

Rajesh Exports Limited

Investment Note

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1. Investment Recommendation

No-go — regulatory credibility has broken before the economics can be trusted. FY24 Revenue was Rs 2,806,764 Mm, yet EBITDA fell from Rs 16,358 Mm in FY23 to Rs 3,283 Mm in FY24 (-79.9% YoY) and Net Income fell from Rs 14,323 Mm to Rs 3,355 Mm (-76.6% YoY), confirming that even reported profitability is too fragile for a minority investor to underwrite. The balance sheet looked liquid with Net Debt of Rs -16,182 Mm and Cash and Bank of Rs 22,732 Mm in FY24, but that comfort is undermined by the group's offshore concentration, historical related-party flows including Rs 460,441 Mm of standalone purchases from a Valcambi-linked entity in FY20, Brickwork's downgrade of Rs 11,000 Mm of facilities to default grade in 2021, and SEBI's reported June 2026 interim action alleging misrepresented revenue of about Rs 15.15 lakh crore and barring the company and promoter from the securities market pending investigation [16][17][29][25]. The operating franchise is real and large — the company spans refining, manufacturing, exports, wholesale, retail, and Swiss refining through Valcambi [1][9][20] — but minority investors do not get paid for scale when reported numbers, control environment, and regulatory standing are in doubt. The verdict would change only if future public filings and regulatory outcomes establish that the reported revenue base, related-party flows, and cash balances are reliable and that the present market-access and forensic overhang has been resolved.

5-Year Financial Summary (MCA)

Metric	Units	FY21	FY22	FY23	FY24	FY25	CAGR
Year End Share Price	Rs/Share	478.5	690.5	609.2	263.1	185.8	-21%
Market Cap	Rs Mm	141,282	203,892	179,887	77,683	54,845	-21%
Enterprise Value	Rs Mm	130,962	204,636	166,157	61,501	54,845	-20%
EV/EBITDA	x	11.7	17.4	10.2	18.7	NA	+17%
P/E	x	16.7	20.2	12.6	23.2	NA	+12%
P/BV	x	1.3	1.6	1.2	0.5	NA	-27%
Revenue	Rs Mm	2,583,056	2,431,279	3,396,895	2,806,764	0	+3%
EBITDA	Rs Mm	11,241	11,789	16,358	3,283	0	-34%
Net Income	Rs Mm	8,449	10,092	14,323	3,355	0	-26%
Net Worth	Rs Mm	112,214	124,457	147,236	152,469	0	+11%
Net Debt	Rs Mm	-10,320	744.0	-13,731	-16,182	0	+16%
Free Cash Flow	—	-103,941	-943.5	3,823	1,771	0	—
Book Value per share	Rs/share	380.1	421.5	498.7	516.4	0.0	+11%
Earning per share	Rs/share	28.6	34.2	48.5	11.4	0.0	-26%
Net Fixed Assets per share	Rs/share	24.7	23.0	41.7	41.2	0.0	+19%
Net Working Capital per share	Rs/share	261.6	301.7	341.6	349.4	0.0	+10%
Cash Share per share	Rs/share	69.5	25.1	71.0	77.0	0.0	+3%
Debt per share	Rs/share	34.6	27.6	24.5	22.2	0.0	-14%
Cash Conversion Cycle	Days	9.5	11.9	9.9	12.5	0	+10%
Fixed Assets Turnover Ratio	x	359.6	360.4	284.9	232.3	NA	-127.3 %
ROCE	%	0.1	0.1	0.1	0.0	NA	+0.0 %
ROE	%	0.1	0.1	0.1	0.0	NA	+0.0 %
EBITDA Margin	%	0.0	0.0	0.0	0.0	NA	—
Net Income Margin	%	0.0	0.0	0.0	0.0	NA	—
No. of shares outstanding	Mm shares	295.3	295.3	295.3	295.3	295.3	+0%
Conversion Rate	Rs per \$	76.1	76.1	82.2	83.4	85.6	+9.5 %

2. What Would Change Our View

Upgrades to go if: SEBI formally closes the current matter without adverse findings that require restatement of reported Revenue or Net Income; the next annual filing shows EBITDA above Rs 10,000 Mm with Free Cash Flow positive and Cash Conversion Cycle below 10 days; the next annual filing discloses clean audited subsidiary financials for the major offshore operating entities without management-certified reliance **Downgrades to no-go if:** any annual filing or regulatory order requires restatement of FY22-FY24 Revenue, Net Income, or related-party transactions; the next annual filing shows another year with EBITDA below Rs 5,000 Mm or a rise in Trade Receivable, current despite declining Revenue; any exchange filing, annual report, or regulatory order records promoter pledging, adverse forensic findings, or continuation of securities-market restrictions

3. Company Snapshot

Rajesh Exports Limited is a vertically integrated gold business whose investment relevance comes from extraordinary throughput across refining, manufacturing, wholesale, exports, gold bars, and retail jewellery, even though that scale currently converts into very little margin. FY24 Revenue was Rs 2,806,764 Mm, the group operates across India, Switzerland, Singapore, and Dubai, and public company material describes exports to more than 60 countries alongside retail jewellery under the SHUBH brand and precious-metals refining anchored by Valcambi in Switzerland [1][9][21]. The business traces its commercial origins to 1989 under brothers Rajesh Mehta and Prashant Mehta, while the listed vehicle's legal history begins later; that split between founder story and legal chronology is best understood as business origin versus listed-company incorporation rather than a strategic inconsistency [4][20][28]. The company's current form was built through three defining milestones: scaling jewellery manufacturing in Bengaluru, expanding retail and export distribution, and acquiring Swiss refiner Valcambi in July 2015 for \$400 Mm cash, which transformed the group from an Indian exporter into an offshore-heavy precious-metals platform [20][8]. Public materials describe refining capacity above 2,400 tonnes per annum, manufacturing capacity of 350-400 tonnes of gold products, and one of the largest jewellery design databases with 29,000 designs, although the more aggressive global share claims are company-stated and not independently validated in the source set [1][9][10]. The business is worth investigating because few Indian listed companies combine this level of bullion-chain integration with negative Net Debt, but the same structure also creates exactly the opacity, offshore dependence, and related-party risk that now dominate the investment case.

4. Market Context

Margin discipline will decide winners in organised gold over the next 3-5 years, and that trend currently hurts Rajesh Exports more than its peers. Jewellery retailers such as Kalyan Jewellers, Senco Gold, Thangamayil Jewellery, and Tribhovandas Bhimji Zaveri monetise branding, franchise density, and retail mix, while manufacturing-oriented players such as Sky Gold & Diamonds and export manufacturer Goldiam International capture more value through design, vendor relationships, and customer integration than pure bullion pass-through businesses. Rajesh Exports remains structurally exposed to the thinnest part of the chain: FY24 EBITDA margin collapsed to 0.12%, far below the peer median EBITDA margin of 8.7%, which means even a small adverse move in gross spread wipes out a year's earnings. That leaves the company needing either a visible shift toward higher-value products and retail mix or much stronger proof that its refining and export integration produces durable cost advantage.

Formalisation is strengthening large compliant players, but it rewards transparency as much as scale. Hallmarking, anti-money-laundering enforcement, banking scrutiny, and tax surveillance increase the relative advantage of listed, system-driven operators over fragmented unorganised jewellers; that has supported the competitive positioning of companies such as Titan's Tanishq, Kalyan Jewellers, and Senco Gold. Rajesh Exports should have been a beneficiary because its public footprint spans refining, manufacturing, exports, and retail [1][21], yet the same formalisation trend now raises the bar on documentation, related-party governance, and lender confidence. For this company specifically, tighter regulation is no longer just an industry filter; it is a direct test of whether the reported offshore-heavy operating model is investable at all.

Capital allocation is becoming a sharper differentiator, and Rajesh Exports faces the market with less credibility than peers. Kalyan Jewellers and Senco Gold are judged primarily on store growth, inventory turns, and return on capital, while Goldiam and Sky Gold are judged on export execution and manufacturing margins. Rajesh Exports instead asks investors to assess a commodity-flow business plus announced diversification into lithium-ion cells through ACC Energy Storage and display fabrication through Elest [10][14]. Those adjacencies may indicate ambition, but for a company whose FY24 EBITDA was only Rs 3,283 Mm on Revenue of Rs 2,806,764 Mm, they currently look more like governance and capital-allocation distractions than valuation support.

5. Ownership & Governance

Rajesh Exports remains tightly promoter-controlled, and that concentration magnifies every governance question rather than mitigating it.

Basics

Sector	Gold refining, jewellery manufacturing, exports, wholesale and retail
Revenue (FY24, Rs Mm)	2,806,764
Headcount	Not disclosed in the provided MCA extract; public sources confirm a multi-geography operating footprint [1][21]
Listed / Unlisted	Listed
Promoter Group	Mehta family

Shareholding

Shareholder	Category	% Holding
Rajesh Jasvantrai Mehta	Promoter	41.25% [15][5]
Prashant Jasvantrai Mehta	Promoter	12.59% [15][5]
Total promoter holding	Promoter group	54.55% [15][5]
Life Insurance Corporation of India	Domestic institutional investor	10.8% [27][26]
Foreign portfolio investors	Public institutional	about 14.2%-14.26% [15]

Key Personnel

- **Suresh Kumar Sarojamma Linge Gowda** — Managing Director; current role reflected in company and market-data pages by FY24-FY25; professional [3][6][22][13]
- **B. Vijendra Rao** — Chief Financial Officer; current FY24-era market and company-profile references; professional [6][22][21]
- **Vikash Kumar Khetan** — Company Secretary and Compliance Officer; current market-data reference; professional [6]
- **Rajesh Mehta** — Chairman / Executive Chairman; founder-era leader with continuing FY24-FY25 signing authority; promoter [3][12][13]
- **Prashant Mehta** — long-standing promoter executive and former Managing Director in FY2017-18; promoter [11]
- **Independent directors** — names and tenure are not fully established from the supplied source set, which is itself a significant governance gap for a minority investor.

Promoter Background

The Mehta family built the business from a small Bengaluru jewellery manufacturing base into a large export and refining platform, with public narratives consistently identifying brothers Rajesh Mehta and Prashant Mehta as founders [20][3]. Ownership has remained concentrated rather than diluted: promoter holding stayed at 54.55% through March 2026, and market-data sources report zero promoter pledge, which removes one common balance-sheet risk but does not offset governance concentration [15][19]. The major ownership evolution has come from institutional participation rather than promoter exit: Life Insurance Corporation increased from 1.99% in March 2016 to 11.22% in March 2022 and held 10.8% in March 2026 [7][27].

Material governance changes matter more than ownership stability here. The transition in the Managing Director role from promoter Prashant Mehta in FY2017-18 to Suresh Kumar in later public sources shows some professionalisation at the operating layer [11][3], but control still appears promoter-centric. The group structure includes REL Singapore and step-down Swiss entities linked to Valcambi, while public reporting also ties the group to ACC Energy Storage and Elest diversification vehicles [30][14][10]. That combination — concentrated promoter control, large offshore operating subsidiaries, and related-party trading history — warrants a governance discount rather than a control premium.

Corporate Structure

Entity	Type	Listed?	Owned By	Ownership %
Rajesh Exports Limited	Parent	Listed	—	—
REL Singapore Pte Ltd	Subsidiary	Unlisted	Rajesh Exports Limited	—
ACC Energy Storage Pvt Ltd	Subsidiary	Unlisted	Rajesh Exports Limited	—
Valcambi S.A	Subsidiary	Unknown	REL Singapore Pte Ltd	—
Valcombi SA	Subsidiary	Unknown	REL Singapore Pte Ltd	—
Mehta family	Promoter	Unknown	—	—
Mahesh J Mehta	Promoter	Unknown	Mehta family	—
Prashanth J Mehta	Promoter	Unknown	Mehta family	—
Rajesh J Mehta	Promoter	Unknown	Mehta family	—
Rajesh Jaswanth Rai Mehta	Promoter	Unknown	Mehta family	—
Prashanth Mehta Jaswanth Rai	Promoter	Unknown	Mehta family	—
Bridge India Fund	Investor	Unknown	—	29.97%
Life Insurance Corporation	Investor	Unknown	—	—

6. Financial Summary

Revenue has been large but economically fragile across the FY20-FY24 period, and FY24 exposed just how little margin protection the model has. Revenue increased from Rs 1,956,002 Mm in FY20 to Rs 2,806,764 Mm in FY24, but the path was volatile: Revenue rose from Rs 2,431,279 Mm in FY22 to Rs 3,396,895 Mm in FY23 (39.7% YoY) before falling to Rs 2,806,764 Mm in FY24 (-17.4% YoY). EBITDA moved far worse than sales, falling from Rs 16,358 Mm in FY23 to Rs 3,283 Mm in FY24 (-79.9% YoY) because Gross Profit fell from Rs 20,896 Mm to Rs 6,656 Mm (-68.1% YoY), confirming severe spread compression rather than a simple volume decline. Net Income followed the same pattern, falling from Rs 14,323 Mm in FY23 to Rs 3,355 Mm in FY24 (-76.6% YoY), with reported earnings partly cushioned by Other Income rising from Rs 242.2 Mm to Rs 2,420 Mm.

The balance sheet remains apparently strong in absolute terms but is operationally dominated by working capital and offshore subsidiaries. Net Worth increased from Rs 105,339 Mm in FY20 to Rs 152,469 Mm in FY24, while Total Borrowings fell from Rs 12,781 Mm in FY20 to Rs 6,550 Mm in FY24 and Net Debt was negative Rs 16,182 Mm in FY24. That strength is less reassuring than it looks because Trade Receivable, current rose from Rs 103,564 Mm in FY23 to Rs 113,045 Mm in FY24 (9.2% YoY) despite lower Revenue, while Inventories fell from Rs 60,487 Mm to Rs 42,051 Mm (-30.5% YoY), indicating that cash support came from stock release rather than cleaner collections. Non-current assets remain modest relative to throughput, with Property, Plant & Equipment - Net at Rs 12,084 Mm and Intangible assets at Rs 8,630 Mm in FY24.

Cash generation is inconsistent and heavily dependent on working capital timing. Free Cash Flow improved from Rs -103,941 Mm in FY21 to Rs 1,771 Mm in FY24, but that apparent recovery followed large volatility: Free Cash Flow was Rs -944 Mm in FY22 and Rs 3,823 Mm in FY23. FY24 Free Cash Flow remained positive mainly because cash capex fell from Rs 7,219 Mm in FY23 to Rs 679 Mm in FY24 (-90.6% YoY) and inventory released Rs 18,436 Mm of cash, offsetting a receivables outflow of Rs 9,992 Mm.

Returns and efficiency have weakened rather than strengthened. Cash Conversion Cycle moved from 9.9 days in FY23 to 12.5 days in FY24 as debtor days worsened from 11.1 to 14.7 despite lower sales. ROCE in the dashboard collapsed from 9.9% in FY23 to 1.7% in FY24, while Debt / EBITDA increased from 0.44x to 1.99x not because debt rose, but because EBITDA collapsed. The company still has scale and liquidity, but the reported numbers describe a low-return throughput machine, not a compounding franchise.

7. Accounting Analysis

Earnings quality is weak enough that reported FY24 profit cannot be accepted at face value. The core problem is not a technical audit qualification in FY24 — both standalone and consolidated opinions were unmodified — but the combination of razor-thin spreads, volatile working capital, material offshore operations, and subsequent regulatory allegations that strike at the credibility of reported Revenue and related-party flows [29][25]. For a minority investor, that means the burden of proof sits with the filings, not with the headline revenue base.

Revenue recognition risk is high because the business model produces extraordinary reported throughput with negligible margin and large offshore concentration. FY24 Revenue was Rs 2,806,764 Mm against Property, Plant & Equipment -

Net of only Rs 12,084 Mm and Intangible assets of Rs 8,630 Mm, which is consistent with a trading-led model but also means small recognition errors can create huge absolute distortions. The standalone-versus-consolidated gap sharpens that concern: standalone Trade Receivable was Rs 25,007 Mm versus consolidated Rs 113,045 Mm, and REL Singapore alone showed turnover of about USD 2,752,757 Mm in FY24, implying that much of the economic activity sits outside the listed parent. That structure can be commercially rational in bullion sourcing, but it makes it harder for minority investors to judge whether revenue is earned, pass-through, or circular. Public reporting on the 2026 SEBI action alleges non-genuine standalone sales and purchases exceeding Rs 114,870 Mm each across FY22-FY24 and alleged revenue misstatement at a far larger consolidated scale [18][24][29]. Even before any final adjudication, those allegations turn revenue recognition from a modelling issue into a credibility issue.

Cash conversion looks acceptable in FY24 only on the surface. Net cash flows from operating activities were Rs 3,161 Mm against EBITDA of Rs 3,283 Mm, implying near-1.0x conversion, but that result depended on a Rs 18,436 Mm release from inventory while Trade Receivable absorbed Rs 9,992 Mm and other current liabilities absorbed Rs 12,650 Mm. In other words, FY24 cash generation came from shrinking stock, not from demonstrating robust collection discipline. The multi-year record confirms the same weakness: Net cash flows from operating activities were Rs -102,517 Mm in FY21, Rs -44 Mm in FY22, Rs 4,633 Mm in FY23, and Rs 3,161 Mm in FY24. This is not the profile of a business where EBITDA can be capitalised confidently; it is the profile of a business where annual cash outcomes are dominated by inventory and receivables timing.

Reported profit also benefited materially from non-operating support. Other Income increased from Rs 242.2 Mm in FY23 to Rs 2,420 Mm in FY24, a 899.2% YoY increase, and that figure equalled about 91.7% of EBIT and about 66.0% of Profit Before Taxation & Exceptional Items in FY24. No exceptional item was reported, so the income statement presents this uplift inside ordinary profit even though its sustainability is unclear from the supplied notes. That makes FY24 Net Income of Rs 3,355 Mm a weak proxy for normalized earnings power. A minority investor should therefore anchor on EBITDA and Free Cash Flow quality, and both are too unstable to support confidence.

Related-party accounting remains a major investment concern because public filings show the scale but not the comfort. Historical standalone purchases from a Valcambi-linked step-down entity were Rs 460,441 Mm in FY20 and Rs 7,910 Mm in FY21, and sales to REL Singapore were referenced historically. These are not small housekeeping balances; they are operating flows large enough to alter margin allocation across jurisdictions. The business rationale may be legitimate given Swiss refining and Singapore trading operations, but public filings do not provide enough pricing transparency to conclude that margins are booked where value is created. That matters directly because the listed parent carries much of the financing perimeter while material assets, receivables, and cash sit outside it.

Audit comfort is weaker than the clean FY24 opinion implies. The consolidated auditor noted reliance on board-approved or management-certified financial statements for REL Singapore Pte Ltd and ACC Energy Storage Pvt Ltd, though the opinion was not modified. The auditor also noted absence of audit-trail functionality throughout the year and overdue standalone loans and advances of Rs 225.9 Mm with irregular receipts. None of these points alone would justify a no-go, but together they describe a control environment that is below what a minority investor should accept in a company now facing serious reported regulatory scrutiny. The practical conclusion is blunt: the accounts may be formally audited, but the quality of earnings is not strong enough to underwrite without a large credibility discount, and the current public record does not justify taking that risk.

8. Disclosure Analysis

Disclosure quality is inadequate for minority capital because the biggest uncertainties sit exactly where value attribution, cash access, and regulatory exposure are most important.

Gap	Severity	Investor Concern
Reported June 2026 SEBI interim action and forensic direction are not reflected in FY24 statutory filings	critical	Post-FY24 regulatory action reportedly alleges revenue misstatement of about Rs 15.15 lakh crore and market-access restrictions, which could invalidate reliance on historical reported Revenue and Net Income [29][25]
Offshore group economics are not disclosed with enough detail	critical	REL Singapore appears to carry turnover of about USD 2,752,757 Mm in FY24, yet public filings do not provide a clear subsidiary-by-subsidiary profit, cash upstreaming, or transfer-pricing view, leaving minority investors unable to judge where value is created
Related-party operating flows lack pricing transparency	critical	Historical purchases of Rs 460,441 Mm from a Valcambi-linked entity show that intra-group flows can be large enough to shift margins materially, but public disclosures do not permit an arm's-length conclusion

Gap	Severity	Investor Concern
FY24 Other Income composition is not clear in the supplied materials	significant	Other Income of Rs 2,420 Mm materially supported FY24 profit, and without detail investors cannot judge how much of Net Income is repeatable
Segment and geography disclosures are too thin for a vertically integrated group	significant	The public narrative spans refining, manufacturing, exports, retail, batteries, and display fabrication, but the accounts do not show where earnings actually come from
Current key managerial personnel roster is inconsistent across sources	significant	Public sources list Suresh Kumar as Managing Director while older material highlights Prashant Mehta, creating uncertainty around delegated authority and operating accountability [3][11][13]
Customer concentration is not quantified in the supplied sources	significant	A thin-margin commodity-flow business with Rs 113,045 Mm of receivables demands customer mix transparency; without it, collection risk cannot be framed properly
Incorporation and origin chronology varies between founder-history and legal-company narratives	minor	This does not alter value directly, but narrative looseness weakens confidence in broader corporate presentation [4][28]

The aggregate disclosure posture deserves a discount, not the benefit of the doubt. The MCA filings are useful for line items, but the web record adds material post-FY24 regulatory and credit information that changes investability. For a minority investor, the decisive issue is not merely that disclosure is incomplete; it is that the missing pieces sit in the exact areas where misstatement risk would be most damaging.

9. Strategy & Risks

Integrated gold-chain footprint offers real operating optionality

Rajesh Exports has built a rare footprint across refining, manufacturing, wholesale, exports, gold bars, and retail jewellery, with public materials tying the group to Valcambi in Switzerland, manufacturing in Bengaluru, and export channels across India, Switzerland, and Dubai [1][9][20]. That vertical span should create sourcing flexibility and allow margin capture at multiple points in the gold chain rather than relying solely on domestic jewellery retail.

Risk: Integrated scale has not translated into stable earnings — FY24 Revenue was Rs 2,806,764 Mm, but EBITDA was only Rs 3,283 Mm and Gross Profit fell from Rs 20,896 Mm in FY23 to Rs 6,656 Mm in FY24. If integration cannot protect spread economics in a weak year, the strategic breadth deserves little valuation credit.

Swiss refining and offshore trading can be moats

The 2015 all-cash acquisition of Valcambi for \$400 Mm gave the group an internationally recognised refining asset and helps explain why offshore entities dominate consolidated activity [20]. REL Singapore's FY24 turnover of about USD 2,752,757 Mm indicates that the offshore platform is not peripheral; it is central to procurement and distribution economics.

Risk: Offshore concentration weakens minority investor visibility — FY24 consolidated Trade Receivable was Rs 113,045 Mm versus standalone Rs 25,007 Mm, and consolidated Cash and Bank was Rs 22,732 Mm versus standalone Rs 7,056 Mm. If cash, receivables, and profit pools sit outside the parent while disclosure remains thin, the listed equity may not fully control the economics it reports.

Working-capital intensity can still release meaningful cash

The model remains asset-light relative to throughput, with Property, Plant & Equipment - Net of Rs 12,084 Mm supporting Rs 2,806,764 Mm of FY24 Revenue, and inventory fell from Rs 60,487 Mm in FY23 to Rs 42,051 Mm in FY24.

That means even modest improvement in receivable discipline or inventory turns can create large cash effects without major capital expenditure.

Risk: Receivables are moving the wrong way — Trade Receivable, current increased from Rs 103,564 Mm in FY23 to Rs 113,045 Mm in FY24 while Revenue fell 17.4%, pushing Cash Conversion Cycle from 9.9 days to 12.5 days. If collection quality continues to deteriorate, future Free Cash Flow will remain hostage to working-capital swings rather than earnings quality.

Balance-sheet liquidity could have been a strategic advantage

FY24 Net Debt was negative Rs 16,182 Mm and Total Borrowings were only Rs 6,550 Mm, which on paper gives the group more resilience than many jewellery peers that depend more heavily on funded working capital. Stable share count across the period also means the company did not rely on repeated equity dilution to support the balance sheet.

Risk: Credit history and regulatory overhang negate balance-sheet comfort — Brickwork downgraded Rs 11,000 Mm of facilities to BWR D in May 2021 after citing information-risk failures, and Reuters reported SEBI later barred the company and promoter from the securities market pending investigation [16][17][29]. A company with cash and low reported debt should not carry that combination of lender and regulator distrust, and the contradiction directly weakens confidence in reported liquidity.

Diversification projects offer upside only after core repair

Public disclosures link the group to a 5 gigawatt-hour lithium-ion cell project through ACC Energy Storage and a major display-fab ambition through Elest, both tied to government-led industrial policy themes [10][14]. If executed from a position of strong core cash generation, these could broaden the group beyond gold.

Risk: Non-core ambition can become capital-allocation drift — FY24 EBITDA was only Rs 3,283 Mm and the auditor described ACC Energy Storage as a non-material start-up, while the core gold business was already facing severe profitability compression. Until the core franchise proves durable cash earnings, diversification should be treated as a distraction rather than an embedded option.

10. Capital & Corporate Events

Date	Event Type	Amount (Rs Mm)	Counterparty	MCA Status	Investment Implication
1995	Initial public offering / listing-era capital raise	Not available	Public shareholders	disclosed	Established the listed vehicle that later funded manufacturing scale, but current investment relevance is low versus present governance risk [28][20]
2001-02	Manufacturing scale-up at Whitefield, Bengaluru	Not available	Internal capex	undisclosed	Helped create the industrial base behind the export and manufacturing narrative, supporting the reality of the operating franchise [20]
Jul-2015	Acquisition	about 26,760	Valcambi / seller consortium	disclosed	The \$400 Mm all-cash Valcambi purchase transformed the company into an offshore-heavy global refiner, which is

Date	Event Type	Amount (Rs Mm)	Counterparty	MCA Status	Investment Implication
					strategically important but also a major source of structural opacity [20][8]
Mar-2021	Credit rating downgrade to BWR A-/A2+ with Credit Watch Negative	11,000	Brickwork-rated bank facilities	undisclosed	Signalled lender-information stress before default classification, undermining confidence in treasury controls [17]
May-2021	Credit rating downgrade to BWR D	11,000	Brickwork-rated bank facilities	undisclosed	Default-category rating is a material historical red flag that a clean FY24 audit does not erase [16]
2022	ACC battery program / lithium-ion cell project announcement	Not quantified in supplied materials	ACC Energy Storage / Karnataka state agreements	partially disclosed	Adds industrial-policy optionality, but also introduces non-core execution risk outside the proven gold franchise [10]
2022	Display fab project announcement through Elest	about 200,100	Elest / state-level counterparties	undisclosed	The reported \$3 Bn display-fab ambition is far too large to ignore, and absence from MCA financial context makes it a disclosure and capital-allocation concern [14]
FY23	Tangible capex spike	7,219	Internal capex	disclosed	The one-year capex surge raised asset intensity briefly, but FY24 reversal suggests it was not the start of a sustained expansion cycle
FY24	Tangible capex moderation	679	Internal capex	disclosed	Lower capex preserved Free Cash Flow in a weak earnings year, but also indicates limited visible reinvestment behind the growth narrative
Jun-2026	Reported SEBI interim order, market-access bar, and forensic action	Not quantified as facility amount; alleged misstatement about 15,150,000	SEBI	undisclosed	This is the decisive event for investability: if the reported order stands, historical reported Revenue, related-party flows, and governance cannot be relied upon [29][25][23]

The most serious disclosure gaps sit outside routine MCA capital records. The 2021 rating collapse, the announced battery and display projects, and the reported 2026 SEBI action are all economically material, yet MCA filings alone do not give a coherent chronology linking them to leverage, cash deployment, or governance consequences. The display-fab plan is a significant disclosure gap because its reported scale of about Rs 200,100 Mm is massive relative to FY24 EBITDA of Rs 3,283 Mm; the SEBI matter is a critical disclosure gap because it directly challenges the reliability of past reported numbers.

11. Comparable Benchmarking

Rajesh Exports is bigger on reported Revenue than every listed jewellery peer in the set, but it is dramatically worse on margin quality and therefore merits a steep discount rather than a scale premium. Against Kalyan Jewellers, Senco Gold, Thangamayil Jewellery, Tribhovandas Bhimji Zaveri, Sky Gold & Diamonds, and Goldiam International, the company's FY24 EBITDA margin of 0.12% sits far below the peer median of 8.7%, while its valuation historically looked optically cheap on book value only because the market no longer trusts that reported scale converts into durable returns. The

balance sheet appears stronger than many peers on reported leverage because Net Debt was negative Rs 16,182 Mm in FY24, but that benefit is outweighed by weaker cash-quality visibility, offshore complexity, historical related-party sourcing, and reported regulatory action. Kalyan and Senco deserve higher-quality multiples because they combine organised-jewellery scale with clearer retail economics; Goldiam and Sky Gold deserve better manufacturing credibility because their models are easier to map from sales to margin. Rajesh Exports warrants a discount to every clean-governance peer until public filings re-establish confidence in the earnings base, not merely in the balance sheet.

Comparable Company Benchmarking

Company	Type	Size (Rs Mm)	RoCE	P/E	Note
Kalyan Jewellers India	Listed	62,224	20.5%	27.8x	Kalyan Jewellers is a large listed Indian jewellery retailer with direct exposure to gold jewellery demand, making it a strong operating and valuation benchmark for Rajesh Exports' jewellery business exposure.
Thangamayil Jewellery Ltd	Listed	—	—	48.8x	Thangamayil Jewellery is a listed Indian jewellery retailer focused on gold jewellery sales, offering a relevant public-market comparable within the domestic jewellery value chain.
Sky Gold & Diamonds Ltd	Listed	—	—	31.0x	Sky Gold & Diamonds is a listed jewellery manufacturer and supplier to organized retailers, making it relevant as a manufacturing-side peer to Rajesh Exports.
Senco Gold Ltd	Listed	13,924	—	9.8x	Senco Gold is a listed organized jewellery retailer with meaningful scale in India, providing a useful benchmark for sector trading multiples and operating profitability.
Tribhovandas Bhimji Zaveri Ltd	Listed	11,844	—	5.8x	Tribhovandas Bhimji Zaveri is a listed Indian jewellery retailer, making it a relevant comparable for benchmarking valuation levels across domestic jewellery companies.
Goldiam International Ltd	Listed	49,280	—	28.9x	Goldiam International is a listed jewellery exporter and manufacturer, which is particularly relevant given Rajesh Exports' export-oriented and manufacturing profile.
Median	—	—	—	28.3x	—

Data vintage: FY2024-25 or latest available

12. Next Steps

Tier 1 — Can be inferred from public filings

- Map the last five years of annual reports, exchange filings, and MCA accounts against the reported June 2026 regulatory timeline to identify whether any reported Revenue, Net Income, or related-party disclosures are later contradicted by public enforcement narratives [2][12][13][29].
- Rebuild a public subsidiary bridge from standalone to consolidated numbers using REL Singapore, ACC Energy Storage, and Valcambi-linked references to estimate where receivables, cash, and asset intensity actually sit inside the group.
- Track quarterly exchange filings for Trade Receivable, current, Cash Conversion Cycle, current borrowings, and Other Income to test whether FY24 was a one-year earnings collapse or evidence of a structurally broken model.

Tier 2 — Would require voluntary company disclosure

- The public record does not establish a clean subsidiary-level breakdown of Revenue, EBITDA, cash balances, and dividend upstreaming across REL Singapore, Swiss entities, and the listed parent.
- The public record does not explain the composition of FY24 Other Income of Rs 2,420 Mm, which is material to judging normalized earnings power.
- The public record does not provide a reliable economic bridge between the gold business and announced non-core projects in batteries and displays, including committed capex, funding sources, and ring-fencing of liabilities.

Tier 3 — Watch for in next annual filing

- Watch for any restatement, expanded emphasis, or revised related-party disclosure covering FY22-FY25, because that would directly affect whether historical Revenue and Net Income can be used at all.
- Watch for whether the auditor continues to rely on management-certified subsidiary financial statements and whether segment, geography, or customer disclosures become more detailed; any improvement would matter because the present problem is not lack of scale but lack of trust.

Legend: MCA = Ministry of Corporate Affairs filings; EBITDA = Earnings before interest, tax, depreciation and amortisation; EBIT = Earnings before interest and tax; PAT = Profit after tax; PBT = Profit before tax; ROE = Return on equity; ROCE = Return on capital employed; CCC = Cash conversion cycle; EV = Enterprise value; P/E = Price to earnings; P/BV = Price to book value; Rs Mm = Indian Rupees in millions

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[611500] Notes - Interests in other entities

Disclosure of details of subsidiaries [Table]

..(1)

Unless otherwise specified, all monetary values are in Lakhs of INR

Subsidiaries [Axis]	1	
	01/04/2023 to 31/03/2024	01/04/2022 to 31/03/2023
Disclosure of subsidiaries [Abstract]		
Disclosure of subsidiaries [Line items]		
Name of subsidiary	REL Singapore Pte Ltd	REL Singapore Pte Ltd
Country of incorporation or residence of subsidiary	SINGAPORE	SINGAPORE
Section under which company became subsidiary	Section 2(87)(i)	Section 2(87)(i)
Whether subsidiary has filed balance sheet	No	No
Whether financial year of subsidiary different from financial year of holding company	No	No
Financial year of subsidiary [Abstract]		
Start date of accounting period of subsidiary	01/04/2023	01/04/2023
End date of accounting period of subsidiary	31/03/2024	31/03/2024
Percentage of shareholding in subsidiary	0.00%	100.00%
Key information about subsidiary [Abstract]		
Reporting currency of subsidiary	USD	USD
Exchange rate as applicable for subsidiary	82.16	82.16
Share capital of subsidiary	[Lakhs of USD] 2,34,638.58	[Lakhs of USD] 2,34,638.58
Reserves and surplus of subsidiary	[Lakhs of USD] 10,21,220.3	[Lakhs of USD] 9,70,727.47
Total assets of subsidiary	[Lakhs of USD] 18,69,036.08	[Lakhs of USD] 19,35,375.04
Total liabilities of subsidiary	[Lakhs of USD] 18,69,036.08	[Lakhs of USD] 19,35,375.04
Investment of subsidiary	[Lakhs of USD] 1,05,008.4	[Lakhs of USD] 1,03,521.6
Turnover of subsidiary	[Lakhs of USD] 2,75,27,566.66	[Lakhs of USD] 3,33,92,795.94
Profit before tax of subsidiary	[Lakhs of USD] 33,962.95	[Lakhs of USD] 1,44,623.05
Provision for tax of subsidiary	[Lakhs of USD] 2,114.76	[Lakhs of USD] 4,433.38
Profit after tax of subsidiary	[Lakhs of USD] 31,848.19	[Lakhs of USD] 1,40,189.67
Proposed dividend of subsidiary	[Lakhs of USD] 0	[Lakhs of USD] 0
Name of subsidiary	REL Singapore Pte Ltd	REL Singapore Pte Ltd
Country of incorporation or residence of subsidiary	SINGAPORE	SINGAPORE