

# THE **2022** EXECUTIVE & BOARD REMUNERATION REPORT



# A STUDY OF TRENDS IN BOARD COMPENSATION AND PAY STRUCTURE



The **2022 Executive and Board Remuneration Report** analyses compensation trends for Directors on the Boards of listed and unlisted companies in India. This edition covers 1,998 companies and 21,735 Directors in its analysis.

The report covers the following areas:

## Executive Directors' Compensation



Compensation trends for Executive Directors from FY18-22 • total pay (means, medians, and other percentiles) by designation and ranges • pay composition; change in pay FY18-22 • list of highest paid CMDs, CEO and CFOs

## Non-Executive Directors' Compensation

NED and Non-Executive Chairman pay trends

• composition and splits by revenue, profit, company age, ownership, market cap, sector.



# DETAILED PEER COMPARISONS & CROSS TABULATION



**1,998** listed and unlisted  
companies studied



**5** years of  
compensation trends



**6** top Exec and NED  
positions covered



**21,735**  
Executives/Directors  
reviewed



**11** sectors  
analysed



**7-way**  
Cross tabulation

**In addition to sector, revenue, profits and ownership splits**, detailed **cross-tabulations** are made on the basis of the following parameters:

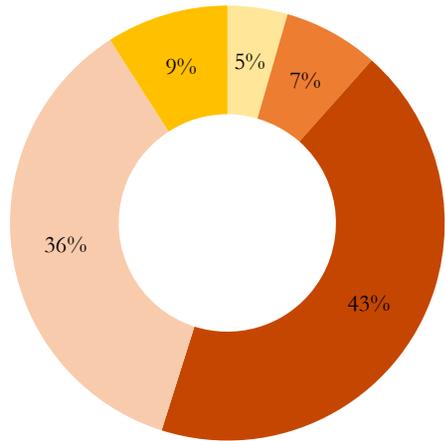
- **Designation:** CMD, CEO, CFO, CS, NED and Non-Exec Chairman
- **Market cap:** Large cap, mid cap, small cap, micro cap and unlisted companies
- **Company Age group:** <Pre liberalisation (<1991); Liberalisation to GFC (1991-2007); Post GFC (2008 and after)
- **Gender**
- **Environmental, social and governance (ESG) criteria:** Large and mid cap ESG-rated and non-ESG-rated companies

*The report is based on latest data (FY22) that is collated and distilled from company annual reports, which are available in the public domain, and from filings with the Ministry of Corporate Affairs (MCA), Government of India.*

# IN-DEPTH COVERAGE ACROSS SECTORS, OWNERSHIP LEVELS AND MORE

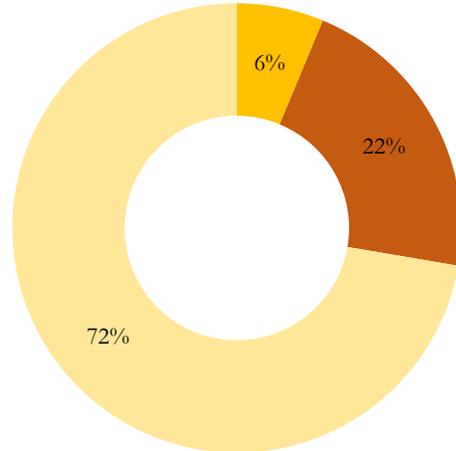


Market Cap (FY22)



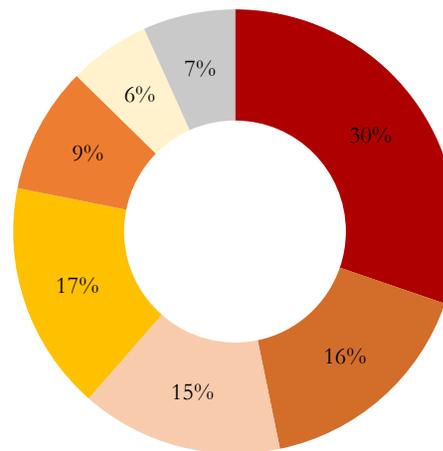
- Large Cap
- Small Cap
- Unlisted
- Mid Cap
- Micro Cap

Ownership



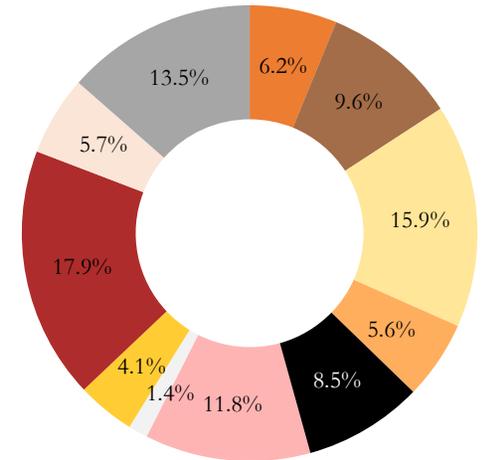
- Foreign MNC
- Indian MNC
- Indian domestic

Revenue (FY22)



- Rs 0.5-2.5bn
- Rs 5-10bn
- Rs 25-50bn
- >Rs 100bn
- Rs 2.5-5.0bn
- Rs 10-25bn
- Rs 50-100bn

Sectors



- Automotive
- Chemicals
- Consumer goods
- Healthcare
- Industrials
- Resource-Based Industries
- BFSI
- Construction
- General services
- IT & ITeS
- Pharmaceuticals

*Other parameters include: company age, private vs PSU and PAT split*

## ENABLING CXOs WITH THOUGHT PROVOKING INSIGHTS

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The **report** helps to:

- ✓ **Identify** trends in top-executive and Board-level pay
- ✓ **Establish** benchmarks for compensation to Directors based on leading industry practices and detailed peer comparisons
- ✓ **Determine** correlations between pay and performance

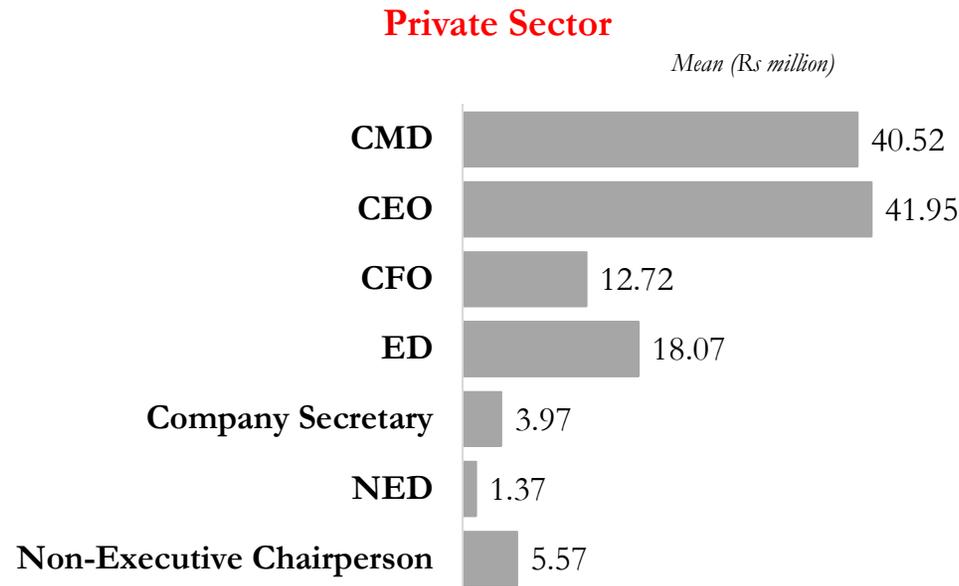


## **HIGHLIGHTS AND KEY FINDINGS FROM THE REPORT**

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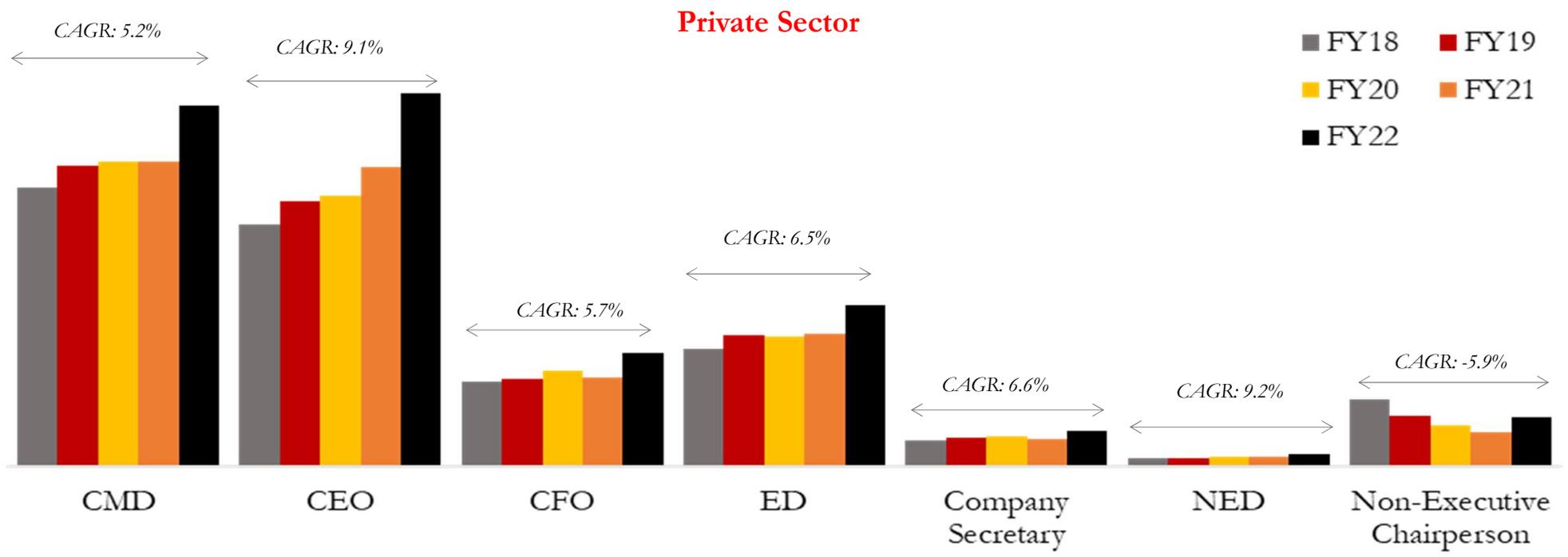
# TOTAL PAY

- In FY22, the average private sector CMD received Rs 40.5 million in compensation.
- The average CEO earned more than the average CMD with a compensation of Rs 42 million.
- CFOs made Rs 12.7 million – ~30% of what CEOs earned and ~29% less than EDs.
- Company secretaries earned Rs 3.6 million, NEDs Rs 0.9 million, and Non-Exec Chairs, Rs 3.9 million.



# CHANGE IN PAY

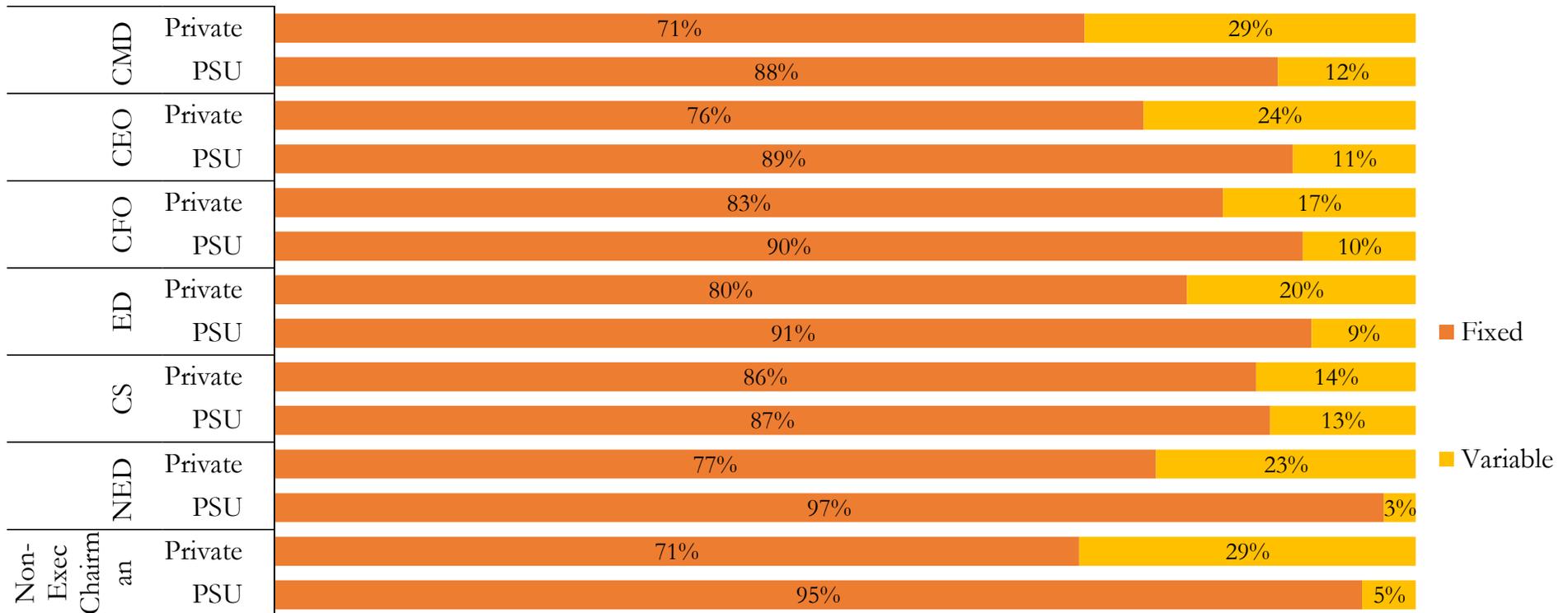
- CEOs on average received Rs 41.9 million in pay in FY22 – ~27% higher than in FY18
- Non-Exec Chairmen continues to see the greatest volatility in pay, but on average, their pay has fallen in the last five years, from Rs 7.6 million to Rs 5.6 million.





# PAY COMPOSITION FY22

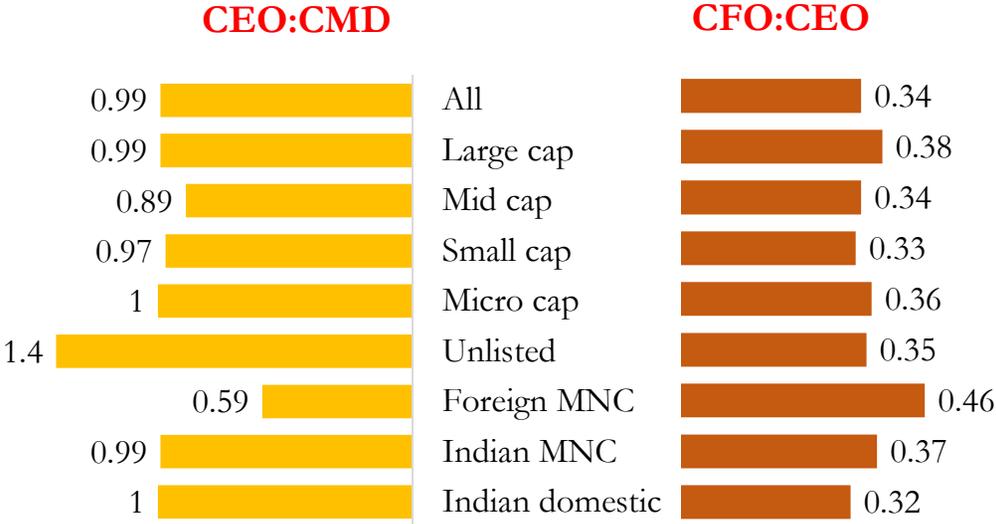
- Top executives earn 14-29% of their total pay as variable; in PSUs this ratio is 3-13%.



# EXECUTIVE PAY RATIOS FY22

**CEOs generally earn as much or more CMDs, but ~3x as much as CFOs\***

- CEO pay is 56-97% of CMD pay across companies by size and ownership, except in large-caps, where they earn ~36% *more*.



## OTHER HIGHLIGHTS

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- **In FY22, private-sector CEOs were the highest paid of all the C-suite executives** with an average CTC (cost to company) of Rs 41.9 mn, overtaking CMDs for the first time.
- **In comparison, the average CMD earned Rs 40.5 mn**, up from Rs 31.4 mn in FY18.
- **PSU salaries are a fraction of that of their private sector peers**, with CEOs receiving **Rs 9.3 mn and CMDs Rs 8.1 mn** last year.
- In general, **pay is strongly correlated with company size**; across levels, big companies – in terms of both market cap and revenue – typically pay multiple times as much as smaller ones.

*The above highlights are some high-level examples. The full report contains detailed insights, cross-tabulations and role specific segmentations.*

# EXECUTIVE AND BOARD REMUNERATION REPORT: TABLE OF CONTENTS



## Introduction and Overview



- Scope and methodology
- Company demographics
- Glossary of terms
- Executive summary

## Executive Directors' Compensation



- Total pay (FY18-22): means, medians, 25th, 75th and 90th percentile levels, and distribution by pay-range
- Total pay (FY18-22) by levels: Executive, CEOs/MDs, CFOs, Executive Directors, Company Secretaries
- Composition of pay: fixed pay (and its components), variable pay (and its components, including ESOPS)
- Changes in pay in FY18 to FY22
- CAGR of changes in pay FY18-22 by level
- Private sector vs PSU pay comparison (FY18-22)
- Total pay by market cap, company age, revenue by levels; private vs PSUs
- Highest Paid CMDs, CEOs, CFOs

*\*by sector, ownership, function,  
age, tenure, highest  
qualification, education at post  
graduate level*

# EXECUTIVE AND BOARD REMUNERATION REPORT:

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### Non-Executive Directors' Compensation



- Total pay (FY18-22): means, medians, 25th, 75th and 90th percentile levels, and distribution by pay-range
- Total pay (FY18-22) by levels: Non-Executive Directors and Non-Executive Chairman
- NED and Non-Executive Chairman pay by market cap, ownership, sector
- Composition of pay: fixed pay (and its components), variable pay (and its components, including ESOPS)
- Changes in pay in FY18 to FY22
- CAGR of changes in pay FY18-22 by level
- Private sector vs PSU pay comparison (FY18-22)

*\*by sector, ownership, function, age, tenure, highest qualification, education at post graduate level*

## PRICE



	<i>Non Members</i>	<i>Members of IMA Forums</i>
<b>The 2022 Executive and Board Remuneration Report (PDF)</b>	<b>Rs 40,000 + GST</b>	<b>Rs 30,000 + GST</b>



*An Additional 15% Discount for Companies that purchased the 2021 Report*

**Full Report** including Executive Compensation, Board Governance and Diversity Metrics are also available. [Click to know more](#)

*To purchase a copy, please [click here](#)*

### **OTHER RELATED REPORTS**

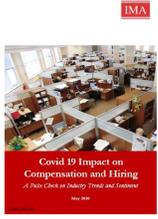
[Click here to know more](#)

- **The 2022 Board Remuneration and Governance Report:** The full report provides a detailed analysis of Board level compensation and Governance Metrics including a number of non-compensation parameters such as Board size, independence, governance, gender diversity, and so on.
- **The 2022 Board Governance and Diversity Report:** The report analyses board operations and diversity metrics for Directors on the Boards of listed and unlisted companies in India including parameters such as Board size, independence, governance and gender diversity.



# OUR PORTFOLIO OF RESEARCH REPORTS

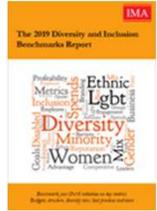
## HR



▶ Covid-19 Impact on Compensation and Hiring



▶ The 2021 Executive & Board Remuneration Report



▶ The 2019 Diversity and Inclusion Benchmarks Report



▶ Salary Increment Benchmarks FY22



▶ FY22 Attrition Benchmarking Study

## Other

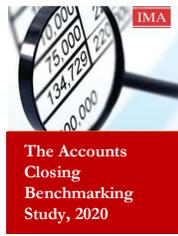


▶ CXO Diaries: Life after Covid-19

## Finance

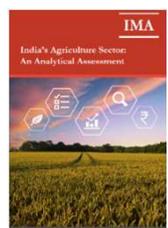


▶ Finance Department Performance Benchmarks



▶ The Accounts Closing Benchmarking Study, 2020

## Industry



▶ Indian Agriculture: An Analytical Assessment

## Marketing

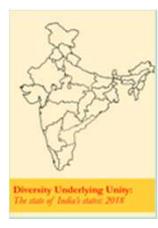


▶ The 2020 Digital Marketing Benchmarking Survey

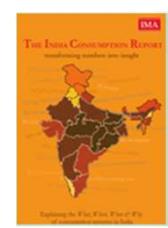
## Economic and Thematic Studies



▶ The India Employment Report 2017



▶ Diversity Underlying Unity: A Study of India's States 2018



▶ The India Consumption Report 2016

## ABOUT IMA INDIA

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**28+**

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