

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 1630  
ANSWERED ON FRIDAY, THE 27<sup>th</sup> JULY, 2018  
[SHRAVANA 5, 1940 (SAKA)]**

**Remuneration of CEOs**

**QUESTION**

**1630. DR. ANSHUL VERMA:**

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

**कारपोरेट कार्य मंत्री**

- (a) whether the maximum ceiling for remuneration of Chief Executive Officer (CEO) of a company is fixed in the Companies Act, 1956;**
- (b) if so, the details thereof along with the maximum ceiling of CEO's remuneration;**
- (c) whether certain companies are paying higher remuneration than the maximum ceiling to their CEO's and if so, the details thereof; and**
- (d) the action taken by the Government against such companies?**

**ANSWER**

**THE MINISTER OF STATE FOR LAW &  
JUSTICE AND CORPORATE AFFAIRS**

**(SHRI P.P. CHAUDHARY)**

**विधि और न्याय एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री**

**(श्री पी. पी. चौधरी)**

**(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.**

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