

Media Release

## **IBMA focuses on de-freezing its accounts**

### ***Steps taken to facilitate the payment of dues received from NSEL to its members and clients***

**Mumbai, December 11, 2013:** Assistant Excise and Taxation Commissioner (AETC), Ludhiana-2 vide DO no.1877 dated October 30, 2013 had directed HDFC Bank to freeze accounts of Indian Bullion Market Association Ltd. (IBMA) in relation to an erroneous additional demand created vide assessment order dated April 03, 2013 of AETC, communicated on August 13, 2013.

The first appeal against the said order was filed by IBMA before the Deputy Excise and Taxation Commissioner (DETC), Ludhiana division on September 11, 2013, which was rejected on the grounds of non-deposit of 25% security of the additional demand. The second appeal was then filed before the Honorable VAT Tribunal, Chandigarh, and Punjab on October 31, 2013, well within the prescribed time period. The appeal is pending before the Honorable VAT Tribunal.

An apparently erroneous calculation, made in the assessment order, was brought to the notice of AETC in writing, on several occasions, by IBMA. However, AETC did not rectify the same. This error has also been highlighted by IBMA in its appeal with the appellate authorities.

Several requests were made to AETC in writing to defreeze IBMA's bank accounts. Mr. Saji Cherian, Director, IBMA had met the AETC and DETC on December 05, 2013 and December 06, 2013 respectively and had requested to defreeze the settlement and client account with HDFC Bank. These steps were taken to facilitate the payment of dues received from National Spot Exchange Ltd. (NSEL) to its members and clients. IBMA also filed an affidavit to this effect, as desired by the AETC and DETC officials. The said officials had promised to take corrective action on the matter. Subsequently, on following up with these officials, IBMA was informed on December 09, 2013 that the matter had been presented to the Excise & Taxation Commissioner, Punjab. IBMA has not heard from the officials till going to the press.

Meanwhile, IBMA has apprised FMC of the matter, and it is gathered that the commission has also communicated with AETC and DETC on the issue.

As IBMA continues its effort to resolve the matter, its Members and clients are requested to take note of the above and impress upon the concerned authorities of the implications of non-payment of their dues.

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