

National Stock Exchange of India

Circular

Department: Listing	
Circular Ref No: NSE/CML/2022/38	Date: July 29, 2022

The Company Secretary
All Listed Companies

Subject: Guidance note on disclosures pertaining to analysts / institutional investors meet and best practices

Dear Sir/ Madam,

SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') provide for disclosures pertaining to analysts or institutional investors meets or calls under the provisions of point 15 of para A of Part A of Schedule III. In consonance of which the Exchange had issued a guidance note bearing circular number NSE/CML/2021/24 dated June 29, 2021, titled 'Guidance Note on Analyst/Institutional Investors meet' providing further clarification for ease of compliance.

Attached is a guidance note in continuation to the above stated circular to further acquaint the listed companies with the existing regulatory requirement and the industry best practices surrounding the reporting of analysts / institutional investor meet / conference calls made to Exchange to encourage listed companies to proactively disclose all material information that not only help investors in decision making but also helps listed entities in building trust with various stakeholders.

Companies are requested to comply with the requirement of listing regulations and other applicable regulations as amended from time to time. The guidance note can be used only for benchmarking reporting procedures and for reference purpose.

This is for your information please.

Yours faithfully,
For National Stock Exchange of India Limited

Lokesh Bhandari
Chief Manager – Listing

Guidance Note

Listed companies under the LODR Regulations are required to provide disclosures at various stages of an analyst / institutional investor meet / call. Therefore, the below guidance note is divided in stages of disclosures for better understanding.

Prior to the meet / call

The listed companies are required to submit schedule of analysts or institutional investors meet to the Exchange as per the timelines mentioned under the provisions of LODR Regulations irrespective of it being an earnings call or otherwise. On pursuing best practices followed by top Indian listed company it was understood that the notice of an earnings / open ended call / meet was hosted on company's website and submitted to the Exchange well in advance. Further, the listed companies are recommended to provide the following minimum but not limited to the said details in disclosures of schedule: details pertaining to the meet / call, mode of attending, details pertaining to registrations, disclaimers/note to complete/ease registration/attending the call, details regarding specific platform requirements, if any, inclusions/exclusions of audience/participants if any, such other details as applicable. Adding to the best practice in the industry it is also noticed that the presentation of earnings / open ended meet / call are submitted to the Exchange and uploaded on company's website in advance of such meet / call.

Securities Exchange Board of India (SEBI) *vide* its amendment dated May 05, 2021, made only the disclosure of the schedule of group meetings / conference calls conducted physically or through digital means mandatory thereby making disclosure of one-to-one meeting voluntary. Also, it is best practice to submit disclosures pertaining to meets / calls / interviews which a listed entity attend to promote transparency and awareness.

During the meet / call

Regulations around the analysts / institutional investors meet / call seek disclosure of adequate and timely information to enable investors to track the performance of a listed company. It is noticed that minority shareholders are not privy to the information shared with a select group of investors, thereby creating information asymmetry among different classes of shareholders. In order to avoid such imbalance in the market and promote good corporate governance, the listed companies, under SEBI (Prohibition of Insider Trading) Regulations, 2015 are required to avoid sharing any Unpublished Price Sensitive Information (UPSI) in any meet / call. If any UPSI is shared in any meet / call irrespective of organised by the listed company or attended, one-to-one or group, physical or virtual listed companies shall be required to disclose audio recordings or transcripts of all such information wherein UPSI was shared within the timelines prescribed in applicable Regulations.

In EU/UK province, Market Abuse Regulation (MAR) prevents selective disclosure of material non-public information (MNPI). MAR requires that the companies must not disclose MNPI selectively at the investor

meetings. If they do, an immediate announcement would be required but it would still be a breach of the regulations.

On studying disclosures of top listed companies, it was observed that a disclaimer / confirmation is added in the disclosure stating that 'Company will be referring to publicly available documents for discussions during interaction in the meet/call' or 'No unpublished price sensitive information is proposed to be shared during the meeting / call' to create confidence and maintain sanctity of the meet / call. It is recommended that listed companies shall avoid disclosing an UPSI during discussion in any meet / call; if disclosed whether voluntarily / involuntarily, is mandated under regulations to provide a prompt disclosure on occurrence of such instance.

Post the meet / call

LODR Regulations mandates listed companies to submit audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means. The recording and transcript of earnings/quarterly calls are required to be submitted to Exchange irrespective if UPSI is shared in such meets / calls. The mannerism of submitting the same as follows:

- (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier

For example:

- (a) if the meet / call is scheduled on Tuesday, July 05, 2022 at 11:00 AM IST then, the audio/video recordings shall be submitted to Exchange and made available on company's website not later than Wednesday, July 06, 2022 09:00 AM IST.
- (b) if the meet / call is scheduled on Friday, July 01, 2022 at 05:00 PM IST then, the audio/video recordings shall be submitted to Exchange and made available on company's website not later than Saturday, July 02, 2022.

- (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls

For example: if the call was scheduled on Friday, July 01, 2022 then, the transcript of such call shall be submitted to Exchange and made available on company's website not later than Friday, July 08, 2022 before end of the day.

The recordings and transcripts are mandated to enable minority shareholders and genuine institutional investors to make an informed investment decisions and in order to benchmark the said submission the below are few recommendations that listed companies can undertake to improvise the disclosures and record keeping:

- (i) Attachment of the copy of transcript to the corporate announcement submitted to the Exchange.
- (ii) Providing exact web link to the website of the listed company instead of the home page where the document is uploaded.
- (iii) List of management attendees

- (iv) Recording the dialogues including but not limited to the presentation, the Q&As', any assents / dissents and open points.
- (v) Confirmation that no unpublished price sensitive information was shared/discussed in the meeting / call.
- (vi) Readable pdf to be uploaded.

Further the LODR Regulations seek the listed companies that the presentation and the audio/video recordings shall be hosted on the website of the listed company for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website. However, the recordings shall be maintained until the time of closure of any investigation undertaken on the business of the said meeting / call. Additionally, the transcripts of the meets / calls shall be hosted on the website of the listed company and preserved in permanently as required under the LODR Regulations.