



# **Frequently Asked Questions (FAQs) on the e-Voting System.**

**Q1. What is e-Voting?**

Ans. e-Voting is voting through an internet based facility where shareholders can vote on resolutions proposed by companies as per extant rules and regulations without having the necessity of sending their votes through post.

**Q2. What is the procedure for using the e-Voting system at NSDL?**

Ans. The procedure of using e-Voting system is as follows:

1. The Issuer/R&T Agent desiring to use the e-Voting system shall sign an agreement with National Securities Depository Limited (NSDL).
2. The Issuer/R&T Agent will setup the e-Voting schedule by logging in on the e-Voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com), enter the resolutions details and generate the Electronic Voting Event Number (EVEN).
3. The Issuer/R&T Agent shall then upload the Register of Members (RoM) as on the record date in the specified file format.
4. NSDL will generate the user-ID and password for the shareholders. In respect of shareholders whose email Ids are provided by Issuer/R&T Agent, the user-ID and password will be emailed to the shareholders in a secure manner. For the remaining shareholders user-Id and password shall be provided to the Issuer/R&T Agent for printing and onward dispatch of pin-mailers to shareholders.
5. The Issuer/R&T Agent will then communicate the password, EVEN and the procedure for e-Voting, along with the notice of the resolution to all the shareholders.
6. After the voting period is over, the e-Voting system will provide to the scrutinizer, the details of the votes casted.

**Q3. What are the benefits of the e-Voting System?**

Ans. There are benefits to both the entities involved in the e-Voting System i.e. Companies and Shareholders.

**Benefits to Companies are as follows:**

1. Administrative costs associated with postal correspondence will be reduced as the need for verification of signatures, counting of votes and costs associated for storing physical ballot papers is eliminated.
2. Count of votes will be accurate.
3. The voting results can be declared immediately after the close of the voting.
4. Voting process is faster transparent and cost efficient.
5. This may enable regulators to reduce the time provided for postal ballot.

**Benefits to shareholders:**

1. Ability to take part in the decision making process of the company from the comfort of their homes or offices.
2. Can vote easily on the resolutions of all the companies in which they are a shareholder and eligible to vote.
3. Chances of not receiving physical notices are eliminated.
4. Ample time to vote till the last day.
5. No scope for invalid votes.
6. Elimination of risk of not receiving notice of Postal ballot.

**Q4. What needs to be done by Issuers in order to initiate the process of e-Voting?**

Ans. The joining process for companies for availing the e-Voting facility is as under:

1. The Issuers desiring to avail the facility of e-Voting, will have to sign an agreement with NSDL.
2. After signing the agreement, the Issuer will submit a letter, authorizing its R&T Agent to interact with NSDL for activities pertaining to e-Voting.
3. NSDL will then create user-ids & passwords for the Issuer/R&T Agent.
4. The resolutions which are to be put up for voting will have to be setup by the Issuer through its R&T Agent. The Issuer will also provide to NSDL a letter giving the details of the same.

5. For each e-Voting cycle Issuer will provide the details of scrutinizer to NSDL. NSDL will then generate login-id for the scrutinizer.

**Q5. What is the legal framework under which e-Voting is permitted?**

Ans. Currently, the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, defines the term "Postal Ballot" as voting by shareholders by postal or electronic mode instead of voting personally by presenting for transacting businesses in a general meeting of the Company. Further, Ministry of Corporate Affairs vide its Circular no. 21/2011 dated May 2, 2011 has intimated all companies about the electronic platform for electronic voting for postal ballot under the Companies Act, 1956.

**Q7. How would the passwords for e-Voting be sent to the shareholders?**

Ans. NSDL will generate and email the user-ID and password for shareholders in a secure manner where email IDs are provided by Issuer/R&T Agent. For the remaining shareholders user-Id and password shall be provided to Issuer/R&T Agent for printing and onward dispatch of pin-mailers to shareholders.

**Q8. Is it necessary for all companies to send passwords to all its shareholders every time it decides to go for e-Voting?**

Ans. The passwords sent to the demat account holders would be valid for all the securities held in the demat account. As regards shareholders holding shares in physical form, new password will be issued for every EVEN.

**Q9. Does the e-Voting System of NSDL facilitate voting for only demat account holders in NSDL?**

Ans. The e-Voting System of NSDL facilitates voting from all shareholders i.e., Shareholders holding shares in physical and demat mode, as on the record date.

**Q10. What are the charges for the Service?**

Ans. Currently, NSDL does not levy any charge on the issuer. The cost of sending the user-ID and passwords to shareholders by pin-mailers will have to borne by the issuer.

**Q11. Voting on selective resolutions is permitted in Postal Ballot mechanism. Is the same available in the e-Voting system?**

Ans. Yes, since a shareholder can decide to vote only on some of the resolutions put to vote, the same can also be done in e-Voting.

**Q12. How will proxies vote? Is the concept of proxy still applicable?**

Ans. Voting through proxy is permitted to help investors who cannot attend the meeting to vote on their behalf at the meeting. Through e-Voting even the investors who do not plan to attend the meeting can vote directly on the resolutions proposed at a place and time of their convenience, thus eliminating the need for appointing a proxy.

**Q13. Who will get to vote in case of joint shareholders of the company?**

Ans. In respect of demat accounts/folios held in joint pattern, the user ID and password will be communicated to the first holder. If the email ID of the first holder is provided by the R&T Agent the user ID and password shall be emailed to the first holder. If email ID of the first holder is not available, the user ID and password will be dispatched through pin-mailers by the Issuer/R&T Agent addressing to the first holder. Accordingly, based on the user ID and password provided to the first holder, any one i.e. first/second/third holder may log-in and exercise the vote on behalf of all the joint holders.

**Q14. How will the results be made available at the end of the voting period?**

Ans. The Scrutinizer will be able to download a report for votes cast by the shareholders through the e-Voting System of NSDL. The scrutinizer will then have to collate the report downloaded from e-voting system and votes received through other means to declare the final results for the resolutions placed for voting by the issuer.

**Q15. Is there any User Manual or information pertaining to this facility?**

Ans. The user manuals for shareholders to cast their vote on e-Voting website and for the Issuers/R&T Agents to set-up e-Voting cycle are available on the website <http://evoting.nsdl.com>. In case of any queries you may contact at (022) 2499 4360/ 2499 4588/ 2499 4262.