

CIRCULAR

SEBI/HO/CFD/CMD/CIR/P/2020/242

December 09, 2020

To,

**All Recognized Depositories
All Registered Depository Participants through Depositories
All Listed Companies through recognized Stock Exchanges
All E-voting Service Providers through listed companies.**

Dear Sir/Madam,

Sub: e-Voting Facility Provided by Listed Entities

1. Under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are 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 the public non-institutional shareholders/retail shareholders is at a negligible level.
2. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
3. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. The same shall be implemented in a phased manner as under:

Phase – 1

Following process for e-voting shall be implemented within 6 months of the date of the circular.

- 3.1. Direct registration with Depositories – Shareholders can register directly with the depository. Shareholders would be able to access the e-voting page of various ESPs through the websites of the Depositories without further authentication by ESPs for participating in the e-voting process.

OR

- 3.2. Through Demat Accounts with Depository Participants – Demat account holders will have the option of accessing various ESP portals directly from their demat accounts.

They would be routed to the webpage of the respective Depositories from their demat accounts, which in turn would enable access to the e-voting portals of various ESPs without further authentication by ESPs for participating in the e-voting process.

4. The authentication of shareholders would happen at the depository level and ESPs shall allow the demat account holders to cast their vote based on the validation carried out by the Depository.
5. Depository shall send a confirmatory SMS to the shareholders that the vote has been cast based on the confirmation received from the ESP.
6. 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.

Phase – 2

7. In order to further enhance the convenience and security of the e-voting system, the depository shall validate the demat account holder through a One Time Password (OTP) verification process as under.
 - 6.1 Direct registration with Depositories – Depositories shall allow login through registered Mobile number / E-mail based OTP verification as an alternate to login through username and password.
 - 6.2 Through Demat Accounts with Depository Participants – 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.

The above shall be implemented within 12 months from the completion of the process in phase 1.

- 7 Depository may advise the demat account holders to update their mobile number and email ID in order to access the e-voting facility.
- 8 Depositories shall establish a dedicated helpline to resolve technical difficulties faced by shareholders relating to the e-voting facility. Further, the listed company shall ensure that the ESPs engaged by them also provide a dedicated helpline in this regard.
- 9 In order to enable better deliberation and decision making by the shareholders while casting their votes, ESP Portals shall provide specific weblinks to the following:
 - disclosures by the company on the websites of the stock exchanges
 - report on the websites of the proxy advisors.

Applicability

- 10 The aforementioned facility shall be available to all individual shareholders holding the securities in demat mode.
- 11 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.
- 12 Depositories and Exchanges are advised to bring the circular to the notice of its Depository Participants and listed companies respectively.
- 13 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.
- 14 This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and shall be in addition to the provisions of the Companies Act, 2013.

Yours faithfully,

Surabhi Gupta
General Manager
Corporation Finance Department
Tel No. 022-26449315
Email id: surabhig@sebi.gov.in