

# IL&FS' Singapore subsidiary urges bondholders to defer winding-up petition

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IOPL, a Singapore-based subsidiary of IL&FS-owned ITNL, has urged its Singapore bondholders to defer the winding-up petition as a result of the Covid-19 outbreak.

IOPL had raised \$141 million dim-sum bonds, at 7.5 per cent, payable in 2021, which was guaranteed by ITNL. ITNL Offshore PTE Ltd (IOPL) and IL&FS International PTE Ltd (IIPL) are two Singapore-based subsidiaries of IL&FS Transport Network Limited (ITNL), a subsidiary of IL&FS.

These funds were advanced as unsecured loans to IIPL to refinance its liabilities. IIPL holds investments in China, the UAE and the US with Chongqing Yuhe Expressway Co.

On February 27, HSBC, as trustee of bondholders of IOPL, filed a winding-up petition in

**IOPL, the subsidiary of IL&FS Singapore, also asks Singapore bondholders to allow it to complete the sale of stake in the Chinese Expressway project**

Singapore Court, seeking to wind up IOPL and appoint liquidators.

“The issuer (IOPL) considers that the petition and any other action which may impact the sale process could potentially be detrimental to the interests of the Noteholders, as it may either delay or complicate the sale process. In such circumstances, recoveries from the shares held by IIPL in Yuhe (and hence, recoveries of the issuer on the IIPL loan) are likely to be substantially lower than anticipated pursuant to the sale process,” it said in a filing.

Also, IOPL has asked Singapore bondholders to allow it to complete the sale of stake in the Chinese Expressway project to resolve around ₹2,500 crore of debt and pay its secured and unsecured creditors.

“IOPL urges the Trustee to withdraw the Winding Up Petition in the interests of all Noteholders, and allow the sale process to conclude, following which the issuer is committed to engaging in consensual discussions with the Trustee in relation to its obligations under the Notes and distribution of any recoveries from repayment of the IIPL loan,” it said in a filing.

While ITNL owes around ₹40,000 crore, IL&FS owes around ₹90,000 crore.

IIPL's stake in Yuhe Expressway is pledged to the Bank of Baroda, Singapore branch, as security for a loan.