

# *Legal Update*

## **Meetings through electronic mode and e-voting- Clarification**

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## Legal Update

Ministry vide circular no. 35/2011 had brought about a clarification that meeting of shareholders to be held vide the mode of video conferencing shall be optional for the listed companies for financial year 2011-12, henceforth shall be mandatory.

In case of providing for electronic platform for e-votings only NSDL and CDSL were authorized to provide such facilities provided they take a certification from standard Testing and Quality Certification (STQC) Directorate.

In light of the provisions contained both the Companies Act, 1956 and proposed Companies Bill, 2011, Ministry has again come up with a clarification on December 27, 2011 vide Circular no. 72/2011<sup>1</sup>. Provisions in both the Act and the Companies Bill, 2011 provide that the meeting of shareholders can be held physically and therefore, in light of the same clarification has been provided that holding meeting of shareholders vide video conferencing shall be optional for the subsequent years too.

Further, the requirement that e-voting would only be provided by NSDL and CDSL has also been amended to the effect that any agency can provide electronic platform provided it has received a certification from standard Testing and Quality Certification (STQC) Directorate, Department of Information Technology.

Such a clarification is welcomed considering that Ministry is reviewing the variances, but at the same time it also brings about a thought that many more clarifications are expected in light of the provisions in Companies Act, 1956 and proposed amendments in the Companies Bill, 2011. Therefore, at this stage it is very difficult to assume any of the amendments in this year to be in effect in full force. It seems that we need to wait for finalization and approval of the Bill. Till then more such clarifications are expected.

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<sup>1</sup> [http://www.mca.gov.in/Ministry/pdf/General\\_Circular\\_No\\_72\\_2011.pdf](http://www.mca.gov.in/Ministry/pdf/General_Circular_No_72_2011.pdf)