The KMPs of REL, during their respective depositions before SEBI, have *inter-alia* stated that adjustments of trade receivables with trade payables were taken care by Mr. Rajesh Mehta. Further, Mr. Suresh Gowda, the MD of REL (deposition dated January 21, 2026), *inter-alia* stated as follows:

*“Valcambi SA does not have any gold mine on its own. It refines the raw gold purchased by it from various entities, whose names I do not recollect, as these things are exclusively handled by Rajesh Mehta, Chairman of REL. I have never interacted nor involved with any subsidiary/ step-down subsidiary of REL, as these were exclusively taken care by Rajesh Mehta. I had no role to play in the day to day operations of REL and its subsidiaries/ stepdown subsidiaries, as these were exclusively taken care by Rajesh Mehta.”*

224. The aforesaid statement indicates that Mr. Rajesh Mehta was the key decision making authority within REL and exercised substantial control over the day-to-day affairs and financial operations of REL and its subsidiaries. I note that Mr. Rajesh Mehta was not merely a promoter but was actively involved in the conduct of the affairs and financial operations of REL and its subsidiaries during the relevant period. The material available on record prima facie indicates that he exercised substantial operational and financial control over the group entities, handled matters relating to overseas subsidiaries, oversaw adjustments between receivables and payables, and was directly connected with several impugned transactions examined during the investigation period, including transactions routed through his personal accounts. Having attended all Board Meetings and Audit Committee Meetings during the relevant period, and considering his position as Executive Chairman and promoter of REL, the aforesaid acts and omissions could not prima facie have occurred without his knowledge, consent, involvement or acquiescence.



225. Accordingly, I prima facie find that Mr. Rajesh Mehta is liable for acts and omissions of REL in terms of Section 27 of the SEBI Act, 1992.

#### **E. NEED OF INTERIM ORDER**

226. SEBI is mandated to protect the interests of investors and to promote and regulate the securities market. Where facts and circumstances indicate potential ongoing harm, information asymmetry, risk of further dissipation/alienation of assets, or obstruction of verification, SEBI may issue urgent ad-interim directions pending further proceedings. In the instant matter, investigation has revealed misrepresentation in financial statements as well as instances of routing and layering of funds through personal accounts and related entities without adequate disclosures or supporting documentation. Despite repeated summons and opportunities, true and fair financial statements, complete records explaining the end-use, business rationale and ultimate beneficiaries of such fund flows have not been furnished. In these circumstances, there exists a credible apprehension that advance notice of proposed regulatory action may enable diversion, dissipation or restructuring of assets, destruction or alteration of records, or further obstruction of the investigative process, thereby frustrating effective regulatory enforcement. Further, it is important to bring the status of investigation in the knowledge of various stakeholders of securities market so that misinformation does not continue.

227. In this regard, I deem it appropriate to refer to the judgment of Hon'ble Supreme Court of India in the matter of **N. Narayanan v. Adjudicating Officer, SEBI**<sup>4</sup>, wherein while dealing with the importance of disclosures, issue of market manipulation, following was inter alia, held by the Hon'ble Court:

*"35. ....Securities market is based on free and open access to information, the integrity of the market is predicated on the quality and the manner on which it is made available to market. 'Market abuse' impairs economic growth and erodes investor's confidence. Market abuse refers to the use of manipulative and*

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<sup>4</sup> MANU/SC/0426/2013.



*deceptive devices, giving out incorrect or misleading information, so as to encourage investors to jump into conclusions, on wrong premises, which is known to be wrong to the abusers.....*

*43. SEBI, the market regulator, has to deal sternly with companies and their Directors indulging in manipulative and deceptive devices, insider trading etc. or else they will be failing in their duty to promote orderly and healthy growth of the Securities market. Economic offence, people of this country should know, is a serious crime which, if not properly dealt with, as it should be, will affect not only country's economic growth, but also slow the inflow of foreign investment by genuine investors and also casts a slur on India's securities market. Message should go that our country will not tolerate "market abuse" and that we are governed by the "Rule of Law". Fraud, deceit, artificiality, SEBI should ensure, have no place in the securities market of this country and 'market security' is our motto. People with power and money and in management of the companies, unfortunately often command more respect in our society than the subscribers and investors in their companies. Companies are thriving with investors' contributions but they are a divided lot. SEBI has, therefore, a duty to protect investors, individual and collective, against opportunistic behavior of Directors and Insiders of the listed companies so as to safeguard market's integrity."*

228. While dealing with the objects of disclosure related to the company, the Hon'ble Securities Appellate Tribunal in the matter of **Coimbatore Flavors & Fragrances Ltd. v. Securities and Exchange Board of India**<sup>5</sup>, inter alia held the following:

*"7. ....Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies. True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision to invest or not to invest in a particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same."*

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<sup>5</sup> MANU/SB/0051/2014.



229. It becomes all the more important for the regulator to step in at the right time and pass interim directions because if the same is not done, huge losses may be faced by gullible investors. Having regard to the *prima facie* findings recorded in this order, I am of the considered view that urgent ex parte interim directions are necessary for the following reasons:

- I. The violations *prima facie* established in this matter are not isolated or inadvertent but constitute a systematic and multi-year scheme of financial misrepresentation. The inflated consolidated revenues, the fictitious standalone transactions, incorrect consolidation, the misutilization of funds through personal accounts, and the opaque receivable adjustments are interlinked elements of a broader pattern of conduct designed to present a false financial picture to the market.
- II. The misrepresented financial statements of REL are publicly available and continue to form the basis of investor decisions in REL's securities. REL's shares remain listed and actively traded. Investors continue to trade without being privy to the actual financial position of the Company, which is *prima facie* different from what has been disclosed. Investors remain at risk of continuing to trade on the basis of materially false financial information.
- III. The investigation has revealed a pattern of routing corporate funds through personal accounts, misutilization of funds to promoter-controlled entities, and obscuring fund trails. There is a credible and real risk that, without immediate restraint, assets of REL may be alienated or dissipated by the *Noticees*, thereby frustrating any future recovery, disgorgement, or enforcement action. The cross-holdings between Elest and ACC Energy Storage, which remain under investigation, create further complexity that may be exploited to move assets beyond reach.
- IV. REL and Mr. Rajesh Mehta have demonstrated a consistent and deliberate pattern of non-cooperation with the Forensic Auditor as well as investigation over an extended period. Despite summons dated June 16, 2025, July 02,



2025, July 24, 2025, November 10, 2025, November 28, 2025, December 10, 2025, January 30, 2026, February 09, 2026, February 16, 2026, and March 06, 2026, both *Noticees* have failed to provide complete information. REL's Statutory Auditors, despite undertaking to furnish audit working papers during their depositions, have also not complied. This sustained non-cooperation is itself indicative of an intent to suppress material information and obstruct regulatory inquiry.

V. The ex parte nature of this Order is warranted by the demonstrated pattern of conduct, including REL's own admission of routing funds to conceal their origin, which establishes a real risk that advance notice of proposed directions would enable the *Noticees* to take steps to move assets, destroy records, or otherwise frustrate the regulatory process.

230. The aberrations *prima facie* noted in the matter, where approx. 97% to 99% of the revenue of the Company is inflated, are egregious and unheard of. Considering the aforesaid reasons, balance of convenience in the present matter warrants issuance of interim directions pending investigation. The power to pass interim directions is well established and has been consistently upheld by the Hon'ble Supreme Court of India and various Hon'ble High Courts in cases involving grave threats to investor protection and market integrity. The *Noticees* shall be afforded a full and fair hearing at the earliest opportunity on the question of continuation of these directions. Since the directions contemplated are preventive and protective in nature, and any delay may frustrate regulatory action, this order is being passed ex-parte, with post-decisional opportunity of hearing as set out below.

## **F. DIRECTIONS**

231. Keeping in view the aforesaid discussions and after analysing *prima facie* evidence available on record about the violations committed by *Noticees*, I hold that this is a fit case to exercise powers of passing an interim order, pending conclusion of investigation, so as to protect the interest of the investors.



Accordingly, I, in exercise of powers conferred upon me under sections 11(1), 11(4) and 11B read with section 19 of the SEBI Act, hereby by way of the present interim ex-parte order, issue the following directions, which shall remain in force until further orders:

- I. The *Noticees* are directed to cooperate with the Investigating Authority and provide the documents and explanations as sought by Investigating Authority. Some of the information needed are detailed out in **Annexure-B** to this order, which should be provided within 30 days of this order;
  - II. *Noticee* no. 2 is hereby restrained from buying, selling or dealing in securities of Rajesh Exports Limited, either directly or indirectly, in any manner whatsoever, until further orders;
  - III. *Noticee No. 1* shall make true and fair disclosures of their financial statements, related party transactions and other disclosures in terms of LODR Regulations.
232. A detailed investigation by SEBI is required in the instant matter with respect to violations committed by *Noticees* and other suspects, including but not limited to the examination of books of accounts of the company to bring out true and fair picture of the company's financials. The same may be completed expeditiously by the Investigating Authority without being influenced by the findings in this order.
233. Since the earlier Forensic Auditor has already completed his work without cooperation from the *Noticees*, the Investigating Authority is directed to appoint a new forensic auditor to complete forensic audit of the books of accounts of the company and *Noticees* are directed to cooperate with the forensic auditor appointed in this regard and provide all information asked for by the forensic auditor.





234. Looking at the *prima facie* misconduct and dereliction of duties of on the part of the statutory auditors, a copy of this order shall be forwarded to National Financial Reporting Authority for appropriate actions, if any, against the Statutory Auditors of REL.
235. This order is without prejudice to the rights of SEBI to take any other action that may be initiated against *Noticees* in accordance with law, including but not limited to levy of penalty and issuance of directions. This order is further without prejudice to the rights of SEBI to take any action against other persons/entities, not made *Noticees* in this order.
236. The foregoing *prima facie* observations contained in this Interim Order are made on the basis of the material available on record. The *Noticees* may, within 21 days from the date of receipt of this Order, file their reply/objections, if any, to this Order and may also indicate whether they desire to avail an opportunity of personal hearing on a date and time to be fixed in that regard.
237. A copy of this order shall be served upon the *Noticees*, Exchanges, Depositories, RTAs and Banks for necessary action and compliance with the above directions.

**PLACE: MUMBAI**

**DATE: JUNE 03, 2026**

**KAMLESH CHANDRA VARSHNEY**

**WHOLE TIME MEMBER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**



## **Annexure-A**

### **PROVISIONS OF SECURITIES LAWS REFERRED IN THE ORDER**

#### ***“A. SEBI Act, 1992***

##### ***Functions of Board.***

##### ***Section 11***

*(1) Subject to the provisions of this Act, it shall be the duty of the Board to protect the interests of investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.*

*(2) Without prejudice to the generality of the foregoing provisions, the measures referred to therein may provide for—*

*....*

*(ia) calling for information and records from any person including any bank or any other authority or board or corporation established or constituted by or under any Central or State Act which, in the opinion of the Board, shall be relevant to any investigation or inquiry by the Board in respect of any transaction in securities;*

*....*

*(4) Without prejudice to the provisions contained in sub-sections (1), (2), (2A) and (3) and section 11B, the Board may, by an order, for reasons to be recorded in writing, in the interests of investors or securities market, take any of the following measures, either pending investigation or inquiry or on completion of such investigation or inquiry, namely: —*

- (a) suspend the trading of any security in a recognised stock exchange;*
- (b) restrain persons from accessing the securities market and prohibit any person associated with securities market to buy, sell or deal in securities;*
- (c) suspend any office-bearer of any stock exchange or self-regulatory organisation from holding such position;*
- (d) impound and retain the proceeds or securities in respect of any transaction which is under investigation;*



*(e) attach, for a period not exceeding ninety days, bank accounts or other property of any intermediary or any person associated with the securities market in any manner involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder:*

*Provided that the Board shall, within ninety days of the said attachment, obtain confirmation of the said attachment from the Special Court, established under section 26A, having jurisdiction and on such confirmation, such attachment shall continue during the pendency of the aforesaid proceedings and on conclusion of the said proceedings, the provisions of section 28A shall apply:*

*Provided further that only property, bank account or accounts or any transaction entered therein, so far as it relates to the proceeds actually involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder shall be allowed to be attached;*

*(f) direct any intermediary or any person associated with the securities market in any manner not to dispose of or alienate an asset forming part of any transaction which is under investigation:*

*Provided that the Board may, without prejudice to the provisions contained in sub-section (2) or sub-section (2A), take any of the measures specified in clause (d) or clause (e) or clause (f), in respect of any listed public company or a public company (not being intermediaries referred to in section 12) which intends to get its securities listed on any recognised stock exchange where the Board has reasonable grounds to believe that such company has been indulging in insider trading or fraudulent and unfair trade practices relating to securities market:*

*Provided further that the Board shall, either before or after passing such orders, give an opportunity of hearing to such intermediaries or persons concerned.*

***Power to issue directions and levy penalty.***

***Section 11B***



(1) *Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary, —*

- (i) in the interest of investors, or orderly development of securities market; or*
- (ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interest of investors or securities market; or*
- (iii) to secure the proper management of any such intermediary or person, it may issue such directions, —*

*(a) to any person or class of persons referred to in section 12, or associated with the securities market; or*

*(b) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.*

*Explanation. — For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.*

### ***Investigation***

*11C(3) The Investigating Authority may require any intermediary or any person associated with securities market in any manner to furnish such information to, or produce such books, or registers, or other documents, or record before him or any person authorised by it in this behalf as it may consider necessary if the furnishing of such information or the production of such books, or registers, or other documents, or record is relevant or necessary for the purposes of its investigation.*

***Prohibition of manipulative and deceptive devices, insider trading and substantial acquisition of securities or control.***

### ***Section 12A***



Section 12A of the SEBI Act, 1992, *inter alia*, provides as under:

*“No person shall directly or indirectly—*

*(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognised stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;*

*(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;*

*(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person,*

*in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder.”*

***Delegation.***

Section 19.

*The Board may, by general or special order in writing delegate to any member, officer of the Board or any other person subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Act (except the powers under section 29) as it may deem necessary.*

***B. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003***

***Regulation 3***

*“No person shall directly or indirectly—*

*...*



*(b) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognised stock exchange;*

*(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognised stock exchange;*

*(d) engage in any act or practice which is fraudulent or deceptive or is likely to manipulate the price of any security listed or proposed to be listed on a recognised stock exchange.”*

#### ***Regulation 4(1)***

*“Without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.”*

*Explanation: For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off assets or earnings of a company whose securities are listed or any concealment of such act or device to manipulate the books of accounts or financial statements of such company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.*

*(2) Dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves any of the following: —*

*...*

*(e) any act or omission amounting to manipulation of the price of a security, including influencing or manipulating the reference price or benchmark price of any security;*

*(f) Knowingly publishing or causing to publish, or reporting or causing to report, by a person dealing in securities, any information relating to securities, including*



*financial results, financial statements, mergers and acquisitions, and regulatory approvals which is not true or which he does not believe to be true, prior to or in the course of dealing in securities;*

*(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities;*

*(r) knowingly planting false or misleading news which may induce the sale or purchase of securities.”*

### **C. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

#### **Regulation 4 – Principles Governing Disclosures and Obligations**

Regulation 4(1)(a) provides that:

*“(1) The listed entity shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:*

*(a) Information shall be prepared and disclosed in accordance with applicable standards of accounting and financial disclosure.*

*(b) The listed entity shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and shall also ensure that the annual audit is conducted independently, efficiently and transparently.*

*(c) The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.*

*(e) The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.*



*(g) The listed entity shall abide by all the provisions of the applicable laws including the securities laws.*

*(i) The listed entity shall make the specified disclosures and follow its obligations in letter and spirit taking into consideration the interest of all stakeholders.*

*(j) The listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors.”*

*(2) The listed entity which has listed its specified securities shall comply with the corporate governance provisions as specified in chapter IV which shall be implemented in a manner so as to achieve the objectives of the principles as mentioned below*

*(a)....*

*(e) Disclosure and transparency: The listed entity shall ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the listed entity, in the following manner:*

*(i) Information shall be prepared and disclosed in accordance with the prescribed standards of accounting, financial and non-financial disclosure.*

### ***Regulation 23(2)***

*“All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity.”*

### ***Regulation 33(1)***

*(a) The listed entity shall prepare and submit quarterly and year-to-date standalone financial results to the stock exchange.*

*(c) The listed entity shall prepare and submit annual audited standalone financial results for the financial year.*





***Regulation 34(3) read with Schedule V***

*“The annual report shall contain disclosures specified in Part A of Schedule V.*

Clause 1 of Para A of Schedule V mandates disclosure of related party transactions in accordance with the applicable accounting standards.

***Regulation 46***

*46 (2) The listed entity shall disseminate the following information under a separate section on its website*

*(s) separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year, uploaded at least 21 days prior to the date of the annual general meeting which has been called to inter alia consider accounts of that financial year]*

.....

***Regulation 48***

*“The listed entity shall comply with all the applicable and notified Accounting Standards from time to time.”*

***D. Indian Accounting Standards (Ind AS)***

***Ind AS 1***

*Presentation of Financial Statements*

Paragraph 32 of Ind AS 1 provides as under:

*“An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an Ind AS.”*

Paragraph 33 of Ind AS 1 further provides that:



*“An entity reports separately both assets and liabilities, and income and expenses. Offsetting in the statement of profit and loss or the balance sheet, except when offsetting reflects the substance of the transaction or other event, detracts from the ability of users both to understand the transactions, other events and conditions that have occurred and to assess the entity’s future cash flows.”*

## **Ind AS 32**

### *Financial Instruments: Presentation*

Paragraph 42 of Ind AS 32 provides as under:

*“A financial asset and a financial liability shall be offset and the net amount presented in the balance sheet when, and only when, an entity:*

- (a) currently has a legally enforceable right to set off the recognised amounts; and*
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.”*

## **Ind AS 107**

### *Financial Instruments: Disclosures*

*Paragraphs 13A to 13F of Ind AS 107 mandate disclosures relating to offsetting arrangements and netting of financial assets and liabilities so as to enable users of financial statements to evaluate the effect of such arrangements on the entity’s financial position.*

## **Ind AS 24**

### *Related Party Disclosures*

Paragraph 18 of Ind AS 24, inter alia, provides that:



*“If an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances”*

## **E. Companies Act 2013**

### **Section 136**

*136 (1) A copy of the financial statement , including consolidated financial statements, if any, auditor’s report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company , to every trustee for the debenture-holder of any debenture issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting:*

*.....*

*Provided also that a listed company which has a subsidiary incorporated outside India (herein referred to as “foreign subsidiary”)—*

*(a) where such foreign subsidiary is statutorily required to prepare consolidated financial statement under any law of the country of its incorporation, the requirement of this proviso shall be met if consolidated financial statement of such foreign subsidiary is placed on the website of the listed company;*

*(b) where such foreign subsidiary is not required to get its financial statement audited under any law of the country of its incorporation and which does not get such financial statement audited, the holding Indian listed company may place such unaudited financial statement on its website and where such financial statement is in a language other than English, a translated copy of the financial statement in English shall also be placed on the website;*



## Annexure-B

### **Data/ Information not received from Noticees**

S. No:	Information Required
1	Vendor Master, Customer Master, Employee Master data.
2	Journal voucher dump containing all the journal entries posted during the Investigation Period.
3	List of transactions undertaken with, or through, the Directors, Chairman and Managing Director, Key Managerial Personnel (KMPs), family members of KMPs, Elest Private Limited and related parties, including the nature of each transaction.
4	FD list with bank seal and signature for: (1) Canara Bank – 2020-21, 2021-22, 2022-23 and 2023-24 (2) SIB – 2020-21, 2021-22 and 2022-23 (3) Axis Bank – 2021-22 and 2022-23
5	Inventory movement register, on standalone basis and consolidated basis.
6	Detailed workings of: (a) “Deemed Supply under Schedule I” (b) “Adjustments in turnover due to Foreign Exchange Fluctuations” and (c) “Adjustments in turnover due to reasons not listed above” as mentioned in Table 5 of GSTR 9C for all GST registrations of REL
7	Knock Off Agreement signed by all the 3 parties involved in the Knock Offs. (1) Aurofin SA vs Aurofin SA (2) Valcambi SA vs Al Jameelat Jewellery (3) Al Sultan Jewellery vs Basma Jewellery (4) Valcambi SA vs Aurofin SA
8	Supporting documentation related to land and building disposal amounting to INR 2.32 crore during the year ended 31/03/2022
9	Fixed Assets register of the consolidated financial statements including intangible assets
10	Access to the ERP or books of accounts
11	Data/ information pertaining to the foreign subsidiaries of REL
12	Relevant ledgers with visible/ legible narration column.

### **Data/ Information partially received from the Noticees**

S. No:	Information Required
1	Ledger, KYC, Nature of transactions, Vendor/Customer onboarding documents of certain parties
2	Ledger of the Directors, Chairman, Managing Director, Key Managerial Personnel (KMPs), the family members of KMPs, Elest Private Limited and related parties for the available period.



S. No.	Information Required
3	GSTR 2A – Detailed Excel sheet available in the GST Portal – for all GST Registrations of REL
4	FCTR workings and the reason for the movements in FCTR
5	Correspondence from AD Bank acknowledging the knocking of Import Invoices against Export Invoices for the following knock offs: (1) Aurofin SA vs Aurofin SA (2) Valcambi SA vs Al Jameelat (3) Al Sultan vs Basma (4) Valcambi SA vs Aurofin SA
6	The Forensic Auditor selected INR 6,059.59 crore worth sales out of the total standalone sales of INR 19,458.98 crore from the period FY 2020-21 to FY 2023-24 and INR 6,157.56 crore worth sales from the period prior to FY 2020-21 as samples for performing transaction testing. Out of these sample sales selected, all documents pertaining to the transaction were received for 30 sample sales covering 35.07% of the total sample sales. While for 116 sample sales covering 33.67% of the total sample sales documents were received partially, for the remaining 24 sample sales covering 31.26% of the total sample sales no documents pertaining to the transaction were received for testing.
7	The Forensic Auditor selected INR 6,876.04 crore worth purchases out of the total standalone purchases of INR 18,903.46 crore from the period FY 2020-21 to FY 2023-24 and INR 145.32 crore worth purchases from the period prior to FY 2020-21 as samples for performing transaction testing. Out of these sample purchases selected, all documents pertaining to the transaction were received only for four sample purchases covering 2.03% of the total sample purchases. While for 64 sample purchases covering 21.30% of the total sample purchases documents were received partially, for the remaining 16 sample purchases covering 76.67% of the total sample purchases no documents pertaining to the transaction were received for testing.