

E-VOTING FACILITY PROVIDED BY LISTED ENTITIES

Under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity is required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However it has been observed that the participation by public non-institutional shareholders/retail shareholders is at a negligible level with respect to e-voting facilities.

In India, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities, which requires the shareholders to register with multiples ESPs and maintain multiple user IDs and password.

In order to make e-voting process more secure, convenient and simple for the shareholders for effective participation, the Securities and Exchange Board of India ("SEBI"), vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 has provided the process of 'e-voting facility provided by Listed Entities' by which the demat account holders, through their demat accounts/ websites of Depositories/ Depository Participants, would be able to cast their vote by way of a single login credentials without having register again and again with the ESPs. The facility shall be available to all individual shareholders holding the securities in demat mode.

ESPs may continue to provide the facility of e-voting as per the existing process to all physical shareholders and shareholders other than individuals viz. institutions/ corporate shareholders.

The same shall be implemented in 2 phases as explained under:-

Phase- 1

The Shareholders can register directly with the depository to access the e-voting page of various ESPs through the website of the Depositories without further authentication by ESPs or the shareholders have the option of accessing various ESPs portals directly from their demat accounts. They would be routed to the webpage of respective Depositories from their demat account and would be able to access the e-voting portals without any further authentication by ESPs.

The ESPs shall allow the demat account holders to cast their vote based on the validation carried out by the depository and give confirmation to depositories. The Depository shall send a confirmatory SMS to the shareholders that the vote has been cast based on the confirmation received from the ESP.

The listed entity shall provide the details of the upcoming AGMs requiring voting to the Depository. The depository shall send SMS/email alerts in this regard, to the demat account holders, atleast 2 days prior to the date of the commencement of e-voting.

The above shall be implemented within 6 months of the date of the circular.

Phase-2

In order to further enhance the convenience and security of the e-voting system, the shareholders can login through registered Mobile number / E-mail based OTP verification as an alternate to login through username and password. A second factor authentication using Mobile / E-mail based OTP

shall be introduced before the demat account holders can access the websites of the Depositories through their demat accounts. *This shall be implemented within 12 months from the completion of the process in phase -1.*

Demat account holders are required to update their mobile number and email ID in order to access the e-voting facility. Depository and ESPs engaged by listed entities shall establish a dedicated helpline to resolve technical difficulties faced by shareholders relating to the e-voting facility.

To provide better deliberation and decision making by the shareholders while casting votes, ESP Portals shall provide specific web links to 'Disclosures by the company on the websites of the stock exchanges' and 'report on the websites of the proxy advisors'.

All listed companies are advised to notify the above process available to demat account holders for e-voting in the notice sent to the shareholders.

For detailed Circular please refer the below mentioned link:-

https://www.sebi.gov.in/legal/circulars/dec-2020/e-voting-facility-provided-by-listed-entities_48390.html

Suggestions may be sent to
rupesh@cacsindia.com

Dr. S. Chandrasekaran | Senior Partner | Chandrasekaran Associates | Company Secretaries
11-F, Pocket Four | Mayur Vihar Phase One | Delhi - 110 091 | Tel. +91-11-2271 0514
sankara@cacsindia.com | info@cacsindia.com | www.cacsindia.com

DISCLAIMER

CACS Bulletin is not intended as a source of advertising or solicitation and the contents of the same should not be construed as professional / legal advice. Readers should take specific advice from a qualified professional when dealing with specific situations and should not consider this as an invitation for a professional-client relationship. Without the prior permission of Chandrasekaran Associates, Company Secretaries, the CACS Bulletin or content thereof or reference to it should not be made in any documentation or correspondences. We make no warranty of any kind with respect to the subject matter included herein or the completeness or accuracy of this issue of CACS Bulletin. While CACS has taken every care in the preparation of this Bulletin to ensure its accuracy, however, the Companies are requested to check the latest position with the original sources before acting. The firm and the partners are not responsible for any actions (or lack thereof) taken as a result of relying on or in any way using information contained in this issue of CACS Bulletin and in no event shall be liable for any damage or loss resulting from reliance on or use of this information. Without limiting the above the firm and the partners shall each have no responsibility for any act, error or omission, whether such acts, errors or omissions result from negligence, accident or any other cause.