



Women In The Corporate World

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ABSTRACT

The Constitution of India treats both men and women equally. But in reality women are not treated equally with men in the Indian society. The employment opportunities for women is limited but today the scenario has changed. Women became the President of India itself. By enacting The Companies Act, 2013 the women entered the corporate world also. Women has also entered the board room of many companies this is a welcome move towards women empowerment in the corporate world of India. Thus here we discuss the entry of women in board room and its result.

INTRODUCTION

Our Indian society is a male dominated society but in this modern era, the status of women has been changed. Several laws are enacted for providing security and special status to women, yet the inclusion of women in the highest level of business and management has not been promising. In Companies Act, 2013 the appointment of women in the board is one of the mandatory provision. The present paper focus on the issue of representation of women director on the board and its effect.

PROVISION OF THE WOMEN DIRECTOR IN THE COMPANIES ACT, 2013

As per the provision of section 149(1), Every company shall have a board of directors consisting of individual as director and shall have

(a) Incase of public company	minimum number of directors three
(b) Incase of private company	minimum number of directors two
(c) Incase of one person company	minimum one director

Maximum number of directors fifteen.

Provided that a company can appoint more than maximum directors by passing special resolution. The Companies (Appointment & Qualification of director) Rules, 2014 provides the class of company which shall appoint at least one women director. The class of companies are -

- (1) Every listed companies
- (2) Every other public companies having
 - (a) Paid up share capital of one hundred rupees or more; or
 - (b) Turnover of three hundred rupees or more; as on the last date of audited financial statement.

TIMEFRAMEFORAPPOINTMENTOFWOMENDIRECTOR

The newly incorporated company should comply with the above mentioned provisions within six months from the date of its incorporation .Other existing companies should comply with the provision within one year from the date of the commencement of the provision.

INTERMITTENVACANCY

In case of any intermittent vacancy of women director the same has to be filled by the boardatthe earliestbutnotlater thanthe immediate nextboardmeetingor three monthsfromthe date of such vacancy whichever is later.

OTHERREQUIREMENTSINTHEACT

As per the section 152(5) any person as director including women director shall not act as director unless he/she gives his/her consent to hold office as director in form DIR 2, on or before appointmentand such consenthas been filed by the company with the registrar of companies in formDIR 12 within 30 days of his appointment. Women director must obtain Director Identification Number and shall give a declaration that she is not disqualified to be appointed as director.

SEBIGUIDELINES RELATINGTOWOMENDIRECTOR

SEBI (Listing Obligation And Disclosure Requirement)Regulation ,2015 also requiredevery listed companies to appointatleastone women director in the board. And also on the basis of recommendationbya committee headed byMr.UdayKotakSEBI insertedthe following provision on 9TH may 2018 which should be complied within 11 months .

“Provided that the Board of directors of the top 500 listed entities shall have at least one Independent women director by 1ST April,2019 andtheBoard of directors of top 1000listedentities shall have at least one Independent women director by 1ST April 2020 .” The top 500and 1000 entities shall be determined on the basis of market capitalization as at the end of the immediate financial year.

NEEDOFWOMENDIRECTORINTHEBOARD

In India more than 48 % of the population consist of women. Thereforealmost half of the talent pool is women by ignoring them a nation or an organisation can not be developed . women directors are likely to be more in tune with women’s needs than men which helps to develop successful products and services because women drives 70% of purchase .Research proves that women director inthe board helps in increasing the production and sales and also corporate social responsibility. It has proven that companies with women as director have a greater return on equity ie.,4.4% while companies having with men on the board has rise on return of equity of1.8% on an average per year.ⁱ

POSITIONOFWOMENDIRECTORININDIA

In India ,after the mandatory provision of section 149(1) of the Companies Act 2013 ,the number of women on corporate board increased , yet nearly half of the appointments made by the companies were of the persons from within the family members of promoters ortop executives instead of professional capacity.

Companies such as Reliance Industries appointed Nita Ambani ,wife of chairman Mukesh Ambani as a director in order to comply with this rule. Vijaymallyaalso introduced his stepmother into the board .companies such as Apollo hospital , Asian paints also having their famil members on their board.

According to research by prime database,Out of 1814 Chief executives and Manging directors of NSE listed companies only 67or 3.69% are womensas on 6TH march 2019.This shows that the percentage of women CEO’s and MD’s has remained almost stagnant since march 2014 when out of 1249 CEO’s and MD’s ,40 or 3.2% were women.ⁱⁱ

India has ranked 12THin theworld as per study titled “women on board 2020” India had certainly

made progress compared to where we started at the beginning of the 20TH century but we know this progress is not nearly enough.

Over 100 firms missed deadline to appoint women directors. At least 37 of the ones which missed the Securities and Exchange Board of India deadline were government owned.ⁱⁱⁱ

“If the numbers(womenCEO’s)haven’t changed, it is obvious that despite the stated intent to improve diversity & create opportunities for women at all levels , action has not matched the talk”, said Vinita Bali, Independent director and former managing director of Britannia . “Clearly , a lot more needs to be done if we believe in equity and merit.”

PROVISION OF WOMEN DIRECTORS IN OTHER COUNTRIES

In 2005, Norway became the first country in the world to enact gender quota legislation for Public limited companies, requiring 40% representation of women on the board. In 2019 , women comprise 42.5% of public limited companies board seats in Norway.

30% gender quota for the boards of all the listed companies and those with more than 1000 employees was implemented by the Austrian government effective from January 2018.

Belgium listed companies have been subject to gender quota legislation Since 2011 , which require at least one third representation of each gender on boards .

Legislation took effect in Portugal in January 2018, mandating that supervisory boards of state owned enterprises have 33.3% representation of women by 2020.

Malaysia adopted 30% target for women in company leadership and decision making position in 2011 . The Government also called for 30% representation of women on board by 2020.

REASONS FOR NON-APPOINTMENT OF WOMEN DIRECTORS

The main purpose of non- appointment is the administration is male dominated. Generally , there is a stereotype , that women are weak and cannot take managerial decision wisely and hence , are not given the higher level position in the organisation. There is also discrimination on the basis of salary but they have same profession and same job profile. There is no assurance for women executive in certain corporate companies based on the rules issued by the Supreme court in Vishaka case, the Sexual Harassment Of Women (Prevention , Prohibition And Redressal)Act ,2013 was instituted in favour to protect women from any sort of sexual harassment in their working atmosphere. And also due to other responsibility like child birth and child rearing they lost their continuity in their work flow.

To over come those above mentioned barriers the women need to push themselves to take up leadership roles. Men must not overlook women. said, Kiran Mazumdar-Shaw, chairperson at the leading Bio tech firm Bio-Con .

CONCLUSION

The number of women in the board is increasing yet , their representation is far from uniform across firms. The fact remains that female representation on boards of Indian Inc is still skewed . Companies have found a way to meet this requirement by appointing their wives and other family members . Though at present as a voluntary action not many companies have women directors or rather active and participative women directors still there is a hope that one we need to make provision for appointment of at least one men director in the board.

FOOTNOTE

ⁱShubhamMukherjeeandNamratasing,"Companies withwomenboardmembers makemoremoney."27th oct,2017.

ⁱⁱTheEconomicTimes 27thmarch,2019.

ⁱⁱⁱTheEconomicTimes(Business)15thApril,2020.

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