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This is the fifth of a multi-part series on CEO pay, compiled by IiAS for *Mint*, using its proprietary pay analytics platform, *comPAYre*.



IiAS' proprietary pay analytics platform, *comPAYre* includes historical remuneration and performance data for executive directors across S&P BSE 500.

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## CEO Pay Sector Analysis: Healthcare

*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 fifth piece in the series is focused on pay levels in healthcare companies, which includes pharmaceutical companies and healthcare providers.*

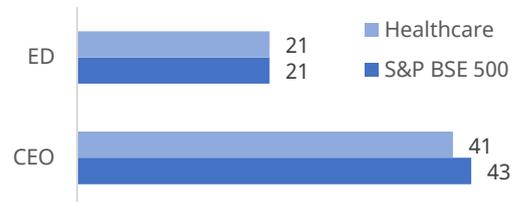
The median CEO pay in the healthcare sector is aligned with that of S&P BSE 500. However, in specific pockets, there are a few worrying trends – more than 1/4th of the CEOs draw a remuneration of more than Rs.100 mn, CEO pay as a multiple of employee pay is more than 100x, and lack of gender pay equality. Further, the sector is dominated by promoter family presence – around 33% of companies have four or more executive directors from the family on their boards and around 74% of the CEO positions are being held by family members.

### Sector Profile

No of companies in S&P BSE 500	Total Market Cap	FY17 Revenues	FY17 Profits after Tax
45	Rs.7.3 tn	Rs.2.1 tn	Rs.281 bn

### Exhibit 1: Median pay in sector

The median remuneration in the sector is significantly aligned with the S&P BSE 500. But, there is a wide disparity in the pay for CEOs and that of other EDs.



### Exhibit 2: CEO pay to median employee pay (x)



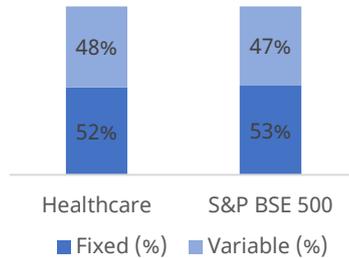
The CEOs in the sector draw remuneration amounting to more than 100 times of that of the median employee pay.

### Exhibit 3: Pay levels of 5 highest paid CEOs in sector (Rs.mn)

Almost 25% of CEOs in the sector were paid more than Rs.100 mn in FY17.



**Exhibit 4: Fixed vs Variable Pay (%)**



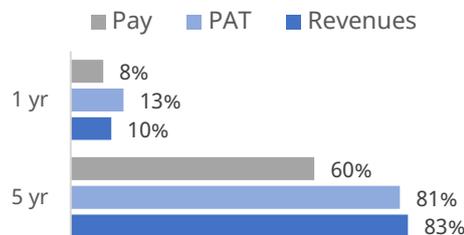
The pay mix in the sector is similar to that of the market. Only two CEOs in the sector was granted ESOPs in FY17.

**Exhibit 5: Board Compensation as % of Profits**

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



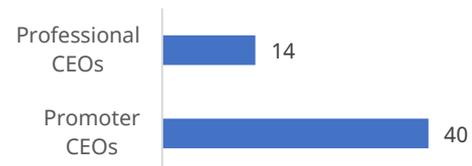
**Exhibit 6: CEO Pay Growth in sector (%)**



In the sector, the CEO pay levels in the last five years have broadly been aligned to performance.

**Exhibit 7: Number of Promoter vs Professional CEOs in the sector**

There is high promoter presence in the sector with around 74% of the CEO posts being held by promoters.



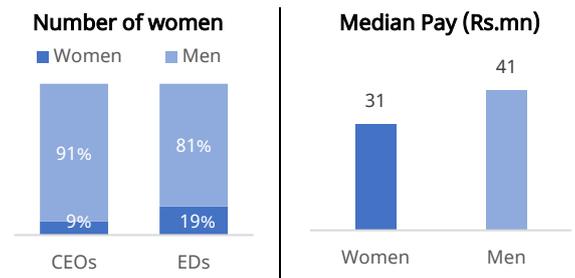
**Exhibit 8: Median pay of Promoter vs Professional CEOs in the sector (Rs.mn)**



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

**Exhibit 9: Gender Mix in the sector**

Women representation in the sector is better than the overall market – there are a total of 21 women executive directors in the sector.



**List of companies (Total Count: 45)**

- Abbott India Ltd.
- Advanced Enzyme Technologies Ltd.
- Ajanta Pharma Ltd.
- Alembic Pharmaceuticals Ltd.
- Alkem Laboratories Ltd.
- Apollo Hospitals Enterprise Ltd.
- Astrazeneca Pharma India Ltd.
- Aurobindo Pharma Ltd.
- Biocon Ltd.
- Bliss GVS Pharma Ltd.
- Cadila Healthcare Ltd.
- Caplin Point Laboratories Ltd.
- Cipla Ltd.
- Divis Laboratories Ltd.
- Dr. Lal Pathlabs Ltd.
- Dr. Reddys Laboratories Ltd.
- Eris Lifesciences Ltd.
- FDC Ltd.
- Fortis Healthcare Ltd.
- Glaxosmithkline Pharmaceuticals Ltd.
- Glenmark Pharmaceuticals Ltd.
- Granules India Ltd.
- Indoco Remedies Ltd.
- Ipca Laboratories Ltd.
- JB Chemicals & Pharmaceuticals Ltd.
- Jubilant Life Sciences Ltd.
- Laurus Labs Ltd.
- Lupin Ltd.
- Marksans Pharma Ltd.
- Narayana Hrudayalaya Ltd.
- Natco Pharma Ltd.
- Pfizer Ltd.
- Piramal Enterprises Ltd.
- Sanofi India Ltd.
- Sequent Scientific Ltd.
- Shilpa Medicare Ltd.
- Strides Shasun Ltd.
- Sun Pharma Advanced Research Co Ltd.
- Sun Pharmaceutical Industries Ltd.
- Suven Life Sciences Ltd.
- Syngene International Ltd.
- Thyrocare Technologies Ltd.
- Torrent Pharmaceuticals Ltd.
- Unichem Laboratories Ltd.
- Wockhardt Ltd.

**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

A modified version of this report was [published by Mint](#) on 23 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](#)

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