

SOCIAL STOCK EXCHANGE: A WAY FORWARD TO MAKE INDIA A VIKSIT BHARAT (DEVELOPED NATION) @ 2047

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ABSTRACT

This research paper delves deep into the mechanisms of the Social Stock Exchange, unravelling its potential to shape a sustainable future, where economic growth seamlessly integrates with social well-being, guiding India towards its visionary goal to become developed nation by 2047. This qualitative research study attempts to give comprehensive view on Social Stock Exchange (SSE) proposed in India by providing information on Framework, Global outlook, Significance, Challenges & Limitations of SSE. The study also shows that how this revolutionary concept will significantly contribute to attain United Nations Sustainable Development Goals (SDGs) by 2030 and in the development of India to become Viksit Bharat by 2047.

Key words: Social Stock Exchange, Impact Investment, Framework of SSE, Viksit Bharat, Social enterprises, SDGs

1. INTRODUCTION

Whenever we think of stock or stock market, it is always to earn money or return but think of the stock exchange where you are prioritizing social change, environmental change over return. The place where one can earn return, not in form of money but in form of mental peace, satisfaction of doing something for the society, and name of that place is social stock exchange.

A novel way of raising money, the Social Stock Exchange connect Impact investors with Social Purpose Organizations. Impact investors are those who are prepared to fund their initiatives and development programs in exchange for social shares. The exchange mirrors the atmosphere of an ordinary stock exchange. A social stock exchange's goal is to establish a productive, open market environment where companies and investors of all shades can make a bigger difference through capital raising or capital allocation for socially beneficial purposes such as healthcare, education, renewable energy, poverty alleviation and many more.

An idea of a Social Stock Exchange (SSE) can have a vital effect in realizing vision of Viksit Bharat by 2047. Viksit Bharat envisions a developed India by 2047, characterized by inclusive growth, social equity, and environmental sustainability. Integrating a Social Stock Exchange into this vision implies leveraging the financial market as a driver for positive social change. Through the SSE, enterprises whose activities are contributing to Viksit Bharat's objectives can access capital, fostering their growth and impact.

Furthermore, the SSE can incentivize businesses to adopt responsible and ethical practices by providing a transparent platform for investors who prioritize social and environmental considerations. This fosters a conducive ecosystem for enterprises committed to Viksit Bharat's principles, promoting a sustainable and socially conscious economic landscape.

2. LITERATURE REVIEW:

Studies related to Social Stock Exchange proposed in India has been reviewed for this study.

(D. Adhana, 2020) in his study titled "Social Stock Exchange: An Innovative Financing Platform for Social Enterprises in India" discussed term Social Enterprise and Impact investment in detail with the help of real examples of social enterprises in India. The study explained need, current challenges, regulatory framework in detail. He concluded that SSE is useful tool if implemented properly. The success of the proposed SSE in India hinges on both government policies and its ability to instill confidence in private investors.

(C. Ambrose et al, 2021) in their study titled "A Study on the Scope of Implementation of Social Stock Exchange in

India” has explained the terms related to “Impact Investment” i.e. Socially responsible investment, Thematic investment, ESG investment. They have also discussed difference between NPOs and SPOs, global perspective in depth and at the end they have suggested the ways for effective implementation of SSE in India. They Concluded their study by stating that Despite potential challenges such as speculators and arbitrageurs, impact investors are poised to benefit the most from SSEs, aligning their objectives with the social missions of these enterprises.

(R. Narasimhan, A. Pitre, 2021) in their study title “Social Stock Exchange in India-A Platform for Social Enterprise” have explained frame work of SSE in detail, along with critical observations on proposed SSE which includes hosting of SSE, Bridging inequality in access to capital, eligibility criteria for registration and listing, instruments and Social Auditor. **Their study concluded that Social Stock Exchanges (SSE) have the potential to drive a cultural shift towards modernizing social sector of India. By creating new avenues for impact investment, SSE can attract investors and foster a supportive ecosystem for development. However, for this potential to be realized, evaluations should focus solely on social impact rather than commercial considerations.**

(D. Patel & N. Patel, 2023) in their study titled “India’s Social Stock Exchange (ISSE) – A 360° Analysis - Today’s commitment for tomorrow’s action” has given 360 view of SSE in real sense. They have covered Operational mechanism regulatory aspect of SSE in Indian perspective. Global perspective is well presented in table format making it easy to understand and compare. They concluded their study by stating that generating profit for social purposes is a crucial aspect of sustainability.

(G. Rajput, 2023) in his study titled “Social Stock Exchange in India -A Framework Study of Proposed Exchange” has given brief view on functions of SSE with a help of chart which is easy to understand, Global SSEs and discussed proposed tax incentives to investors recommended by SEBI technical group report. The author has also discussed problems and challenges for SSE in India.

(H. Challapalli & M. Pilla, 2023) in their study titled “Social Stock Exchange - A Global Perspective with Indian Feasibility” have presented global initiatives in depth and to check Indian feasibility they have discussed driver of SSE, regulation, inclusion of profit and non-profit organizations, advantages and limitations in structured way. They concluded that in spite of several drawbacks that could limit the effectiveness of Social Stock Exchanges (SSEs), it has potential to be a powerful tool for impact investment.

(H. Kumar, 2023) in his study paper titled “Critical Analysis of The Social Stock Exchange in India” given a brief overview of timeline of SSE in India. They have explained difficult framework related to SSE in comprehensive table form making it very easy to understand. He concluded his study by stating that The SSE's priorities should include enhancing social enterprises' capital attraction, promoting a long-term investment perspective, and educating stakeholders. Emphasis on securing organizational funding for non-profits and addressing sustainability concerns can mitigate challenges faced by small enterprises and prevent domination by larger organizations on the SSE.

Many studies have been found on SSE at national as well as international level covering one or more aspects of SSE but a comprehensive study covering all the facets of SSE in India is rarely found. This study is an attempt to fill this gap by giving comprehensive framework of SSE in India.

RESEARCH METHODOLOGY

This Descriptive study is based on secondary data collected from assorted research articles, SEBI Notifications on SSEs, Information available on varied websites such as BSE SSE ([bsesocialstockexchange.com](https://www.bsesocialstockexchange.com)) and NSE SSE ([nseindia.com/sse](https://www.nseindia.com/sse)).

In order to give comprehensive view of SSE in India, Key targets of this study are:

1. To understand the framework of proposed SSEs in India
2. To analyse working of social stock exchanges worldwide
3. To identify Challenges and Limitations of Social Stock Exchanges.

3. FRAMEWORK OF SOCIAL STOCK EXCHANGE IN INDIA

3.1. Background of Social Stock Exchange:

Finance Minister Nirmala Sitaraman stated in her Union Budget Speech of 2019 “*I propose to initiate steps towards creating an electronic fund-raising platform – a social stock exchange - under the regulatory ambit of Securities and Exchange Board of India (SEBI) for listing social enterprises and voluntary organizations working for the realization of a social welfare objective so that they can raise capital as equity, debt or as units like a mutual fund*”.

With an aim to fulfil the capital requirement of social welfare objectives SSE has been introduced. SSE will be

functioning as a part of existing stock exchanges in India which will allow Non-profit organization (NPOs) & For-profit Social Enterprises (FPSEs) to get registered and issue specific instruments to Philanthropist. To ensure that fund has been utilised for right purpose listed NPOs and FPSEs has to submit required disclosures according to the guidelines.

Prior to comprehending the concept and framework of the Social Stock Exchange (SSE), we need to understand that SSE is a platform to facilitate the investment specifically dedicated for Positive Social or Environmental impact. "Impact Investment" refers to the specific term used for investments made by social enterprises.

3.2. Impact Investment

The term "impact investment" is believed to be first coined by Antony Bugg-Levine and Jed Emerson in 2007 in the book titled "Impact Investing: Transforming How We Make Money While Making a Difference." The concept of investing for both financial return and positive social or environmental impact, however, has roots that go back further.

The popularity of impact investing has grown over the years, with increased awareness of environmental, social, and governance (ESG) issues. It gained momentum particularly in the early 21st century as investors and organizations began to recognize the potential to address social and environmental challenges through investment strategies.

Impact investing involves making investments with the goal of achieving measurable social or environmental benefits in addition to financial returns. All the terms—Socially Responsible Investment (SRI), Thematic Investment, and ESG (Environmental, Social, and Governance) Investment are closely related to impact investment as they involve considerations beyond financial returns, focusing on broader societal or environmental goals. Even though each of them strives to improve society's welfare and the environment, they differ in the way that are listed below (Table 1):

Standards	Socially Responsible Investing (SRI)	Thematic Investing	ESG Investing (Environmental, Social, and Governance Investing)
Inception	In late 1960s	In 1980s	In 2005s
Focus	SRI often involves excluding or including specific companies or industries based on ethical or moral considerations, regardless of their financial performance.	Thematic investing revolves around specific themes or trends expected to drive economic growth or market influence. It's more about capitalizing on opportunities within targeted areas.	ESG investing evaluates companies based on environmental, social, and governance criteria, seeking to identify those with sustainable and responsible business practices.
Example	Avoiding investments in industries such as tobacco, weapons, or gambling due to ethical concerns.	Investing in sectors like clean energy, technology, or healthcare due to anticipated growth in these themes.	Assessing a company's carbon footprint (environmental), labor practices (social), and corporate governance structure (governance).
Focus	Individual value	Market value	Economic value

Source: C. Ambrose, R. George et al, 2021 & NSE report on Policy Brief: Social Stock Exchange - The Way Forward combined by author.

3.3. Objectives of SSE in India

- Enable funding and growth for social enterprises.
 - Facilitate performance-based philanthropy.
 - Establish robust standards for social impact and financial reporting to ensure transparency and accountability.
- Social stock exchange is very novel concept. The timeline provided below offers insights into the development of India's Social Stock Exchange.

3.4. Timeline of Social Stock Exchange in India:

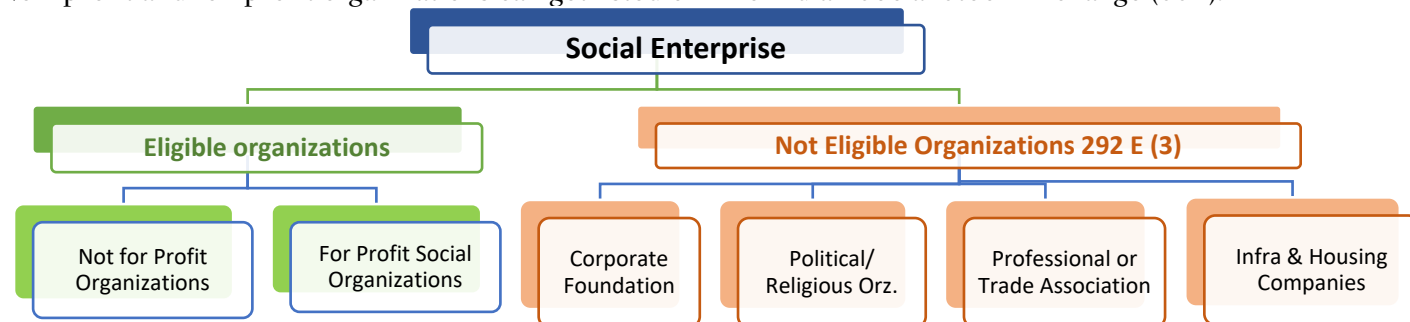
Time	Key Event	Details
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1.	July, 2019	Proposal for SSE in Budget Speech	In the 2019 budget speech, the finance minister proposed a fundraising platform for social enterprises and voluntary organizations.
2.	June 2020	Formation of SSE Working Group	SEBI formed a Working Group on Social Stock Exchange (SSE), which subsequently released a report containing recommendations.
3.	May 2021	Technical Group Framework Report	A Technical Group developed the framework for SSE and released its report.
4.	Sept. 2021	SEBI Approval of SSE Framework	SEBI approved the framework for SSE, incorporating recommendations from both reports, in its board meeting on 28th September 2021.
5.	July 2022	Recognition of Zero Coupon Zero Principal Instruments	Zero Coupon Zero Principal Instruments, the primary funding source for Non-profit Organizations (NPO), were declared as securities under the Securities Contract Act in July 2022.
6.	July 2022	Introduction of SSE Framework Regulations	SEBI introduced new chapters in SEBI (ICDR Regulations) and SEBI (LODR Regulations) in July 2022, laying down the framework for SSEs in India. Amendments were made to SEBI (Alternative Investment Funds) Regulations.
7.	Sept. 2022	Circular on SSE Registration Requirements	A Circular was issued in September, outlining minimum requirements for SSE registration, disclosure obligations for raising funds, and annual disclosures for NPOs.
8.	Dec 2022 and Feb 2023	SSE Establishment Approval	Approval was granted to establish SSE segments at Bombay Stock Exchange (December 2022) and National Stock Exchange (February 2023).
9.	Ongoing	Registration and Offer Documents	Over 32 social enterprises have registered on BSE SSE and 57 on NSE SSE platforms, and some have released offer documents.

Source: www.sebi.gov.in

3.5. Eligibility for Social Enterprises (292 E of ICDR Regulations)

Non-profit and for-profit organizations can get listed on The Indian Social Stock Exchange (SSE).



Under 292 A(h) Social Enterprise is defined as “Not-for-Profit Organization (NPOs) or a For Profit Social Enterprise (FPSEs)” that meets the eligibility criteria as follows

under [292A (e) of ICDR Regulations] NPOs could be

- A charitable trust registered under the Indian Trusts Act, 1882
- A charitable trust registered under the Public Trust Statute of the relevant state;
- A charitable society registered under the Societies Registration Act, 1860
- A company incorporated under section 8 of the Companies Act, 2013

under [292A (c) of ICDR Regulations] FPSEs means

A company or corporate entity operating for profit, recognized as a Social Enterprise under these regulations, excluding those incorporated under Section 8 of the Companies Act, 2013.

Some the important points which show the difference between NPOs & FPSEs are as below:

Points	NPOs	FPSEs
Full Form	Not for Profit Organization	For Profit Social Enterprise

Mission	Can pursue their own mission	Can pursue social purpose whilst maximizing profits
Registration	Compulsory	Not required
Exchanges	Separate segment	Main board (BSE/NSE)
Share of profit	Unable to distribute profits to members, officers, or others.	Allowed to distribute profits to shareholders.
Source: Compilation by author from the paper from (C. Ambrose, R. George et al,2021; N. Patel & D. Patel, 2023)		

3.6. Eligible Activities [292 E (2) of ICDR Regulations]

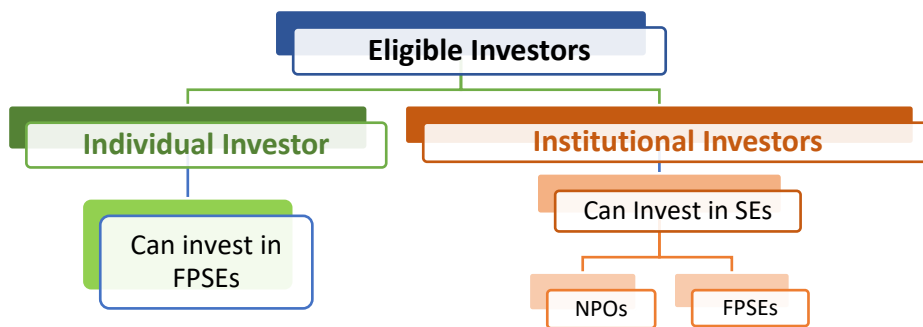
To qualify as a Social Enterprises, an NPO or an FPSE will need to establish the **primacy of its social intent** which can be done in the following manner:

- 1 Activity:** The SE has to be indulged in any of the 17 mentioned activities which includes the 17 SDGs that India has aimed to achieve.
- 2 Target:** The Social Enterprise shall target underserved or less privileged population segments or regions recording lower performance in the development priorities of central or state governments;
- 3 67% threshold:** To ensure that the SE continues to work predominantly in the eligible activities, 67% of all of its activities should be qualify as an eligible activity. This can be established in the following manner:
 - At least 67% of its previous 3-year average revenues or expenditure should come from or be incurred in these activities; or
 - At least the 67% of its consumer base should be made of the target population.

The selection of which criteria to meet should depend upon the area of work of the SE. As the main issue regarding fundraising for NPOs is trust, these eligibility criteria will help reassure investors.

3.7. Eligible investor [292 C of ICDR Regulations]

A Social Stock Exchange shall be accessible only to institutional investors and non-institutional investors: Provided that the Board may permit other class(es) of investors, as it deems fit, for the purpose of accessing Social Stock Exchange.”



3.8. Registration & Listing Requirement [292 F of ICDR Regulations]

Non-profit organizations (NPOs) can choose to register with the SSE and decide whether to list on the Exchange, leveraging their reputation gained by meeting mandatory criteria. NPOs must fulfil specific regulatory requirements, including providing audited financial statements and social impact statements. Conversely, For-Profit Social Enterprises (FPSEs) adhere to traditional stock exchange listing requirements, granting them the flexibility to list debt securities and equity on the main board, SME Exchange, or the Investor Growth Platform.

3.9. Instruments/Modes of fund raising [292 G of ICDR Regulations]

following modes are available.

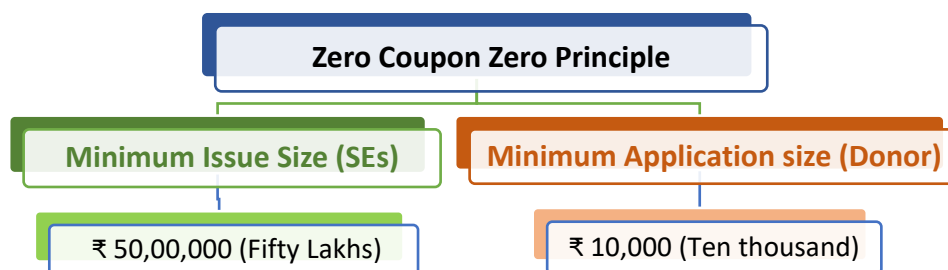
For an NPO	For an FPSEs
<ol style="list-style-type: none"> 1. Zero Coupon Zero Principal (“ZCZP”) Instruments. 2. Can receive donation through Mutual Fund Schemes. 	<ol style="list-style-type: none"> 1. Issue of equity shares on main board, SME platform, Innovator Growth Platform or to an Alternative Investment Fund including a Social Impact fund. 2. Issue of debt securities.

"Zero Coupon Zero Principal (ZCZP) instruments are exclusively for Non-Profit Organizations (NPOs), with no coupon payments or principal repayment at maturity." [Regulation 292] of ICDR Regulations]

The minimum subscription required to be achieved shall be 75% of the funds proposed to be raised through issuance of Zero Coupon Zero Principal Instruments.

ZCZP instrument have offered a new investment mechanism by providing recognition and visibility to NPOs, objective to assessment of the actualised social impact of the project through disclosure for the investor.

3.10. Ecosystem



3.10.1. Capacity Building Fund

Capacity Building Fund (CBF) proposed for the Social Stock Exchange (SSE) aims to facilitate a cultural shift in social enterprises by providing training and assistance. It will be funded by contributions from Stock Exchanges, developmental agencies, financial institutions, and corporate donors eligible for CSR expenditure. The CBF will focus on NPO education regarding SSE processes, including registration, listing, disclosure, and relevant factors. The fund will seek registration under section 80G of the Income Tax Act.

3.10.2. Social Auditor

The category of social auditors encompasses both financial and non-financial auditors, with financial auditors being Chartered Accountants (CAs) from the Institute of Chartered Accountants of India (ICAI). These auditors can conduct social audits after completing a course by the National Institute of Securities Markets (NISM). The ICAI, with its expertise in sustainability, could serve as a Self-Regulatory Organization (SRO) for social auditors, possibly through a dedicated Sustainability Directorate. For impact reporting, a Social Audit Standard by the Sustainability Reporting Standards Board of ICAI would apply. (D. Patel & N. Patel, 2023)

3.10.3. Information Repositories

The Information Repositories (IRs) play a crucial role in creating a systematise database for social enterprises, aggregating information and providing a searchable database. The proposal suggests integrating Financial and Non-Financial Audits into the concept of 'Social Auditor,' eliminating the need for separate financial audits for Non-Profit Organizations (NPOs) and For-Profit Social Organizations (FPSEs).

3.11. Disclosure and Reporting requirement

All registered and/or listed social entities, including Non-Profit Organizations (NPOs) and For-Profit Social Organizations (FPSEs), must adhere to continuous and event-based mandatory disclosures. These include general, governance, and financial aspects, with a specific requirement for filing an 'Annual Impact Report' (AIR) detailing qualitative and quantitative social impact. The AIR is obligatory for both listed securities and NPO registrations without listing. The Transparency Group recommends separate disclosure requirements for FPSEs and NPOs, particularly in financial disclosures.

FPSEs, in addition to social impact reporting, must abide by applicable segment disclosure requirements. The aim of reporting extends beyond regulation, aiming to assess, improve, and enhance organizational functioning. The update of the ICAI's 'Technical Guide on Accounting for Not-for-Profit Organisations' is recommended, with compliance verification mandated for all NPO financial statements by ICAI members.

SEBI Proposed following tax incentives for investors and philanthropic donors in its technical group reports:

3.12. Proposed Tax Incentives to Investors:

1. Exemption from Securities transaction tax (STT) for trades on social stock exchange
2. exemption from long term capital gain tax (LTCG) on selling of securities through SSE
3. 100% tax exemption for donation to NPOs that benefit to SSE
4. Tax deduction on investment in securities issued by NPOs listed on SSE
5. deductions of taxable income for CSR expenditure to SSE
6. 10% cap removal on income under 80G
7. 100% tax exemption to first time retail investors on investment in SSE MFs (< Rs. 1 Lakh)

Some of the **proposed tax incentives to social enterprises** recommended are tax holiday of 5 years to FPEs on listing on SSE and ease of getting certifications to get listed. Other such proposed tax incentives to social enterprises are tax deduction on revenue generated by stock exchange through SSE are also proposed. (R. Sadhwani, et. al. 2023)

4. Global outlook of Social Stock Exchange								
	Points	Brazil	South Africa	Portugal	Canada	Singapore	UK	Jamaica
1	Name of SSE	Bolsa de Valores Socioambientais (BVSA)	South African Social Investment Exchange (SASIX)	Bolsa de Valores Sociais (BVS)	Social Venture Connexion (SVX)	Singapore's Impact Exchange (IX)	UK's Social Stock Exchange (SSX)	Jamaica Social Stock Exchange (JSSE)
2	Year of Establishment	2003 till 2020 (17 Years)	2006 till 2017 (11 years)	2009 till 2018 (9 years)	2013	2013	2013 till 2018 (16 years)	2019
3	Status	Not Active	Not Active	Not Active	Active	Active	Not Active	Active
4	Main Objective	Bridge between social organization and investor providing transparent platform (crowdfunding platform for screened social and environment project)	Promote new approach to participation towards social development and promote culture of accountability and performance among social organization	Platform to facilitate and bring together credible civil society organizations with social investors	Online investing platform for connecting impact ventures and impact funds with accredited investors (foundation, asset manager, HNIs etc)	Joint initiative between IIX and Stock Exchange of Mauritius to provide Platform for organizations with social purpose to raise capital	Supported by London Stock Exchange, Big Society and others Standalone private company (Certified B Corporation) and not housed any stock exchange	CSR initiative of Jamaican Stock Exchange Focus on attainment of SDG goals and help mobilize social capital

5	Who can get Listed?	Only non-profit organization or foundation can list in SSE	SASIX listed project for non-profit and SASIX Financial listed project for social business, Non-profit and social business fulfilling eligibility criteria	Non-profit organization can list their project fulfilling eligibility criteria	Non-profit, for profit, charitable organization, cooperatives with social/environment mission can list.	Social enterprises, social investment funds, microfinance institutions, development finance institutions and NGOs are allowed to list if they fulfil the criteria	For Profit companies with social or environment purpose fulfilling eligibility criteria can list	Non-profit, social enterprises and locally registered social organization with social/environment mission can list
6	Who can Invest?	Retail and institutional investor both local and international allowed to invest	Retail and Institutional investors for SASIX	Retail and institutional investors allowed to invest	Provide advisory, capacity building services to ventures	Global retail and institutional investor also allowed to invest	Retail and institutional investors, both local and international	Retail and institutional investors are allowed to invest
7	What SSE Provided to Investors and Investees	SSE provided capacity building (ex - guidance on proposal writing) and networking opportunities for investees.	Investors provided services like social investment brokering, portfolio management and investment education	Capacity building services for investees like strengthening reporting and accountability system, drafting of business and investment plan etc.	Provide services like advisory, portfolio management services etc to investors	Capacity building and marketing support to investees, Support to investor, helping them align their investment and impact priority	Guidance on corporate, finance and legal, networking opportunities. Brokerage service and networking opportunity for investors	Provide capacity building services to investees in areas like governance

Source:(D. Patel & N. Patel, 2023) NSE report on Policy Brief: Social Stock Exchange - The Way Forward; compilation by author

4. GLOBAL OUTLOOK OF SOCIAL STOCK EXCHANGE

Of the 7 SSEs discussed in this section only Three are currently operating namely Canada, Jamaica and Singapore. SEs confront a critical challenge in achieving sustainability, reliant on their capacity to cover operational costs while serving investors and investees. With many SSE-listed entities being non-profit, NGOs, or charitable organizations,

financial returns for investors are often absent, constraining revenue potential. Establishing a sustainable SSE is further complicated by regulatory obstacles and insufficient local stakeholder interest and support.

5. SIGNIFICANCE OF SSE IN INDIA

1. Filling Funding Gaps for UN SDGs:

The India Philanthropy Report 2023 highlights the significant funding gap of USD 560 billion annually to meet the UN Sustainable Development Goals (SDGs) by 2030. A Social Stock Exchange (SSE) emerges as a crucial tool to bridge this financial shortfall and empower philanthropic initiatives.

2. Private Sector Engagement:

Acknowledging the limitations of government capacity, private philanthropy, and High Net Worth Individuals (HNIs) are essential contributors. SSE facilitates their active involvement, providing a structured platform for impactful investments in social enterprises and initiatives aligned with SDGs.

3. Complementary Role to Government and Philanthropy:

The proposed SSE is positioned as a complementary force to government actions and philanthropy. It leverages the strengths of private philanthropy and social enterprises to address social and environmental challenges that may be hindered by constitutional or political obstacles.

4. Addressing Social Sector Financing Challenges:

Social sector organizations, crucial for providing essential services, often face financing challenges. A unified SSE offers a solution by providing a streamlined approach for social enterprises to access resources, overcoming barriers such as limited access to debt and equity identified in a Brookings India survey.

5. Transforming Traditional Beliefs:

India's transformation from the traditional belief that it is responsibility of only government to develop society at social and economic level with the involvement of individuals and corporations. SSE aligns with this shift by encouraging private sector participation in achieving social and economic development goals.

6. CHALLENGES AND LIMITATION OF SOCIAL STOCK EXCHANGE (SSES):

Challenges of Social Stock Exchanges (SSEs):

1. **Accreditation and Definition:** Difficulty in accrediting social enterprises and lack of clear government-defined distinctions.
2. **SME Exchange:** Debate on improving SME exchanges instead of creating a separate SSE; unclear benefits for voluntary organizations.
3. **Inclusion of Entities:** Uncertainty about SSE framework, potential exclusion of certain entities.
4. **Coherent Sector Development:** Lack of education, training, and awareness; emphasis on policy, regulation, and government support.
5. **Integration with National Vision:** Need for alignment with national development goals, making SSE a catalyst for societal transformation.

Limitations of SSEs:

1. **Structural Concerns:** Disadvantage for non-profits, exclusion of religious organizations, and criticisms of eligibility criteria.
 2. **Profit vs. Social Enterprises:** Misalignment with traditional stock exchange goals, concerns about dominance by for-profit enterprises.
 3. **Provisions and Safeguards:** Absence of financial resource for non-profits, limited provisions for smaller organizations.
 4. **Limited Impact-Focused Establishments:** Few establishments meeting SSE criteria, limiting the pool of impact-driven companies.
 5. **Impact Measurement Difficulties:** Challenges in measuring social and environmental impacts, reducing attractiveness to investors.
 6. **Limited Liquidity:** Potential lack of liquidity hindering share transactions.
 7. **Regulatory Challenges:** Operating in a complex regulatory environment may increase costs and decrease listing efficiency.
 8. **Capacity Building:** Need for mutual capacity building between regulatory bodies and social enterprises.
- Addressing these challenges and limitations is crucial for the sustained success and appeal of Social Stock Exchange

in India.

7. CONCLUSION

The establishment of a Social Stock Exchange (SSE) holds immense potential as it is beneficial for both people and society, offering investors a potent opportunity to address societal needs. It will act as a bridge between social enterprises and investors. The proposed SSE, aligning with Sustainable Development Goals (SDGs), aims to transform charity habits into a culture of social investment. Experiences of global SSE along with our own culture of charity can greatly contribute to India's economic landscape. The proposed tax benefits aim to encourage market participation, offering a significant economic contribution. The SSE can play a pivotal role in attaining SDGs by 2030 and the vision of Viksit Bharat @2047. The success of the SSE in India relies on robust government policies, efficient operations, confidence of private investors. "SSE should be a means for the markets to serve the society not for society to serve the markets" (R. Sadhwani, et. at. 2023).

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