



Appointment of Woman Director: a step towards empowerment of Women and the Corporate world



When women do better
economics do better

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INTRODUCTION:

The principle of gender equality has been enshrined in the Indian Constitution in its preamble, fundamental rights, fundamental duties and directive principles of state policy, but despite such unambiguous equal rights given to both men and women Indian society is always male dominated. The workplace is a setting where gender inequalities are easily noticed.

Due to modern era the status of women is changing in society. The Government of India has propagated many laws for the empowerment of women.

APPLICABILITY ON COMPANIES:


According to Section 149 (1) read with Rule 3 of The Companies (Appointment and Qualification of directors) Rules, 2014 (Chapter 11), the following class of companies are required to appoint at least one Woman Director-

- (i) every listed Company;
- (ii) every other public company having –
 - (a) paid-up share capital of 100 crore rupees or more; or
 - (b) turnover of 300 crore rupees or more.

For appointment of Women Director, paid up share capital or turnover, as the case may be, as on the last date of latest audited financial statements has to be taken into account.

A period of six months from the date of company's incorporation has been provided to enable the companies incorporated under Companies Act, 2013 to comply with this requirement. Therefore, the existing companies has to comply the above requirements within one year and new companies incorporated under the new companies' act has to comply within 6 months from the date of its incorporation.

Further if there is any intermittent vacancy of a woman director then it shall be filled up by the Board of Directors within 3 months from the date of such vacancy or not later than immediate next board meeting, whichever is later. This has been a welcome move.



India is not the first country to do so; many others like France, Italy, Spain etc have already implemented such steps by introducing quota which makes it mandatory to appoint women directors in a company's board.

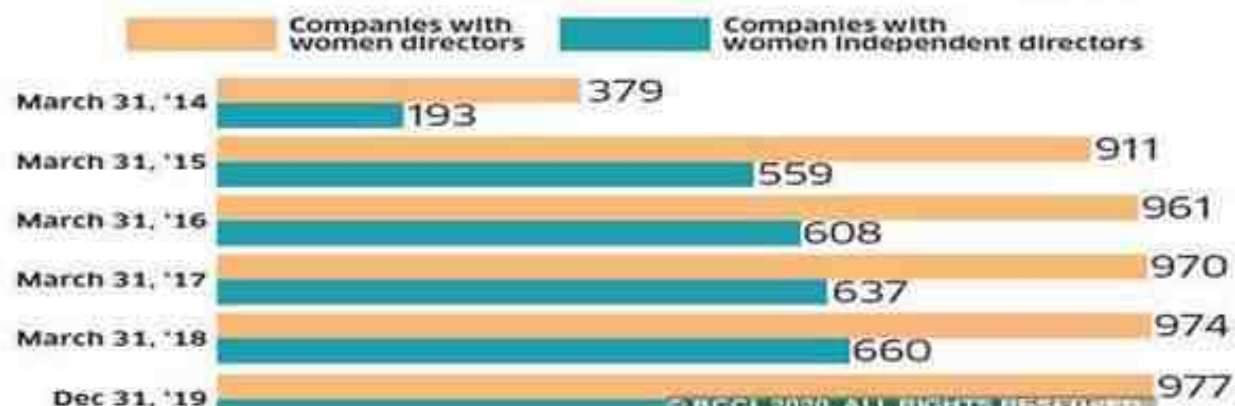
● **INDEPENDENT WOMEN DIRECTORS**

Appointment of independent woman director would be beneficial in many ways but the provision is not clear about appointing an independent woman director and since there are no such norms regarding this, companies are likely to recruit women from amongst the promoter's family and friends irrespective of whether they are qualified for the post or not. Such being the case women will be appointed to the boards but they would be the promoter's wife, daughter, niece or a friend.

According to data compiled by market tracker Prime Database from corporate governance reports filed by companies as of 31st December, 2019, as many as 118 of the top 500 NSE-listed companies did not have any independent female member on their boards. The list includes at least 16 companies that are in the top 100.

MORE WOMEN ON BOARD

Women directorship in top-1,000 NSE companies



Thoughts of some Directors regarding Woman Directors

“There are enough and more qualified women to be on boards. But you have to just believe in the value of diversity,”

Shailesh Haribhakti, chairman of audit and accounting firm Haribhakti & Co and an independent director at many Indian companies.

“As women constitute nearly half of the population, their point of view is very critical. And, there are enough competent women who are eligible,”

Vinita Bali, former managing director of Britannia.

SOME EXAMPLE OF WOMAN DIRECTORS IN INDIA:

SHIKHA SHARMA

Shikha Sharma is the Managing Director and CEO of Axis Bank, India's third largest Bank in the private sector. Since her appointment to the post, the bank's stock has appreciated by a phenomenal 90%. This is however, not all. Sharma is also the Chairperson of Axis Asset Management Company Limited, Chairperson of Axis Bank UK limited, Axis Capital Limited and Axis Private Equity Limited.



CHITRA RAMAKRISHNA

Chitra Ramkrishna is the first woman managing director and chief executive officer of the National STOCK EXCHANGE (NSE). She is also a part of CII's National Council on Financial Sector Development, FICCI's National Executive Committee and Capital Markets Committee. NSE has grown tremendously under her leadership and currently reaches out to more than 1,500 locations in the country.



MALLIKA SRINIVASAN

Women are usually not associated with farm equipment in India, but Mallika Srinivasan, the chairperson of Tractor and Farm Equipment (TAFE) has defied this notion. Under her leadership the company's revenues went from Rs. 85 crore back then; to over Rs 8,000 crore today. In an interview with Forbes India she revealed that she plans to make TAFE a \$5 billion company in the next three to five years.



Zoya Akhtar

Her father is acclaimed writer-lyricist Javed Akhtar and her brother Farhan Akhtar is credited with introducing new-age concepts to Bollywood. Zoya Akhtar has held the family flag high. An Indian filmmaker and screenwriter, Zoya made her directorial debut with *Luck by Chance* in 2009. After completing her diploma in filmmaking from New York University, she assisted Mira Nair and Dev Benegal before breaking out into her own. *Zindagi Na Milegi Dobara*(2011), and *Dil Dhadakne Do* (2011) catapulted her into the big league.



Conclusion:

Women should be accepted for their skills and not just because they are women. It's indisputable that only experienced women with the right qualifications should be appointed as a director of the boards. There are lots of talented women out there; the deserving and qualified women should be brought on board.

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