



UNLOCKING IMPACT: THE POWER OF THE SOCIAL STOCK EXCHANGE

Unleashing The Potential of For-Profit Social Enterprises and Non-Profit Organizations Through Regulated Capital Markets

The **Social Stock Exchange (SSE)** is a groundbreaking initiative that bridges the gap between social welfare and regulated capital markets. The SSE is not merely a platform; it is a revolution in how we perceive and execute philanthropy. Unlike traditional direct donations to Non-Governmental Organizations (NGOs) and social enterprises, contributions channeled through the SSE offer a structured, transparent, and accountable mechanism for supporting social causes. This regulated environment instills confidence in donors, as it mandates rigorous disclosure norms and governance standards, thereby enhancing the legitimacy of listed entities.

Moreover, the SSE opens avenues for potential tax incentives, making it an attractive proposition for both individual and corporate donors. This dual advantage of transparency and fiscal benefits is often absent in direct donations, making the SSE a preferred choice for astute philanthropists.

By taking the step of registration and listing, NGOs and for-profit social enterprises can achieve long-term success and maximize their potential to make a meaningful difference in the world.

BENEFITS OF REGISTRATION ON SOCIAL STOCK EXCHANGE (SSE)

- ✓ **Improved Market Access:** SSE facilitates a structured platform to social enterprises to connect with large number of donors.
- ✓ **Transparency and Accountability:** Registration and listing of Social Enterprises (NGOs/FPEs) on SSE, offers assurance of social enterprises and their ability to achieve desired goals and ensures public accountability.
- ✓ **Broader capital reach:** SSE provides a means of raising large amount of funds to Social Enterprises (NGOs/FPEs). This concept of 'Crowd-funding' indicates raising small amounts of money from a large number of donors.
- ✓ **Performance-based Philanthropy:** SSE monitors performance of listed Social enterprises, helps promoting culture of social return-driven philanthropy.
- ✓ **Tax Benefits:**
 - Exemptions under Section 12A: The Social Enterprises (NGOs/FPEs) must have registration under Section 12A of Income Tax Act, 1961. This will give income tax benefits to Social Enterprises.
 - Deductions under Section 80G: The Social Enterprises (NGOs/FPEs) must have registration under Section 80G of Income Tax Act, 1961. This will provide deduction benefit to the donors in their total income while computing tax.
- ✓ **Standardized Impact Creation:** Paving the way for standardized and credible impact measurement through concept of social impact assessment.
- ✓ **Annual Impact Reporting:** Introduction of new concept of annual impact reporting by Social Enterprises (NGOs/FPEs) and appointment of Social Impact Assessors, for independent verification and evaluation, reduces information asymmetry and increases worthiness of Social Enterprises.

By embracing the SSE, NPOs and social enterprises are not just seeking funds; they are embarking on a journey towards enhanced credibility, operational excellence, and amplified social impact. It is a strategic decision that aligns philanthropy with the rigour of financial markets, thereby maximizing the potential to create lasting, positive change in our society.

For Further Details Connect with:

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