

A Repercussion of Social Stock Exchange On Community Development – A Highlight

Dr. Rupak Karmakar

*State Aided College Teacher (Category-I), Department of Commerce & Management;
Barasat College; Email: rkarmakar930@gmail.com*

Abstract

Social enterprises like non-governmental organizations (NGOs) aim to bring about a positive change in society. Social stock exchanges are trading platforms that allow social businesses and non-profits to raise capital by attracting the interested investors willing to invest in social activities. Now central government wants to ensure that investments in human capital stay a priority in the post COVID era rather we say in sustainable development goal mission.

Keywords: *SDG, NPO, Zero Coupons, Zero Principal.*

Introduction

Social stock exchange is a bold step taken by the government of India. India is now largest populated country. Central governments always try to help the people basically the lower and middle class people. But being a 140 Crore population it is not so easy to keep every round of corner. So, several non-profitable organization as well as profitable organization taken an active part for development of lower and middle class people. But sometime NPO or FPO can't reach to the people because of non availability of funds. In this context establishment of social stock exchange has taken active part in social development. NPO and FPO collect more funds and actively participated in the development for the rural people. Till now, many of the villages in India do not get their basis amenities like safe drinking water, clean sanitation system, proper road and also roof on their head. In this situation various NPO and FPO or NGO's take active part to support basic amenities what they want. United nation always sought for the rural people. They want every people get their right like food, cloth, house and also needed things. United nation is a international body, they work for the worldwide people. Sustainable development goals stand for 17 standards. From 1 to 17, every item has strength the

sustainability for the people.

Literature Review

Sanjana (2019) explained that social and finance both is interrelated and important instrument of social development. It is a platform of ethical investor who can contribute in social reformation in the other site they wanted to be known in society. In this article mainly focus on government regulation on SSE and also analysis on awareness regarding SSE as a social enterprise.

Patel and Patel (2022) observed that social investments are now prime aim of social enterprises. Social stock exchange focuses more on development of ecosystem, regulatory process and policy making system. They also indicated that social needs and profit motives should not controlled each other.

Sadhwani and others (2023) critically analyzed that social stock exchange have emerged a funding mechanism for NPO and FPO in India. In this paper evaluated the proposed structure of social stock exchange and also what kind of benefits taken by the stakeholders from this social stock framework.

Mehra and Vij (2023) revealed that social stock exchange can ensure more inclusive growth in coming years. It is a digital platform where social enterprise can raise their funds. They also observed that in worldwide majority social enterprises unable to sustain themselves beyond a certain number of years.

Objectives

- a) To analyze the need of social stock exchange.
- b) To develop the community with the vision of sustainable development goals.
- c) To draw a relationship between social stock exchange and sustainable development goals.

Methodology

This article was written on the based on secondary data mainly. The analyzed data are collected from various reports, journals, books etc. Social stock exchange concept is new in India, so there is much information we have not found yet. But till date there are more or less twenty five NGO or trust or institutions are enlisted in National Stock Exchange (NSE) or Bombay Stock Exchange (BSE). From twenty five institutions here consider twenty per cent i.e. five institutions are taken for further analysis for this article. Five institutions are selected on the

basis of simple random sampling. The five institutions are Opportunity Foundation Trust, Possit Skill Organization, Sarthak Educational Trust, Childrens Love Castle Trust and Transforming Rural India Foundation.

Statutory Guidelines

- ❖ With regard to minimum requirements to be met by an NPO, SEBI insists that NPO needs to be registered as a charitable trust and should be registered for at least three years, must have spent at least Rs. 50 Lakhs annually in the past financial year and should have received a funding of at least Rs. 10 Lakhs in the past financial year.
- ❖ An NPO can raise funds through the following means:
 - a) Zero coupon zero principal instruments.
 - b) Donations through mutual fund schemes.
 - c) Any other means as may be specified by the board.
- ❖ FPSEs can raise funds through the following means:
 - a) Issuance of equity shares.
 - b) Issuance of debt securities.
 - c) Any other means as may be specified by the board.
- ❖ The following requirement shall be satisfied:
 - a) At least 67% of its revenue of the immediately preceding 3 year average of revenues comes from providing eligible activities.
 - b) 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.

The Institute of Chartered Accountants of India (ICAI) has disclosed sixteen Social Audit Standards (SAS's) which related to the sixteen subject areas indicated by the Securities and Exchange Board of India (SEBI) which followed by the auditors when they interpreting the reports for social audit programs. The sixteen SAS's declared by ICAI, which are as follows:

Standards	Subject
SAS 100	In this clause described about pluck up hunger, malnutrition, poverty and inequality.
SAS 200	In this clause explained about health, sanitation and safe drinking water.
SAS 300	It described promoting education, employment and livelihoods.
SAS 400	Promoting gender equality and empowerment of women are the main issue in this
SAS 500	This standard promoting the sustainability of environmental issues

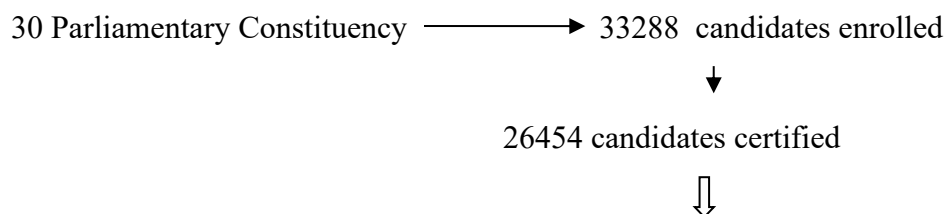
SAS 600	In this standard described about protection of national heritage and culture.
SAS 700	Promotion of rural sports is one of the subjects in this standard.
SAS 800	This standard supporting incubator of social enterprises.
SAS 900	In this standard explained about how to strengthen the non-profit eco system.
SAS 1000	Promoting livelihood for rural and urban poor are important issues in this section.
SAS 1100	This standard focuses on slum area development and affordable housing.
SAS 1200	Disaster management is an important issue to discuss in this standard.
SAS 1300	In this article promote financial inclusion.
SAS 1400	In this standard discussed the facilitating access to land and property for disadvantaged communities.
SAS 1500	Digital system is the main concern in this standard.
SAS 1600	Promoting welfare of migrants is the main concern in this standard.

Success Roadmap Of Social Development

In India's social stock exchange 'returns' will be measured in terms of social impact that will be determined through annual social audits. Here we briefly discussed about five organizations below:

POSSIT SKILL ORGANIZATION – It is one of the non-profit organizations, which was enlisted in National Stock Exchange in the category of social stock exchange on 19th April, 2023. Through this organization generate opportunities for the socially and economically marginalized youth by empowering them through education, learning, grooming, and skilling and by facilitating for livelihood.

Success Roadmap



Outcome (7297 candidates placed)

Future Prospect

- ✓ With the association of Deen Dayal Upadhaya a Grameen Kaushalya Yojana, Possit Skill Development working on migrant laborer and youth in the area like Rajasthan, Uttar Pradesh and Himachal Pradesh.
- ✓ In order to sustain and scale in eco skilling environment paid programs play an important role in delivering quality skilling with high standard of learning in practical lab. This program assists by the National Skill Development Corporation (NSDC).

Sarthak Educational Trust

Sarthak Educational Trust has been working for last 15 year with the aim of empowering people with disability far and wide. Now they all set to dedicate the next 25 year to the empowerment of people with disabilities.

<u>Success Roadmap (In June, 2022)</u>				
Particulars	JEET	Digital Literacy	Campus Connect	VI Training
Mobilized	773	479	-	42
Enrolled	658	447	12	02
Trained	208	411	12	57
Placed 238 candidates.				

Future Prospect

- Sarthak Disability Global Resources Center aims to serve the needs of all the groups such as early intervention, inclusive education, vocational skill building and placement services in a singular setting to PWD's.
- By 2025, Sarthak will empower lives of the person to touch about of 100000.
- With the help of E-learning management systems that will enables the persons with disabilities to access the specially designed courses and help in integrated use with daily operations.
- With the built of Sarthak Global Expansion a new chapters are opening in countries UK, USA, Canada, and UAE to help of the all disabilities person.

Transforming Rural India Foundation

Transforming Rural India foundation deeply focused on challenges faced by marginalized communities in India. It recently enlisted in national stock exchange on 6th September, 2023.

Journey so far

- ✓ After analysis of different kinds of situation they mainly focus on grievance redressed mechanism, which help to reduce the difficulty faced by the marginal worker.
- ✓ Built eco system for making markets for poor persons.
- ✓ It focuses on building internal capacities. In our community technology will be substantiate and tactically important. By the end of 2025 TRIF try to help the worker to gather the knowledge of technology.
- ✓ With the collaboration of government to ensure last mile delivery of public services, entitlements and infrastructure.

Opportunity Foundation Trust:

There are many education gaps in India but the most unfair one is caused by gender bias where only 30% of girls get to class X. The Opportunity Foundation Trust addresses this issue by supporting education for girls from poor families. Despite attaining 98% enrollment into primary schools after the right to education act made education free and compulsory, socio economic factors continue to affect dropout rates in secondary schools especially for girl living below the poverty line.

Journey so far:

Opportunity Foundation Trust main vision is 'No child will discontinue education'. The trust has been supporting meritorious young women with full scholarship from high school to three to four year of a degree or professional studies.

Childrens Love Castle Trust:

CLTs mission is to give opportunities for underserved communities so they may achieve their potential in a 'connected world'. We have articulated and demonstrated the viability and improved outcomes of our learning solutions. Through the customized use of ICT's in education, they are teaching many more children in a more direct, impactful and sustainable ways than ever before.

Journey so far:

- ✓ Karnataka government Pioneered mid day meal program in school.
- ✓ Government school set up ICT tools for learning centre.
- ✓ Intel partnered with CLT to establish the Intel computer club house, where children work with adult mentors to develop learning skills using technology.

- ✓ The CLT e-patashale program was conceptualized as the first ever digital STEM program in regional language.
- ✓ CISCO partnered with CLT for its distance learning program.

Issues Of Sustainable Development

United Nation is an international body. The main aim of United Nation is protect human, established humanism and protect environment. The one word we can say that now the individual country can sustain indifferent situation. After COVID-19 we are all understand the meaning of sustainability. United Nation taken a oath to control the whole situation like poverty reduction, climate issue, environmental protection, empowerment, gender issue, infrastructure development etc. for betterment of people, betterment of society at last betterment of nature. Total 17 sustainable development goals have been implemented. But those burning issues are not a simple thing to reduce in a controlled time. So the whole process can go to be continuous time. Like India, the world largest populated country here it is difficult to implement those 17 SDGs program. Poverty, unemployment, lack of awareness, illiteracy are the significant problems for any kind of governments. So the government needs to help some of like social organizations. As a result the policy of social stock exchange has been implemented. In India many social organization are working in a different issues but their existence was too small in the field of social work. Many of NGO's are formed but their existence after some time is zero. The problem is that funding. The several organizations like NGO's are working in a rural part of the country or in slum areas. They need huge working capital to run such kinds of areas. After some time they need more funding, but due to shortage of fund they are helpless to carry out their social work at the end they shut down the process and whole thing was going to government's liability. As a result central government of India has thinking to move in social stock exchange. Presently in India the two stock exchanges i.e. NSE and BSE functionalized the overall process of SSE. After permission from SEBI, ICAI and ICMAI published some rules and regulation for carrying the listing process and the NGO's and other firm can listed in NSE or BSE.

Conclusion

Social enterprises and NGO's have aim to bring about a positive change in society. In a broader perspective social stock exchange allow social enterprises and nongovernmental organizations raise their fund by attracting the willing investors to invest in organization that have played a dual role in corporate as well as social mission. Social stock exchange would attempt to bring

coherence across to diverse platforms with uniform frameworks of funding, utilization, measurement, disclosure and reporting. In a stock exchange building the ecosystem and developing the capacities of participating stakeholders in a continuous process. In India, especially in a situation where 90% of the organizations that can potentially participate are small with limited resources is another real challenge. In our article basically we focus the part of community development. Community development basically depends on some factors like education, employment, gender equality, skill development, infrastructure development etc. For the purpose of our work we selected here some non-profit organizations. Basically the NGO's are worked in community development as we focus here the actual area where they are worked throughout the day. As per public scrutiny we can said that SSE are a unique and novel mechanism for socially conscious enterprises and funding mechanism.

Reference

- Mehra, Pragati and Vij, Madhu (2023). Social Stock Exchange: New Paradigm for Social Enterprises. ICSI Chartered Secretary, 92-98.
- Patel, C.S. Divyesh and Patel, Naresh K (2022). India's Social Stock Exchange (ISSE) – A 360^ Analysis – Today's Commitment for Tomorrow's Action. Journal of Sustainable Finance and Investment, 1-23.
- S, Sanjana (2019). A Study on Social Stock Exchange in India. International Journal of Advanced Research in Commerce, Management and Social Science (IJARCMSS), 02(04), 41-47.
- Sadhwani, Rajeshk., Rajput, Gourav., Arcot, Purna Prasad., and Rathore Nikita (2023). Social Stock Exchange in India – A Framework Study of Proposed Exchange. Social Science Journal, 13(3), 970-976.

Websites

www.oecd-development-matters.org/2023/05/31/what-is-indias-social-stock-exchange-and-how-can-it-benefit-the-country/

www.nseindia.com