



# e-Voting Facility by Listed Entities - SEBI directs simplification of the process

INSIGHTS

December 12, 2020

In a move to simplify e-voting facility for shareholders of listed entities and increase participation of non-institutional public shareholders/ retail shareholders, SEBI has 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.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India and this necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. Under the revised process, demat account holders will be able to cast their vote without having to register again with the ESPs.

Summary of the key changes are:

- **Phased implementation:**

Phase 1		Phase 1 for process for e-voting to be implemented within 6 months from December 9, 2020	<ul style="list-style-type: none"> <li>▪ <b>Direct registration with Depositories:</b> 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</li> <li>▪ <b>Through Demat Accounts with Depository Participants:</b> 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.</li> </ul>
Phase 2		Phase 2 to be implemented within 12 months from the completion of the process in phase 1	<p>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.</p> <ul style="list-style-type: none"> <li>▪ <b>Direct registration with Depositories:</b> Depositories to allow login through registered Mobile number/ E-mail based OTP verification as an alternate to login through username and password.</li> <li>▪ <b>Through Demat Accounts with Depository Participants:</b> A second factor authentication using Mobile / E-mail based OTP to be introduced before the demat account holders can access the websites of the Depositories through their demat accounts.</li> </ul>

- **Applicability:** The facility will be made available to all individual shareholders holding the securities in demat mode.
- **Voting through ESPs:** 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.

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. Detailed process and compliances relating to implementation of e-voting through demat accounts is provided under SEBI Circular dated December 9, 2020 ([available here](#)).



ECONOMIC  
LAWS  
PRACTICE  
ADVOCATES & SOLICITORS

MUMBAI | NEW DELHI | BENGALURU | AHMEDABAD | PUNE | CHENNAI

Email: [Insights@elp-in.com](mailto:Insights@elp-in.com)