

एम एस टी सी
लिमिटेड
(भारत सरकार का उपक्रम)



MSTC
LIMITED
(A Govt. Of India Enterprise)

CIN : L27320WB1964GOI026211

225C, A.J.C BOSE ROAD, KOLKATA - 700 020, INDIA
PHONE : 91-33-2290-0964, 2287-9627 / 7557 / 0568
FAX : 2287-8547/2290-7211/2281-3089, 2287-4915(ERO)
website : www.mstcindia.co.in * www.mstcecommerce.com

1. The Dy. Manager (Listing)
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai 400 023.
(Scrip Code: 542597)

2. The Manager,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, BandraKurla Complex
Bandra (E), Mumbai 400 051
(Scrip Code: MSTCLTD)

01.10.2019

Dear Sirs,

Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

This is with regards to the dispute pending between MSTC Limited and Standard Chartered Bank ("SCB") with respect to the receivable purchase agreement dated August 29, 2008 ("RPA") entered into by our Company with SCB wherein, SCB purchased the receivables from our Company in relation to the export of gold jewellery.

As disclosed in the Risk factor of the Prospectus as well as under the Litigation Chapter of the Prospectus dated March 22, 2019 and our annual account of the Company for the financial year ended March 31, 2019, the matter is sub-judice and pending at various forums including:

Debt Recovery Tribunal had ordered for payment of Rs. 222. 51crores approx. by our company to the SCB. For recovery of the said amount, SCB has filed a recovery proceedings against our company before DRT. In the said recovery proceeding, DRT had ordered for attachment of all immovable properties of our Company. Aggrieved by the DRT Order for payment of aforesaid sum, our Company had filed an appeal before the Debt Recovery Appellate Tribunal at Mumbai ("DRAT"). However, the said appeal was withdrawn and review application was filed before the DRT. The DRT however, rejected the review application filed by our Company. Against such rejection, our company has filed a Writ petition in the Mumbai High Court. In its order dated, May 03, 2019, High Court, had quashed the order of the DRT and restored the review application to DRT.

Aggrieved by this order, SCB filed a special leave petition ("SLP") with Supreme Court of India ("Supreme Court") seeking relief and stay on the order of the High Court. Supreme Court through an order dated August 30, 2019 stayed the order of the High Court. After that DRT has passed an order for auction of the attached identified immovable properties of our Company through an order dated August 30, 2019, which is to take place on October 10, 2019.

[Handwritten signature]
14.10.19

"हिंदी में पत्र का स्वागत है तथा प्रत्युत्तर शीघ्र दिया जाएगा।"

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Aggrieved by the Order of DRT Recovery Officer, our Company has filed an interlocutory application (IA) with Hon'ble Supreme Court for interim relief. In its order dated September 30, 2019 the Hon'ble Supreme Court has allowed our IA to a limited extent and permitted that the auction may take place but the confirmation will not take place thereafter without the prior approval of Hon'ble Supreme Court of India.

As an outcome of the Supreme Court permitting the auction, DRT may initiate further steps to auction our immovable properties. However, we will like to highlight that the orders by honourable High Court and Supreme Court are not on the merits of the dispute but on interim relief with respect to the order of the DRT.


Further, we would like to mention that details of dispute have been highlighted under note no. 21 (b) of annual accounts for the financial year 2018-19. Further the attachment of freehold building by the order of DRT has also been highlighted under note no. 2 of annual accounts for the financial year 2018-19.

We would further like to inform you that the Hon'ble Supreme court has vide its order dated 30.09.2019 directed that the auction may take place but confirmation will not take place thereafter without prior approval of the Hon'ble Supreme Court. Hence, we perceive that there will not be any material impact on the Company at this juncture.

This is for your information and records.

Thanking you,

Yours faithfully,
For **MSTC Limited**


(Ajay Kumar Rai)
Company Secretary & Compliance Officer