



To,  
General Manager,  
Compliance and Monitoring Division – II,  
Corporation Finance Department,  
Securities and Exchange Board of India,  
Via email to: consultationcmd2@sebi.gov.in

21<sup>st</sup> December, 2020

**Sub: Disclosures Pertaining to Analyst Meets, Investor Meets & Conference Calls**

At the outset, we, at Indian Association of Investment Professionals (IAIP), a member society of the CFA Institute, appreciate the opportunity to submit our comments to the **DISCLOSURES PERTAINING TO ANALYST MEETS, INVESTOR MEETS & CONFERENCE CALLS.**

IAIP is an association of over 2000 local investment professionals who are CFA charterholders and about 4000+ professionals who have cleared exams, eligible and awaiting charter. The Association consists of valuation professionals, portfolio managers, security analysts, investment advisors, and other financial professionals that promote ethical and professional standards within the investment industry, facilitate the exchange of information and opinions among people within the local investment community and beyond, and work to further the public's understanding of the CFA designation and investment industry.

CFA Institute is a global non-profit association of investment professionals with over 164,000 members in over 165 countries. In India, the community of CFA charterholders is represented by the Indian Association of Investment Professionals (CFA Society India).

Through our global research and outreach efforts, CFA Societies around the world endeavour to provide resources for policy makers, financial services professionals and their customers in order to align their interests. Our members engage with regulators in all major markets.

The recommendations put forth in the report on Disclosures pertaining to Analyst Meets, Investor Meets & Conference Calls are commendable to bring forward strong changes in the Disclosure Framework, which listed entities have to adhere to on a regular basis. We are in complete agreement to all the proposals recommended by SEBI, and appreciate the efforts to improve the degree of transparency of Price Sensitive Information in the best interest of the shareholders. The recommendation will reduce the time lag between transfer of important information and provide easy access to complete information. We would like to add a few suggestions, with respect to the above mentioned paper consistent with our objective to promote fair and transparent global practices.

**A. Details of our Organisation:**

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**B. Key Contributors:**

|                                |                     |                      |                     |
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**C. Suggestions / Comments:**

| <b>Name of Entity/Person:</b> Indian Association of Investment Professionals (CFA Society India)  |   |   |  |  |
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| <b>Contact Number &amp; Email Address:</b> +91 9819630042(Rajendra Kalur, CFA) ; <a href="mailto:advocacy@iaipirc.org">advocacy@iaipirc.org</a> |   |   |  |  |
| <b>Sr. No.</b>  | <b>Recommendation in the report to which the comment pertains</b>   | <b>Comment</b>  | <b>Rationale for the comment</b>   | <b>Revisions to the recommendations, if any</b>  |
| 1.  | Audio/video recordings shall be made available on the website of the listed entity and respective stock exchanges immediately after the post-earnings conference call/quarterly call, before the next trading day or within twenty-four hours from the occurrence of event or information, as required under the Reg 30 of SEBI (LoDR) Regulations, 2015, whichever is earlier. | Companies should post the quarterly earnings call audio transcript within 24 hours from the completion of the event on the respective exchange, so that any material price sensitive information that has been disclosed on the call can be accessible to the public. | This is a great recommendation by SEBI and will help the investors to access material public information in a timely manner. This move will reduce the monopoly of the privileged market participants and improve the integrity of the overall market. | <ol style="list-style-type: none"> <li>1) To ensure that every market participant has access to market information at the same time, participants who are part of such earnings call should not be able to act on any material information disclosed until the information is made public by the company</li> <li>2) Such recordings should be made available only after trading hours to avoid information arbitrage</li> </ol> |
| 2.  | Written transcripts of such calls should be made available on the website of the listed entity and respective stock exchanges within five working days after the earning call.  | The written transcripts are an important source of material public information. It makes it easy for the investor to access the information if it is  | Once the transcript for a call is made available the broad investment community can easily access the information shared therein, and any price sensitive information if shared is made available to the entire public, rather than                    | While we welcome this change, it is recommended that transcripts should be made available within 24-72 hours since many investors find transcripts to be a better alternative to access information in comparison to audio/video call recordings. It is also encouraged that such information be made  |



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|    |   | made available at the earliest.  | a specific set of people who participated in the earnings call.<br><br>Additionally, providing transcripts in a machine-readable format allows participants to adopt to the changing landscape  | available in a machine-readable format   |
| 3. | Listed company shall make available audio/video recordings and the written transcripts on their websites for a period of atleast eight years in addition to the details disseminated on respective stock exchanges. | We welcome this proposal   |   |  |
| 4. | Listed companies can decide as to whether conference calls are open to everyone to attend or limit such calls to their existing shareholders.   | While it is encouraged to allow all interested participants to attend such calls, if companies plan to or unintentionally disclose material information, they should be required to make public disclosure promptly. | Individuals may have different motivations of participating in a conference call. If calls are limited to existing shareholders or a group of certain investors, other interested participants may be at a disadvantage if material information is disclosed during such calls. | When a listed company makes a disclosure of material information, it is required to make public disclosure promptly.   |
| 5. | Listed companies to provide number of one-to-one meetings with select investors as part of corporate governance report submitted by them to stock exchanges on a quarterly basis along                              | We appreciate the efforts to include the communication details of one-to-one meetings under the disclosure requirements of   | It is generally seen that the intimation of meetings with institutions or select investors is reported on the exchanges, but no information is available regarding the discussion between them. Price   | Inclusion of the below point-<br><br>1) To ensure that every market participant has access to market information at the same time, select investors should not act on any material information |



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|  | <p>with affirmation that no UPSI was shared by any official of the company in such meetings. Company shall maintain a record of all such one-to-one meetings, as the same could be required for future reference. The data should be preserved for a period of at least eight years.</p> | <p>companies. The declaration on UPSI will enable companies not to disclose any material non-public information to select investors. This will improve the transparency in the markets.</p> | <p>sensitive information if shared by the company remains limited to the specific set of people and helps them take advantage of the same. It is suggested that the select investor should not act on the information until the same is made public. The multinational corporations who are listed on multiple exchanges have to report every communication with the specific regulator. It is advised that similar guidelines should be followed for reporting for their domestic organisation.</p> | <p>disclosed until the information is made public by the company</p> <p>2) If companies listed on international stock exchanges adhere to stricter disclosure requirements, they should continue to do so in India as well.</p> |
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## Citation

1. Fair Disclosure, Regulation FD

<https://www.investor.gov/introduction-investing/investing-basics/glossary/fair-disclosure-regulation-fd>

Thank you again for the opportunity to comment on this important regulatory framework. If you or your staff have questions or seek further clarification, please do not hesitate to contact Mr. Rajendra Kalur, CFA at +91 98196 30042 or at [advocacy@iaipirc.org](mailto:advocacy@iaipirc.org).

Sincerely yours,

Rajendra Kalur, CFA

Director - Research and Advocacy Committee

Indian Association of Investment Professionals, Member Society of CFA Institute