



The 2018 Executive & Board Remuneration Report

A STUDY OF TRENDS IN BOARD COMPENSATION AND PAY STRUCTURE

The **2018 Executive and Board Remuneration Report** analyses compensation trends for Directors on the Boards of publicly listed companies in India.

It helps to:

- ✓ **Identify** trends in top-executive and Board-level pay
- ✓ **Understand** the composition of boards across India
- ✓ **Establish** benchmarks for compensation to Directors based on leading industry practices
- ✓ **Compare** compensation structures against others in the same sector or size band
- ✓ **Evolve** strategies for pay increases in line with wider market trends

The study looks at **compensation** for Executive Chairmen, CEOs/MDs, CFOs, Whole-time Directors, Company Secretaries and Non-Executive Directors (NEDs) in **248 publicly-listed companies**, over a 5-year period, from 2012-13 to 2017-18.

The data and analysis are both **current** and relevant, and were collated from company annual reports that were made public in recent months.

The largest companies – measured by market-cap each year – were short-listed from each of the three groups, as classified by the Bombay Stock Exchange: BSE 100, Mid-cap, and Small-cap.

Detailed **splits** by sector, market cap, revenue and net-profit band, and combinations thereof, are also provided.



5 years of compensation trends



8 top Exec and NED positions covered



248 BSE-listed companies studied



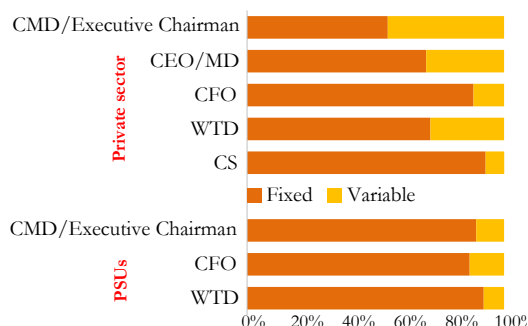
8 sectors analysed



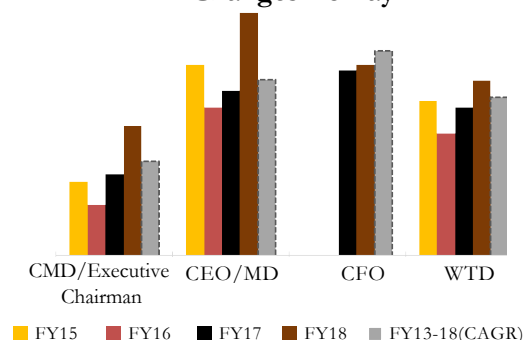
5 levels of Data Split: Sector, Revenue, Profit Ownership, Market cap

DEEP-DIVE INTO KEY AREAS

Composition of Pay



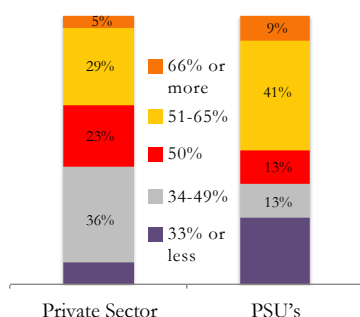
Changes To Pay



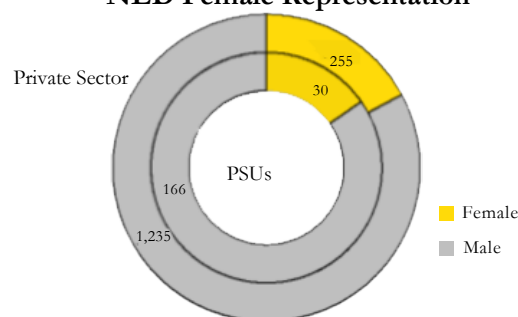
Top Board executives in the private sector earn 15-45% of their income as variable pay; in the public sector the ratio is 8-13%.

FY18 saw the highest pay increase in the last 5 years; CEO pay rose by 25% while incomes of CFOs and WTDs increased by ~15%.

NED Pay Distribution



NED Female Representation



In 60% of firms, Independent Directors make up half the Board; however, they constitute 2/3 of the Board in less than 10% of companies.

Women account for 18-20% of NEDs, yet female representation at executive levels remains abysmally low.

Other Highlights

- ✓ At the median, Chairmen earn Rs 7.9 crores a year while CEOs take home Rs 5.5 crores annually.
- ✓ Board level salaries are highly correlated with company size.
- ✓ Multinational companies are not always the highest pay masters.

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