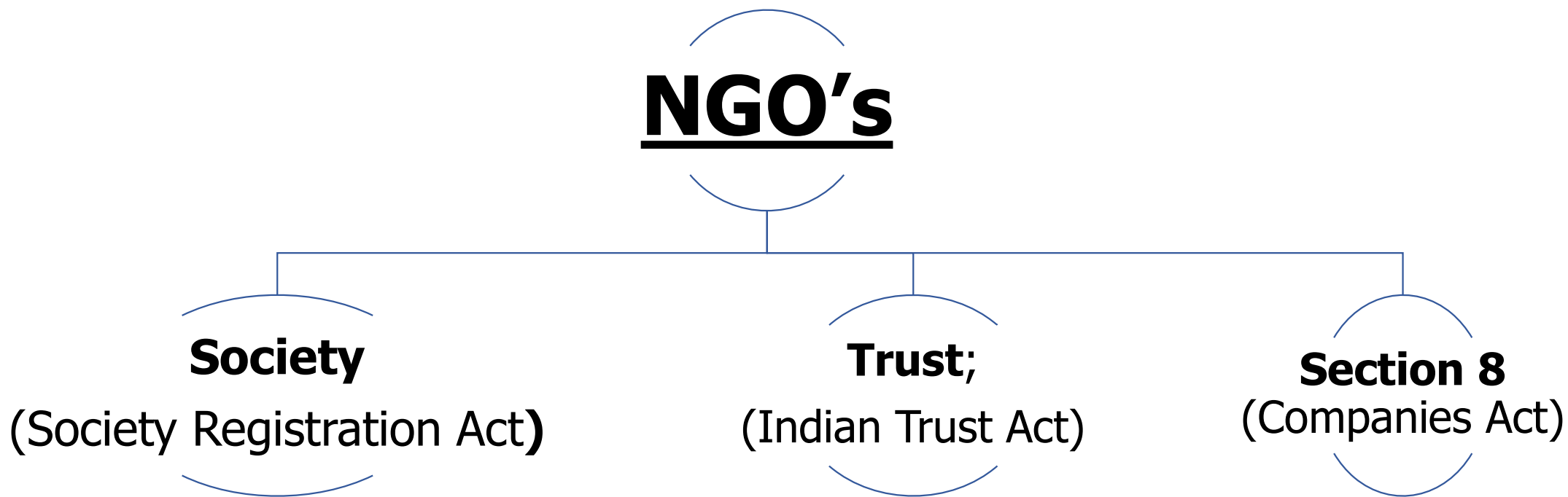


Social Stock Exchange:

New Evolution in Social Funding

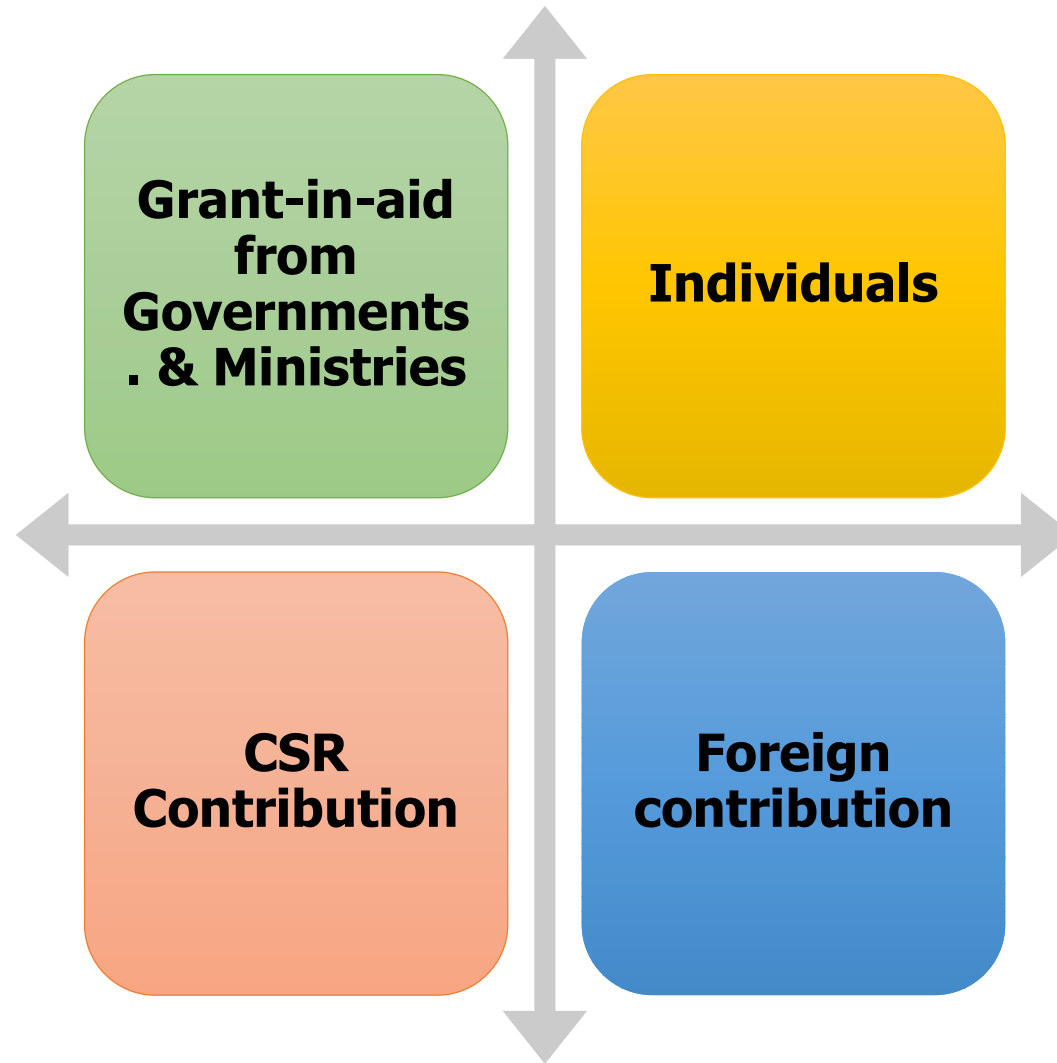


Existing Structure of NGOs in India:



On an estimate basis, there are more than 30 Lakhs Non-Government Organizations or Voluntary Organizations, operating in India.

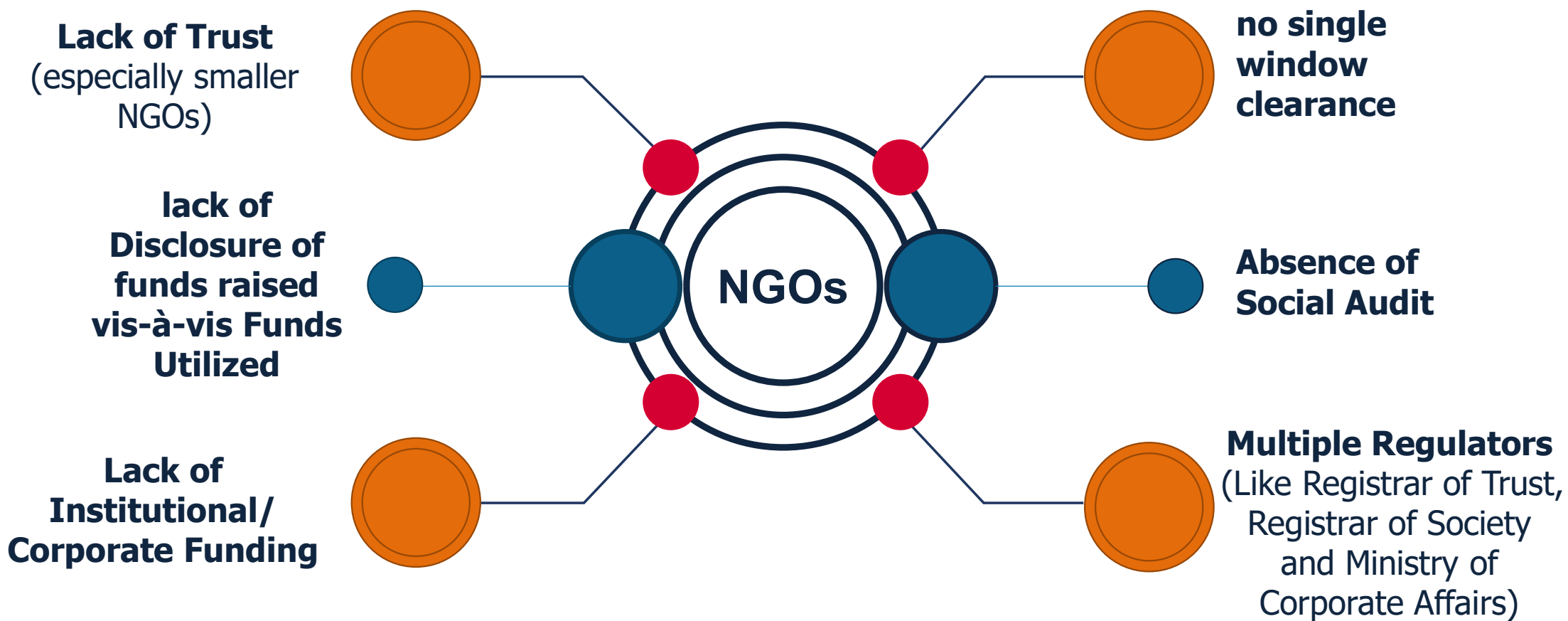
Present Source of funding:



How Indian Companies Donating under CSR Framework:

Year	Amount spent (IN CR.)
2014-15	10,065.93
2015-16	14,517.21
2016-17	14,344.47
2017-18	17,095.23
2018-19	20,159.01
2019-20	24,888.49
2020-21	24,864.11

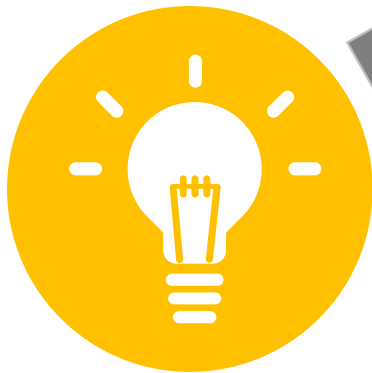
Issues faced by the Social Welfare Organizations :



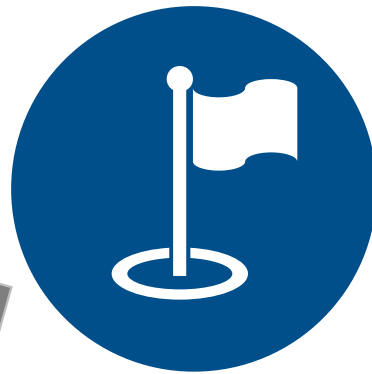
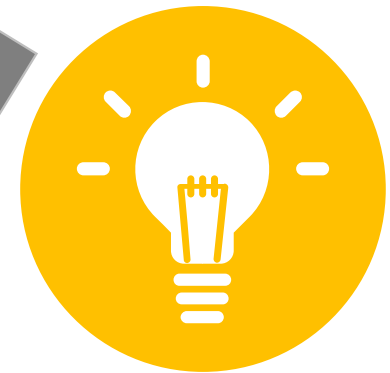
How Social Stock Exchange Works?

The market interaction between investors and businesses only favored economically viable and profitable ventures.

Non-profit organizations (NPOs) have largely remained underfunded and left to look for charity, donations or free resources to make ends meet.



Social Stock Exchange



Social Stock Exchange:

Social Stock Exchange

```
graph LR; A[Social Stock Exchange] --- B[Permitted to register Not for Profit Organizations (NPOs) and / or list the securities issued by them.]; A --- C[Separate segment of a recognized stock exchange having nationwide trading terminals];
```

Permitted to register Not for Profit Organizations (NPOs) and / or list the securities issued by them.

Separate segment of a recognized stock exchange having nationwide trading terminals

Eligibility:

Not for Profit Organizations **seeking to only get registered** with SSE.

Not for Profit Organizations **seeking to get registered and raise fund** through SSE.

For Profit Enterprises **seeking to be identified as a social enterprise.**



Eligibility:

Min. 3 years of
Registration either as a

- Society, or
- Trusts, or
- Section 8 Company



Eligible Activities



Education



Welfare of migrants



Gender equality



Sports



Art & Culture



Child welfare



Welfare of
displaced persons



Employability



Environmental
sustainability



Healthcare

Social Enterprise inclusion Criteria: II

**Main beneficiaries of the
social activities:**

Underserved

or

Less privileged population
segments or regions

Social Enterprise inclusion criteria-III

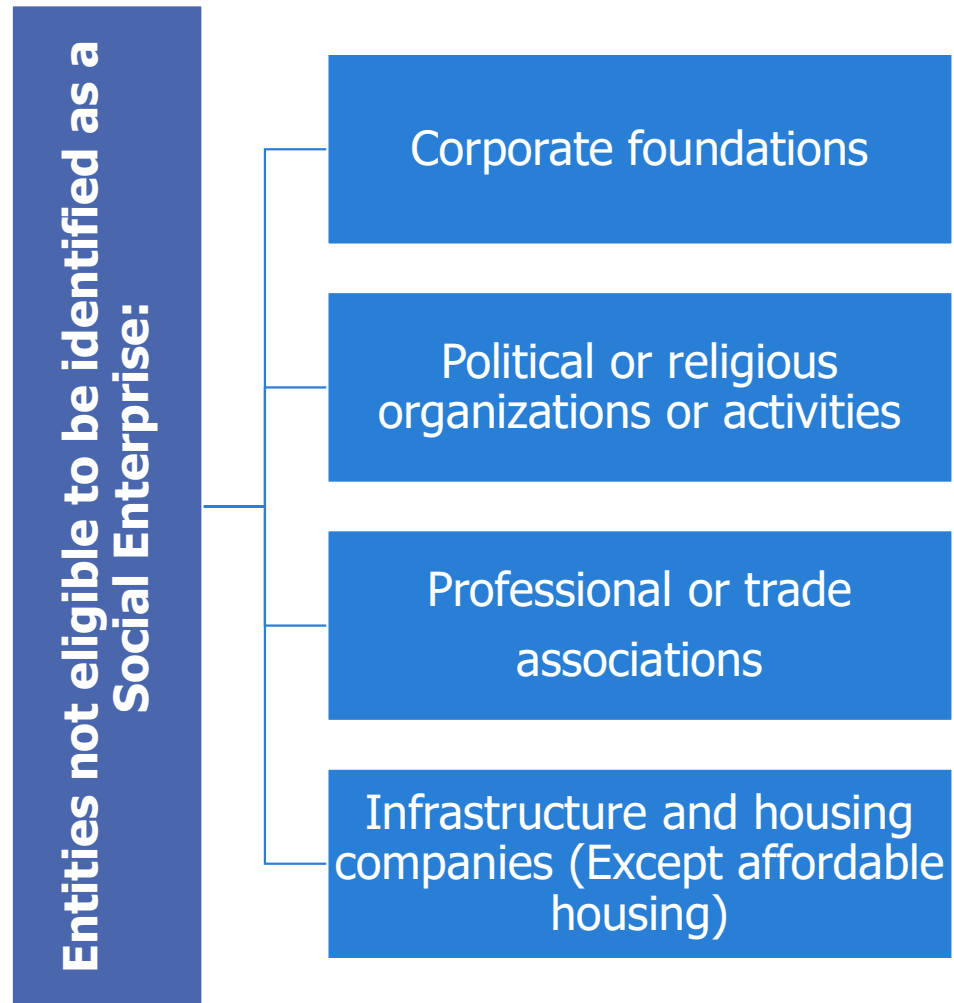
INCOME AND EXPENDITURE ACCOUNT

For the year ended _____

Expenditure	Amt.	Income	Amt.
At least 67% of preceding 3 yr Average has been incurred for providing eligible activities		At least 67% of preceding 3 yr Average comes from providing eligible activities to members of the target population	

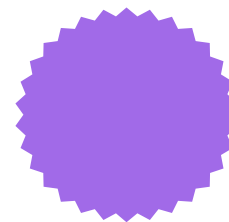
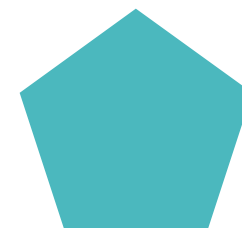
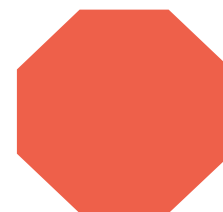
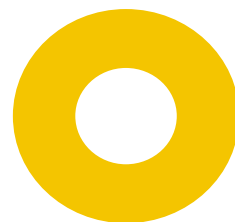
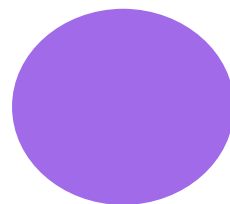
67% of customer base in preceding 3 years average should comprise of members of the target population.

Exceptions to 'Social Enterprise' definition





Instrument For Funds raising



Fund raising for registered Not for Profit Organizations seeking to raise funds:

01 Issuance of Zero Coupon Zero Principal Instruments,

02 Donations through Mutual Fund schemes,

03 Any other means as specified by the Board.

Zero Coupon Zero Principal Instruments (ZCZP):



Issued **only by an NPO registered on an SSE** and shall have a specific tenure.



Issued **without any coupon and no principal** amount shall be payable on its maturity.

**Zero Coupon
Zero Principal
Instruments**

Issue to be made **only for a specific project or activity** to be completed within specified duration.



The **specific project or activity** to fall under the list of **eligible activities** as specified.





Who can invest in ZCZP Instruments?

Institutional Investors

- Qualified Institutional Buyer, or
 - Family Trust or Intermediaries with Net Worth > Rs. 500 Cr., registered with the Board
-

Non-Institutional Investors

Means an investor other than:

- Retail Individual Investor,
 - Qualified Institutional Buyer
-

Procedure for public issuance of ZCCP instruments by NPO:

File Draft Fund Raising Document (like DRHP) with SSE for in-principal approval

Be kept open for **Public Comments** for **21 days**

SSE to provide its observations within 30 days

Incorporate the observations and file final fund-raising document (like RHP before IPO).

Not a New Concept, Already Tested in other Countries.

like Brazil , South Africa, Canada, UK, Singapore, Jamaica, etc

Jamaica Stock Exchange is one of Active and Successful SSE.

Website Link:- <https://jsse.jamstockex.com/explore>



Foundation raised JMD \$ 8,797,250 out of Project Cost of JMD \$17,000,000.



Foundation raised JMD \$ 7,500,000 out of Project Cost of JMD \$7,500,000.

THANK
YOU

