

THE SOCIAL

AUDITOR



भारत 2023 INDIA

November-
December 2023



YOUR INSIGHT JOURNAL



ICMAI Social Auditors Organisation

(A Section 8 Company promoted by The Institute of Cost Accountants of India)

Social Stock Exchange

SEBI vide its notification dated 25th July, 2022 has made amendments in the SEBI (ICDR) Regulations, 2018, and SEBI (LODR) Regulations, 2015. Copies of these amendments are being circulated with this communique. These amendments have been made to provide Social Enterprises with additional avenues to raise funds through the Social Stock Exchange (SSE), which is a novel concept in India. It provides eligibility of organizations to raise funds through Social Stock Exchange, eligibility of entities to be classified as “Not for Profit Organization”, eligibility of entities to be classified as “For Profit” Social Enterprises, means through which Social Enterprises can raise funds, and obligations of Social Enterprises.

Furthermore, to strengthen the governance framework in these entities, & provide better confidence to such investors, SEBI has introduced the concept of Annual Impact Report by a Social Auditor. The purpose of this Social Audit is to ascertain the impact made by the Social Enterprise through its activities, intervention, programs or projects implemented during the reporting period. The annual impact report shall be audited by a Social Auditor.

ICMAI Social Auditors Organisation (ICMAI SAO)

To enroll & regulate the Social Auditors and also to prescribe the Social Audit Standards, the Institute of Cost Accountants of India, in compliance with SEBI Regulations, has incorporated a section 8 company titled ICMAI Social Auditors Organization. The ICMAI SAO will enroll eligible CMAs & others as Social Auditors and focus on their capacity building through continuous professional advancement with emphasis on adherence to the highest ethical standards and compliance with the Social Stock Exchange requirements.



ICMAI Social Auditors Organisation

(A Section 8 Company promoted by The Institute of Cost Accountants of India)

INDEX

GOVERNING BOARD

CHAIRMAN

CMA Ashwin G Dalwadi

NOMINEE DIRECTORS

CMA Bibhuti Bhushan Nayak

CMA Neeraj Dhananjay Joshi

CMA Rajendra Singh Bhati

CMA T C A Srinivasa Prasad

CMA K Ch A V S N Murthy

CMA Avijit Goswami

CMA A S Durga Prasad

CMA R K Gupta

Shri Harsh Jaitli

CHIEF EXECUTIVE OFFICER

CMA S K Gupta

EDITOR & PUBLISHER

CMA S K Gupta

Mr. Nitin Singh Gusain

MESSAGE

FROM THE CHAIRMAN'S DESK 1

FROM THE CEO'S DESK 2

PROFESSIONAL DEVELOPMENT PROGRAMS 3-4

ARTICLES 5

• Framework of Monitoring and Evaluation of CSR projects 6-11

• Time to Establish a Green Bank in India 12-13

OTHER READINGS 14

• Frequently Asked Questions on Social Stock Exchange Checklist for registration of a Not-for-

• Profit Organization (NPO) with Social Stock Exchange (SSE)/In principle approval for raising of funds by NPO Application form for registration of Social Enterprises on National Stock Exchange of

• India Limited Annexure - III (Undertaking from Third Party) Annexure - I (Undertaking from NPO) 28-31

• 32-33

• 34

• 35-36

PROCEDURE FOR REGISTRATION OF A MEMBER WITH ICMAI SAO 37-40

DETAILS REGARDING SOCIAL AUDITORS 41

EXAMINATION CONDUCTED BY NISM

Social Auditors Certification Examination 42

Frequently Asked Questions (Social Auditors) 43-45

MULTIPLE CHOICE QUESTIONS 46-48

FROM THE CHAIRMAN'S DESK

CMA Ashwinkumar G. Dalwadi
Chairman
ICMAI Social Auditors Organisation

The concept of development has undergone a sea change after the popularization of the Human Development Approach and publication of the first Human Development Report of the United Nations Development Programme (UNDP) in 1990. Today, human beings are considered as both the means and ends of production. Thus, all the development activities are centred towards maximizing well-being of the mankind; and for which social sector development is considered very vital. India, as a nation, has always been progressive, in constant pursuit of achieving a better tomorrow for all its citizens. The social sector, driven by non-governmental organisations (NGOs) and civil society organisations (CSOs), has been playing a vital role in this transformative journey by serving as a catalyst for inclusive development in all communities.

Social Science has been keenly working on the dynamics of the processes involved in the transformation of societies as they embark on the road to development. History shows us that the transformation of any society is a process that diverges from a simple task oriented process to a holistic development effort. The transformation of any society is structural, complex, continuous and dependent on a host of factors that fuel the change.

The development sector in India is now maturing with thrust coming from the government as well as the corporate sector. With the government realising that it is no longer possible to follow the development agenda given the sheer size and numbers, the corporate sector is also coming forward. The professionalization of this is a natural corollary. Even the way of doing business is undergoing a paradigm change with factors such as sustainability, culture, social responsibility and governance coming to the fore. To manage this transition, there is an increasing demand for people who are educated and possess the right skillset. In a structurally diverse country such as India, development is driven through a management process that requires a deeper understanding of the dynamics of a mixed economy with an agenda that is led by populist government policies and intervention. One thing is clear. In development, there is no end game. Transformation is a continuous and cyclical process of change that evolves over a period of time.

FROM THE CEO'S DESK

CMA (Dr.) S K Gupta
Chief Executive Officer
ICMAI Social Auditors Organisation

Social sectors comprise social and economic services. 'Social services' include education, art and culture, medical and public health, family welfare, water supply and sanitation, housing and urban development, welfare of the underprivileged classes, labour and employment, social security and welfare and other social services. On the other hand, 'economic services' relate to rural development and food storage and warehousing. All this social sector expenditure is geared towards the achievement of a broader objective of expanding social opportunities and improving the social indicators of education, health and nutritional standards of the general population. Social sector development focused on greater livelihood opportunities, modern amenities and services for decent living in rural areas as well as in urban areas, which would increase the opportunities for equal economic participation and thus promote inclusiveness. The social sector development approach of growth policy hinges on human development and human welfare and therefore exacerbates inclusive context of growth.

The social sector in India is funded by a diverse range of stakeholders including the public sector, foreign funders, and domestic philanthropy. Retail givers, Indian corporations (via CSR), and family philanthropy (comprising UHNIs, HNIs, and affluent givers) are key cohorts shaping India's domestic philanthropy. The funding landscape in India remains rather enigmatic for non-profit organizations. The limitations of accessing first-hand information on giving behaviours often deter Indian non-profits from undertaking targeted outreach. Funders are recognizing that a robust ecosystem can enable better outcomes towards achieving development priorities. There is a large shift in aspirations towards investing in ecosystem strengthening through innovation, research, and institution building. This includes capacity building of non -profits, collaborative platforms, specialized systems and processes, and insightful narratives that can influence social change.

Funders are increasingly interested in supporting climate solutions and incorporating an environmental and climate lens into their existing portfolios to strengthen the narrative for adaptation and community resilience. Waste management, water treatment, and biodiversity conservation are areas within climate action that have garnered their attention. There is also greater acknowledgment from funders that to respond effectively to the climate crisis, it is crucial to support and listen to grassroots and community-based organizations.

PROFESSIONAL DEVELOPMENT PROGRAMS

NOVEMBER-DECEMBER 2023

Date	Name of Program
02nd-03rd November 2023	Certificate Course - ESG {Perspective, Process, Practice}
04th-05th November 2023	13th Online Batch Preparatory Course for Social Auditors Examination
02nd-03rd December 2023	14th Online Batch Preparatory Course for Social Auditors Examination

UPCOMING PROGRAM

Date	Name of Program
04th January 2024	The Role of ESG in Risk Management
05th January 2024	ESG - Key Performance Indicators
13th January 2024	ESG Reporting Standards
13th-14th January 2024	15th Online Batch Preparatory Course for Social Auditors Examination

Articles



Framework of Monitoring and Evaluation of CSR projects

Dr. S K Gupta

Chief Executive Officer - ICMAISocialAuditors Organisation

The Perspective

While there may be no single universally accepted definition of CSR, each definition that currently exists underpins the impact that businesses have on society at large and the societal expectations of them. Although the roots of CSR lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations, globally, the concept of CSR has evolved and now encompasses all related concepts such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility. With the passage of the Companies Act, 2013 the mandate for corporate social responsibility (CSR) has been formally introduced to the dashboard of the Boards of Indian companies. The industry has responded positively to the reform measure undertaken by the government with a wide interest across the public and private sector, Indian and multinational companies.

With such large expenditures being made towards CSR, it becomes imperative that the projects are monitored and the outcomes are evaluated to ascertain whether the objective with which it was made mandatory, is achieved. “How do we make sure that the money we are spending on CSR is being well spent and that people for whom it is intended are benefitting from it” is a sentiment echoed by many companies. With such large expenditures being made towards CSR, it becomes imperative that the projects are monitored and the outcomes are evaluated to ascertain whether the objective with which it was made mandatory, is achieved. “How do we make sure that the money we are spending on CSR is being well spent and that people for whom it is intended are benefitting from it” is a sentiment echoed by many companies. There is likelihood of greater accountability that Companies will bring into the implementation of activities related to social development.

Organisations in all sectors face an increasing need to demonstrate the impact they’re having, whether it’s the social value delivered by public sector projects or the impact of a business’ corporate social responsibility (CSR) programme. For the successful implementation of any CSR project, it is desirable that the said project achieves the required objective. It is also equally important to ensure that the project makes the desired impact which was visualized at the time of selection & planning. The focus for corporates who see the law more as “compliance” has been on project “deliverables” than measuring social impact. Thus, It’s important to have strict and accurate monitoring and evaluation plan as part of any successful project implementation and CSR projects are no exception. It not only helps to be assured of implementation of policies as planned but also helps address intense public scrutiny and legal compliance. Designing Monitoring and evaluation (M&E) system is crucial for improving performance and ensuring success of the Sustainability & CSR project. M&E can help track progress and outputs systematically, measure outcomes and help you steer your social program in the right direction.

Reporting, monitoring and evaluation of companies’ CSR activities is key to setting strategic direction and delivering measurable and tangible results on the ground. A continuous monitoring framework and iterative and reflective mechanisms are essential to support successful program delivery. Such a monitoring framework must inform action at multiple levels, ranging from the local to national and international levels to track and harmonize multiple accountabilities.

Monitoring and Evaluation

Monitoring is a periodically recurring task that allows results, processes, and experiences to be documented and used as a basis to steer decision-making and learning. It is a progress checking mechanism created to see whether the project is on track and meeting the outputs set within the time limits as mentioned in the project design and implementation plan. It helps clarify project objectives, link activities & resources to the objective and translates them into performance indicator to set targets. It allows

results, processes and experiences to be documented and helps us understand the status of the project at any given time. Monitoring acts as an alert that warns us about a problem to be remedied. The data acquired through monitoring is used for comparing actual results with the target for evaluation.

Evaluation of a CSR project revolves around how well or how badly has the project been implemented, to what extent it has achieved the results (outputs & outcomes), the challenges faced during the implementation and how they have or could have been addressed. It also provides a basis to assess whether the gains or completed project in the manner or policy is desirable. Evaluation and results. The aim of evaluation of a CSR program, is therefore to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability. Such an evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors. Evaluation also refers to the process of determining the worth or significance of an activity, policy or program. It deals with the questions of cause & effect. It looks at relevance, effectiveness, efficiency and sustainability of particular intervention.

One of the most pertinent factors to be kept in mind is that monitoring happens during project implementation while evaluation takes place after the project has been implemented. Thus, even mid-term evaluations fall in the category of monitoring as it is focused on what type of hindrances are occurring which is holding back the successful implementation of the project and what type of course corrections needs to take place in order to put the CSR project implementation back on track. It is critical to determine the 3-4 key indicators that are most important for your program, to understand if the program is working on the ground. This involves plotting The long-term impact you want to make, Mid-terms outcomes which will get you there, Short-term outputs of your program.

Benefits of Monitoring & Evaluation of CSR Projects

M&E is not merely an activity to monitor and assess the effectiveness and impact of programs; it also exhibits the implementers' commitment toward achieving desired goals. The absence of M&E strategies in the program design also raises doubts regarding the prospects of the program's sustainability. Such apprehensions become even more important when it comes to CSR, which has been mandated by the government in the form of an act. Monitoring and evaluation of CSR activities helps corporations in learning from past experiences, improving delivery system of CSR activities they undertake, systematic planning and optimizing resource allocation and measurement of results as a part of accountability to the key stakeholders.

Following benefits accrue from monitoring and evaluation of CSR projects :

- Assess and demonstrates Sustainability & CSR projects effectiveness in achieving its objectives and/or impacts on people's lives
- Improves internal learning and decision making about Sustainability & CSR project design, how the group operates, and implementation i.e. about success factors, barriers, which approaches work/ don't work etc
- Assess the capabilities of implementing partners and plan future CSR projects based on their strengths
- Ensures accountability to key stakeholders (e.g. community, Community members/supporters, the wider movement, funders, supporters)
- Can influence the government policy & help share learning with other communities and the wider movement.
- Track, assess and report the progress of the sponsored project and undertake course corrections. Helps CSR team to understand how each stakeholder has met assigned responsibilities.

Considerations when developing a Monitoring and Evaluation framework

A tailor-made Monitoring and Evaluation framework forms one of the foremost components leading to the successful implementation of any project activity. Prior to suggesting tips for the implementation of Monitoring and evaluation in CSR

activities, understanding the meaning of both monitoring and evaluation in the context of project framework is important. A clear framework is essential to guide monitoring and evaluation. A framework should explain how the program is supposed to work by laying out the components of the initiative and the order the steps needed to achieve the desired results. A framework increases understanding of the program's goals and objectives, defines the relationships between factors key to implementation, and articulates the internal and external elements that could affect the programs success. Asking following questions would provide the basis for developing a monitoring and evaluation framework

- What are the objectives of the monitoring activities?
- What are the specific questions that need to be asked to gauge the progress of the intervention?
- What information is needed to see if activities are being implemented in the way that was planned, and who can provide that information?
- What are the objectives of the evaluation?
- What are the specific questions that need to be answered to gauge the impact and success of the intervention?
- What information is needed to determine if the expected objectives and outcomes were accomplished and who can provide that information?
- Determining whether the questions being asked are appropriate ones for understanding how “successful” the intervention has been with respect to its expected objectives and outcomes?

For an effective monitoring and evaluation following criteria can be set up: **Effectiveness of CSR activities** : Is the project achieving its pre-set goals? **Project relevance** : Are CSR activities well-directed towards stakeholders? **Coherence / Complementarity** : Are CSR activities well-coordinated? **Efficient use of resources** : Are the resources allocated for CSR activities utilized efficiently? **Development-policy effects** : Are CSR project efforts contributing to pre-determined goals? **Sustainability** : Will CSR initiatives keep continuing for long duration?

The most cited questions from investors and participatory stakeholders regarding Social/Community Development and Investment projects is:“ How are the social impact/outcome/change of the development program measured?”. Companies track their investment initiatives to varying degrees. The five levels of measurement outlined below describe progressive degrees of measurement and can be used to measure the short-term or long-term and quantitative or qualitative, results of interventions.

- **Inputs** : all resources(human, financial and other) that are allocated to specific activities (e.g. staff time, infrastructure, vehicles, funding and supplies)
- **Activities** : Purposefully designated actions that transform the various inputs into specific outputs (e.g. distributing supplies, training people, donating equipment, building infrastructure, counselling patients, feeding learners)
- **Outputs** : Direct result of activities. These are short-term result that are immediate, visible, concrete (e.g. number of people trained, supplies distributed or community members treated). Outputs for the business include the value of Public Relations that is generated, number of business stakeholders involved, and the number of staff volunteers engaged
- **Outcomes** : specific changes in the behaviors , new knowledge, skills or wellbeing. These are medium-term developmental results that are a consequence of achieving a specified combination of short-term outputs (e.g. behavior, knowledge or skills, improved grades improved access to health services, improved self-esteem). Outcomes could include improved staff morale, increased customer awareness or enhanced corporate reputation.
- **Impact** : Broader long-term consequences of the project. These include community, society or system-level changes that are the logical consequence of a series of medium-and short-term results (e.g. improved effectiveness of education system, reduction in HIV prevalence, more educated or healthier population, increased capacity)

Companies can select indicators measuring a combination of these levels of measurement to track the outcomes of their CSR initiatives and are advised to adopt an approach commensurate with each projects level of invest mentor strategic value.

Monitoring and Evaluation framework for CSR projects : Suggested approach

- Develop a **monitoring and evaluation plan** that acts as a monitoring tool by defining how information from the program will be tracked. Different indicators demand different frequencies of measurement. Typically, skill outcomes, awareness building results, etc. can be measured in the short term (monthly, quarterly, etc.); action-based outcomes like policy change, behavior changes need to be evaluated in the long-term window. Impact indicators necessarily have a long measuring cycle. For example, an eventual change in environmental landscape or socioeconomic conditions can only be confirmed over a long period of time. To ensure we are making a real step change around sustainability and continuing to move the program on to the next level, the M&E approach should go beyond measuring reach and adoption to focus on the outcomes achieved on the ground. The implementation partners have to be involved completely in the M&E process since it has a bearing on the program design and also how they allocate resources and plan activities. They have the best understanding of grassroots realities and should be primarily responsible for data collection. Use Logical frameworks or logic models which provide a linear, “logical” interpretation of the relationship between inputs, activities, outputs, outcomes and impacts with respect to objectives and goals. They show the causal relationship between inputs, activities, outputs, outcomes and impact vis-à-vis the goals and objectives. Logical frameworks outline the specific inputs needed to carry out the activities/processes to produce specific outputs which will result in specific outcomes and impacts. Once the M&E framework, including performance indicators, are signed off with the implementation partners, they should ideally support the monitoring and evaluation process by creating simple tools and processes for data collection and analysis and set up a process for two-way feedback. Measuring returns from CSR projects
- **Social impact index**= Net improvement in quality of life, and number of lives affected due to the nature of the CSR activity and based on the needs of the Targeted Beneficiary (in terms of increase in awareness in social, economic, health, environment, education, political, and other areas of life etc)
- **Economic impact index**= Net improvement in incomes, wealth, savings, and assets, and number of lives affected, due to the nature of the CSR activity, and based on the needs of the Targeted Beneficiary(in terms of economic value created, income-generating assets created etc).
- **ROI** = (Net Social Value created for TB +Net Economic Value created for TB)/Financial Investment of the firm. ROI be calculated by external auditing firms every 6 months after the beginning of the project, until at least after 5 years of the completion of the activities to ensure that the impact is sustainable, Effectiveness of a CSR program can be assessed through a two-tier monitoring mechanism involving external as well as internal agencies for thorough evaluation. There can be regular monitoring at Units, Regions & Corporate Centers with monthly & quarterly reporting about CSR activities. Transparent Assessment / Evaluation can be taken up through reputed agencies for gauging impact of our CSR initiatives. People’s informed participation in the Impact Assessment, Monitoring and Evaluation is a critical aspect in defining the success and accountability of CSR initiatives. Hence it is essential that the Monitoring and Evaluation is participatory in its approach involving all the relevant stakeholders, including rights holders and communities.
-
-

The key factors that need to be kept in mind while formulating a monitoring and evaluation framework for a CSR project are as follows:

- **Track necessary Information only** : M&E tools often end up capturing a lot of information that is not required or has no potential use for the program. The idea behind it is to collect only necessary information that is required to ascertain whether the project is on track in case of monitoring and whether it has achieved the results to address the issues successfully in case

- of evaluation. This would result in optimization of resources in terms of cost, effort and time deployed for M&E studies.
- **Selection of Appropriate Data Collection Tools** : Selection of appropriate tools commensurate with the requirement and the nature of the project is a vital component in any monitoring and evaluation framework. It is well known fact that one size does not fit all, in the same way, the tools selected have to be as per the nature of the project, budgetary constraints and available time line. **Identifying M&E roles and responsibilities** : It is imperative for any good monitoring and evaluation framework to assign specific roles & responsibilities within the CSR project team personnel. Further, the assessment is to be done on the basis of specific indicators which are to be achieved within specified time lines. It is important to decide from the early planning stage who is responsible for collecting the data for each indicator. Data management roles should be decided with input from all team members so that everyone has the same understanding and knows the indicators they are assigned while are supposed to track. .
 - **Indicators should be SMART** : The indicators to be adopted for any monitoring and evaluation plan should be SMART (Specific, Measurable, Accurate, Realistic & Time Bound). This implies that it should be specific in terms of what it wants to measure/assess, measurable quantitatively/qualitatively, able to accurately capture data, based on realistic parameters as per the on-ground situation and should have a specific time line. **Use of Logical Framework Matrix (LFM)** : It is one of the most critical tools to ensure that the entire CSR project implementation plan along with the results and the performance indicators are drawn up in a matrix so as to make it easier for any project implementation team to see if the project is going as per the plan. It aids in effective monitoring of the entire implementation phase by checking if the project results (outputs and outcomes) are being met. Further, it also aids in assessing the risks and assumptions and creating a mitigation plan for the same. Moreover, it helps in analyzing the roles and responsibilities of various stakeholders. At the end of a project, it also helps in assessing whether the project has been successful in meeting the outcomes and objectives that the project had set out to achieve. **Create a Comprehensive Analysis Plan** : The accurate analysis of data is a key component for the success of any monitoring and evaluation plan. It is very important for the data to be analyzed by data analysis experts. The inferences drawn from the analysis should be substantiated with data comprising of facts and figures (quantitative data) or/and views, opinions, perceptions of the relevant stakeholders (qualitative data). **Checking validity of data** : One of the most important factors to be kept in mind while designing of the monitoring and evaluation framework is that the data collected needs to be verified from multiple sources both through primary and secondary research. This is imperative in order to increase the authenticity and accuracy of the data. **Sharing of Data with Relevant Stakeholders** : The data collected and the resulting analysis should be shared with all the relevant stakeholders. This will ensure that the data collected and analyzed leads to real time change/course correction on the ground or leads to better planning and design of future similar projects. The M&E plan should plan for internal dissemination among the program team, as well as wider dissemination among stakeholders and donors.
 -

Thus, in a nutshell monitoring forms the lifeline of any project as it makes sure that the right decisions are taken at the right time in order to mitigate the risks and challenges facing the project in real time while evaluation shows to what extent the overall targets and outcomes set at the time of the project designing phase has been met post implementation of the CSR activities.

Impact Assessment

Impacts of the development projects typically take a while to manifest. For instance, a girl child education program can show an increased enrolment and retention of girls and on a monthly basis, but further impacts such as improved learning levels will take at least a year. So, impact measurement studies have different objectives from project monitoring and typically have to be undertaken after providing sufficient time for them to manifest.

- Identifying methods for conducting the impact assessment and outcome measurement suited to the context and the size of the project and budgets available.

- Identifying the skills set required for the impact measurement team and accordingly identifying, selecting and appointing the team.
- Assisting the team to prepare the methodology for selecting a sample, conducting surveys, focus group discussions collecting information on the identified indicators.
- Making the provisions for the site visits by the team, involvement of the agency involved during the baseline and needs assessment.
- Undertaking the impact measurement exercise and preparing the report.
- Identifying the lessons for future interventions.

Reporting of CSR projects performance

As mandated by SEBI, CSR performance is disclosed & reported in the Annual Business Responsibility Report. The reporting should revolve around the following :

- **Effectiveness of CSR activities** : Is the project achieving its pre-set goals?
- **Project relevance** : Are CSR activities well-directed towards stakeholders?
- **Coherence/Complimentarily** : Are CSR activities well-coordinated?
- **Efficient use of resources** : Are the resources allocated for CSR activities utilized efficiently
- **Development-policy effects** : Are CSR project efforts contributing to pre-determined goals
- **Sustainability** : Will CSR initiatives keep continuing for long duration?

Conclusion

While investment by companies incorporate social responsibility programs is increasing, the way in which return is delivered and the success of these programs is also being increasingly observed. Monitoring and Evaluation can also help in enhancing the ability to consult, coordinate and engage with various stakeholders. The well-structured monitoring and evaluation process leads to identification of relevant issues in a time-bound manner which in turn can enhance the ability to address the issues through proper performance indicators of CSR activities. Ideally, a monitoring and evaluation process needs to be developed right at the beginning and incorporated in the overall implementation plan as per the following framework :

1 Develop a monitoring framework to capture the progress and outcomes, based on the agreed indicators

- Develop monitoring and evaluation (M&E) framework to measure performances.
- Develop project governance structure.
- Output tracking through well-defined indicators.
- Progress report (narrative and financial).

2 Midterm reviews

3 Consolidate and analyze learning from the field

4 Mid - term, annual and evaluation at the end of project

There is a capacity gap among CSR functionaries, as they do not clearly understand how to effectively monitor and measure outcomes. Since CSR functionaries do not have relevant knowledge about these aspects, they are often not able to effectively use evaluation findings, even when they have access to the evaluation reports of their programs. The lack of appreciation for evaluation findings affects program effectiveness, because findings do not take the forms of learning and remedial actions.

A stringent monitoring mechanism not only helps to gauge and review the progress, it also helps to identify gaps, if. Evaluating the projects can help assess whether the desired outcome and impact has been achieved and the benefit is indeed reaching the intended beneficiaries. With a robust monitoring mechanism in place, the companies would be better equipped to plan their programs and also engage with multiple stakeholders who have interest in their CSR activities. Unless companies bring in the rigor of monitoring and evaluation into their CSR programs, they can neither ensure sustainability of their programs nor can they draw linkages between their program and any real social change on ground.

Time to Establish a Green Bank in India

Mr. Hargovind Sachdev

Independent Director , ExGM, State Bank of India

“ A Green Bank branch inside an industrial estate enables investments to decarbonise the business processes, making life easy for all stakeholders.”

At the recently held climate summit, COP28, in Dubai, many lending institutions announced plans for sustainable financing. They resolved to adopt corporate climate change transition targets and strategies. Organisations like the Sierra Club, Rainforest Action Network, and Ceres emphasised banks to increase Green Banking and exit finance fossil fuel companies in pursuit of 'cleaner' and renewable products for their and the planet's survival. Being the fastest-growing economy, **India needs Green banks to support decarbonisation.**

The **COP28 Global Climate Finance Framework** members advised banks to improve the availability, accessibility, and affordability of climate finance. It was reiterated that the Banks must expand Climate-Resilient Debt Clauses (CRDCs) in lending agreements per the United Nations directives. Lenders from the UK, France, World Bank, **Inter-American Development Bank (IDB)**, **European Bank for Reconstruction and Development (EBRD)**, and **African Development Bank (AfDB)** offered new pledges to practice sustainable green finance.

The government of UAE made substantial financial commitments to provide \$270 billion in green finance support for renewable businesses in a phased program. **Such impressive strides by the neighbouring UAE in green financing create a threat of migration of banking business from the streets of Mumbai to the spanky towers of Dubai banks.**

India has to run before others start walking to retain big-ticket exporters who might borrow big from UAE banks to use green finance for their operations in the carbon-resistant European and US markets. Their export partners' use of non-green funds is taxable from the First of November 2023. **If Green Banks are not established in India, exports, tax collections, forex accumulations, and job markets will suffer, and the Indian Rupee will go down further.**

Setting up a Green Bank in India shall bring several environmental, economic, and social benefits:

- **Promoting Renewable Energy** : A Green Bank can focus on financing renewable energy projects such as solar, wind, and hydropower. This can help India reduce its reliance on fossil fuels, mitigate climate change, and contribute to a cleaner and more sustainable energy sector.
- **Facilitating Green Infrastructure** : Green Banks can finance the development of green infrastructure, including energy-efficient buildings, sustainable transportation, and waste management systems. This can contribute to an environmentally friendly infrastructure network.
- **Attracting Investment** : Establishing a Green Bank sends a strong signal to investors about India's commitment to sustainable development. This can attract international investment in green technologies, addressing environmental challenges.
- **Job Creation** : The development of green industries, supported by a Green Bank, can create new jobs.
- **Meeting Climate Goals** : A Green Bank can play a crucial role in helping India achieve its environmental goals in international agreements such as the Paris Agreement. The bank can help reduce greenhouse gas emissions by supporting green initiatives financially.

- **Risk Mitigation** : Green Banks can help mitigate financial risks associated with green projects by providing financial instruments such as guarantees, insurance, and low-interest loans. This can encourage private sector involvement in sustainable initiatives.
- **Innovation and Research** : A Green Bank can support research and development in green technologies and innovation. By fostering a culture of innovation, the bank can contribute to developing efficient solutions for environmental challenges.
- **Energy Security** : Investing in renewable energy sources enhances energy security by diversifying the energy mix and reducing dependence on fossil fuels. This can make India less vulnerable to fluctuations in global oil prices and geopolitical uncertainties.
- **Community Development** : Green projects have positive impacts on local communities. A Green Bank facilitates community engagement to ensure equitable distribution of sustainable development.

Institutions with a dedicated green finance muscle catalyse the transition to a green and low-carbon product profile acceptable in the advanced global economy. **Establishing a Green Bank in India shall align with the country's sustainable development, environmental protection, and economic growth goals.**

The clock is ticking for India to accelerate speed relative to climate- action promises. If the colour of funding does not turn green, pressure from investors, customers, new laws, and more stringent mandates might soon turn Indian banks into obsolescence. **The fear of losing top-notch, high-yield corporate banking to the UAE may become a reality. It's time to open a Green Bank as soon as possible to move with time.**

Rightly said, **“Someone is sitting in the shade today because someone planted a tree a long time ago.”**

OTHER READINGS



ICMAI Social Auditors Organisation

(A Section 8 Company promoted by The Institute of Cost Accountants of India)

Frequently Asked Questions on Social Stock Exchange

1. What is Social Stock Exchange (SSE)?

Ans: Social Stock Exchange (SSE) is a separate segment of the existing Stock Exchange, that can help Social Enterprise(s) (Please see Qs.2 for further details on Social Enterprise) to raise funds from public through the stock exchange mechanism. SSE will act as a medium between Social Enterprises and fund providers and that can help them to select those entities that are creating measurable social impact and reporting such impact. Certain type of Social Enterprises i.e. Not-for-profit organizations (NPOs) that meet the registration criteria (Please see Qs. 9 for details on registration criteria) can register on SSE and undertake to make continuous disclosures on their social impact. Such NPOs may or may not choose to raise funds through SSE, however, would continue to make disclosures including on social impact to stock exchanges.

2. What is a Social Enterprise in the context of Social Stock Exchange?

Or

Which entity can identify itself as a social enterprise?

Ans: Social Stock Exchange identifies the following two forms of social enterprises that are engaging in the activity of creating positive social impact and that meets primacy of their social intent.

- i. Not-for-profit organization (Please see Qs. 5 for details)
- ii. For profit social enterprise (Please see Qs. 6 for details)

In order to establish primacy of social intent, any entity [be it Not-for-Profit Organization (NPO) or For-Profit Social Enterprise (FPE)] should meet all three criteria mentioned under Regulation 292E(2) of the ICDR Regulations. Briefly, these criteria require that the entity must indulge in activities prescribed under Regulation 292E(2)(a), and that the entity must target underserved or less privileged population segments or regions which have recorded lower performance in the development priorities of central or state governments.

Further, in order to be identified as a social enterprise, it shall demonstrate that 67% of its activities qualifying as eligible activities to the target population shall be demonstrated by either of the following:

- i. At least 67% of its revenue of the immediately preceding 3-year average of revenues comes from providing eligible activities to members of the target population.

or

- ii. at least 67% of the immediately preceding 3-year average of expenditure has been incurred for providing eligible activities to members of the target population.

or

iii. members of the target population to whom the eligible activities have been provided constitute at least 67% of the immediately preceding 3-year average of the total customer base and/or total number of beneficiaries.

However, corporate foundations, political or religious organizations or activities, professional or trade associations, infrastructure, and housing companies, except affordable housing, shall not be eligible to be identified as a Social Enterprise.

3. What are the minimum reporting standards mandated for Social Enterprises?

Ans. The minimum reporting standards have been created by benchmarking elements from various national and international frameworks of measurement that have been developed and are being deployed. The main elements of the reporting standard are as:

i. Section 1- Strategic Intent and Goal Setting

- (a) The social problem to be solved
- (b) The target segment to be served
- (c) The approach to solve the problem

ii. Section 2- Social Impact Scorecard

- (a) Extent of target segment served
- (b) Intensity of impact on median individual
- (c) Dimensions of income, social equity and diversity

iii. Section 3- General information

- (a) Members of governing body
- (b) Demonstration of prior funding history
- (c) Financials, Registrations or licenses

4. Which Social Enterprises are not eligible to get registered or raise funds through Social Stock Exchange/Stock Exchange?

Ans. A Social Enterprise shall not be eligible to register or raise funds through Social Stock Exchange/Stock Exchange if –

- a) any of its promoters, promoter group or directors or selling shareholders (in case of for-profit social enterprise) or trustees are debarred from accessing the securities market by SEBI

- b) if any of the promoters or directors or trustees of the Social Enterprise is a promoter or director of any other company or Social Enterprise which has been debarred from accessing the securities market by SEBI;
- c) if the Social Enterprise or any of its promoters or directors or trustees is a willful defaulter or a fraudulent borrower;
- d) If any of its promoters or directors or trustees is a fugitive economic offender
- e) if the Social Enterprise or any of its promoters or directors or trustees has been debarred from carrying out its activities or raising funds by the Ministry of Home Affairs or any other ministry of the Central Government or State Government or Charitable Commissioner or any other statutory body

5. What is a Not-for-profit organization in the context of Social Stock Exchange?

Or

Which entity can be identified as a not-for-profit organization in the context of Social Stock Exchange?

Ans: A not for profit organization is an entity which meets the criteria to be identified as a social enterprise (Please see Qs 2) and is any of the following entities:

- i. a charitable trust registered under the public trust statute of the relevant state;
- ii. a charitable society registered under the Societies Registration Act, 1860 (21 of 1860);
- iii. a company incorporated under section 8 of the Companies Act, 2013 (18 of 2013);
- iv. any other entity as may be specified by SEBI;

6. What is a for profit social enterprise in the context of Social Stock Exchange?

Or

Which entity can be identified as a for profit social enterprise in the context of Social Stock Exchange?

Ans: A for profit social enterprise is an entity which meets the criteria to be identified as a social enterprise (Please Qs 2) and is any of the following entities:

- i. A company under the Companies Act, 2013, operating for profit and does not include a company incorporated under section 8 of the Companies Act, 2013 (18 of 2013);
- ii. A body corporate operating for profit

7. What are the ways in which a Not-for-profit organization can raise funds through Social Stock Exchange?

Ans: A Not-for-Profit organization after registering with Social Stock Exchange may raise funds on Social Stock Exchange through

- i. Issuance of Zero Coupon Zero Principal Instruments [through private placement or public issuance]
- ii. Donations through Mutual Fund Schemes [as shall be specified by
- iii. Any other means that SEBI may specify in future

8. Is it mandatory for a Not-for-profit organization to register in order to raise funds through Social Stock Exchange?

Ans: Yes, it is mandatory for a Not-for-profit organization to register with Social Stock Exchange before it raises funds through Social Stock Exchange.

However, a Not-for-profit organization may continue to raise funds through any other means, as permissible under the law, whether it is registered or not with Social Stock Exchange.

9. What are the criteria for registration on Social Stock Exchange in respect of Not-for-profit organizations?

Ans: SEBI vide its circular dated September 19, 2022 has prescribed certain minimum requirements in order for a not-for-profit organization to register on Social Stock Exchange. In brief, these criteria include mandatory age of NPO as 3 years, valid certificate u/s 12A/12AA/12AB of the Income Tax Act, valid 80G registration, minimum INR 50 lakhs as annual spending and minimum INR 10 lakhs of fund in the past year etc.

Social Stock Exchanges are also permitted to prescribe additional requirements in order for a not-for-profit organization to register on it.

10. Is it mandatory for the Not-for-Profit Organizations registered with Social Stock Exchange to seek listing?

Ans. It is not mandatory for Not-for-Profit Organizations which are registered with Social Stock Exchange under regulation 292F of the ICDR Regulations to seek listing, however it shall mandatorily seek registration with a Social Stock Exchange before it raises funds through a Social Stock Exchange.

A Not-for-Profit Organization may choose to register on a Social Stock Exchange and not raise funds through it. It can also continue to raise funds through any other means.

11. What structured finance product is available for Not-for-Profit Organizations through social stock exchange mechanism?

Ans. DIBs is one form of the structured finance product available on SSE:

- i. **Development Impact Bonds**-These are structured finance products where upon completion of a project that meets pre-agreed social metrics at pre agreed rates, the service provider of the project receives grants from the donor, who is called as the “outcome funders”.

The basic principle of a DIB structure is that a grant is made to an NPO after it delivers on pre-agreed social metrics at pre-agreed costs/ rates. The donor who makes the grant when the social metrics are achieved is termed as “Outcome Funder”. Given that the outcome funder makes the payment on a post facto basis, the NPO needs to raise funds to finance its operations. Such a funder is termed as ‘Risk Funder’. A risk funder not only enables financing of operations on a pre-payment basis, but also undertakes the risk of non-delivery of social metrics by the NPO. To compensate for this risk, a Risk Funder typically earns a small return if the social metrics are delivered.

12. Is it mandatory to register for profit social enterprises in order to raise funds through Social Stock Exchange?

Ans: No, a for profit social enterprise need not register with Social Stock Exchange before it raises funds through SSE. However, a for profit social enterprise shall comply with all provisions of ICDR Regulations, AIF Regulations [as applicable for its fund-raising modes] before it can raise funds through SSE.

13. How can a for profit social enterprise raise funds through Social Stock Exchange?

Ans: A For Profit Social Enterprise may raise funds through-

- i. Issue of Equity Shares (On Main Board, SME Platform or innovators growth platform of stock exchange as the case may be)
- ii. Issue of Equity Shares to an Alternative Investment Fund including Social Impact Fund
- iii. Issue of Debt Instruments
- iv. Any other means that SEBI may specify in future

If for-profit-organizations issue equity shares on Main Board, SME Platform or innovators growth platform of stock exchange as the case may be, it shall also need to meet the eligibility criteria for the respective platform as mandated under the SEBI (ICDR Regulations) 2018.

Similarly, for issuance of equity shares to AIFs, issuance of Debt Securities etc. would require compliance with respective SEBI Regulations.

14. Whether retail investors can invest in securities issued by Social Enterprises in the Social Stock Exchange Platform?

Ans. Retail investors are permitted to invest only in securities offered by For-profit social enterprise under the Main Board. In all other cases, only institutional investors and non-institutional investors can invest in securities issued by Social Enterprises. As per SEBI (Issue of capital and disclosure requirements) Regulations, 2018, a retail individual investor is one who applies or bids for specified securities for a value of not more than two lakhs rupees and non-institutional investor is separately defined as an investor other than a retail individual investor and qualified institutional buyer.

15. Can a For-Profit Organization issue Equity Shares to an Alternative Investment Fund?

Ans. Yes. An unlisted For-Profit Organization can issue Equity Shares to an Alternate Investment Fund.

16. Will I qualify for registration if 67% of my activities last year were in one or more items from the list of eligible activities, by my immediately preceding 3-year average is below 67% ?

Ans. No, you are not eligible to apply for registration or listing on the SSE till the 3-year average of your activities is not greater than or equal to 67% of your total activities.

17. Will an NPO promoted by the promoters of a body corporate be eligible to apply?

Ans. If the NPO is dependent on the corporate for more than 50% of its funding, then it shall not be eligible to apply.

18. Whether an NPO needs to be in operations for 3 years before registering on the Social Stock Exchange?

Ans. Yes, a Not-for-Profit Organization is mandatorily required to be in operations for 3 years before registering on the Social Stock Exchange

19. What proof is needed to demonstrate that the NPO has been in operation for 3 years?

Ans. Documents such as Certificate of Incorporation and audited financial for three years is required to demonstrate that the NPO has been in operation for 3 years.

20. Can an NPO that is not registered on the NGO Darpan portal register on the Social Stock Exchange?

Ans. No, the registration of NPO on the NGO Darpan portal is mandatorily required for registering it on Social Stock Exchange.

21. Who will certify the documents that are needed to be submitted for registration of an NPO?

Ans. The documents are required to be certified by CEO/Managing Trustee/Statutory Auditor/ any two authorized signatories from governing body.

22. If an NPO registers on the SSE, will they have to follow all the compliances even if they do not list any instruments on it?

Ans. Yes. NPO is required to comply with all the applicable SEBI (LODR) Regulations, 2015 and circular thereof.

23. Is this meant for Indian entities only or international NPOs can also get registered?

Ans. Only Indian entities can register in Social Stock Exchange.

24. If any Corporate is promoting one NPO through formation of a Formal Organization and then wants to register the NPO on the SSE, is it permitted?

Ans. If majority (>50%) of the funding for the NPO is coming from the said corporate or the corporate has a controlling interest in the NPO, then it is not allowed.

25. Will it be possible for an NPO to renew the registration after a year if they have not raised any money in the previous year through SSE?

Ans. Yes, NPO may renew the registration after a year if they have not raised any money in the previous year through SSE. This is subject to them having completed all disclosures as required.

26. Suppose, we get registered as a SE, and while moving forward if at any point we fail to follow any guidelines. What would be the potential repercussions?

Ans. Like other listed entities in case of failure to comply with any of the provisions or guidelines SEBI reserves the power to initiate enforcement actions such as issuance of administrative warning, imposing penalties under Chapter VIA of the SEBI Act, or action u/s 11 of the SEBI Act for debarment and/ or penalty.

27. Are For-profit organizations eligible to issue Zero Coupon Zero Principal Instruments for raising funds?

Ans. No. Zero Coupon Zero Principal Instruments shall be issued only by a Not-for-Profit Organization registered on a Social Stock Exchange.

28. Which Not for Profit Organizations are eligible to issue Zero Coupon Zero Principal Instruments? -

Ans. Following conditions need to be fulfilled by Not-for-Profit Organizations to issue Zero Coupon Zero Principal Instruments:

- a) The Not-for-Profit Organization must be registered with Social Stock Exchange, and
- b) Zero Coupon Zero Principal Instruments must have specific tenure and can only be issued for a specific project or activity to be completed within a duration specified in the fund-raising document, and
- c) The specific project or activity for which the Zero Coupon Zero Principle Instruments are being issued must fall under the list of eligible activities specified under regulation 292E of SEBI (ICDR) Regulations, 2018.

29. Can Not-for-Profit Organizations make private issuance of Zero Coupon Zero Principal Instruments?

Ans. Yes. The Not-for-Profit Organization registered on a Social Stock Exchange, may also make private issuance of Zero Coupon Zero Principal Instruments to Social Impact Fund(s) registered under the applicable provisions of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations 2012.

30. What is the procedure for public issuance of Zero Coupon Zero Principal Instruments by a Not-for-Profit Organization?

Ans.

- i. A Not-for-Profit Organization shall file draft fund raising document with the Social Stock Exchange where it is registered along with the fees as specified by the Social Stock Exchange along with application to seek in-principle approval to list Zero Coupon Zero Principal Instruments on Social Stock Exchange.
- ii. The Social Stock Exchange shall make draft fund-raising document available on its website for a period of at least 21 days for public comments.
- iii. Social Stock Exchange may seek clarification from Not-for-Profit Organization, if required.
- iv. Within 30 days from the filing of the draft fund-raising document or receipt of clarifications, if any, sought by the Social Stock Exchange from Not-for-Profit



Organization, whichever is earlier, the Social Stock Exchange shall provide its observation on the draft fund-raising document to the Not-for-Profit Organization.

- v. The Not-for-Profit Organization shall incorporate the observations of the Social Stock Exchange in draft fund-raising document and file the final fund-raising document with the Social Stock Exchange prior to opening the issue.

The same procedure is to be followed for private issuance of Zero Coupon Zero Principal Instruments to the extent applicable.

31. Can Zero Coupon Zero Principal Instruments be issued in physical form?

Ans. No. Zero Coupon Zero Principal Instruments shall be issued in dematerialized form only.

32. Is there any limit for issue size of Zero Coupon Zero Principal Instruments?

Ans. The minimum issue size for issue of Zero Coupon Zero Principal Instruments shall be rupees one crore and minimum application size shall be rupees two lakhs.

33. What is the minimum subscription required to be achieved for successful issue of Zero Coupon Zero Principal Instruments?

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.

34. Can a Social Enterprise terminate the listing of Zero Coupon Zero Principal Instruments from Social Stock Exchange?

Ans. The Social Enterprise shall terminate the listing of Zero Coupon Zero Principal Instruments in following events-

- a) The object for which the funds were raised has been achieved and a certificate to this effect is submitted to the Social Stock Exchange, or
- b) The tenure to achieve the object for which the funds were raised as provided in the fund-raising document has expired.

35. Are instruments listed by Social Enterprises available for trading in secondary market?

Ans. The instruments issued by Not-for-Profit Organizations are not available for trading in secondary market. Whereas the instruments issued by For-Profit Organizations are available for trading in secondary market on respective platforms of the Stock Exchanges, on which they are listed.

36. What is Social Audit?



Ans. Social Audit refers social impact assessment of project/program executed by Social Enterprises through an independent examination by a certified Social audit professional (refer to Q3 below).

37. What is a Social Audit Firm?

Social Audit Firm is an entity which has employed Social Auditors and has a track record of minimum three years for conducting social impact assessment.

38. Who can act as Social Auditor?

An individual who is registered with a self-regulatory organization under the Institute of Chartered Accountants of India (or such other agency, as may be specified by SEBI) and who has qualified a certification program conducted by National Institute of Securities Market and holds a valid certificate can act as Social Auditor.

39. Is there any Lock-in or minimum period between registration of any NPO and raising of funds from the market?

Ans. No, there is no Lock-in or minimum period between registration of any NPO and raising of funds from the market.

40. Is a merchant banker required to be appointed for preparing the draft fund – raising document?

Ans. Not required.

41. Is there a validity period for the observations issued by SSE on the draft fund-raising document?

Ans. A period of 6 months is the validity period for the observations issued by SSE on the draft fund-raising document.

42. Please clarify whether the Funds raised by the NPO are in the form of a grant or a loan?

Ans. Funds raised by the NPO shall be in the form of a grant.

43. Whether private placement of Zero Coupon Zero Principal Instruments be made to any person other than Social Impact Funds registered under SEBI AIFs Regulations?

Ans. Yes, private placement of Zero Coupon Zero Principal Instruments may be made to any person other than Social Impact Funds registered under SEBI AIFs Regulations.

44. Whether the Private Placement of Zero Coupon Zero Principal Instruments issued to Social Impact Funds compulsorily required to be listed on Social Stock Exchange?

Ans. Yes, Private Placement of Zero Coupon Zero Principal Instruments issued to Social Impact Funds compulsorily required to be listed on Social Stock Exchange

45. Do all the funds for a ZCZP instrument project have to be raised via the SSE or some can be outside the SSE also?

Ans. Yes, ZCZP instrument project must be raised via the SSE, or some can be outside the SSE. The prescribed regulations may be referred.

46. Whether NGO/ NPO is required to obtain FCRA registration before raising funds from Foreign Institutional Investor or Individual Non-Resident Donors?

Ans. Foreign Investors are currently not allowed to invest through the SSE.

47. How will the foreign funding and local funding be managed in a single instrument, or will there be separate instruments for NRI's/Foreign investors?

Ans. Foreign funds are currently not permitted.

48. Once a proposal is put up for a project by an NPO, how will the fundraising happen? The investors will look into the proposals and get in touch with the NPO or the NPO will have to proactively seek support?

Ans. The SSE will not be playing a role in marketing for fund raising.

49. Will the investors be treated as donors? How will the funds received be accounted for?

Ans. Yes. Investor will be treated as donors as per normal accounting principles.

50. What happens if the ZCZP issue is not fully subscribed?

Ans. This will need to be specified in the offer document and shall be subject to the extant regulations.

51. Whether Zero Coupon Zero Principal Instrument holdings are transferable?

Ans. Trading is not permissible in ZCZP, but they can be transferred for other purposes, such as transfer to legal heirs.

52. Whether Zero Coupon Zero Principal Instruments will be subject to securities transaction tax?

Ans. No, Zero Coupon Zero Principal Instruments will not be subject to securities transaction.

53. Whether a Listed NPO can raise additional funds for the same project through another ZCZP instrument?

Ans. Yes, Listed NPO may raise additional funds for the same project through another ZCZP instrument.

54. Can a listed NPO raise funds for more than one project by issuing multiple ZCZP instruments, one for each project?

Ans. Yes, listed NPO may raise funds for more than one project by issuing multiple ZCZP instruments, one for each project.

55. Since, Development Impact Bonds Are Pay-for-Success Funding Structures, will NPOs be allowed to issue them?

Ans. Yes, NPOs will be allowed to issue Development Impact Bonds.

56. Whether a Registered NPO raised fund outside Social Stock Exchange is required to disclose the details of such funds as a part of Annual Disclosure under LODR?

Ans. Yes, Registered NPO raised fund outside Social Stock Exchange is required to disclose the details of such funds as a part of Annual Disclosure under LODR.

57. Is termination of Zero Coupon Zero Principal Instruments equivalent to delisting?

Ans. Yes, termination of Zero Coupon Zero Principal Instruments equivalent to delisting.

58. What is the process for corporates to register for extending funding support?

Ans. Corporates may follow the normal investor registration process.

59. Will foreign investors like FII's, FPI's or NRI investors be allowed to invest in NPOs fund raising?

Ans. Foreign investors like FII's, FPI's or NRI investors, will not be allowed to invest in NPOs fund raising.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Checklist for registration of a Not-for-Profit Organization (NPO) with Social Stock Exchange (SSE)/In principle approval for raising of funds by NPO

Sr. No.	Documents/details to be submitted to the Exchange	Applicability (Yes/No/NA)
1.	Application Form as per Annexure I	
2.	Registration certificate of the NPO under one of the following- a) a charitable trust registered under the public trust statue of the relevant state b) a charitable trust registered under the Societies Registration Act, 1860 c) a charitable trust registered under the Indian Trusts Act, 1882 d) a company incorporated under section 8 of the Companies Act, 2013 Note: - The registration certificate must be valid for at least next 12 months from date of application and the NPO must have been registered at least 3 years prior to date of application.	
3.	Governing document of the NPO seeking registration (MoA& AoA/ Trust Deed/ Byelaws/ Constitution, as the case may be)	
4.	Registration Certificate under section 12A/12AA/12AB under Income Tax Act, 1961. Please note the registration certificate should be valid for at least next 12 months from date of application.	
5.	Valid 80G registration under Income Tax Act, 1961 of NPO	
6.	Last three financial years' Audited financial statements of the NPO along with fund flow statement. In case the Entity is a Section 8 Company, please provide Annual Reports for last 3 financial years as well.	
7.	Resolution from the Governing body of NPO for registration on Social Stock Exchange.	
8.	Confirmation from NPO in the format prescribed as per Annexure II	
9.	Confirmation from Social Auditor/Statutory Auditor in the format prescribed as per Annexure III	

10.	<p>a) In case of Section 8 Company-</p> <ul style="list-style-type: none"> i Names and PANs of Promoter/s, promoter group ii Names and PANs of directors of the Company iii Names and PANs of the Companies or Social Enterprises in which the promoter(s) or director(s) of the Company are promoter(s) or Director(s) or Trustee(s). <p>b) In case of others-</p> <ul style="list-style-type: none"> i. Names and PANs of trustees/ members of the governing body of the Social Enterprise ii. Names and PANs of the Companies/Social Enterprises in which the trustees or governing body members of the Entity are promoter(s) or Director(s) or Trustee(s). 	
	(Refer General Instructions for details)	
11.	Registration Agreement as per Annexure IV	
12.	Processing Fees, if any	

Notes:

- 1) Generally, the Exchange reverts to the Issuer with the queries/approval on the application within T+5 working days from the receipt of the application which is correct and complete in all respects. However, additional days may be required on case-to-case basis.
- 2) Satisfactory response to the queries raised by the exchange shall be submitted on immediate basis which in any way shall not be later than one month from the last requirement raised. Exchange reserves the right to return the applications if not responded satisfactorily within one month.
- 3) The registration of the SSE shall be valid for the period of 1 year from the date of registration. The social enterprise may apply to renew the registration by submitting –
 - a) Confirmation from NPO including compliances with necessary on-going compliances and undertaking from Social Auditor/Statutory Auditor as above
 - b) Details of material changes, in any of the documents/information submitted by the NPO at the time of initial registration.

General Instructions:

- 1) To apply to get registered on NSE Social Stock Exchange, please visit <https://neaps.nseindia.com/NEWLISTINGCORP/>. For any further information/queries please email at dl-sselisting@nse.co.in
- 2) Please note that the documents to be submitted for registration of an NPO are required to be submitted by CEO/Managing Trustee/Statutory Auditor/any authorized signatories from governing body.
- 3) For the meaning of Promoter and Promoter Group, kindly refer Regulation 2(1)(oo) and 2(1) (pp) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time. The same is reproduced below for your ready reference.

Regulation 2 (1) (oo) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 defines Promoter as-

“promoter” shall include a person:

- i) who has been named as such in a draft offer document or offer document or is identified by the issuer in the annual return referred to in section 92 of the Companies Act, 2013; or
- ii) who has control over the affairs of the issuer, directly or indirectly whether as a shareholder, director or otherwise; or iii) in accordance with whose advice, directions or instructions the board of directors of the issuer is accustomed to act:

Provided that nothing in sub-clause (iii) shall apply to a person who is acting merely in a professional capacity; Provided further that a financial institution, scheduled commercial bank, [foreign portfolio investor other than individuals, corporate bodies and family offices]⁷, mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time, shall not be deemed to be a promoter merely by virtue of the fact that twenty per cent. or more of the equity share capital of the issuer is held by such person unless such person satisfy other requirements prescribed under these regulations;

Regulation 2 (1) (pp) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 defines Promoter Group as-

- i) the promoter; ii) an immediate relative of the promoter (i.e. any spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and iii) in case promoter is a body corporate:
 - A) a subsidiary or holding company of such body corporate;
 - B) any body corporate in which the promoter holds twenty per cent. or more of the equity share capital; and/or any body corporate which holds twenty per cent. or more of the equity share capital of the promoter; iv) in case the promoter is an individual:
 - A) any body corporate in which twenty per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member;
 - B) any body corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and
 - C) any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;

v) all persons whose shareholding is aggregated under the heading "shareholding of the promoter group":

Provided that a financial institution, scheduled bank, foreign portfolio investor other than individuals, corporate bodies and family offices, mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time, shall not be deemed to be promoter group merely by virtue of the fact that twenty per cent. or more of the equity share capital of the promoter is held by such person or entity:

Provided further that such financial institution, scheduled bank, foreign portfolio investor other than individuals, corporate bodies and family offices , mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time shall be treated as promoter group for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Application form for registration of Social Enterprises on National Stock Exchange of India Limited

Sr. No.	Particulars	Information
1.	Name of NPO	
2.	Address of the NPO	
3.	Type of entity	
4.	The Act under which the entity is registered	
5.	Registration Number of the entity	
6.	Period of validity of registration certificate	
7.	Website of the entity, if any.	
8.	Permanent Account Number	
9.	NGO Darpan portal ID	
10.	Details of governing body of the NPO (names of the members of board of trustee/directors/committee, etc as the case may be along with their background, experience, designation, email ids, address, PAN and contact numbers)	
11.	If the NPO has subsidiary/group company, details of the same	
12.	If NPO is owned and/or controlled by government or private (Provide shareholding/ownership pattern of the NPO as an Annexure)	
13.	Authorised, issued and paid-up capital of the NPO	
14.	History and background of the NPO	
15.	With respect to social intent of NPO, please specify the sub-clause/s of Regulation 292E (2) (a) of ICDR Regulations in which the NPO is indulged	
16.	Vision (Organisation's activities, interventions and programmes are in line with aims and objects stated in its constitution.)	
17.	Target Segment (Organisation has defined its target segment and reach to accomplish its planned activities. Clear identification and understanding of the target segment (those affected by the problem and how are they affected) The NPO must disclose how its approach intends to improve Inclusion for its customers / recipients)	
18.	Brief of activities or projects undertaken by the entity in past 3 years	
19.	Details of material litigation in past 3 financial years along with current status of the same.	
20.	Details of contact person/Compliance Officer -Email address -direct phone number	



21.	Details of Statutory Auditor -Email address -direct phone number -Firm Registration Number	
22.	Details of Fees Payment	

Annexure III

(On the letterhead of Social Auditor or Statutory Auditor)

Date:

National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai– 400051

Dear Sir/Madam,

Sub: Registration of (Name of the NPO) on National Stock Exchange as Social Enterprise under regulation 292 F (1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

We hereby confirm that:

- i. The NPO is in compliance with requirements with Regulation 292E (2) (a) of SEBI (ICDR) Regulations, 2018 to be identified as Social Enterprise. (Please also specify the sub-clause/s of Regulation 292E (2) (a) of ICDR Regulations in which the NPO is indulged and an explanation supporting the same.)
- ii. The NPO is in compliance with requirements with Regulation 292E (2) (b) of SEBI (ICDR) Regulations, 2018 to be identified as Social Enterprise. (Please provide the detailed information about the population targeted by the Social Enterprise.)
- iii. The NPO is in compliance with requirements with Regulation 292E (2) (c) of SEBI (ICDR) Regulations, 2018 to be identified as Social Enterprise. (Please provide the supporting calculation as well.)
- iv. The annual spending of the NPO in past financial year is Rs. _____ Lakhs. (Kindly provide the detailed working of the same)
- v. The funding in NPO in past financial year is Rs. _____ Lakhs. (Kindly provide the detailed working of the same)
- vi. The NPO has not received any notice or does not have an ongoing scrutiny by Income Tax.

Annexure I

(On the letterhead of the NPO)

Date:

National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai– 400051

Dear Sir/Madam,

Sub: Registration of (Name of the NPO) on National Stock Exchange as Social Enterprise under regulation 292 F (1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The NPO hereby confirms that:

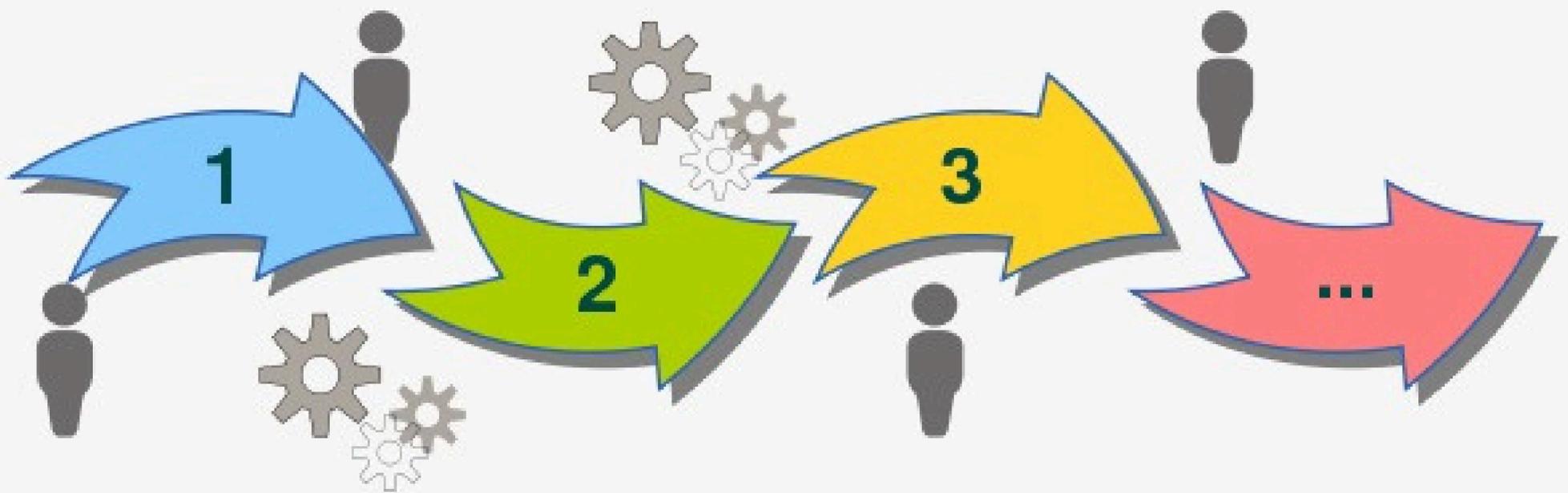
- i. It is eligible to be identified as a Social Enterprise under regulation 292 E of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- ii. The NPO, any of its promoters, promoter group or directors or selling shareholders or trustees are not debarred from accessing the securities market by the SEBI
- iii. None of its promoters or directors or trustees is a promoter or director of any other company or Social Enterprise which has been debarred from accessing the securities market by the SEBI.
- iv. None of its promoters or directors or trustees is a wilful defaulter or a fraudulent borrower.
- v. None of its promoters or directors or trustees is a fugitive economic offender.
- vi. Neither the NPO nor any of its promoters or directors or trustees has been debarred from carrying out its activities or raising funds by the Ministry of Home Affairs or any other ministry of the Central Government or State Government or Charitable Commissioner or any other statutory body.
- vii. NPO has complied and shall be in compliance with any applicable laws and regulations in force including but not limited to Prevention of Money Laundering Act, 2002, Foreign Account Tax Compliance Act, FATF regulations etc. in relation to donors/donations received by them.
- viii. NPO is not dependent on any corporate for more than 50% of its funding.
- ix. NPO is registered on the NGO Darpan portal with unique ID _____.
- x. It is not in receipt of any notice or ongoing scrutiny by Income Tax. *(If so, please provide details)*
- xi. It is in compliance with applicable provisions of Chapter X-A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2022/120 dated September 19,2022 and other applicable laws, circulars, guidelines etc. including the Exchange Circulars / Guidelines.

- xii. It shall ensure compliance of disclosure requirements of regulations 91C and 91E of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 post registration.

Yours faithfully,

Authorised signatory

PROCEDURE FOR REGISTRATION OF A MEMBER WITH ICMASAO



ICMAI Social Auditors Organisation

(A Section 8 Company promoted by The Institute of Cost Accountants of India)

PROCEDURE FOR REGISTRATION OF A MEMBER WITH ICMAI SAO

Eligibility Criteria for Social Auditor

A. An Individual if he

- holds the required qualification and experience;
- have attended a course at the National Institute of Securities Markets (NISM) and received a certificate of completion after successfully passing the course examination; and
- is registered with a Self-Regulatory Organisation (SRO) [e.g., ICMAI Social Auditors Organization]

B. A Firm/Institution that has partners/employees who meet with the criteria for being a social auditor and has a track record of minimum three years for conducting social impact assessment.

Eligibility Qualification & Experience for Social Auditor

- Post-graduates from universities recognized by the University Grants Commission (UGC) with a minimum of 3 years of experience in the development sector, or
- Graduates from universities recognized by the UGC with a minimum of 6 years of experience in the development sector, or
- Cost and management Accountant, Chartered Accountant, or Company Secretary holding valid Certificate of Practice.

No individual shall be eligible to be registered as a Social Auditor if he:-

- is a minor;
- is not a person resident in India;
- does not have the qualification and experience specified in SEBI notification;
- has been convicted by any competent court for an offence punishable with imprisonment for a term exceeding six months or for an offence involving moral turpitude, and a period of five years has not elapsed from the date of expiry of the sentence.

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be registered;

- he is an undischarged insolvent, or has applied to be adjudicated as an insolvent;
- he has been declared to be of unsound mind; or
- he is not a fit and proper person.

Explanation: For determining whether an individual is fit and proper ICMAI SAO may take account of any consideration as it deems fit, including but not limited to the following criteria-

- integrity, reputation and character,
- absence of convictions and restraint orders, and
- competence,

Procedure for Enrolment as a member

Entry of Application : Entry for application received for registration of social auditor is to be made in a register maintained by ICMAI SAO followed by stamping of application mentioning date of reception it.

Acknowledgement of Application : Every application received is to be acknowledged to the applicant within 7 working days of its receipt via mail.

Internal Verification of application along with fee and supporting documents as mentioned in enrolment Form.

- Registered form – duly completed
- Passport-size photo
- Copy of proof of residence
- Self – attested copy of Aadhar card, PAN card and Passport (if available).

- Copies of documents in support of educational qualifications, professional Qualification, Experience, and Social Auditors examination
- Copy of proof of payment of Admission/Enrolment Fee and Annual Fee
- Copy of Self Declaration, the format of the same is annexed with the Enrolment form (Annexure – 1).

Verifying Qualification and Experience

Copies of documents demonstrating qualification, employment and practice as –

- Cost and Management Accountant enrolled with the Institute of Cost Accountants of India.
- Company Secretary enrolled with the Institute of Company Secretaries of India,
- Chartered Accountant enrolled with the Institute of Chartered Accountants of India and/or empaneled with the Comptroller & Auditor General of India.
- Graduate / Post-Graduate from universities recognized by the University Grants Commission (UGC).
- Requisite experience of minimum of 3/6 years in the development sector
- Copies of certificate of employment from the employer(s), specifying the period of such employment.

Before registering a person as its Member ICMAI SAO is required to verify the following:

- Whether the applicant holds requisite qualifications & experience as indicated above. Whether the applicant holds valid Certificate of Practice if he is a Cost and management Accountant, Chartered Accountant, or Company Secretary. Whether the applicant have attended a course at the National Institute of Securities Markets (NISM) and received a certificate of completion after successfully passing the course examination. Whether the individual/firm/institution holds requisite social sector experience in providing assurance of non-financial information. (e.g., nutrition, education, health, water & sanitation, energy conservation, environment and climate change, etc.) Whether the firm/institution has required number of partners/employees meeting the criteria for being social auditor and has a track record of minimum three years for conducting social impact assessment. Whether any disciplinary proceedings are pending, or any disciplinary action has been taken at any time in the preceding three years against the professional member or firm/institution by the ICMAI, ICAI, ICSI, any SRO or any other regulator. Whether ICMAI, ICAI, ICSI, any SRO or any other regulator has initiated any criminal proceeding against the professional member or firm/institution and is pending for disposal? Whether the professional member/ person had an unblemished service with the last employer if he was in employment? The applicant must submit a conduct certificate from his last employer.
-
-

External Verification

The applicants' particulars are sent to verifying authority (ICMAI / ICAI/ICSI) to verify the following:

- Confirmation on verification of Membership Number provided by the Member
- Date of enrolment as member
- Number of years as member, whether he is continued to be member since his enrolment
- Information on whether the Member has ever been found Guilty of Misconduct. If his Membership was removed.
- COP Date
- COP Number
- Firm No.
- Firm Name
- Years of Experience in Practice
- Whether the member is in full-time practice or part-time practice?
- Whether the Member has been in Practice continuously? If not, please mention the block of period during which the Member was in practice and the block of period for which Practice was discontinued

(e) After examination of the application, ICMAI SAO shall give an opportunity to the applicant to remove the deficiencies, if any, in the application. (f) ICMAI SAO may require an applicant to submit additional documents, information, or clarification that it deems fit, within reasonable time. (g) ICMAI SAO may reject an application if the applicant does not satisfy the criteria for registration or does not remove the deficiencies or submit additional documents or information to its satisfaction, for reasons recorded in writing. (h) The rejection of the application shall be communicated to the applicant stating the reasons for such rejection, within thirty days of the receipt of the application, excluding the time given for removing the deficiencies or presenting additional documents or clarification by the ICMAI SAO, as the case may be. (i) The acceptance of the application shall be communicated to the applicant, along with the registration number.

Issuance of Certificate of Enrolment/Registration

Upon successful registration, Applicant is issued certificate of registration within 7 working days from the date of registration with ICMAI SAO (through courier and via mail)

DETAILS REGARDING SOCIAL AUDITORS EXAMINATION CONDUCTED BY NISM



ICMAI Social Auditors Organisation

(A Section 8 Company promoted by The Institute of Cost Accountants of India)

Social Auditors Certification Examination

The examination aims to create a pool of social auditors who would assess the impact of social interventions of various social enterprises who raise funds through the Social Stock Exchange platform.

Examination Objectives

On successful completion of the examination the candidate should:

- Know the basics of social auditing, Code of conduct of Social Auditors.
- Understand the general concepts related to social stock exchange, social audit and social impact assessment.
- Know the Social Impact Reporting disclosures and regulations.

Assessment Structure

The examination consists of 85 multiple-choice and 3 case-based/caselet questions (each case having 5 questions) totaling to 100 marks. The assessment structure is as follows:

Multiple Choice Questions[85 questions of 1 mark each]

85*1 = 85

Case-based Questions[3 cases (each cases with 5 questions of 1 mark each)]

3*5*1 = 15

The examination should be completed in 2 hours. The passing score for the examination is 60. There shall be negative marking of 25 percent of the marks assigned to a question.

Test Details

Name of Module: NISM Series XXIII: Social Auditors Certification Examination

~ 85 multiple-choice and 3 case-based/caselet questions (each case having 5 questions) totaling to 100 marks.

* Negative marking – 25% of the marks assigned to the question.

+ Payment Gateway Charges extra.

Passing Certificate will be issued only to those candidates who have furnished/ updated their Income Tax Permanent Account Number (PAN) in their registration details.

Frequently Asked Questions (Social Auditors)

1. Who can take NISM-Series-XXIII: Social Auditors Certification Examination?

The following persons can take NISM-Series-XXIII: Social Auditors Certification Examination:

- Individuals registered as social auditors
- Employees of Social audit firm
- Students pursuing social work and interested in gaining more knowledge in Social Audit

2. How can I register for NISM-Series-XXIII: Social Auditors Certification Examination?

Candidates can register at <https://certifications.nism.ac.in/nismaol/>

After successful registration, candidates may select a test centre, date and time slot of their choice on the Test Administrator website. Candidates are required to follow further instructions available on the Test Administrator websites.

3. What is the fee structure?

The fees for “NISM-Series-VIII: Social Auditors Certification Examination” is Rupees One Thousand Five Hundred only (Rs. 1500/-) plus applicable GST.

4. What is the assessment structure?

The examination will be of 100 marks, will have 100 questions, and should be completed in 2 hours. There will be negative marking of 25% of the marks assigned to a question. The passing score for the examination is 60%.

5. Is there a study material available for preparing for this examination?

You will receive a soft copy of the workbook/study material after enrolment for the examination. For non-receipt of a soft copy of the workbook/study material, you may contact NISM at: certification@nism.ac.in

6. Do I have to pay for the study material?

You will receive a soft copy of the workbook/study material free of cost after enrolment for the examination. Candidate can buy printed workbooks from Taxmann Publications Private Ltd.

Visit <https://www.taxmann.com/bookstore> to place your orders for NISM workbooks.

If you prefer to order by phone, please call your nearest store directly to place your order. [Click here](#) to get the details of your nearest store.

7. I have passed NISM Social Auditors Certification Examination, when will I receive the certificate?

Only the candidates who have produced their Income Tax Permanent Account Number (PAN) during registration would receive the NISM Certificate within two weeks of appearing for the examination.

Candidates who produced other identification proofs would not receive the NISM certificate. They would receive only the temporary mark sheet at the end of the examination.

8. I have not provided my PAN information at the time of taking the certification examination. How do I obtain the certificate?

Candidates who have not provided their PAN information during registration may upload the same from their candidate dashboard from NISM's portal. After receiving and verifying PAN details, the candidate will receive the certificate from the Test Administrator they have registered with. No additional payments are necessary for obtaining the certificate.

9. I have passed NISM Social Auditors Certification Examination and also provided PAN details, however I have not received a certificate. Whom should I contact?

For non-receipt of certificate contact: certification@nism.ac.in

10. What is the validity period of the certificate?

The certificate will be valid for 3 years from the date of the examination.

11. Can I request for re-evaluation of NISM Certification Examinations?

NISM Policy on Re-evaluation of performance of candidates appearing for Certification Examination and resolution of doubts about the questions forming part of such examination, if any.

“No re-evaluation of the performance of candidates appearing for Certification Examination conducted by NISM (Mandatory & Non-Mandatory examination) is permitted since the assessment of answers, with respect to Certification Examinations questions which are in the nature of the selection of only one correct answer from multiple choices offered, is carried out in an objective manner by in-built system architecture created for Certification Examination without any scope for human intervention and subjectivity element. Also, considering the examination structure, no disclosure of the questions and/or answers is permitted as it will violate the confidentiality of the question bank, which is the essence of the examination.

In view of the above, no communication regarding re-evaluation, etc. will be entertained/serviced by NISM.” Subject to the above request/s received from a candidate for resolution of doubts about a question forming part of such examination will be considered as per the following policy.

(1) Candidate’s request/s will be considered only when he/she specifically mentions particular question or two which he/she thinks contain errors. Claims/ to recheck more than two questions shall normally be not permitted unless substantive material is provided by the candidate as to why he/she considers errors in such questions. In no case, claim/s to recheck all the questions appeared in his/her question paper shall be entertained.

(2) No request/s to disclose/discuss question/s and/or their answers shall be entertained as disclosure of the question/s will violate the essence of the question bank viz. breach the confidentiality/secretcy of the Question bank.

(3) Only those request/s made on-the-spot (before leaving the test center) will be considered for verification.

(4) When a valid request is received from a candidate at the Test Centre, it shall be forwarded by the respective TA to NISM. NISM’s team will look into claim relating to the contested question/s to verify whether there is a mistake in the question or answer. If it is prima facie found that the question or answer contains a mistake, no score will be computed and consequently no score card will be issued then at the Test Centre.

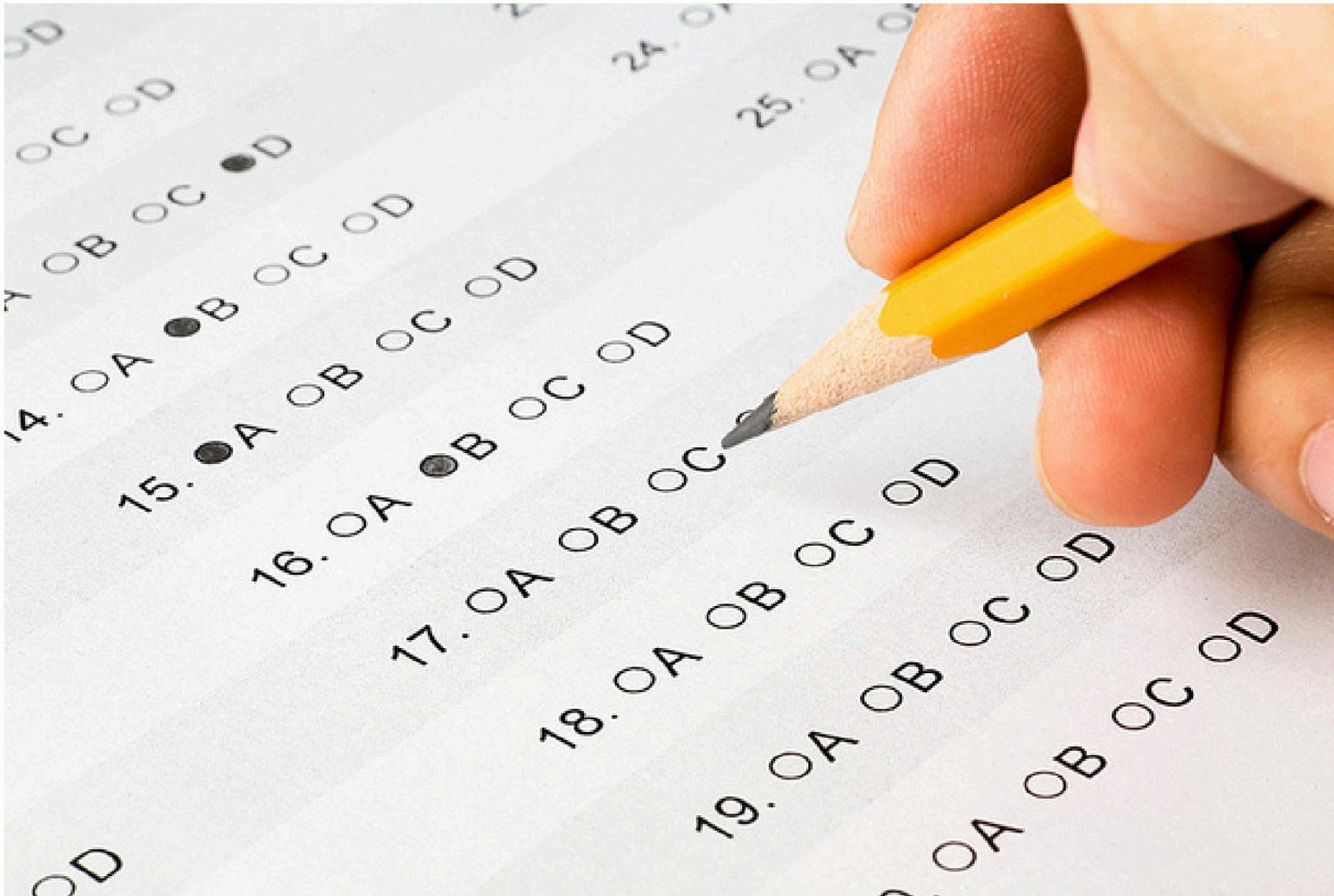
(5) Such matter will then be escalated with the question / answer to the Committee with the details of the nature of error, the correct version of the question or contested correct answer and system recognized correct answer. The Committee, after due diligence and proper scrutiny, will arrive at a conclusion whether the claim made by a candidate in relation to a question or answer is right. Such conclusion will be recorded in writing and put up for formal approval to the authority of NISM.

(6) Score computation, kept in abeyance as per point 4, shall be carried based on the approval as per point – 5. Such score card will then be issued to the candidate by TA/NISM.

(7) Even though NISM endeavours best efforts and has put in place a robust mechanism to review its question bank intermittently, attributable to continuous changes taking place emanating from dynamics of the market, encompassing products and features, and its regulatory framework, there is a possibility of inadvertently escaping some updation and/or escaping indirect impact on some question/answer. Therefore, to take care of such eventuality, the above process of entertaining request from the candidate in relation to the question/answer is put in place.

(8) The above policy and process will be subject to review from time to time and shall be binding and final in relation to any claim and/or matter when disposed off with the approval of the authority of NISM.

MULTIPLE CHOICE QUESTIONS



ICMAI Social Auditors Organisation

(A Section 8 Company promoted by The Institute of Cost Accountants of India)

MULTIPLE CHOICE QUESTIONS

Compiled & Contributed by CMA Jacky Singh

(Cost Accountant, Social Auditor, Surveyor & Loss Assessor, Arbitrator, Independent Director)

Question 1 - The 2030 agenda for sustainable development was adopted in the year 2015 by:

- A. Member states of the globe
- B. Member states of BRICS
- C. Member states of United Nations
- D. Member states of SAARC countries

Answer - C. Member states of United Nations

Question 2 - Sustainable Development Goals (SDGs) are initiative

- A. Global Initiative
- B. National Initiative of India
- C. World Bank Initiative
- D. None of the above

Answer - A. Global Initiative

Question 3 - The order matching in an Exchange is done based on price-time priority. The best price orders are matched first. If more than one order arrives at the same price they are arranged A. On the basis of order Large to Small B. In ascending time order C. On the basis of order Small to Large D. In descending time order

Question 4 - Broker cannot modify or cancel orders according to the instructions of the client.

- A. Once order matching is complete
- B. For partially executed order
- C. Till the time they are not fully executed
- D. No restriction

Answer - A. Once order matching is complete

Question 5 - Which of the following is not valid bifurcation of "Pay for Success" funding structure for NPOs?

- A. Pay-for-success through Social/Development Impact Bond
- B. Pay-for-success through Lending Partners
- C. Pay-for-success through equity
- D. Pay-for-success through Grants

Answer - C. Pay-for-success through equity

Question 6 - What is the minimum application size for ZCZP instruments?

- A. 1 lakh
- B. 2 lakhs
- C. 5 lakhs
- D. 10 lakhs

Answer - B. 2 lakhs

Question 7 - Existing SEBI regulations set the requirements for eligibility and governs the listing of equity and debt securities issued by FPEs. These regulations include

1. SEBI (Issue of Capital and Disclosure Requirements) Regulations
2. SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

- A. Only I
- B. Only II
- C. Both I and II
- D. Either I or II

Answer - C. Both I and II

Question 8 - Registration in a social stock exchange provide a means for NPOs (and especially, smaller NPOs) to signal even if they wish to not list any security at the present moment. A. the primacy of social impact B. the quality of their governance C. transparency D. All of the above.

Answer - D. All of the above.

Question 9 - Which of the following audit evidence is based on comparisons, calculations, and the relationships between the various pieces of information derived by the auditor?

- A. Physical
- B. Oral
- C. Documentary
- D. Analytical

Answer - D. Analytical

Question 10 - What should be the % of CSR spending out of total net profit of a company? A. 2% C. 4%

- B. 3%
- D. 5%

Answer - A. 2%

Question 11 - Duly audited AIR need to be submitted by Social enterprises to Social Sector Exchange within a period of days from the end of financial year

- A. 60
- B. Six Months
- C. 90 days
- D. 180

Answer - C. 90 days

MULTIPLE CHOICE QUESTIONS

Compiled & Contributed by CMA Jacky Singh

(Cost Accountant, Social Auditor, Surveyor & Loss Assessor, Arbitrator, Independent Director)

Question 12 - Which of the following sampling methods is a probabilistic sampling method?

- A. Quota
- B. Judgement
- C. Simple random
- D. Snowball

Answer - C. Simple random

Question 13 - Pertaining to the advantages of the Integrated Social Impact Assessment, which of the following are NOT true:

A. It provides benchmarks to track progress of interventions B. Requires expert human resource to develop, operate and generate impact reports. C. Impact Assessment can be done at any time as per requirement of stakeholders D. Comparable data is available from time periods, different projects **Answer - B. Requires expert human resource to develop, operate and generate impact reports.**

Question 14 - Which of the following models for structuring evaluation handles conflicts of interest in best possible way?

- A. Outsourcing Model
- B. Partnership Model
- C. Fully integrated Model
- D. Do-It-Yourself Model

Answer - A. Outsourcing Model

Question 15 - Which of the following can be objective of conducting of conducting SIA for Smile?

- A. To prevent childhood tooth decay.
- B. To understand reduction in oral health issues amongst the children.
- C. To help prevent bad breath, tooth decay and gum disease.
- D. All of the above

Answer - B. To understand reduction in oral health issues amongst the children.

Question 16 - Name the First Exchange to get 'In Principal Approval to set up Social Stock Exchange

- A. BSE
- B. NSE
- C. MCX
- D. Gold Spot Exchange

Answer - A. BSE

Question 17 - Who monitors Foreign Contribution (Regulation) Act?

- A. Ministry of Social Justice and Empowerment
- B. Ministry of Law and Justice
- C. Ministry of Finance
- D. Ministry of Home Affairs

Answer - D. Ministry of Home Affairs

Question 18 - Deduction under Section 80G can be claimed by individuals, partnership firms, HUF, company and other types of taxpayers, irrespective of the type of income earned. The amount donated is allowed to be claimed as a deduction at the time of

- A. Payment
- B. When the receipt in Form 10BE is issued by the Charitable Institution
- C. Filing the assessee's income tax return
- D. Filing the assessee's income tax return

Question 19 - was enacted upon "to provide for the establishment of a Board to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market and for matters connected therewith or incidental thereto".

- A. The SEBI Act of 1992
- B. SEBI (Stock Broker) Regulation, 1992
- C. Depositories Act, 1996
- D. Securities Contracts Regulation Act (SCRA 1956)

Answer - A. The SEBI Act of 1992

Question 20 - Which of the following is TRUE is in respect of "any act, expression, omission or concealment committed to induce an-other person or his agent to deal in securities" is.

- A. Insider Trading
- B. Fraud
- C. Unfair Trade Practice
- D. Money Laundering

Answer - B. Fraud



ICMAI Social Auditors Organisation

(A Section 8 Company promoted by The Institute of Cost Accountants of India)

GUIDELINES FOR ARTICLES

The articles sent for publication in the journal “The Social Auditor” should conform to the following parameters, which are crucial in selection of the article for publication:

- The article should be original, i.e. Not Published/ broadcasted/hosted elsewhere including any website.
- A declaration in this regard should be submitted to ICMAI-SAO in writing at the time of submission of article.
- The article should be topical and should discuss a matter of current interest to the professionals/readers.
- It should preferably expose the readers to new knowledge area and discuss a new or innovative idea that the professionals/readers should be aware of.
- The length of the article should not exceed 2500-3000 words.
- The article should also have an executive summary of around 100 words.
- The article should contain headings, which should be clear, short, catchy and interesting.
- The authors must provide the list of references, if any at the end of article.
- A brief profile of the author, e-mail ID, postal address and contact numbers and declaration regarding the originality of the article as mentioned above should be enclosed along with the article.
- In case the article is found not suitable for publication, the same shall be communicated to the members, by e-mail.

Disclaimer:

The information contained in this document is intended for informational purposes only and does not constitute legal opinion, advice or any advertisement. This document is not intended to address the circumstances of any particular individual or corporate body. Readers should not act on the information provided herein without appropriate professional advice after a thorough examination of the facts and circumstances of a particular situation. There can be no assurance that the judicial/quasi-judicial authorities may not take a position contrary to the views mentioned herein.



ICMAI Social Auditors Organisation

(A Section 8 Company promoted by The Institute of Cost Accountants of India)

REGISTERED OFFICE

**The Institute of Cost Accountants of India
CMA Bhawan 3, Institutional Area, Lodhi Road, New Delhi - 110003**

CORPORATE OFFICE

**The Institute of Cost Accountants of India
CMA Bhawan, C-42, Sector-62, Noida, Uttar Pradesh - 201309**

CONTACT US

Email - ceo@saoicmai.in , sao@saoicmai.in

www.saoicmai.in