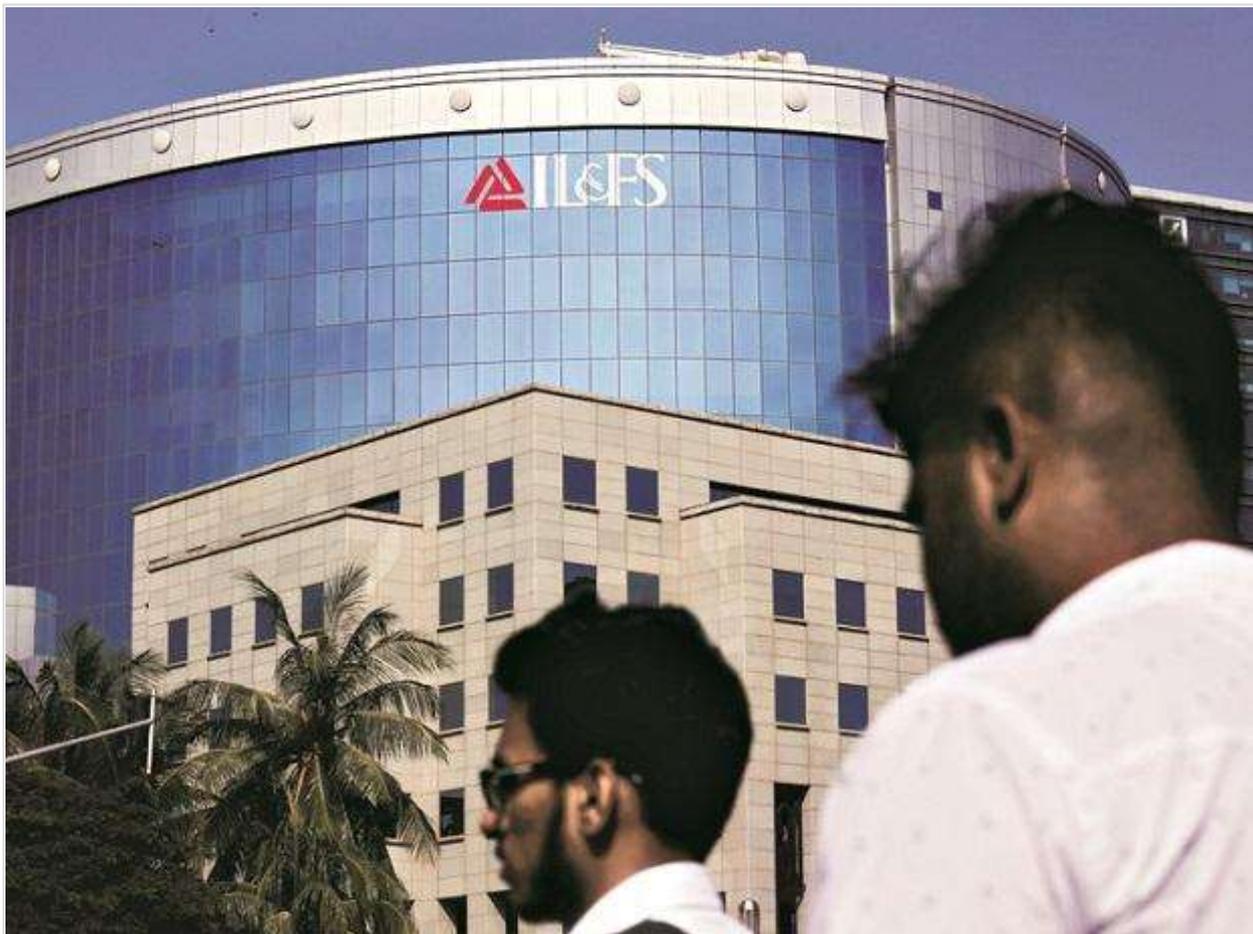


Former IL&FS directors got lucrative paychecks even as firm collapsed

Arun K Saha, erstwhile joint MD & chief executive officer (CEO), took home a hefty remuneration of Rs 6.88 crore for FY19. He was also a whole-time director of the subsidiaries and group companies.

Subrata Panda | Mumbai December 21, 2019 Last Updated at 00:11 IST



While

Infrastructure Leasing and Financial Services (IL&FS) went belly up in September 2018, its erstwhile directors were earning large sums of money as remuneration, the company's 2018-19 annual report shows.

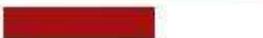
Even as the government replaced the entire board in October 2018, the former directors earned handsome salaries for the first half of financial year 2018-19 (FY19).

Hari Sankaran, who served as vice-chairman and managing director (MD) of IL&FS and as a non-executive director of the company till September 2018, took home Rs 6.38 crore as remuneration. Former chairman Ravi Parathasarthy took home about Rs 4 crore as a non-executive director from April 1, 2018, to July 21, 2018, when he retired.

Arun K Saha, erstwhile joint MD & chief executive officer (CEO), took home a hefty remuneration of Rs 6.88 crore for FY19. He was also a whole-time director of the subsidiaries and group companies.

Even erstwhile independent directors were being paid substantial remuneration including commission. The median annual salary of IL&FS employees was Rs 13.1 lakh.

REMUNERATION OF FORMER DIRECTORS (₹ crore)

Arun K Saha	6.88	
Hari Sankaran	6.38	
Ravi Parathasarathy	3.97	
RC Bhargava*	0.59	
Michael Pinto*	0.48	
SB Mathur*	0.39	
Rina Kamath*	0.38	
Jaithirth Rao*	0.37	

* Erstwhile independent directors
Source: IL&FS Annual Report

Some of the directors appointed by the National Company Law Tribunal have taken no remuneration, while for other directors it ranges between Rs 50,000 and Rs 13.7 lakh for the October 2018-March 2019 period.

After the beleaguered firm defaulted on its debt obligations causing a liquidity squeeze in the non-banking financial sector, the central government replaced the erstwhile board with a new board led by Uday Kotak, the managing director and chief executive officer of Kotak Mahindra Bank. He serves as non-executive chairman of IL&FS.

IL&FS has posted a staggering net loss of Rs 22,527 crore in 2018-19 on a standalone basis, as against a net profit of Rs 333 crore in the previous year.

The company's revenue declined 52.5 per cent to Rs 824 crore in FY19 from Rs 1,734 crore in FY18.

Similarly, its assets declined 81.5 per cent to Rs 4,148 crore compared to Rs 23,868 crore in 2017-18. Liabilities of the company increased 15.3 per cent in FY19 to Rs 21,083 crore. In FY18, these stood at Rs 18,276 crore.

The company also reported a negative net worth of Rs 16,935 crore in FY19, compared to a net worth of ~5,592 crore in the previous year. The entity, on a consolidated level, has debt to the tune of over Rs 94,000 crore.