

GTL Comes Clean in Audit, Lenders to Settle Debt

Lenders have approached RBI to remove the 'red flag' and are looking to settle ₹6,000 crore via one-time settlement

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Mumbai: GTL has come clean in a forensic audit of its accounts, which confirmed that the telecom-focussed infrastructure service company did not siphon off funds it borrowed, two people familiar with the findings said.

Now, banks are set to pursue the one-time settlement (OTS) route to settle its outstanding dues of about ₹6,000 crore.

The Reserve Bank of India (RBI) had in September last year told the lenders to conduct a forensic audit before approving an OTS scheme.

"Forensic audit has been completed and the auditors have concluded that there were no conclusive evidence of diversion of

funds during the forensic audit period," said a banker who requested not to be identified.

The lenders have now approached RBI for removal of 'red flag' status from the account and closure of the forensic audit, the person said.

"With the forensic audit process now complete, GTL is working with its lenders to repay lenders under the agreed negotiated settlement," GTL said in an emailed response to ET.

The Manoj Tirodkar-promoted company said it has so far repaid over ₹7,000 crore of interest and principal loans and an additional amount of ₹8,000 crore has been converted into equity.

According to sources, GTL had offered a one-time settlement to lenders under which it offered to

Time to Settle

GTL has offered to repay 60% of the outstanding debt i.e. ₹4,000 crore

₹6,000 cr	₹7,000 cr
Outstanding amount left	Amount already paid



repay 60% of the outstanding debt, that is, ₹4,000 crore. It

offered a staggered repayment instead of a lump-sum settlement.

In the latest joint lenders forum meeting, banks decided to agree upon the OTS resolution once RBI gives a go-ahead.

"The lenders have agreed that upon RBI's permission for removal of 'red flag', the forensic audit would be treated as closed and the lenders would pursue the OTS as resolution," a second banker said.

Approximately, nine out of 27 lenders had communicated their approval for OTS.

In 2015, Standard Chartered Mauritius had filed a winding up petition against the company on behalf of non-convertible debenture holders to recover ₹1,800 crore. The suit was challenged by

Indian banks led by IDBI that claimed that they had the first right on the money as secured creditors.

Now even Standard Chartered Bank acting on behalf of its Mauritius counterpart has indicated to lenders that it would withdraw its winding up petition if all lenders agree to an OTS.

"Standard Chartered Bank (India), which is part of the joint lenders forum and monitoring committee, has suggested that it would support the proposed OTS package offered by GTL and withdraw its winding up petition if all lenders agree to the scheme," said a person familiar with the development.

Standard Chartered Bank declined to comment on ET's query.