

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
STARRED QUESTION NO. 115
ANSWERED ON FRIDAY, THE 9TH FEBRUARY, 2018/
MAGHA 20, 1939 (SAKA)**

REMUNERATION OF CEOs

QUESTION

***115. SHRI RADHESHYAM BISWAS:**

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कारपोरेट कार्य मंत्री

- (a) whether the Companies Act, 1956 has prescribed any ceiling on the remuneration of Chief Executive Officers (CEOs) of companies;**
- (b) if so, the details thereof along with the upper limit of the remuneration of CEOs;**
- (c) whether some companies are paying more than the prescribed ceiling to their CEOs; and**
- (d) if so, the details thereof and the action taken by the Government against such companies?**

ANSWER

**THE MINISTER OF CORPORATE AFFAIRS
कारपोरेट कार्य मंत्री**

**(SHRI ARUN JAITLEY)
(श्री अरुण जेटली)**

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN ANSWER TO LOK SABHA STARRED QUESTION NO. 115 FOR 09.02.2018 REGARDING REMUNERATION OF CEOs

(a) to (d): The total managerial remuneration payable by a public company to its managerial personnel, including Board level Chief Executive Officer (CEO), is regulated under sections 197 to 200 read with Schedule V of the Companies Act, 2013 (the Act) and the rules made thereunder. In respect of any financial year, the overall remuneration payable by a company to all its directors, shall not exceed eleven per cent of the net profits of the company for that financial year. In case of losses or inadequacy of profits, the remuneration may be paid, without approval of Central Government, provided it is within the limits prescribed, and subject to conditions specified in the Act and the rules made thereunder. If the company is not able to comply with such provisions, then it may be paid only with the approval of the Central Government.
