

RiddiSiddhi Bullion, Kothari slap Rs 200-cr defamation case on Bombay Bullion Association

Our Bureau

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RiddiSiddhi Bullion (RSBL) and its Managing Director Prithviraj Kothari have filed a defamation case claiming damages of Rs 100 crore each from the Bombay Bullion Association (BBA) and its directors for 'levying false charges' on them.

Earlier, Kothari, former President of BBA, was expelled from membership on alleged irregularities and fraud. The association had also issued advertisements in newspapers with regards to the development.

Mohit Kamboj, President, Bombay Bullion Association, said the case concerning the issue has been filed at the L.T. Marg police station in Mumbai and is pending in the court. "Since the matter is under in-

vestigation, I am not in a position to comment," he said.

Denying all the charges levied by the BBA, Kothari said the question of him being expelled from the BBA did not arise as he was not a member of the association. He had completed his term as President of the Association on behalf of RSBL, which holds the membership.

RENTAL ISSUE

The association had also charged that Kothari had rented out premises without the knowledge of the BBA board.

Replying to the charges, Kothari alleged that the lease agreement to let out 780 square feet in the ground floor of the BBA building in Zaveri Bazar, Mumbai, to S.L. Industries for five years, was approved by the entire

16-member board of the BBA.

Kothari added that the rented space was to be used for minting gold and silver coins which would benefit the entire trade.

MINTING MONEY

For 25 years, S.L. Industries has been in the business of minting coins. Besides the Rs 50,000-monthly rent, the company was to share a royalty of Re 1 on every gold coin produced and 25 paise on each silver coin minted. Kothari said the company also paid Rs 6 lakh as rent in advance for one year.

He added that though the lease started from January 2012, S.L. Industries started production only in June due to a delay in getting approvals for repair work at the building.

S.L. Industries charges jew-

ellers Rs 40 for processing 100 gram of gold into coins and Rs 7 for 10 gram silver coins. Kothari said the charges levied by S.L. Industries were competitive.

Incidentally, Kothari added that if the BBA was unconvinced with the business prospects of SL Industries, the company was willing to pay a rent of Rs 1.5 lakh a month, as compared to Rs 50,000 a month.

Only in this case, the BBA would have to forego the royalty charge, Kothari said.

Caught between the BBA and RSBL tussle, S.L. Industries, which was made to vacate the premises, has now claimed damages of Rs 1 crore from the BBA and its new President Kamboj for losses incurred.

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