



BYE-LAWS
OF
INSTITUTE OF SOCIAL AUDITORS OF INDIA (ISAI)
(Company formed by ICAI under Section 8 of the Companies
Act, 2013)

BYE-LAWS OF INSTITUTE OF SOCIAL AUDITORS OF INDIA (ISAI)

GENERAL

1. These Bye-laws are applicable to Institute of Social Auditors of India (ISAI) (SRO recognised by the Securities and Exchange Board of India).
2. The ISAI is registered as a company under section 8 of the Companies Act, 2013 (18 of 2013) with its registered office situated at ICAI Tower, 7th Floor, Plot No. C-40, G Block, Opp. MCA Academy, Bandra Kurla Complex, Mumbai-400051.
3. The ISAI is a Self-Regulatory Organisation under the aegis of Institute of Chartered Accountants of India and as per the SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022.
4. The Bye-laws shall be in compliance with the SEBI Regulations including Securities and Exchange Board of India (Issue Of Capital And Disclosure Requirements) (Third Amendment) Regulations, 2022 and any further amendments thereof.
5. These Bye-laws shall not be amended, except in accordance with this Annexure.

DEFINITIONS

6. In these Bye-laws, unless the context otherwise requires -
 - (a) "certificate of membership" means the certificate of membership of the ISAI granted under bye-law clause 21.
 - (b) "Act" means the Companies Act, 2013 (18 of 2013);
 - (c) "Governing Board" means the Board of Directors of the ISAI as defined under section 2(10) of Companies Act, 2013 (18 of 2013);
 - (d) "Authority" means Securities and Exchange Board of India (SEBI).
 - (e) "Social Impact Assessor" means an individual registered with a self-regulatory organization under the Institute of Chartered Accountants of India or such other agency, as may be specified by the Board, who has qualified a certification program conducted by National Institute of Securities Market (NISM) and holds a valid certificate;
 - (f) "Appellate Committee" means committee consisting of six members as nominated by the Governing Board of ISAI.
 - (g) "Members" means social impact assessors enrolled/registered with ISAI.
7. Unless the context otherwise requires, words and expressions used and not defined in these Bye-laws shall have the meanings assigned to them in the Companies Act, 2013 (18 of 2013).
8. Words and expressions used herein but not defined shall have the same meaning assigned to them under the SEBI Act, 1992, Regulations made thereunder and SEBI Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2022/120 dated September 19, 2022 and SEBI/HO/CFD/PoD-1/P/CIR/2023/196 dated December 28, 2023.

OBJECTIVES

9. The ISAI shall carry on the functions of a Self Regulatory Organisation as per the SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022 and functions incidental thereto.
10. The ISAI shall not carry on any function other than those specified in clause 9 above, or which is inconsistent with the discharge of its functions as a Self Regulatory Organisation (SRO).

DUTIES OF THE ISAI

11. ISAI shall maintain high ethical and professional standards in the regulation of its members.

12. ISAI shall:

- (a) ensure compliance with the Companies Act, 2013 and rules, regulations thereunder;
- (b) ensure compliance with the SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022 and rules, regulations, guidelines, amendments issued thereunder governing the conduct of Social Impact Assessors;
- (c) employ fair, reasonable, just, and non-discriminatory practices for the enrolment and regulation of its members;
- (d) be accountable to the authority in relation to all Bye-laws and directions issued to its members;
- (e) develop the profession of Social Impact Assessors;
- (f) promote continuous professional development of its members;
- (g) continuously improve its internal regulations and guidelines to ensure that high standards of professional and ethical conduct are maintained by its members; and
- (h) provide information about its activities to the authority as and when required.

13. Matters that are considered necessary by ISAI for the furtherance of the above objects:

- (a) to publish information about its functions, list of its members and such other information as may be desirable;
- (b) to impart training for preparation for NISM XXIII: Social Auditor certification examination/ NISM XXIII: Social Impact Assessors certification examination or any other course/certification as may be required from time to time;
- (c) to impart training to, and conduct webinars/seminars and other professional development programs for its members;
- (d) to do, alone or in conjunction with others, the foregoing and all such other lawful things, in any manner whatsoever, consistent with the provisions of these bye-laws, as may be incidental or conducive to promoting, furthering or protecting the interests, usefulness and efficiency of the Company and its members;

COMMITTEES OF THE ISAI

Advisory Committee

14. The Governing Board may form an Advisory Committee to advise on any matters pertaining to-
- (a) the development of the profession;
 - (b) standards of professional and ethical conduct; and
 - (c) best practices in respect of Social Impact Assessment.
15. The Advisory Committee may meet at such places and times as the Governing Board may provide.

Other Committees of the ISAI

16. The Governing Board shall constitute-
- (a) One or more Membership Committee(s) consisting of such members as it deems fit;
 - (b) A Monitoring Committee consisting of such members as it deems fit;
 - (c) One or more Grievance Redressal Committee(s) consisting of such members as it deems fit;
 - (d) One or more Disciplinary Committee(s) consisting of such members as it deems fit;
 - (e) An Appellate Committee(s) consisting of such members as it deems fit;
 - (f) An Editorial Board consisting of such members as it deems fit;
17. The Chairperson of each of the Committee shall be director of the ISAI.

MEMBERSHIP COMMITTEE

18. Eligibility for Enrolment- No individual shall be enrolled as a member:

- (a) if he is not fulfilling the eligibility criteria for registering as a Social Impact Assessor, as prescribed by the authority i.e. SEBI through its regulations from time to time;
 - (b) if he has not qualified a Social Auditor/Social Impact Assessor certification program conducted by National Institute of Securities Market (NISM) in this respect and holds a valid certificate;
19. Provided that the Governing Board may provide additional eligibility requirements for enrolment/registration;
20. Provided further that such additional requirements shall not discriminate on the grounds of religion, race, caste, gender and place of birth.
21. Process of Enrolment as Member:
- (a) An individual may apply for enrolment as a member by submitting an application on the registration portal of ISAI along with the relevant documents in such manner and with such fees as may be prescribed by the Governing Board from time to time.
 - (b) The details provided by the applicant on the registration portal will be cross checked. The document submitted by the applicant includes all the KYC documents like Photo, PAN, Aadhar, GST certificate, educational and professional qualification.
 - (c) In case of applicants having CA/CS/CWA qualifications, certificate of membership and/or certificate of practice is submitted along with self-attested declaration and final Certificate of NISM XXIII- Social Auditor Certification Examination/ NISM XXIII- Social Impact Assessors Certification Examination.
 - (d) In case of applicants having qualification other than CA/CS/CWA, Work Experience Certificate in development sector (3 years work experience in case of Post Graduation and 6 years work experience in case of Graduation & in case of other suitable accreditations) along with the degree of Graduation and Post Graduation, self-attested declaration and final Certificate of NISM XXIII- Social Auditor Certification Examination/ NISM XXIII- Social Impact Assessors Certification Examination is submitted on the registration portal of ISAI.
 - (e) The payment of one time enrolment fees and annual membership fees as may be specified by the Governing Board will be deposited by the applicant and the payment receipt will be cross checked with the bank account statement to confirm that the payment has been credited in the bank account of ISAI.
 - (f) For the applicants having qualification other than CA/CS/CWA, membership number is allotted after approval from the Membership Committee on the individual applications and work experience certificate submitted by applicants related to their experience in development sector, in its meeting/through circulation of relevant documents to the members of Membership Committee of ISAI.
 - (g) In case of any pendency on the part of the applicant, the application is sent back to the applicant for necessary submissions and corrections.
 - (h) On successful verification under point (a) to (g) above, FINAL APPROVAL of the application and allotment of membership number is made with the nomenclature - ISAI/SA-000.
 - (i) An email stating the membership number is intimated to the members enrolled with ISAI.
 - (j) The Certificate of Membership is printed and thereafter again rechecked and verified. The certificates are sent for signatures of relevant authorities and thereafter dispatched to the enrolled members of ISAI.
22. Membership Fee: Members should pay one time enrolment fees and Annual membership fee as may be specified by the Governing Board from time to time.
23. Register of Members: The ISAI shall maintain a register of its professional members, containing their-
- (a) name;
 - (b) proof of identity;
 - (c) contact details;

- (d) address;
 - (e) date of enrolment and membership number;
 - (f) details of grievances pending against him with the ISAI;
 - (g) details of disciplinary proceedings pending against him with the ISAI; and
 - (h) details of orders passed against him by the authority or Disciplinary Committee of the ISAI;
 - (i) details of any pending proceedings whether civil or criminal or by any Regulatory Authority and punishments awarded in the last 3 years. The status of pending proceedings shall be disclosed on Annual basis.
24. The records relating to a member shall be made available for inspection to-
- (a) the Authority;
 - (b) any other person who has obtained the written consent of the member for such inspection.
25. Duties of members: In the performance of his functions, a member shall-
- (a) act in good faith in discharge of his duties as a Social Impact Assessor;
 - (b) discharge his functions with utmost integrity and objectivity;
 - (c) be independent and impartial;
 - (d) discharge his functions with the highest standards of professional competence and professional ethics;
 - (e) continuously upgrade his professional expertise;
 - (f) comply with applicable laws in the performance of his functions; and
 - (g) maintain confidentiality of information obtained in the course of his professional activities unless required to disclose such information by law.
26. The members of ISAI shall have to follow the "Code of Conduct for Social Impact Assessors" as specified by the authority.

MONITORING COMMITTEE

27. The ISAI shall have a Monitoring Policy to monitor the professional activities and conduct of members for their adherence to the provisions of the Act, rules, regulations and guidelines issued thereunder, these bye-laws, the Code of Conduct for Social Impact Assessors and directions given by the Governing Board.
28. A member shall submit information about ongoing and concluded engagements as a Social Impact Assessor, in the manner and format specified by the ISAI, annually stating inter alia, the date of assignment and date of completion etc.
29. The Monitoring Committee may review the information and records submitted by the members in accordance with the Monitoring Policy as it may deem fit or as per the directions of the authority.
30. The Monitoring Policy shall provide for the following -
- (a) the frequency of monitoring;
 - (b) the manner and format of submission or collection of information and records of the members, including by way of inspection;
 - (c) the obligations of members to comply with the Monitoring Policy;
 - (d) storage of information and records;
 - (e) evaluation of members; and
 - (f) any other matters that may be specified by the Governing Board.
30. The Monitoring Policy shall -
- (a) have due regard for the privacy of members;
 - (b) provide for confidentiality of information received, except when disclosure of information is required by the authority or by law; and
 - (c) be non-discriminatory.

31. The ISAI shall submit a report to the authority in the manner specified by the authority with information collected during monitoring as and when required by the authority.

GRIEVANCE REDRESSAL MECHANISM

32. The ISAI shall have a Grievance Redressal Policy providing the procedure for receiving, processing, redressing and disclosing grievances against the ISAI or any member of the ISAI by-

- (a) any member of the ISAI;
- (b) any person who has engaged the services of the concerned members of the ISAI; or
- (c) any other person or class of persons as may be prescribed by the Governing Board.

33. The Grievance Redressal Committee, after examining the grievance, may-

- (a) dismiss the grievance if it is devoid of merit; or
- (b) initiate a mediation between parties for redressal of grievance.

34. The Grievance Redressal Committee shall refer the matter to the Disciplinary Committee, wherever the grievance warrants disciplinary action.

35. The Grievance Redressal Policy shall provide for-

- (a) the format and manner for filing grievances;
- (b) maximum time and format for acknowledging receipt of grievance;
- (c) maximum time for the disposal of the grievance;
 - a. by way of dismissal;
 - b. reference to the Disciplinary Committee;
 - c. the initiation of mediation;
- (d) provision of a report of grievances and mediation proceeding to the complainant mentioning dismissal or resolution of the grievances, as the case may be;
- (e) action to be taken in case of malicious or false complaints;
- (f) maintenance of a register of grievances made and resolutions arrived at; and
- (g) periodic review of the Grievance Redressal Mechanism.

36. The timeline specified under the Grievance Redressal Policy may be extended in case of any unforeseen circumstances.

DISCIPLINARY PROCEEDINGS

37. The ISAI may initiate disciplinary proceedings by issuing a show-cause notice against members-

- (a) based on a reference made by the Grievances Redressal Committee;
- (b) based on monitoring of members;
- (c) following the directions given by the authority or any court of law; or
- (d) suo moto, based on any information received by it.

38. The ISAI shall have a Disciplinary Policy, which shall provide for the following -

- (a) the manner in which the Disciplinary Committee may ascertain facts;
- (b) the issue of show-cause notice based on the facts;
- (c) disposal of show-cause notice by a reasoned order, following principles of natural justice;
- (d) timelines for different stages of disposal of show cause notice; and
- (e) rights and obligations of the parties to the proceedings.

39. The orders that may be passed by the Disciplinary Committee shall include-

- (a) expulsion of the member;
- (b) suspension of the member for a certain period of time;
- (c) admonishment of the member;

- (d) imposition of monetary penalty;
 - (e) reference of the matter to the authority, which may include, in appropriate cases, recommendation of the amount of restitution or compensation that may be enforced by the authority; and directions relating to costs.
40. The Disciplinary Committee may pass an order for expulsion of a member if it has found that the member has committed-
- (a) an offence under any law for the time being in force, punishable with imprisonment for a term exceeding six months, or an offence involving moral turpitude;
 - (b) a gross violation of the Code of conduct, rules, regulations and guidelines issued thereunder, bye-laws or directions given by the Governing Board which renders him not a fit and proper person to continue acting as a Social Impact Assessor.
41. Any order passed by the Disciplinary Committee shall be placed on the website of the after passing of the said order, and a copy of the order shall be provided to each of the parties to the proceeding.
42. Monetary penalty received by the ISAI under the orders of the Disciplinary Committee shall be used for the professional development.
43. The Governing Board of ISAI shall constitute an Appellate Committee consisting of six members as nominated by the Governing Board;
44. Any person aggrieved of an order of the Disciplinary Committee may prefer an appeal before the Appellate Committee within thirty days from the receipt of a copy of the final order;
45. The Appellate Committee shall dispose of the appeal in the manner it deems expedient, within thirty days of the receipt of the appeal. However, in case of any unforeseen circumstances/ situations, the above timeline may be extended.

SURRENDER OF MEMBERSHIP AND EXPULSION FROM MEMBERSHIP

Surrender of Membership

46. A member who wishes to surrender his membership of the ISAI may do so by submitting an application for surrender of his membership.
47. Upon acceptance of such surrender of his membership, the name of the member shall be struck from the Register of Member.
48. Any fee that is due to the ISAI from a member surrendering his membership shall be cleared prior to his name being struck from the Register of Member.
49. The ISAI may refuse to accept the surrender of membership by any member if-
- (a) there is any grievance or disciplinary proceeding pending against the member before the ISAI or the Authority; or
 - (b) the member has been appointed as a Social Impact Assessor and the appointment of another Social Impact Assessor may be detrimental to such process.
50. Expulsion from Membership: A member shall be expelled by the ISAI -
- (a) if he becomes ineligible to be enrolled under bye-law 18;
 - (b) on expiry of thirty days from the order of the Disciplinary Committee, unless set aside or stayed by the Appellate Committee;
 - (c) upon non-payment of membership fee despite at least two notices served in writing;
 - (d) upon the order of any court of law.
51. Power to remove difficulties-

If there is any difficulty in implementing these governing norms, the Governing Board of the ISAI is empowered to issue clarifications by way of Circulars for the removal of difficulties.
