

One-third of EDs of Nifty 100 firms took a cut in remuneration in FY21

Uday Kotak, Mukesh Ambani among those who chose to forego their pay in full

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India Inc has managed to weather the Covid-19 pandemic better than anticipated but about a third of Executive Directors of Nifty 100 companies took a cut in remuneration in 2020-21.

Data compiled by *primeinfobase.com* on remuneration of Executive Directors of Nifty 100 companies reveal that about 59 such persons took a pay cut last fiscal compared to 2019-20. The data for about 200 Executive Directors from these firms was available for the financial years though some of them were appointed or ceased to be on the board in the middle of the year.

Similarly, about 17 of the 65 Nifty-100 companies for which data on median salaries was available also saw a reduction in the same in 2020-21 compared to 2019-20.

However, on the whole, most

Nifty 100 companies and top management saw an improvement in their remuneration last fiscal despite the pandemic bringing the economy to a standstill for at least the first four months of the year.

Executive Directors who chose to completely forego their remuneration last fiscal include Uday Kotak, Managing Director and CEO, Kotak Mahindra Bank, and Mukesh Ambani, Chairman and Managing Director, Reliance Industries Ltd.

Kotak had drawn a salary of ₹3.67 crore in 2019-20 while Ambani had a salary of ₹15 crore in 2019-20. Both took nil salaries last fiscal.

Others such as ICICI Bank MD and CEO Sandeep Bakhshi also took a voluntary pay cut in 2020-21 although he still received remuneration of ₹38.39 lakh. Hindustan Unilever Chairman and Managing Director



Sanjiv Mehta took a pay cut of 20.8 per cent last fiscal and drew a total salary of ₹15.36 crore. Britannia Industries MD Varun Berry saw a 7.5 per cent hike in remuneration to ₹10.51 crore last fiscal, the data revealed.

IT sector

In the IT sector, the remuneration of Rishad Premji, Chairperson, Wipro, more than doubled to ₹11.79 crore last fiscal, from ₹5.15 crore in 2019-20.

Median salaries for at least some Nifty 100 companies saw double digit hikes in firms including Coal India Ltd (49.6 per cent), Colgate Palmolive (23.8 per cent), DMart (17.42 per cent)

and Bandhan Bank (16.3 per cent).

The median salaries for some firms declined in 2020-21 on a year-on-year basis. This included Bajaj Finance (4.7 per cent), HDFC Life Insurance (13.1 per cent), Hero MotoCorp (10.8 per cent), SBI Cards and Payments Services (72.5 per cent) and Yes Bank (15.7 per cent), the data revealed.

"In the last year-year and a half in the pandemic, larger listed companies have done well and that is reflected in their top line and bottom-line growth. Profitability has increased for many of them due to cost cutting measures. CEOs and MDs who have navigated their companies through these difficult times should be compensated for their contribution. However, it has to be kept in context of the salary of the rest of the organisation as well. Top management needs to be sensitive about these aspects," said Pranav Haldea, Managing Director, PRIME Database Group.