

# Parthasarathy, who built & brought down IL&FS, dies

TIMES NEWS NETWORK

**Mumbai:** Ravi Parthasarathy, who pioneered private investment in core projects through the failed Infrastructure Leasing & Financial Services (IL&FS), passed away on Wednesday following a prolonged illness.

He had cancer and underwent treatment for the past few years after stepping down as chairman in 2018. The IL&FS default crisis had broken out months after he stepped down, with the first cracks appearing in July 2018.

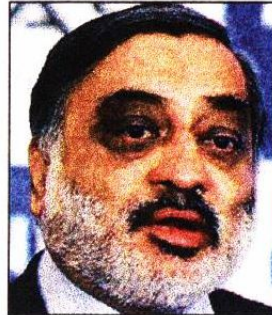
Parthasarathy had taken charge as CEO of IL&FS in 1989 soon after UTI, Central Bank of India and HDFC promoted the organisation. Under him, IL&FS grew from a small firm doing consultancy work into a gargantuan infrastructure group with 347 subsidiaries owning assets in roads, ports and po-

wer plants across India and abroad. The group finally collapsed under the weight of its Rs 91,000-crore loans, which it could not sustain through its cash flows.

Following the debt crisis, the group and senior management, including Parthasarathy, were placed under in-

vestigation by various authorities. Parthasarathy was also arrested by the Chennai police under a law protecting depositors. Being promoted by public sector financiers gave IL&FS a quasi-public sector status. Parthasarathy also roped in senior bureaucrats to head special purpose

vehicles, giving the organisation additional clout. For state and central government departments seeking public-private partnership projects, IL&FS emerged as the go-to institution. This was because there were few entities with expertise in areas such as road pricing,



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which was a new concept in India. When Satyam collapsed, it was IL&FS that the government turned to for bailing out Maytas Infra. While IL&FS executed several key projects, it created a bubble of unsustainable debt by raising funds at both the parent and the subsidiary levels.