

# HSBC files winding up petition against IL&FS subsidiary to recover dues worth ₹1,060 crore

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**T**he Hongkong and Shanghai Banking Corp. (HSBC) Ltd has moved a winding-up petition against a subsidiary of IL&FS Transport Services Ltd (ITNL) in a Singapore court to recover dues of ₹1,060 crore, information from the Singapore government gazette showed.

HSBC is seeking to recover its investment in ITNL Offshore Pte. Ltd's bonds maturing in 2021, this is the first such case against the firm filed by an overseas lender. The case will be heard on 20 March.

ITNL, a part of the Infrastructure Leasing and Financial Services Ltd (IL&FS), owes



ITNL, a part of the IF&FS group, owes ₹40,000 crore to lenders. The case will be heard on 20 March.

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₹40,000 crore to lenders. The group-level debt stands at ₹1 trillion. The Centre, through the ministry of corporate affairs (MCA), had taken over the management of the group in October 2018. Following the move, Indian lenders did not

initiate insolvency proceedings against any IL&FS group company.

The government has time to intervene in the proceedings to ensure the rights of the Indian lenders are not compromised due to the wind-

ing-up petition.

The problems for ITNL are likely to compound as a forensic report has found suspected money laundering of ₹6,500 crore by the former management of its parent company.

The report found that in 14 special purpose vehicles (SPVs), there were deliberate cost overruns through some shell structures, said an official from an enforcement agency, requesting anonymity.

On Wednesday, the National Company Law Appellate Tribunal also dismissed a plea filed by the auditors of IL&FS Financial Services (IFIN)—Deloitte Haskin and Sells (Deloitte India) and BSR Co (KPMG affiliate)—against the five-year ban imposed by the MCA.