

Automobile Sector: Trends in managerial remuneration

Auto sector is undergoing a cyclical downturn. Using FY18 AR, we tried to analyze Promoter's financial gains for various companies to get a gaze of how much the same is aligned to minority shareholders' interest.

We have noticed a wide difference between the firm's performance and increase in financial gains of promoters in certain cases.

Promoter, being the controlling shareholder has many non financial benefits like various investment decisions. On a recurring basis, promoters make financial gains through remuneration and dividends.

Exhibit 1 & 2: Management's remuneration and dividend payout in the industry

Exhibit 1 :-

Automobiles	Sales	EBITDA	PAT	Promoters Holding (%)	Payout Ratio (%)	Management financial gains through			as % of PAT
						Remuneration to promoters*	Dividend to promoters	Total	
ASHOKLEY	26248	2739	1563	51	41	8	364	372	24
BAJAJ-AUTO	25165	4782	4219	49	41	40	856	896	21
EICHERMOT	8965	2808	1960	50	15	10	151	161	8
ESCORTS	5059	554	347	40	7	20	10	30	9
HEROMOTOCO	32458	5325	3722	35	51	75	657	732	20
M&M	48686	6224	4356	22	20	8	194	202	5
MARUTI	79809	12063	7881	56	31	0	1358	1358	17
TVSMOTOR	15130	1129	663	57	24	37	90	127	19

*(Remuneration includes chairman/MD/CEO/JMD)

Source:AR 2018, NFAL

Exhibit 2 :-

Auto components	Sales	EBITDA	PAT	Promoters Holding (%)	Payout Ratio (%)	Management financial gains through			as % of PAT
						Remuneration to promoters*	Dividend to promoters	Total	
AMARAJABAT	6059	883	471	52	15	62	37	99	21
APOLLOTYRE	14841	1651	724	40	10	90	30	119	16
BALKRISIND	4461	1102	736	58	21	64	90	154	21
CEATLTD	6231	615	233	51	20	8	24	31	13
EXIDEIND	12808	1395	648	46	31	0	94	94	14
GABRIEL	1833	171	94	54	20	5	10	15	16
JKTYRE	8272	737	63	52	54	7	30	36	57
LUMAXIND	1650	134	63	75	34	8	16	24	38
MINDAIND	4471	534	331	71	18	8	43	51	15
SUBROS	1913	210	61	40	11	4	3	6	10
SKFINDIA	2750	435	296	52	21	3	27	30	10
SWARAJENG	771	122	80	51	65	1	26	28	34

*(Remuneration includes chairman/MD/CEO/JMD)

Source:AR 2018, NFAL

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ASHOKLEY

figures in Rs.crore

ASHOKLEY	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	51	48	44	50	45	51	
Sales	12481	11487	15341	21260	22749	29620	19%
EBITDA	876	422	1517	2979	3294	4248	37%
PAT	434	29	335	390	1223	1563	29%
Total Dividend Paid	160	160	128	270	444	711	35%
Remuneration to promoter	0	0	0	5	7	8	
Dividend to promoter	81	76	57	136	201	364	35%
Total Financial Gain	81	76	57	141	208	372	36%

Source: AR; NFAL

BAJAJ-AUTO

figures in Rs.crore

BAJAJ-AUTO	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	50	50	49	49	49	49	
Sales	20042	20158	21614	22587	21767	25165	5%
EBITDA	3648	4155	4113	4764	4419	4782	6%
PAT	3132	3380	3026	4044	4079	4219	6%
Total Dividend Paid	1302	1447	1447	1592	1592	1736	6%
Remuneration to promoter	27	30	32	34	37	40	8%
Dividend to promoter	651	724	713	785	785	856	6%
Total Financial Gain	679	753	744	818	822	896	6%

Source: AR ; NFAL

EICHERMOT

figures in Rs.crore

EICHERMOT	CY12	CY13	CY14	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	55	55	55	55	51	50	
Sales	6390	6810	8738	6173	7033	8965	7%
EBITDA	549	713	1115	1690	2174	2808	39%
PAT	324	394	615	1338	1667	1960	43%
Total Dividend Paid	43	54	81	272	272	300	47%
Remuneration to promoter	4	5	5	7	10	10	20%
Dividend to promoter	24	30	45	149	138	151	45%
Total Financial Gain	28	35	49	156	148	161	42%

Source: AR ; NFAL

ESCORTS

figures in Rs.crore

ESCORTS	SY12	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	33	42	42	43	43	40	
Sales	4049	6502	4113	3432	4145	5059	5%
EBITDA	190	387	163	161	309	554	24%
PAT	73	247	76	72	132	347	37%
Total Dividend Paid	18	14	14	14	18	25	6%
Remuneration to promoter	10	14	10	10	17	20	16%
Dividend to promoter	6	6	6	6	8	10	10%
Total Financial Gain	16	20	16	17	25	30	14%

Source: AR ; NFAL

HEROMOTOCO

figures in Rs.crore

HEROMOTOCO	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	52	40	35	35	35	35	
Sales	23768	25275	27538	28457	28585	32458	6%
EBITDA	3284	3539	3497	4398	4576	5325	10%
PAT	2118	2103	2365	3112	3546	3722	12%
Total Dividend Paid	1198	1299	1198	1438	1697	1897	10%
Remuneration to promoter	97	111	131	128	81	75	-5%
Dividend to promoter	626	519	415	498	588	657	1%
Total Financial Gain	723	629	546	626	668	732	0%

Source: AR ; NFAL

M&M

figures in Rs.crore

M&M	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	25	25	26	27	27	22	
Sales	40441	40509	38945	40875	43785	48686	4%
EBITDA	4709	4721	4173	4620	4769	6224	6%
PAT	3353	3758	3321	3205	3956	4356	5%
Total Dividend Paid	767	826	710	711	772	892	3%
Remuneration to promoter	5	5	16	18	15	20	34%
Dividend to promoter	193	208	182	192	206	194	0%
Total Financial Gain	198	213	198	210	221	214	2%

Source: AR ; NFAL

MARUTI

figures in Rs.crore

MARUTI	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	56	56	56	56	56	56	
Sales	44304	44451	50801	57589	68085	79809	12%
EBITDA	4328	5204	6844	8889	10358	12063	23%
PAT	2471	2855	3807	5497	7511	7881	26%
Total Dividend Paid	242	363	755	755	1057	2417	58%
Remuneration to promoter	0	0	0	0	0	0	-
Dividend to promoter	136	204	424	424	594	1358	58%
Total Financial Gain	136	204	424	424	594	1358	58%

Source: AR ; NFAL

TVSMOTOR

figures in Rs.crore

TVSMOTOR	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	57	57	57	57	57	57	
Sales	7510	8384	10312	11377	12463	16295	17%
EBITDA	438	492	603	816	869	1497	28%
PAT	198	186	328	429	509	665	27%
Total Dividend Paid	57	67	90	119	119	157	22%
Remuneration to promoter	4	10	18	28	30	42	58%
Dividend to promoter	33	38	52	68	68	90	22%
Total Financial Gain	37	48	70	96	98	132	29%

Source: AR ; NFAL

AMARAJABAT

figures in Rs.crore

AMARAJABAT	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	52	52	52	52	52	52	
Sales	2959	3437	4211	4618	5317	6059	15%
EBITDA	451	560	709	823	850	883	14%
PAT	287	367	411	492	478	471	10%
Total Dividend Paid	43	55	62	73	73	71	10%
Remuneration to promoter	38	47	54	63	61	62	10%
Dividend to promoter	22	29	32	38	38	37	10%
Total Financial Gain	60	76	86	101	99	99	10%

Source: AR ; NFAL

APOLLOTYRE

figures in Rs.crore

APOLLOTYRE	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	44	44	44	44	44	40	
Sales	12799	13412	12785	11849	13180	14841	3%
EBITDA	1461	1876	1931	1997	1846	1651	2%
PAT	613	1005	978	1123	1099	724	3%
Total Dividend Paid	25	38	102	102	100	74	24%
Remuneration to promoter	35	45	68	89	75	90	21%
Dividend to promoter	11	16	45	45	44	30	22%
Total Financial Gain	46	61	113	133	119	119	21%

Source: AR ; NFAL

BALKRISIND

figures in Rs.crore

BALKRISIND	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	58	58	58	58	54	58	
Sales	3394	3772	3817	3289	3784	4461	6%
EBITDA	669	890	727	822	1131	1102	10%
PAT	350	475	473	446	717	736	16%
Total Dividend Paid	14	19	23	53	77	155	61%
Remuneration to promoter	11	26	45	56	63	64	41%
Dividend to promoter	8	11	14	31	42	90	61%
Total Financial Gain	20	38	58	87	106	154	51%

Source: AR ; NFAL

CEATLTD

figures in Rs.crore

CEATLTD	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	54	57	51	51	51	51	
Sales	5052	5554	5802	5484	5767	6231	4%
EBITDA	438	658	681	773	657	615	7%
PAT	120	271	314	438	361	233	14%
Total Dividend Paid	14	37	40	47	47	47	28%
Remuneration to promoter	4	2	8	9	8	8	17%
Dividend to promoter	7	21	21	24	24	24	26%
Total Financial Gain	11	23	28	33	32	31	23%

Source: AR ; NFAL

AUTOMOBILES

EXIDEIND

figures in Rs.crore

EXIDEIND	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	46	46	46	46	46	46	
Sales	6366	8309	9535	9479	11224	12808	15%
EBITDA	852	862	937	1055	1367	1395	10%
PAT	549	545	615	714	892	648	3%
Total Dividend Paid	136	153	187	204	204	204	8%
Remuneration to promoter	0	0	0	0	0	0	
Dividend to promoter	63	70	86	94	94	94	8%
Total Financial Gain	63	70	86	94	94	94	8%

Source: AR ; NFAL

GABRIEL

figures in Rs.crore

GABRIEL	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	55	55	55	55	55	54	
SALES	1205	1287	1444	1438	1529	1833	9%
EBITDA	82	90	116	129	144	171	16%
PAT	38	43	61	75	82	94	20%
Total Dividend Paid	11	12	15	17	19	19	12%
Remuneration to promoter	0	0	0	1	1	2	
Dividend to promoter	6	7	8	9	10	10	11%
Total Financial Gain	6	7	8	10	11	12	16%

Source: AR ; NFAL

JKTYRE

figures in Rs.crore

JKTYRE	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	47	47	52	52	52	52	
Sales	6985	7652	7384	6953	7689	8272	3%
EBITDA	618	871	931	1142	1132	737	4%
PAT	203	263	330	464	381	63	-21%
Total Dividend Paid	14	21	34	57	57	34	19%
Remuneration to promoter	6	17	29	38	29	7	3%
Dividend to promoter	7	10	18	30	30	18	21%
Total Financial Gain	12	27	47	67	59	24	14%

Source: AR ; NFAL

LUMAXIND

figures in Rs.crore

LUMAXIND	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	74	74	74	74	74	75	
SALES	1070	1117	1143	1255	1300	1650	9%
EBITDA	61	51	59	89	100	134	17%
PAT	14	8	17	37	45	63	36%
Total Dividend Paid	4	3	5	11	14	21	39%
Remuneration to promoter	2	2	2	3	5	8	34%
Dividend to promoter	3	2	4	8	10	16	39%
Total Financial Gain	5	4	5	12	15	24	37%

Source: AR ; NFAL

MINDAIND

figures in Rs.crore

MINDAIND	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	66	71	71	71	74	71	
SALES	1340	1706	2232	2527	3386	4471	27%
EBITDA	93	78	154	238	374	534	42%
PAT	28	7	68	111	185	331	64%
Total Dividend Paid	5	5	10	11	56	61	67%
Remuneration to promoter	2	1	2	4	6	8	38%
Dividend to promoter	3	3	7	8	41	43	69%
Total Financial Gain	5	5	9	12	47	51	61%

Source: AR ; NFAL

SUBROS

figures in Rs.crore

SUBROS	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	40	40	40	40	40	40	
SALES	1277	1176	1202	1311	1554	1913	8%
EBITDA	122	132	137	152	167	210	11%
PAT	20	21	20	24	45	62	25%
Total Dividend Paid	4	4	4	5	3	7	9%
Remuneration to promoter	3	3	2	3	2	4	7%
Dividend to promoter	2	2	2	2	1	3	9%
Total Financial Gain	4	4	4	4	3	6	8%

Source: AR ; NFAL

AUTOMOBILES

SKFINDIA

figures in Rs.crore

SKFINDIA	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	54	54	54	54	54	52	
SALES	2228	2275	2416	2998	2631	2750	4%
EBITDA	258	261	283	364	336	435	11%
PAT	190	167	203	257	244	296	9%
Total Dividend Paid	40	40	40	79	53	62	9%
Remuneration to promoter	0	0	0	0	0	0	
Dividend to promoter	21	21	21	42	28	32	9%
Total Financial Gain	21	21	21	42	28	32	9%

Source: AR ; NFAL

SWARAJENG

figures in Rs.crore

SWARAJENG	FY13	FY14	FY15	FY16	FY17	FY18	CAGR FY13-18
Promoter's Holding (%)	51	51	51	51	51	51	
SALES	479	608	540	526	666	771	10%
EBITDA	71	91	75	74	105	122	11%
PAT	55	68	52	51	69	80	8%
Total Dividend Paid	41	43	41	41	53	52	5%
Remuneration to promoter	0	0	0	0	0	0	
Dividend to promoter	21	22	21	21	27	26	5%
Total Financial Gain	21	22	21	21	27	26	5%

Source: AR ; NFAL

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