

18th January, 2023

EXPOSURE DRAFT OF ICSI SOCIAL AUDIT STANDARDS

The Securities and Exchange Board of India pursuant to Chapter X-A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 has laid down the Regulations covering various aspects of Social Stock Exchange vide Regulations 292A to 292P. The Obligations of Social Enterprises have been defined vide Regulations 91A to 91F pursuant to Chapter IX-A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The main objective of introducing the concept of Social Stock Exchanges is to attract participation of social investors in financing Social Enterprises. Furthermore, to strengthen the governance framework in these entities, provide better confidence to such investors and improve visibility and knowledge among stakeholders, SEBI vide regulation 91E of SEBI (LODR) Regulations, 2015 has introduced the concept of audit of Annual Impact Report by a Social Auditor.

The purpose of this Social Audit is to ascertain the impact made by the Social Enterprise through its activities, intervention, programs or projects implemented during the reporting period. The same shall be undertaken by professionals registered with an SRO and in accordance with Standards laid down for the said purpose.

Understanding this need, the ICSI has set up ICSI Institute of Social Auditors which has formulated the draft ICSI Social Audit Standards to provide guidance to conduct Social Audit of Social Enterprises engaged in any of the activities as enumerated under Regulation 292E(2)(a) of SEBI (ICDR), Regulations, 2018. The Exposure Draft of the ICSI Social Audit Standards are placed for public comments. The same are available at: https://www.icsi.edu/media/webmodules/EXPOSURE_DRAFT_OF_ICSI_SAS.pdf

Comments can be submitted using one of the following methods, so as to be received not later than 31st January, 2023:

1. Vide Google Form:

Click on https://docs.google.com/forms/d/e/1FAIpQLSduKIQqmsExTMdYK7z-LTvRAZXgWw3TEueupjCajFIeWoksMg/viewform?usp=pp_url to submit comments online

2. Email: Comments can be sent to: iisa@icsi.edu

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Chairman

ICSI Institute of Social Auditors