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# How do PSUs measure up in governance?

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BY RAM NARAYAN MURTHY

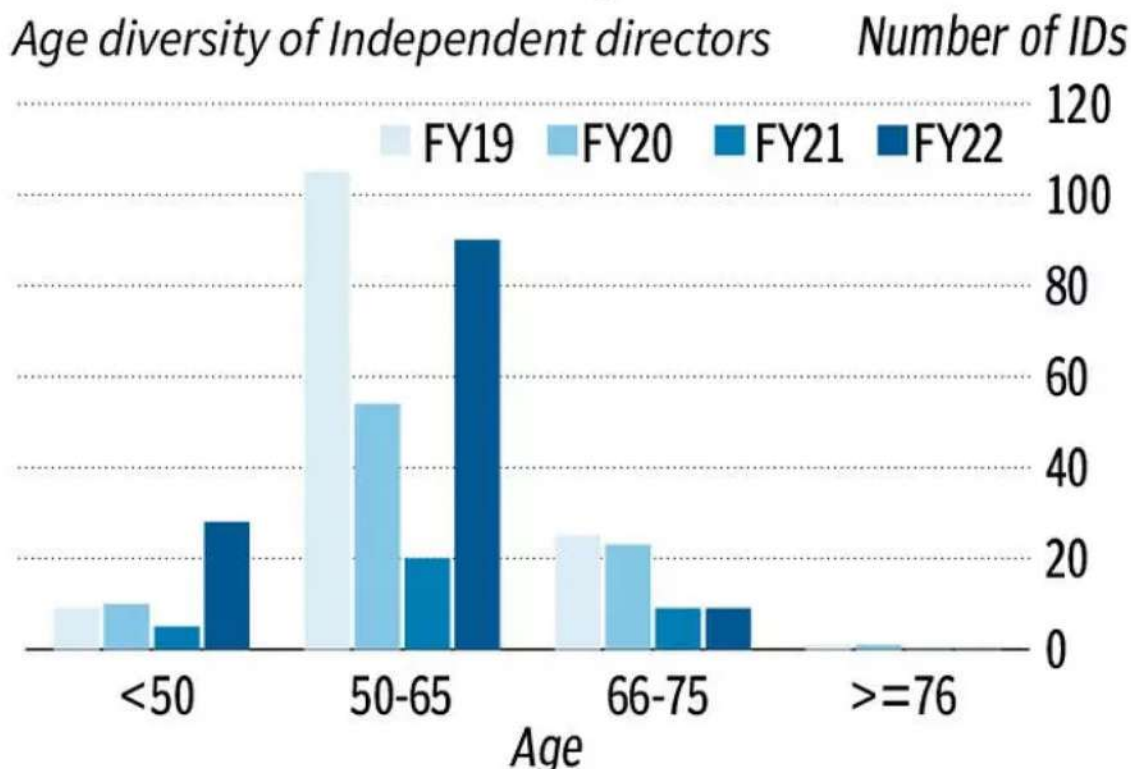
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The second edition of the corporate governance survey among public sector companies (12 Maharatnas and 12 Navratnas) conducted by Excellence Enablers shows an overall improvement in governance in terms of board meetings, gender distribution and attendance

***The law: The age band should be 45-65 years. This could, however, be relaxed for eminent professionals up to 70 years***

# Majority of the IDs are aged between 50 and 65 years



Source: Excellence Enablers' survey

***The law: All large public companies should have at least one woman director***

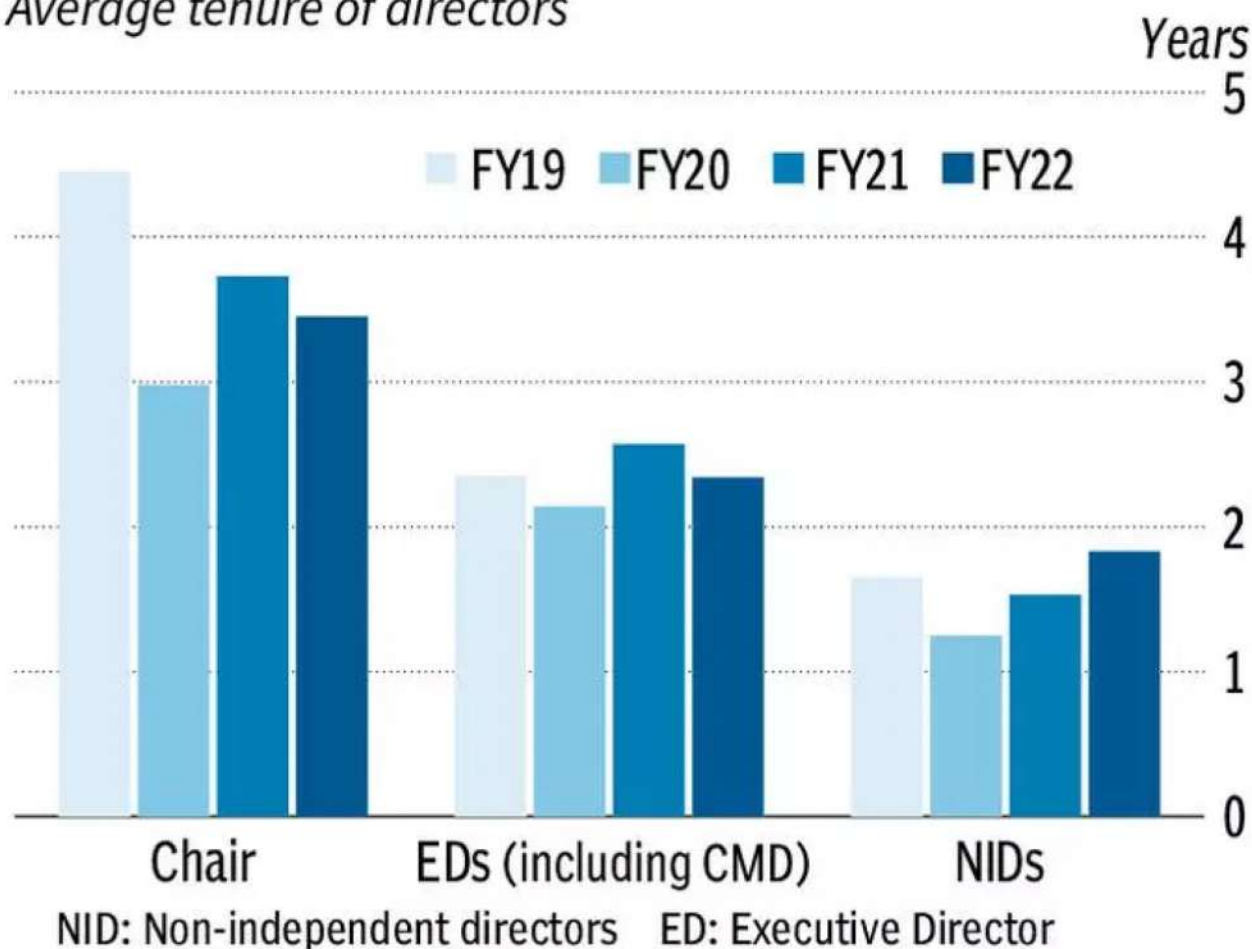
## 20 PSUs had at least one woman independent director in FY22

Number of women independent directors	<i>Number of PSUs</i>			
	FY19	FY20	FY21	FY22
0	4	13	19	4
1	16	9	5	19
2	4	2	0	1

**The law: The directors should have a maximum tenure of 2 terms, with 5 years in each term**

## The tenure of PSU directors is much lower - a potential red flag

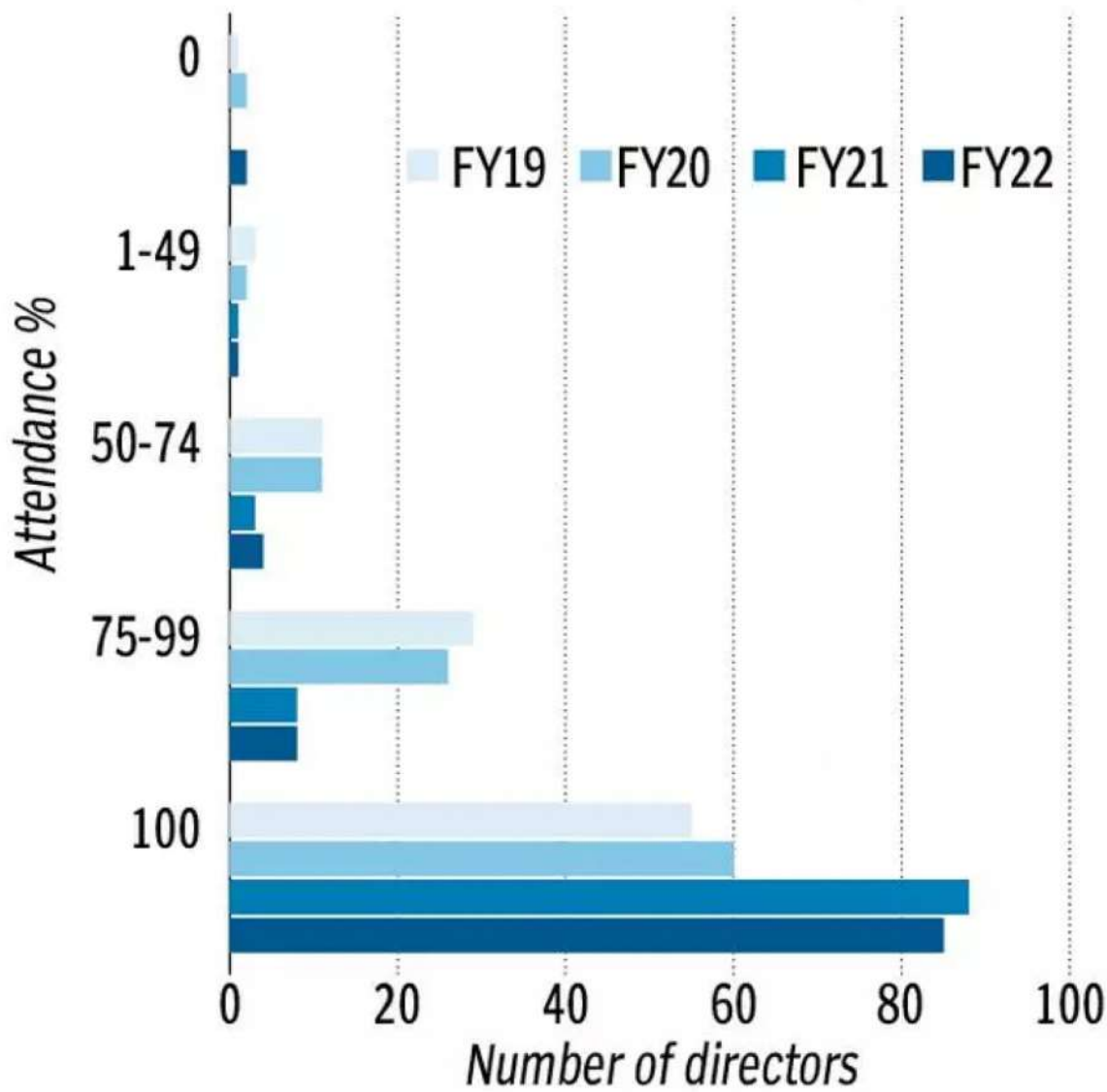
*Average tenure of directors*



**The law: The office of a director shall become vacant in case a director absents himself/herself from all meetings without seeking leave of absence**

# Most directors in PSUs have 100% attendance

*Attendance of directors in board meetings*





**The law: Every company should hold a minimum of four board meetings every year**

## **Around 58% of the PSUs surveyed held more than 10 board meetings in FY22**

*Number of board meetings*

	<i>Number of PSUs</i>			
	FY19	FY20	FY21	FY22
0-3 meetings	0	0	0	0
4 meetings	0	2	2	0
5-6 meetings	1	2	2	4
7-9 meetings	10	3	10	6
10-14 meetings	10	15	8	9
>=15 meetings	3	2	2	5

**The law: One-third of the total directors should be independent directors in a public company**

## **Over 50% of the board of six PSUs are independent directors**

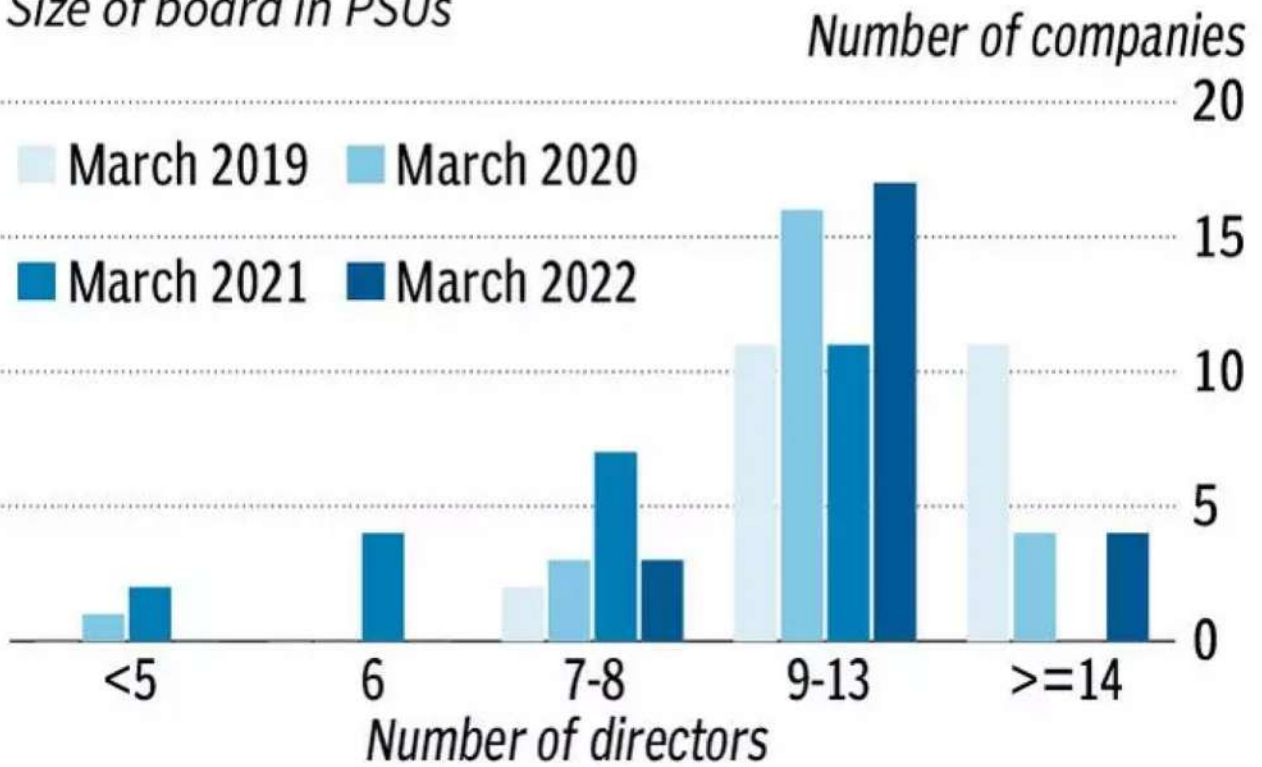
*Percentage of independent directors on boards*

% of IDs	<i>Number of PSUs</i>			
	March 2019	March 2020	March 2021	March 2022
0	0	1	5	0
1-49	13	18	18	9
50	7	4	0	8
>=51	3	0	0	6

**The law: Every public company should have a minimum of three directors**

## Most PSUs have more than nine directors

Size of board in PSUs



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Source: <https://www.thehindubusinessline.com/data-stories/visually/how-do-psus-measure-up-in-governance/article66843865.ece>