

SSE: A vital cog in the CSR chain

WORTH TRYING. Channelling CSR funds through Social Stock Exchange can unlock large funds, and be deployed transparently



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India is the only country in the world to have a mandated 2 per cent corporate spending of CSR. This generates on average ₹34,909 crore in funds every year, making it one of the largest pools of mandated social impact capital in the world. In 2022, India built a regulated social capital platform inside NSE and BSE: the Social Stock Exchange (SSE). This initiative was designed to connect verified non-profit organisations with investors who would want to invest in the social development of the country.

The idea was sound, but the largest pool of social impact capital still cannot use this infrastructure as it is limited only to retail investors and excludes corporates. Since 2022, the SSE has registered around 170 NPOs and mobilised ₹42.56 crore through 16 projects (BSE SSE and NSE SSE combined data, 2024-25), while India's CSR ecosystem deployed over ₹1,00,000 crore in the same period (PIB, 2025; PRIME Database, 2026). Allowing CSR funds to flow through the SSE could be the key reform that can turn India's social capital into a powerful engine for Viksit Bharat.

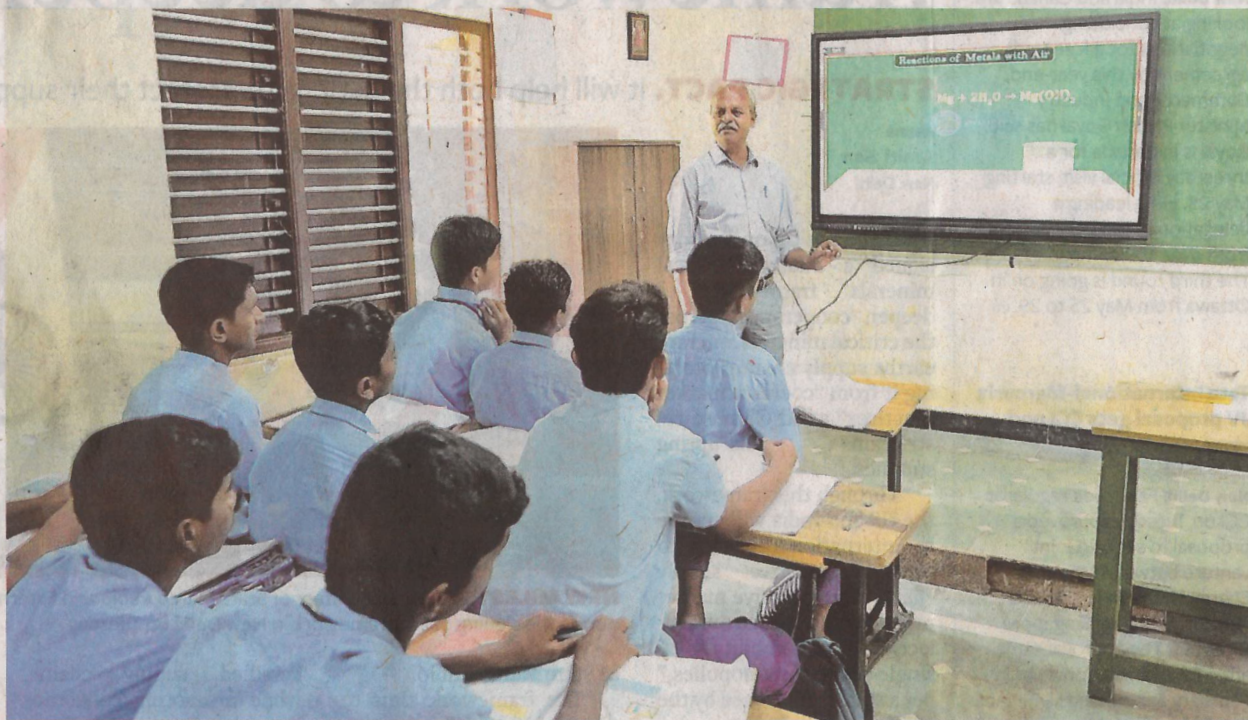
THE WORLD HAS TRIED THIS

The Social Stock Exchange is not a new idea. Brazil, South Africa, Portugal, the UK, Canada and Singapore have all tried it, and most failed. Their common weaknesses were simple: no funding source, weak regulation and thin NGO pipelines (ICNL-Samhita Global Review, 2024).

India has what these countries did not have. A mandatory annual CSR obligation, SEBI regulation, and the institutional homes of BSE and NSE. No other SSE has had these, making it very possible for India to succeed if used correctly.

At present, CSR funds directed to SSE-listed NPOs through Zero Coupon Zero Principal (ZCZP) bonds or Social Impact Funds do not qualify as CSR expenditure under Ministry of Corporate Affairs (MCA) rules. This gap should be addressed.

The MCA should recognise subscription by corporates to instruments offered through the SSE as CSR expenditure. This will immediately unlock ₹34,909 crore of mandated capital that can be deployed



KEY REFORM. Allowing CSR funds through Social Stock Exchange can turn India's social capital into a powerful engine for Viksit Bharat

transparently through the SSE platform. SEBI has already recommended that ZCZP investments be given CSR equivalence. The CBDT has confirmed 80G benefits for donors. No new legislation is required and there is no cost to the exchequer. A single notification from the MCA will make the SSE a live functioning market overnight.

But two structural challenges will remain. The NGO pipeline needs to deepen so that the capital, once unlocked, has credible and capable organisations to absorb it. And the regulatory framework needs to be optimised so that the platform works efficiently at scale. SEBI has already moved in the right direction by extending NPO registration validity to three years and reducing the minimum ZCZP subscription threshold.

Activate idle capital. In FY24, ₹2,800 crore sat in unspent CSR accounts even as many government welfare schemes continue to underspend because delivery capacity is uneven. SSE-listed NPOs, independently verified and already working in target geographies, could help put this capital to immediate

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use. A cross-ministry notification recognising SSE as an eligible implementation channel would turn idle allocations into active, outcome-linked development finance.

One rating to replace four registrations. An NGO today must maintain CSR-1 rating with MCA, secure FCRA clearance with the Home Ministry, get 12A and 80G eligibility clearances from the Income Tax Department, and register with the DARPAN portal of NITI Aayog. Yet, a company still has no standardised signal of whether the NGO delivers results on the ground.

A SEBI-mandated Social Performance Rating, administered by ICRA or CARE and renewed every three years, can replace this fragmented architecture with one market-readable quality signal. SSE listing will then become the only credential a CSR team will need. It will reduce compliance burden for companies, lower partner-verification costs, and improve trust. For NGOs, it will turn compliance into credibility and credibility into capital, giving them a clear reason to pursue listing on SSE.

Map money to need. Six States have absorbed roughly 60 per cent of all CSR spend over a decade (MCA CSR Data, CSRBox 2023). Aspirational districts received just 2.15 per cent of cumulative CSR since 2014 (NITI Aayog, 2023). What we need is a national CSR Registry maintained by NITI Aayog, geo-tagged

by district and updated in real time. This will give every CSR committee a live heat map of where India's development capital is most needed. The registry listings can be matched to pre-verified SSE-listed organisations already operating there. State governments can also feed a Demand Registry into this platform, signalling priority needs at block level.

Measure outcomes, not activity. India counts outputs: trees planted, toilets built, hospitals constructed, students enrolled. Outcomes are a different question: are those schools staffed, patients treated well, those trees alive? The SSE's Social Impact Assessor framework already mandates outcome reporting. A National Social Return On Investment framework assigning evidence-based economic proxies to social change would allow policymakers to quantify the impact of CSR on GDP. This will help change the conversation from compliance to national investment.

Finally, a dedicated CVC vigilance cell for CSR, a SCORES-style public whistleblower portal, and proportionate penalties for misreporting will help establish credibility of the entire system. When funds flow through a SEBI-regulated platform, irregularities become structurally harder to conceal.