

THE REAL FACE OF A GLITTERING ENIGMA

Reclusive Bullion King Lands in the Taxman's Glare

ET PROFILE

P Kothari, the pioneer of online gold trading, may be paying for his aggressive ways

PALAK SHAH
MUMBAI

The walk up to the 20,000-square feet Bullion House, headquarters of Prithviraj Shermal Kothari's RiddiSiddhi Bullion (RSBL), is remarkably unimpressive. A few ramshackle buildings, jewellery shops and sweet-meat stores dot both sides of the road. One has to dodge handcart pullers, two-wheelers and an unrelenting stream of people on the street to enter Bullion House. Yet, it is from this street that Kothari, or PK, as he is known in Zaveri Bazaar, has revved up a cumulative turnover of ₹1.2 lakh crore over the past six years, earning the title of India's 'bullion king'.

Jignesh Shah, a pioneer in commodity trading in India, has also walked this very street for a lesson or two in bullion trading from Kothari. So has Rajan Mehta, former head of Benchmark Asset Management Company, credited with the launch of India's first gold exchange-traded fund (ETF). "Kothari understands the bullion market better than most suited-booted professionals," Mehta swears.

They are not the only ones to come to this street looking for Kothari. An intimidating force of about 100 income-tax officials al-



RICH PICKINGS: Prithviraj Kothari

so pounded this street as they raided RSBL's offices last month. Speaking to ET on the condition of anonymity, I-T officials claim they have some evidence suggesting that payments have been allegedly made by the company for bogus exports and imports. Kothari rejects the claim and has since written to the I-T department demanding proof of wrongdoing.

The I-T officials did seize ₹8-10 crore in cash at Kothari's offices. This was part of the collection for the day's gold sales and would have been deposited in the bank the next day, Kothari claims. "I will shut down all my trade if the I-T department finds a single bogus entry in RSBL's accounts," dares Kothari. "We, gold traders, are businessmen and not mafia. We operate within the system."

Several Unconfirmed Rumours >>> 3