

CEOs of auto firms get highest pay



CEO PAY

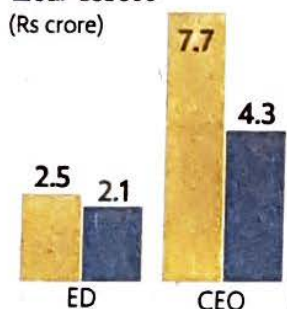
The automobile industry is home to some of the highest paid chief executive officers (CEOs) in India Inc. Four out of every 10 CEOs earned at least Rs10 crore in the past fiscal, while the ratio of the top executive pay to the median employee salary is over 100 times. The following charts detail how CEO pay in the auto industry compares with the rest of India Inc.



REMUNERATION DATA FOR THE AUTOMOBILES SECTOR

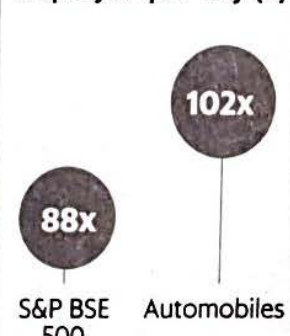
Median pay in sector

Automobiles
S&P BSE 500
(Rs crore)



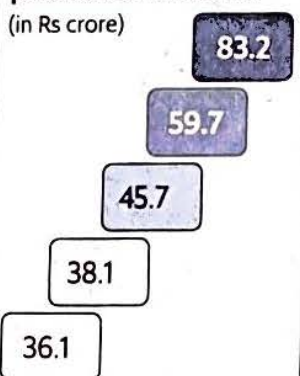
The median remuneration in the sector is higher than the S&P BSE 500. There is a wide disparity in the pay of CEOs and that of other executive directors (EDs)

CEO pay to median employee per day (x)



The CEOs in the sector draw remuneration amounting to more than 100 times of that of the median employee pay

Pay levels of 5 highest paid CEOs in sector (in Rs crore)



Almost 40% of CEOs in the sector were paid more than Rs10 cr in FY17

Fixed vs variable pay

Fixed Variable (in %)



The pay mix in the sector is better, with a higher proportion of variable pay. However, only one CEO in the sector was granted ESOPs in FY17

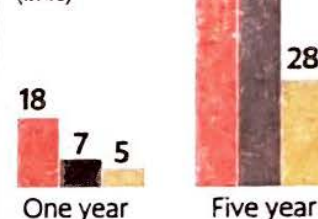
Board compensation as a % of profits



The aggregate board compensation, as a % of net profits, is significantly higher than the rest of the market

CEO pay growth in sector

Pay
Profit after tax
Revenue
(in %)



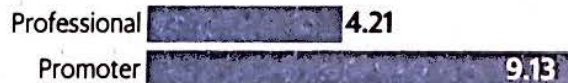
In the sector, the CEO pay levels in the last five years have not been aligned to performance

Number of promoter vs professional CEOs in the sector



There is high promoter presence in the sector with more than 70% of the CEO posts being held by promoters

Median pay of promoter vs professional CEOs in the sector (in Rs crore)



The pay for professional CEOs in the sector is less than half of that of promoter CEOs

Gender mix in the sector (in %) Women Men



There is a very low representation of women directors in the sector—only three women executive directors are present across 31 companies

This is the fourth of a multi-part series on CEO pay compiled for Mint using IAS' proprietary pay analytics platform, comPAYre. Over the next few weeks, IAS will be covering pay trends across key sectors in the market. This piece is focused on pay levels in the **Automobiles** sector, which includes vehicle and auto component manufacturers.

Disclosures:

- ▶ Data has been sourced from annual reports for the S&P BSE 500 companies and compiled using IAS' 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