

## WOMEN EMPOWERMENT IN CONTEXT TO COMPANIES ACT, 2013: A REALITY OR MYTH

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### Abstract

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*The principle of gender equality has been enshrined in the Indian Constitution but despite such unambiguous right; Indian society is always a male dominated society. Men are always seen at the top position but not women, regardless of the fact that women are no less than a man. With the modern times everything is changing the world is changing but the status of women is the same age old. The Government of India though propound many laws for the empowerment of women; but it seems that the very concept of empowering the women were only on papers. One such step is the appointment of WOMAN as the WOMEN DIRECTOR IN COMPANIES. The new companies Act 2013 makes it mandatory to appoint Woman as the director on the board but only on certain classes of companies. As per Section 149 such companies shall have at least ONE WOMAN DIRECTOR. By this research paper I would critically analyze and point out the loop holes of the section 149 of the COMPANIES ACT 2013.*

**Keyword:** Women director, B.O.D (Board of Directors), Companies Act 2013



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### Introduction:

**YOU EDUCATE A MAN, YOU EDUCATE A MAN, BUT WHEN YOU  
EDUCATE A WOMAN YOU EDUCATE A GENERATION...**

**-BRIGHAM YOUNG**

Women empowerment is means a process by which the women in the society improve their status by participating in many sectors. If we talk about the concept of women empowerment from India's context then it is not wrong to say that Indian society is a male denominated society and no matter how much we Indians preach there are always men at the top positions and not the women, despite of the fact that according to the Indian Constitution it is legal to say that women and men are equal to each other in all sphere of life. Women's role in the Indian society is more seen in the

house chores and not in any other areas. They are always expected to prioritize their family first and then do any other work.

The concept of women empowerment is raised a few decades ago only, but with only the slogan of women empowerment things are not just done, the main question arises is “does the women empowered”, “is the battle for women ends” by saying women empowerment women of India will never be empowered. A strict and effective action is all what we need to empower the women. And so Indian government implement programme to make women aware and one of them is appointment of WOMEN DIRECTOR .The new companies Act 2013 makes it compulsory on certain classes of companies to appoint one Woman director on the board. As per Section 149 such companies shall have at least ONE WOMAN DIRECTOR, but the real question is about the execution and intent of making of such programme.

No doubt the new provision is by far the best provision which one could find in respect of women empowerment but if we go through the facts and figures of the women directors in the companies it is very sad to see that the very intent of the provision was not been able to achieve.

**Statement of problem:-**

In-spite of having provision in Companies Act, 2013 relating to women, there are still some challenges faced by the women.

**Research Hypothesis:-**

Women Director In Companies Act, 2013 Amounts To Women Empowerment Is A Myth.

**Research Objectives:-**

The main objective of this paper is to know the main reason for the need of women director, the problem faced by them and how can they overcome with those problems.

**Need Of Women B.O.D:-**

Before going further, firstly we should be aware for the need of women on the board or how can women contribute success in a company. Now there are although many reason for appointment of women as a director but in nutshell following five reasons will justify the question of WHAT IS THE NEED OF WOMEN DIRECTOR IN A COMPANY?

**a. COMPANIES PERFORM BETTER:-** The statistics don't lie, according to a research, Tech companies with a more equal proportion of women to men perform better by about 3%, in terms of return on equity.

**b. WOMEN DIRECTORS CUT THE AMOUNT YOU SPEND:-** Women on the board are more likely to reduce company expenditure because they prefer to use cooperation and collaboration over directly throwing money at the problem. Studies have said the chances of bankruptcy are much lower when there's a woman on the board.

**c. A NEW PERSPECTIVE:-** Women offer a unique look at your company that you can't get from anyone else. Even one woman on the board can help the men spark some new inspiration.

**d. TAKE BETTER DECISIONS:-** Some studies have shown that women are more likely to look deeper into the matter at hand. They are more inquisitive and more curious than their male counterparts. Someone who rocks the boat in this way can make a huge difference.

**e. WOMEN EMPOWERMENT:-** But by promoting more women to the top of the company, more women are likely to be inspired to join the world of tech. The Women's Wellness Institute says that adding more women to tech companies can uncover solutions never previously thought of.

***“According to catalyst recent report Companies having more women representation on board attain significantly more financial performance than those with the low representation of women on board.”<sup>1</sup>***

#### **The Problems:-**

In an article published in a magazine **FOCUS 9** “How is it different? Do the dynamics change when there are women directors? He said:-

“Even when there is just one woman in the room, the dynamics change a lot! Brazilian men tend to say whatever they want to say and they don't restrict themselves on the type of language they use. When women are at the table, there is less joking around and more objective discussion. I've also found that women tend to be more sensible and more thoughtful. I think they care much more about how decisions made in the board room will impact people.”<sup>1</sup>

There are many problems some of them are:-

**a. PLAYING WITH BOYS:** - Most would consider any given field to be male-dominated. It's even more of a challenge when you're coming in as a female having to give direction to males that may not want any direction. Alison Gutterman CEO and president of Jelmar learned just that early in her career.

“As a female entrepreneur in a male-dominated industry, earning respect has been a struggle,”<sup>5</sup> she said.

**b. BUILDING A SUPPORT NETWORK:** -Forty-eight percent of female founders report that a lack of available advisers and mentors limits their professional growth. Knowing where to find the right support network isn't always easy. A few good places to start include women-focused networking events as well as online forums and groups created specifically for women in business, such as Ellevate network.

**c. BUSINESS OR FAMILY... A DILEMMA:** - Work-life balance is a goal of many entrepreneurs regardless of their gender, but mothers who start businesses have to simultaneously run their families and their companies. And in this area, traditional gender expectations often still prevail.

**d. FEAR OF FAILURE:** -Failure is a very real possibility in any business venture, but Delia Passi, CEO of Women Certified and founder of the Women's choice award, said it shouldn't be viewed as a negative.

**e. GETTING INTO THE DOORS IS STILL HARDER:-**A review of many studies of U.S. decision-makers who hired candidates found that clearly competent men were rated higher than equally competent women.

**f. WOMEN GETTING PROMOTION...NOT ACCEPTABLE IN SOCIETY:-**A major problem still plagues women: When they are clearly competent, they are also often judged to be unlikable — by both men and women. In fact, the more accomplished women become, the more they may suffer in the workplace.

AND THE LIST CONTINUES WITH MORE SUCH...

**How To Overcome:-**

*“According to authors Katty Kay and Claire Shipman women tend to struggle with a lack of confidence disproportionately. When something goes wrong professionally, women blame themselves while crediting others when things go right.”*

a. **Gender biasness** still prevails... in this modern era where women are excelling in every field, where they actually giving a neck to neck competition to men gender discrimination still continues. If we are talking about overcoming the problems associated with women director firstly this gender biasness should be erected.

b. Job Fields and Industries **Women in Business Are Dominating...** women do faces discrimination including the type of work in practical when a work requires a field work then employer always prefer a man employee rather than a female employee, in this 21<sup>st</sup> century also many thinks that females are physically weak but in reality the story is far more different.

c. **Finding Inspiration** and Support from Other Business Women on Fire. In India women are having the talent to act as a multitasked if they get a chance they not doubt will excel but then also the fact of women participation in working field in India is miserable. Housewives should get inspiration from other working women and also should fight for working if they are ignored or denied.

d. Many people still don't take professional women seriously. An article published in THE INDIAN EXPRESS reports that the participation of rural women in the workforce has fallen sharply in India<sup>6</sup>. It says, that compared to 49% in 2005, only 36% rural women were found to be a part of the workforce in 2012. There are many who just don't take women seriously in the professional world. So if we talk about India this should be taken seriously. Women make up 58.6% of the workforce in the U.S.

e. **Women fear failure.** Actually every one fear of failing, but women are not taught to be confident the way that men are. That lack of confidence means that they tend to give in to our fear of failure and can often let it cripple us. So women should not give-up if the fail but should accept and try once more.

f. **They should be more practical.** It is always seen that women do take decision emotionally rather being practical. They should consider all the facts and figures of cases and then take decision which is correct. They should be stricter when the situation wants and also understand that now men are not the only leaders.

g. **Family doesn't support because of society.** Even if a woman wants to work, it is seen that her family members don't support her and the reason may be SOCIETY because of society's so called custom in this era also working women are not at all  
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acceptable. As it is said that in India many dreams are ruined by the society and not by any other force. So this thinking of society should be removed.

**Conclusion:-**

Although inclusion of women in the company's board panel is an appreciable step of government but the main motive behind this great step is not achievable in the society like INDIA. Many women are not able to come into the limelight of this great step; some because of lack of their family support and some because of their inner fear or hesitation.

In general, it is always seen that always public criticizes government for not working or not taking any initiative but today government has taken the initiatives but we are not properly utilizing this chance, yes; not denying the fact that this step contains some flaws but just like a coin has two sides, this step do contain flaws like filling of vacancy of women director, prescribing only some classes for women director, but then also every time blaming government is not appropriate. Even though government has prescribed the only companies to appoint the women director then also those companies are failed to comply with the condition. According to research five state-owned companies have women on their boards, namely **Bharat Petroleum Corp. Ltd, NTPC Ltd, Oil and Natural Gas Corp. Ltd, Punjab National Bank and GAIL (India) Ltd.**<sup>2</sup>

Also an analysis of the benchmark 50-share Nifty of the National Stock Exchange (NSE) showed that only five companies—**AXIS BANK, BHARTI Airtel Ltd, Idea Cellular Ltd, Infosys Ltd and Ultra Tech Cement Ltd** have as many as three women directors on boards that vary from seven to 17 members.<sup>3</sup>

Another research shows that As many as 56 companies including Tata Power, Alstom India, have failed to comply with regulator (SEBI's) norms to appoint at least one woman director on board.<sup>4</sup>

Also many corporate appoint their family female members just to fulfill the condition for appointment of women director.

From the above research reports and research analysis we can't deny that women directors step of government was a step for women empowerment but the main motive for this step was not accomplished and also the main intention for the same

step for government is in doubt because of some rules in the Law, which are like: -  
Appointment in classes of companies having prescribed threshold limits.

Here only companies having prescribed threshold i.e. listed companies, and public companies that have a minimum paid-up share capital of INR 100 crore or a minimum turnover of INR 300 crore are to be appointed. Why not all companies are included if the motive was to empower women?

If any vacancy arises then appoint women director shall at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy whichever is **LATER**.

In this rule it can be clearly seen that as compared to other directors (first director, additional director, alternate director, etc) Women director's vacancy is not that urgent for government. Some corporate appoint their female family members as women director. This step is practiced by many renowned business tycoons. The analysis states that just for the sake of fulfilling the condition under Companies Act and also to prevent from penal provisions they appoint their family members but overall control is of the corporate only and not of the female director. So, according to the above discussion and analysis now it can be rightly summed up, **“WOMEN DIRECTOR AS WOMEN EMPOWERMENT IS ONLY IN LETTER NOT IN SPIRIT...”**

#### **SUGGESTION:-**

From the above writing it is not right to say that women director was not an astonishing step from government or for empowering women government is sitting idle but due to some flaws it came under doubt, moreover if this rule is again taken for discussion where women are indulge in discussing this matter and also if a webcast organizes for letting women know about this step where women are also invited to give some valuable suggestions then the present scenario can be changed and from amendments if those flaws rectify and also the suggestions given by the women are included then this step is actually a very well step towards women empowerment by the government, also by doing so the true intention for framing this step will be achieved. It can be said that the main intent of government is not interpreted in the way it was to be interpreted, or we can say that interpretation has been done according to the corporate's motive (or according to their profit motive). Also Government  
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didn't prescribe any qualification / eligibility for women director so many corporate take advantage of this and appoint their female family member(s) as women director only to fulfill the condition prescribed the government and to save themselves from penalty, but this didn't amounts to women empowerment because the main working or controlling is with the male head member only women are appointed only in papers and they have no controlling powers. So, to change the intent of women director strict amendment should be suggested.

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