

Women Company Secretaries - Enormous Growth Potential in Viksit Bharat

Our Hon'ble PM Shri Narendra Modi has given a vision of empowering the nation with women led development. To move forward, the importance of Gender Equality is evident by its inclusion as Sustainable Development goals (SDG 5 - GENDER EQUALITY).



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INTRODUCTION

OPPORTUNITIES FOR WOMEN COMPANY SECRETARIES

The opportunities for women company secretaries have a varied range from being compliance officers, as Practicing Company Secretaries to authorizing DIN and PIN. Alternatively, they can work or adopt a large potential as an Educator or in the Judicial Forum or as a Business Analyst apart from becoming a Resolution Professional or an Authorized Representative before Tribunals under various laws including Competition Act, Companies Act, Insolvency & Bankruptcy Code etc. Company Secretaries are also key professionals for Corporate Governance which is not limited to compliances of Companies Act & Related Regulations but as one of the main Goal Keepers for Risk Management including avoidance & prevention of frauds which is virtually an order of the day in corporate world & even in Government. The range of disciplines studied in pursuing the profession of Company Secretarial work encompasses everything from logic and reasoning to corporate finance and bankruptcy. This proves to be monumental in gaining understanding of the Indian economy. With inclusion of AI & ML in the curriculum of Company Secretaries, they have gained the basic understanding of the subject which is beneficial for cost reduction & cost control for corporates too. The Governing Council of the ICSI is making all attempts to equip the professionals with variety of skill sets to strengthen the position in the eyes of the Government. The CS qualification is not to be considered as an add on degree for some other profession. The ICSI is consciously keeping its Course fees lower to enable the youth, both men and women, from all strata of society to achieve their professional objectives. All Company Secretaries should

work towards achieving excellence in whichever field they wish to operate in, keeping in mind that they are a part of VIKSIT BHARAT.

FUNCTIONS OF THE INSTITUTE OF COMPANY SECRETARIES OF INDIA*

The functions of the ICSI are encompassed in the Company Secretaries Act 1980 (as amended by the Company Secretaries (Amendment) Act, 2006).

Section 15A of the Act states that:

"15A. Functions of Institute

The functions of the Institute shall include

- a. *The examination of candidates for enrolment;*
- b. *The regulation of training of students;*
- c. *The maintenance and publication of a Register of persons qualified to practice as Company Secretaries;*
- d. *Collection of fees from members, examinees and other persons;*
- e. *Subject to the orders of the appropriate authorities under this Act, the removal of names from the Register and the restoration to the Register of names which have been removed;*
- f. *The maintenance of a library and publication of books and periodicals relating to management of companies and allied subjects;*
- g. *The conduct of elections to the Council of the Institute; and*
- h. *The granting or refusal of certificates of practice as per guidelines issued by the Council."*

The Ministry of Corporate Affairs (MCA) in its Twenty-Third Report of the Standing Committee on Finance, while discussing amendments to the Company Secretaries Act, mentioned that

"India has witnessed considerable growth in services sector and the quality of our professionals is acknowledged internationally. It is likely that in the years to come Indian professionals would be providing accountancy, legal and various other professional/technical services to a large number of entities across the globe. Such services would require multidisciplinary combinations that would offer a menu of solutions to international clients. Consultations with the Company Secretaries institute have been held which have revealed that if definition of the firm is added to the CS Act it will enable the members of the CS institutes to form LLPs and take benefits of the provisions of the LLP Act. This will

enlarge the spectrum of the services provided by the Members of the CS Institute. It will also ensure the competitiveness of the members of the professions. Apart from the inclusion of the definition of the firm, some allied definitions like partner, partnership and sole proprietorship would also be required in the Act and as such have been included in the proposed Bill."

The Report suggests that a Company Secretary not only files forms to ensure compliances as per the relevant Acts but also looks at management of companies. The scope of work and opportunities for Company Secretaries are numerous. It is for this reason that the ICSI focuses on and encourages Gender diversity.

DEVELOPMENTS THROUGH GENDER EQUALITY

"The best measure of a nation's progress is the way it treats its women "- Late Dr APJ ABDUL KALAM .

Our Hon'ble PM Shri Narendra Modi has given a vision of empowering the nation with women led development.

To move forward, the importance of Gender Equality is evident by its inclusion as **Sustainable Development goals (SDG 5 - GENDER EQUALITY)**.

In a survey conducted in March 2024 by Executive Access for the Times of India, it was revealed that the number of women hired in C- Suite Roles has moved upward from a Decade back the number of women CEO'S was around 2% while their number was 7-8% as CXO'S to around 16% as CXO's & 8% as CEO's.. The survey covered 1615 placements in over 1200 companies from January 2023 to mid- February 2024 to capture the latest professional market.

Corporations are also taking note of the role of women in their organizational growth. Indigo Airlines boasts of the highest number of women pilots employed by any airline in the World.

According to an EY Report of 2022 on **'Diversity in the Boardroom: progress and the way forward'**; During 2013-2022, India made significant and rapid progress in increasing women representation on boards from 6% in 2013 to 18% in 2022. Nearly 95% of the NIFTY 500 companies now have a woman on the board of directors. However, less than 5% of companies have female chairpersons, so there is still room for improvement. According to research by the International Labour Organization (ILO) doubling the percentage of women in the workforce would raise India's GDP to US\$700 billion by 2025 and increase the growth rate from 7.5% to 9%.

At 24%, the Lifesciences sector leads with the highest percentage of women on boards. Another sector where women's representation on boards has increased significantly, from 14% in 2017 to 23% in 2022, is Media and Entertainment.

Indian Women despite constituting 48% of the population, contribute only 18% of GDP, found a study by the National Family Health Survey. Bridging the Gap in employment could perhaps lead to a 30% increase in our GDP of India.

Another study, by McKinsey Global Institute (MGI), said advancing women's equality could lead to a \$28 trillion increase in the global GDP. For India, this means a potential annual GDP boost of \$ 770 billion by next year.

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According to a Report by International Monetary Fund of 2023, women made up nearly 53% of the employable population. Also, India has the 3rd largest ecosystem in terms of startups in the World and only 10 % of them have been led by Women Founders. Globally 65% women face challenges in approaching formal Banking Sector while 72% of men reported having an account at a financial institution. According to the Report of International Labor Organization, 88% women working in all Industries operate in the Informal Sector.

Ministry of Corporate Affairs & SEBI have accorded much importance to appointment of Women Directors in the Board of Companies. To boost Gender equality at the top management positions, Government has made it mandatory to have at least 1 women Director in a particular class of companies.

WOMEN IN JUDICIARY

10% judges in Hon'ble Supreme Court ,11.5% judges in High courts & 30 % judicial officers in Subordinate Courts are women. This presents a mammoth scope in Higher Judiciary. Company Secretaries who have also embarked into the legal domain, as is common, may decide to compete for the position of serving as Judicial officers and District Judges. In my personal experience, I have seen District Judges play a dominant role in the judiciary & have the privilege of calling District Magistrate & Superintendent of Police too. Even Hon'ble Mr. Justice Subramaniam Prasad while addressing the 44th Southern India Regional Council conference of ICSI, stated that the opportunities and responsibilities for Company Secretaries have increased with the advent of Companies Act, 2013 & Insolvency & Bankruptcy Code, 2016. He has even added an area related to Risk Management including prevention and investigation of corporate and financial frauds. While it is true one can practice as a lawyer in a civil court only when he is enrolled as Advocate as per Advocates Act 1961 as also no person can practice two professions at a time, however Company Secretaries can practice in NCLT /NCLAT & other Tribunals as permitted under relevant Commercial Acts. In recent times, some company secretaries have already joined Judicial Services and they may serve as a guiding light for all other fellow Company Secretaries. The ICSI may create a community of such judicial officers to guide & train other professionals.



WOMEN IN EDUCATION SECTOR

Women school teachers in India exceed their male counterparts in primary school education according to Unified District Information on school Education Report for 2022-23. Out of 96.8 lakh teachers in the country, 49.2 lakh are women. It is also revealed that Women teachers top the Head count only at the Primary Level. The Report further reveals that upper primary level onwards the number of male teachers remain high. Market studies show that the presence of male teachers is more prevalent in higher classes across many states. The Report of the British Council points that women leadership is lacking in the education sector as well.

While women constitute 44% of the 27.5 million students in the country's higher educational Institutions, they constitute around 1.4% of the professoriate & 3 % of Vice Chancellors in the Universities.

All this points out that there is a dearth of women's professionals in higher educational Institutes. The UGC regulation generally requires only add on qualification of Ph.D which is not difficult for CS professionals. The ICSI in its endeavor to promote the profession has worked towards getting the professional qualification of a Company Secretary to be recognized equivalent to Post Graduation. Additionally, the ICSI has signed Memorandum of Understandings (MOUs) with 58 universities for collaborative involvement and is hence highly regarded in the academic circles. Therefore, women CS members may foray into the academic field too.

CONCLUSION

Women are known for delivering multiple roles such as caring mothers, loving daughters & capable colleagues.

A McKinsey study of 2019 titled "*Diversity wins: How inclusion matters*" has reflected a positive relationship between gender diverse leadership team and financial performance & it may lead to 21% improvement in profitability as well. Peterson Institute for International Economics, an independent organization, revealed that in 20 years (1971-2017) with one female director, they reported larger profit margins among profitable companies.

Hence almost all studies reflect positive co-relationship of profit with gender diversity.

An enhanced growth is expected from Women CS professionals who constitute in membership 49% as against country's population content of 48%.

Women CS professionals possess the qualities to effectively and efficiently represent their clients and supplement the same with facts & proposition of law laid down by superior courts. They possess the qualities of prudence, patience, detail orientation, focus along with being excellent communicators and better assessors.

Women should strive for a role in the judiciary, as an educator & corporate professional.

Women should also be wary of the scrutiny that often comes with achieving leadership roles. A study by Darden Professor Erica James published in **Strategic Management Journal** reported that share market value of a company has an Inverse relationship with announcement of Woman CEO as opposed to that of a Male CEO. Erica James in her study further points to the fact that stories involving women executives are usually more gendered. Records reveal that there is no less scrutiny applied to the women executives and decision makers. For example, in the case of Elizabeth Holmes, the youngest female self-made Billionaire who created Theranos, was exposed as a sham. On January 3, 2022 she was found guilty on four counts of defrauding investors which included three counts of Wire Fraud & one related to conspiracy to commit wire fraud. She was finally sentenced to 11 years in prison.

Another citation can be given of Birgitte Bonnesen who became the first female Chief Executive of a big European Bank – Swed Bank. She was later dismissed for her involvement in a 135 Billion Euro money laundering scandal. A Swedish court, in January 2023, however, acquitted former Swedbank Chief Executive Birgitte Bonnesen of charges of gross fraud and market manipulation over her handling of the bank's anti-money laundering protocols in Estonia.

All this is a note of caution for keeping in mind while handling large conglomerates. The ICSI through its Central Council instills the spirit of Teamwork, collaboration, mutual respect, empathy & integrity among all its members.

In the words of Shri Anurag Singh Thakur, Hon'ble Union Minister for Information & Broadcasting & Youth Affairs, Government Of India, Indian women are scripting a new narrative of success in diverse fields, including Boardrooms, battlefields, science labs, sports arenas, business, government, & media – as a result the implementation of various schemes like Stand-up India, have empowered women entrepreneurs with 84% of loans sanctioned under the going to women & other initiatives have played a crucial role in facilitating transformation as being perceived within & outside India.

To add to this, there is a growing trend of preferring women in Education sector & judicial appointments subject to meeting of all other criteria.

Hence, all women CS professionals must try hard to opt for new spectrums even if untested & show the Nation that they can achieve anything.

Jai Bharat