THE INSTITUTE OF
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IN PURSUIT OF PROFESSIONAL EXCELLENCE
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INSTITIUTE OF SOCIAL AUDITORS

Vision
"To be a global leader in promoting good corporate governance"

Motto
सत्यं वद। धर्मं चर। speak the truth. abide by the law.

Mission
"To develop high calibre professionals facilitating good corporate governance"

Framework on Social Stock Exchange

The Securities and Exchange Board of India (SEBI) introduced the comprehensive framework for Social Stock Exchange(s) which is designed to enable Not for Profit Organizations (NPOs) and Social Enterprises to raise funds efficiently while promoting transparency, governance, and Social Impact Reporting. The SEBI has amended the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") incorporating provisions for NPO registration, ongoing disclosures, and impact assessments. These amendments are available at the links:

1. https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-second-amendment-regulations-2025_96524.html)
2. https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-third-amendment-regulations-2025_96523.html)

The revised framework enhances the eligibility criteria for Not-for-Profit Organizations (NPOs) seeking registration with the Social Stock Exchange (SSE), broadens disclosure requirements, and updates reporting timelines. To qualify, NPOs must be legally registered in India as a trust, society, or Section 8 company, and must hold a valid registration certificate for at least 12 months prior to applying to the SSE.

Additionally, both NPOs and Social Enterprises are now required to submit comprehensive annual disclosures covering general, governance, and financial information. These disclosures must be filed by either October 31 or the due date for income tax return filing—whichever is later. Social Enterprises that raise funds through the SSE must also submit an Annual Impact Report (AIR), which should account for at least 67% of their program-related expenditure. These reports will be evaluated by designated Social Impact Assessors.

The SSE retains the authority to mandate further disclosure parameters. Overall, the updated framework is designed to bolster governance, transparency, and accountability within the social sector, while also fostering greater investor trust.

Collectively, these measures aim to elevate the standards of governance, ensure greater accountability, and enhance the overall transparency of entities operating within the social impact ecosystem.

The detailed framework can be accessed at below link:

https://www.sebi.gov.in/legal/circulars/sep-2025/framework-on-social-stock-exchange_96702.html