

Suggestions and Comments
on
**Review of Disclosures in Respect of Analyst/ Institutional Investor Meets by Listed
Entity Proposed by SEBI at the Board Meeting on 25 March, 2021**

The Background

SEBI during its Board Meeting held on March 25, 2021 has decided, inter alia, to amend the Listing Regulations, and introduce a new requirement of uploading the audio/video recordings of all Analyst/Institutional Investor meets on the website of the listed entity and stock exchanges promptly, either before the next trading day or within 24 hours, whichever being earlier and disclosure of the written transcripts of such meetings within 5 working days (“Proposal”).

The Proposal approved at the recent SEBI Board Meeting appears to be much wider in scope as compared to those proposed in the SEBI Report** as listed companies would be now required to upload audio/video recordings and written transcripts of all Analyst/Institutional Investor meets apart from attaching the audio/ video recordings and written transcripts of post earnings conference call/quarterly calls.

The Concern

Whereas we appreciate SEBI’s endeavours towards eliminating information asymmetry across different classes of equity investors, the current Proposal by SEBI makes compliance very impractical and will discourage listed companies from meeting Analysts as well as existing and potential Institutional Investors.

Policy Implication

We believe, the outcome will be detrimental to both the investing community and the listed entities.

Rationale and Recommendations

Our recommendations are summarized below.

We sincerely hope SEBI will consider our representation favorably and come up with guidelines which balances investor interests and compliances.

Sl. No	Subject	Rationale / Recommendations
1.	<i>Audio/video recording and written transcripts of each conversation</i>	<ul style="list-style-type: none"> The Analyst and the Investor Presentations are uploaded on the stock exchanges and the company's website, every quarter. Earnings Call transcripts are also uploaded on the company's website. For every subsequent meeting, invariably the same investor presentation is used for discussion. <i>Therefore audio/video recording and written transcripts of each of such conversation will be duplication of the same exercise.</i>
2	Rationale	<p><u>Rationale:</u></p> <ul style="list-style-type: none"> The post earnings conference / quarterly earning calls happen in India at a specified time where many international investors are unable to attend due to time zone differences. <i>As such investors are not able to attend meeting, they make requests for one-on-one meeting, subsequently. Post the earnings call, many a time investors or analysts call for minor clarifications. Recording every such conversation and transcript is again not practical.</i>
3.	Rationale	<p><u>Rationale:</u></p> <ul style="list-style-type: none"> Post the quarterly results; many listed companies proceed on Domestic /International Non-Deal Roadshows ("NDR's") and as well attending various investor conferences hosted by investment banks / brokerage houses. <i>To get a recording consent from the meeting participant/s may not be forthcoming as the Proposal is unique to Indian listing regulations.</i> It may be noted, regulations across USA / UK / Singapore also do not stipulate recording or transcribing investor meetings.
4.	Rationale	<p><u>Rationale:</u></p> <ul style="list-style-type: none"> FII's meet companies globally and have developed a

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		<p>certain ideology and process in discussions when have one to one meeting with companies. These discussions have no questions on quarterly performance or UPSI.</p> <ul style="list-style-type: none"> • This process is the Intellectual property which differentiates leading FM. India may lose the ability to attract the best if their conversations are made available in public domain.
1.	<p align="center">Suggestions/ Recommendations</p>	<p>Our suggestions, keeping the spirit behind SEBI's Proposal are as follows;</p> <p><u>Suggestions/ Recommendations:</u></p> <ul style="list-style-type: none"> • Listed companies should be encouraged to allow a wider set of participants during earning calls to various stakeholders. • Listed companies to provide number of the one-on-one meetings with analysts / investors or meeting investors through conferences, as part of the corporate governance report submitted by them to the stock exchanges on a quarterly basis along with affirmation that no UPSI was shared by any official of the company in such meetings.

*** Presently as per the Listing Regulations, all listed companies are required to disclose the schedule of proposed Analyst and / or Institutional Investor meets and presentations on financial results made to such Analysts and / or Institutional Investors to the stock exchanges and on their website.*

The SEBI report issued on November 20, 2020 ("SEBI Report") regarding disclosures pertaining to analyst and institutional investor meets, which was made available for public comments, proposed certain additional disclosure requirements for such meets. One of the major recommendations set out in the SEBI Report was pertaining to upload of the audio/video recordings of the post earnings conference call/quarterly call, either before the next trading day or within 24 hours from the occurrence of such event whichever being earlier and disclosure of



the written transcripts of such calls within five working days. Further, listed companies would need to make available the audio/video recordings and the written transcripts on their websites for a period of at least eight years, in addition to the details disseminated on the respective stock exchanges. Lastly, listed companies can decide as to whether the post earnings conference call is open for everyone to attend or limit such calls to their existing shareholders.

Prepared by:

Banking, Finance & Capital Markets Committee of Bombay Chamber of Commerce and Industry

