



CIRCULAR

CIR/CFD/DIL/6/2012

July 13, 2012

To
All Recognised Stock Exchanges

Dear Sir/Madam,

**Sub: Amendment to the Equity Listing Agreement - Platform for E-Voting by
Shareholders of Listed Entities**

1. Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 (the Rules) obligates the listed companies to conduct certain businesses only by way of postal ballot. The Companies Act and the Rules also permit the companies to pass any other business through postal ballot apart from those businesses which are to be transacted mandatorily through postal ballot. Further, SEBI (Buy Back of Securities) Regulations, 1998, SEBI (Delisting of Equity Shares) Regulations, 2009, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 require listed companies to pass certain additional businesses through postal ballot.
2. As per section 192A, a postal ballot also includes voting by electronic mode. It had been the endeavor of the Central Government to provide wider participation of shareholders in decisions of the companies through electronic voting process. Hon'ble Finance Minister in his budget speech for FY 2012-13 has also proposed for providing opportunities for wider shareholder participation in important decisions of the companies through electronic voting (e-voting) facilities, besides existing process for shareholder voting.
3. In order to have secured electronic platform for capturing accurate electronic voting processes, Ministry of Corporate Affairs has vide circular dated December 27, 2011 clarified that any agency providing e-voting platform is required to obtain a certificate from Standardization Testing and Quality Certification (STQC) Directorate, Department of Information Technology, Ministry of Communication and IT, Government of India, New Delhi. Presently, both the Depositories - Central Depository Services (India) Limited and National Securities Depository Limited - are providing e-voting platform, after obtaining necessary certifications.
4. In order to implement the aforesaid and to enable wider participation of shareholders in important proposals, it has been decided to mandate the listed companies to enable e-voting facility also to their shareholders, in respect of those businesses which are transacted through postal ballot by the listed companies. To begin with, this requirement shall be applicable to top 500 listed entities at BSE and NSE, chosen



based on the market capitalization computed as on the date of this circular. It has, therefore, been decided to specify suitable listing conditions in this regard and amend the Equity Listing Agreement as per the **Annexure**.

5. In order to effectively implement the process of e- voting, :
 - (a) the concerned listed companies shall choose any one of the agencies, which is currently providing e-voting platform for this purpose;
 - (b) agencies providing such e-voting platform shall ensure that the process for e-voting is explained in the e-voting platform along with necessary “FAQs” and shall also ensure that the draft resolutions, explanatory statement and other annexures, if any, sent to the shareholders are displayed prominently in the concerned page of the e- voting platform.
6. The amendment as specified in Annexure shall be applicable for the shareholders’ meetings, for which notices are issued on or after October 01, 2012. However, the listed companies are at liberty to provide e-voting facility to their shareholders in the meetings for which notices have been sent prior to October 01, 2012.
7. The Recognised Stock Exchanges are advised to notify the list of listed companies, for which the above decision shall be applicable, as per the criteria specified at point 4 above.
8. The above listing conditions are specified in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992. The said listing conditions should form part of the existing Equity Listing Agreement of the stock exchange.
9. All Recognised Stock Exchanges are advised to ensure compliance with this circular and carry out the amendments in their Equity Listing Agreement as per the Annexure to this circular.
10. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

Yours faithfully,

Sunil Kadam
General Manager
+91-22-26449630
sunilk@sebi.gov.in

Encl: as above



Annexure

Amendments to Equity Listing Agreement

After Clause 35A, a new Clause 35B shall be inserted, namely;-

“35B. (i) The issuer agrees to provide e-voting facility to its shareholders, in respect of those businesses, which are transacted through postal ballot. Such e-voting facility shall be kept open for such period specified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for shareholders to send their assent or dissent.

(ii) Issuer shall continue to enable those shareholders, who do not have access to e-voting facility, to send their assent or dissent in writing on a postal ballot pursuant to the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 or amendments made thereto.

(iii) Issuer shall utilize the service of any one of the agencies providing e-voting platform, which is in compliance with conditions specified by the Ministry of Corporate Affairs, Government of India, from time to time.

(iv) Issuer shall mention the Internet link of such e-voting platform in the notice to their shareholders”
