

E-Voting

All of us know that shareholders normally exercised their votes on resolutions proposed by companies through postal ballot. If a company decides to pass any resolution by resorting to postal ballot, it will send a notice to all the shareholders, requesting them to send their assent or dissent in writing on a postal ballot. The process of seeking shareholders' approval through postal ballot is not only time consuming but also involves huge cost such as administration and posting costs, paper work, etc. To avoid all these hassles, the new Companies Act 2013, has introduced the concept of voting through electronic means.

E-voting is a common Internet Infrastructure that enables the investors to vote electronically on resolution of companies. Electronic voting replaces the postal ballot process and saves time and cost of the company. e-voting is a mechanism through which security holders of companies can vote on resolutions electronically anywhere and at any-time during the period of voting, through the electronic voting system developed by NSDL and CDSL Ventures Ltd (CVL). In case of e-voting, there is no physical collection and counting of postal ballot papers. Also, there is no need for verification of signatures of the shareholders who have exercised their votes.

E-voting platform service agencies:

In order to solve the problems faced with the postal ballot, NSDL and CDSL Ventures Ltd have developed an internet based e-voting platform which enables shareholders to vote electronically in a convenient manner. 'User ID' and 'Password' are provided to the shareholders by the agency providing e-voting platform. In case of joint shareholding, e-voting option will be available only to the first shareholder. E-voting facility is available to shareholders holding shares in physical form as well as in demat form.

Electronic voting system:

According to Companies Act 2013, every listed company or a company having at least 1,000 shareholders should provide to its members the facility to exercise their right to vote at general meetings by electronic means. Section 108 of the Companies Act, 2013 deals with the voting through electronic means. E-voting system records votes of the members / shareholders of a company. It also provides data on the number of votes polled in favour or against a resolution proposed by the company. e-voting process is safe and maintains the confidential of the data.

Process of e-voting for a company:

- A company desiring to use the e-voting system has to sign the agreement and accept the terms and conditions for usage of the e-Voting system with CDSL.
- The notice of the meeting should mention that the business may be transacted through electronic voting system and the company is providing facility for voting by electronic means.
- The company through its Register and Transfer Agent (RTA) will set up the e-voting schedule on its website. The company will upload the resolutions on which voting is required and generate an Electronic Voting Sequence Number (EVSN) / Electronic Voting Even Number (EVEN). The Company will upload the Register of Members.
- CDSL / NSDL will generate the password for each shareholder and print the same in a secured manner, which is to be sent to all the shareholders.
- The company will then communicate the password, EVSN /EVEN and the procedure for e-voting along with the notice of resolution to all the shareholders.
- At the end of the voting period, the portal where votes are cast will be blocked and no additional votes will be accepted by the company.
- After the voting period is over, a scrutiniser prepares a report of the votes cast in favour or against, if any, forthwith to the Chairman.

- A scrutiniser is an individual who monitors the entire process of e-voting. Appointed by the company, a scrutinizer, may be a practising chartered accountant, cost accountant, company secretary or an advocate. The scrutiniser scrutinizes the e-voting process in a fair and transparent manner.
- E-voting shall remain open for at least for one day and maximum for three days. In all such cases, such voting period should be completed three days prior to the date of the general meeting.

Process of e-voting for shareholders:

- The shareholders can login to the e-voting system using their user-id (i.e, demat account number / folio number), PAN and password.
- After logging in, demat shareholders will have to confirm their personal details and compulsorily change their password. This password can be used by demat shareholders for voting on resolutions of any other company in which they are eligible to vote.
- During the voting period, the shareholders can visit the e-voting website and select the relevant EVSN / EVEN / company for voting.
- Shareholders can view the detailed resolutions on the website and cast their vote available for voting.

Advantages of e-Voting to company:

- Reduction in administration cost and paperwork of the company.
- No need to store physical ballot papers.
- Accurate counting of votes.
- Declaration of results in a very short time.
- No need to verify the signatures.
- Voting can be done from anywhere.
- Voting process is faster transparent and cost efficient

Advantages of e-Voting to shareholders:

- Ease of voting: no pasting and posting.
- Ample time to vote till the last day.
- Once the shareholder exercises his vote, no option is available to the shareholders to modify his casted vote.

How will proxies vote?

Voting through proxy is permitted to help investors who cannot attend the meeting to appoint a person designated by them to vote on their behalf at the meeting. Through e-voting the investor can vote directly on the resolutions proposed at a place and time of their convenience. E-voting would eliminate the need of appointing a proxy.

e-Voting platform of CDSL: <https://evoting.cdslindia.com/Evoting/EvotingLogin>

e-voting platform of NSDL: <https://www.evoting.nsdl.com/>