

FORENSIC INVESTIGATION *SPECIALIST*

Newsletter 3 August 2026



Presented by
J.S.CHOPRA & ASSOCIATES
CHARTERED ACCOUNTANTS

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In this Newsletter we have briefly covered regulatory investigations by SEBI on Rajesh Exports.

Rajesh Exports faces severe regulatory investigations by SEBI and the Enforcement Directorate over allegations of a massive Rs 15.15 Lacs crore revenue inflation, under-reported gold inventory, and corporate governance discrepancies.

Regulatory and Investigative Updates

- **SEBI Interim Order:** SEBI Issued a restraining order on June 3, 2026 barring **Rajesh Exports** and its **Promoter - Chairman Rajesh Mehta** from the securities market after allegations of massive revenue misrepresentation, finding that 97%–99% of reported consolidated revenues amounting to Rs 15.15 Lacs crores between FY 2021 and FY 2025 lacked proper verification or documentation from subsidiaries like Swiss refiner Valcambi SA primarily the Swiss precious metals refinery. However, audited standalone accounts from the Swiss units showed substantially lower revenues
- **Enforcement Directorate (ED) Raids:** ED Searched company premises in late June 2026, subsequently revealing abnormal operational practices—including paying the managing director only Rs 17,000 (\$180) a month, leaving the CFO unpaid since 2020, and finding accounting mismatches of Rs 3,000 crore.
- **Some Core Allegations pertained to –**
 - ~ **Missing Documents:** SEBI alleged the company failed to produce customer-wise sales data, inventory records, and transaction-level details to substantiate these vast revenues.
 - ~ **Fictitious Trades & Diversion:** SEBI flagged Rs 11,400 crore worth of fake derivative trades and unverified investments into African gold mining assets.
 - ~ **Personal Transactions:** Funds were reportedly routed through the promoter's personal accounts without board approval.
- **Company (Rajesh Exports) Stance:** The Company strongly refuted all allegations of intentional misreporting, attributing discrepancies to communication gaps and

differences in accounting interpretations regarding gross transaction values versus processing income.

- **Institutional Risk:** Major institutional investors like the Life Insurance Corporation of India (LIC) hold a substantial stake (over 10%), posing massive exposure risks to public funds.
- **Enforcement:** The Enforcement Directorate (ED) has also accused the company of severe violations under FEMA, and the National Financial Reporting Authority (NFRA) is auditing the conduct of the firm's Auditors.

Stock Market Impact

- **Share Price Volatility:** Shares tumbled drastically following the initial June announcements, hitting consecutive lower trading circuits before experiencing brief intermittent recoveries, hovering near **Rs 84.76** (03 August 2026) after a 52 week high of **Rs 237.88**.
- **Exchange Scrutiny:** Stock exchanges have repeatedly sought official clarifications from Rajesh Exports regarding ongoing probe news and compliance reports.

Company Response

The company and Chairman Rajesh Mehta have denied any wrongdoing, stating that their disclosures comply with applicable standards and attributing the discrepancies to miscommunications and the complex nature of bullion trading.

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