

CEO Pay: Sector Analysis (Information Technology)

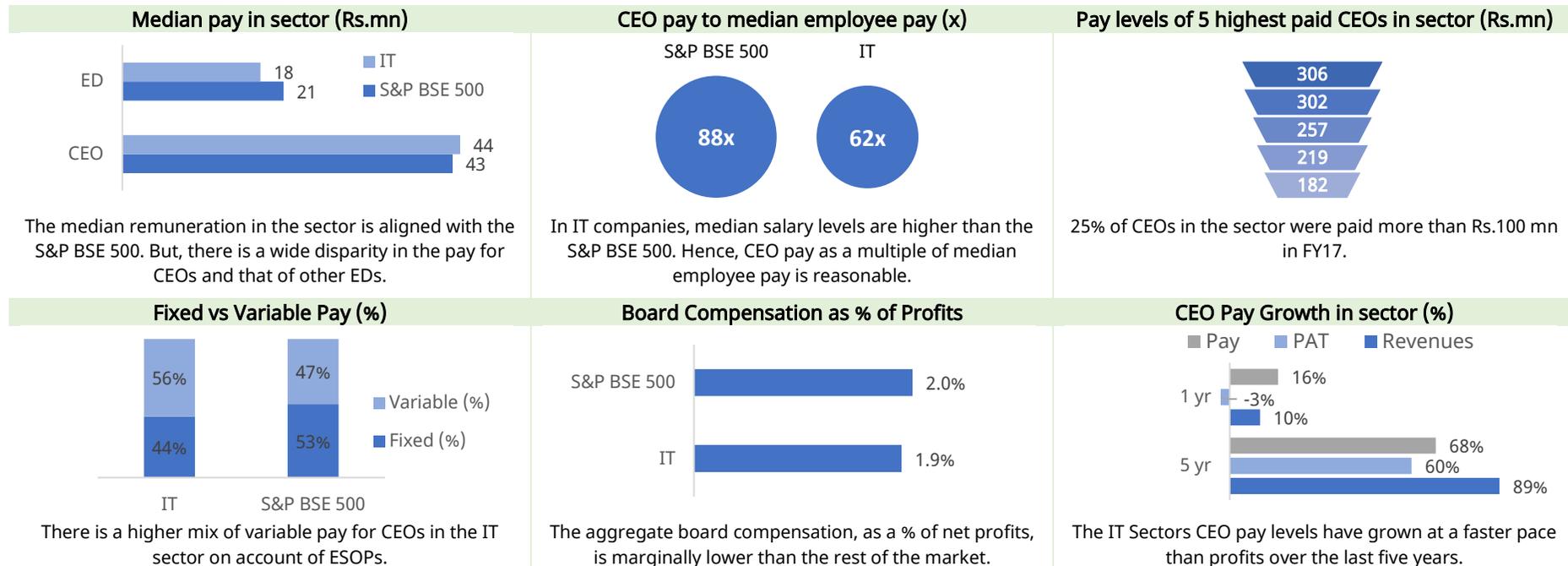
This is the time of the year when boards are called upon to fix pay levels of its members for the coming financial year. This series on CEO pay, compiled by IiAS using data from compAYre, IiAS' cloud-based pay-versus-performance tool, is aimed at sensitizing boards on the remuneration trends across the market, as a basis for determining appropriate pay structures. This sixth piece in the series is focused on pay levels in IT companies.

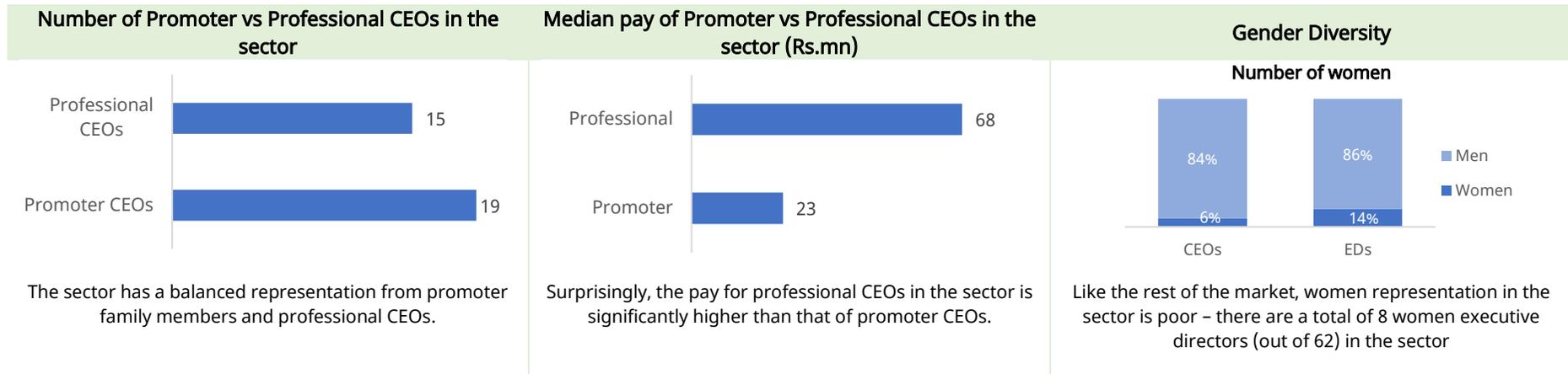
The remuneration levels in the IT sector are moderate. While a fourth of the CEOs draw a remuneration of Rs.100 mn or more, the overall median pay in the sector is broadly in line with the market. Further, the ratio of CEO-pay to median employee pay, at 62x, is among the lowest across sectors. Unlike in the other sectors, professional CEOs in the industry draw a much higher remuneration than promoter CEOs. This can be partially attributed to the fact that many IT firms in India have chosen to invest in professional leadership. Given their vast geographic footprint, these firms need to benchmark their CEO salaries to global peers – something which has driven up salaries even at a time when profits have been suppressed. While attracting top talent will continue to remain critical, boards need to ensure that the CEO-pay to median employee salaries remain in a tight range.

Sector Profile

No of companies in S&P BSE 500: 30	Total Market Cap: Rs.15 tn	FY17 Revenues: Rs.3984 bn	FY17 Profits after Tax: Rs.676 bn
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Remuneration data for the IT Sector





List of companies (Total Count: 45)

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| <ul style="list-style-type: none"> • 8K Miles Software Services Ltd. • Cyient Ltd. • eClerx Services Ltd. • Firstsource Solutions Ltd. • HCL Infosystems Ltd. • HCL Technologies Ltd. • Hexaware Technologies Ltd. • Infibeam Incorporation Ltd. • Info Edge (India) Ltd. • Infosys Ltd. | <ul style="list-style-type: none"> • Intellect Design Arena Ltd. • Just Dial Ltd. • KPIT Technologies Ltd. • L&T Technology Services Ltd. • Larsen & Toubro Infotech Ltd. • Mindtree Ltd. • NIIT Technologies Ltd. • NIIT Ltd. • Oracle Financial Services Software Ltd. • Persistent Systems Ltd. | <ul style="list-style-type: none"> • Polaris Consulting & Services Ltd. • Rolta India Ltd. • Sonata Software Ltd. • Take Solutions Ltd. • Tata Consultancy Services Ltd. • Tata Elxsi Ltd. • Tech Mahindra Ltd. • Vakrangee Ltd. • Wipro Ltd. • Zensar Technologies Ltd. |
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Disclosures:

- Data has been sourced from annual reports for the S&P BSE 500 companies and compiled using IiAS' proprietary pay analytics platform, comPAYre
- Data pertains to CY2016 or FY2016-17 (depending on financial year-end for respective companies)
- PSUs have been excluded from the analysis
- Fair value of stock options granted has been included while calculating overall pay
- The pay growth chart pertains only to directors who have been on the board for the past five years

About comPAYre:



comPAYre

IiAS' proprietary pay analytics platform, comPAYre gives access to historical remuneration and performance data for executive directors across the S&P BSE 500 companies.

A modified version of this report was published by Mint on 30 April 2018. You can read the earlier reports by clicking the links below:

Part 1: [Indian CEO salaries outpace performance](#)

Part 2: [Bridging the pay gap](#)

Part 3: [CEO Pay Sector Analysis: Private Banks](#)

Part 4: [CEO Pay Sector Analysis: Automobiles](#)

Part 5: [CEO Pay Sector Analysis: Healthcare](#)

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