भारतीय कम्पनी सचिव संस्थान
THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

SUPPLEMENT
PROFESSIONAL PROGRAMME
(SYLLABUS 2022)

for

December, 2026 Examination
(Containing updates upto 31st May, 2026)

CSR & SOCIAL GOVERNANCE

GROUP 1

ELECTIVE PAPER 4.1

Index

Students appearing in Examination shall note the following:

Students appearing in December, 2026 Examination should also update themselves on all the relevant Notifications, Circulars, Clarifications, Orders etc. issued by MCA, SEBI, RBI & Central Government upto 31st May, 2026.

The students are advised to acquaint themselves with the Subject Specific Updates published by the Institute.

This supplement is to be read with the CSR & Social Governance study material (Syllabus 2022) updated up to May, 2025.

Lesson 1

Corporate Social Responsibility (CSR)

Implementation of Corporate Social Responsibility (CSR) through zero coupon zero principal instrument (Rule 4A of CSR Rules)

The Central Government vide its notification dated 27th May, 2026 amended the Schedule VII to the Companies Act, 2013 and allowed the Companies to implement Corporate Social Responsibility through "Subscription to zero coupon zero principal instruments on Social Stock Exchange".

The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2026 dated 27th May, 2026 inserted a new Rule 4A into the Companies (Corporate Social Responsibility Policy) Rules, 2014, establishing a clear statutory framework for implementing CSR activities through zero coupon zero principal (ZCZP) instruments, given as under:

(1) A company may carry out Corporate Social Responsibility activities through a zero coupon zero principal instrument where the expenditure incurred for such instrument shall not exceed ten percent of the total Corporate Social Responsibility expenditure of such company for that financial year.

(2) The company that has subscribed in a zero coupon zero principal instrument shall be exempted from undertaking impact assessment of any project funded by such an instrument.

(3) The Not for Profit Organisation issuing the zero coupon zero principal instrument and raising fund therefrom shall –
   - (a) undertake a project with a duration not more than three succeeding financial years from the issue of such zero coupon zero principal instrument; and
   - (b) on termination of listing of such zero coupon zero principal instrument, transfer the unspent amount to any fund included in Schedule VII to the Act and submit its compliance report to the Securities Exchange Board of India.

(4) The provisions of rule 4, except sub-rules (5) and (6) of Companies (Corporate Social Responsibility Policy) Rules, 2014 shall be applicable to the implementation of Corporate Social Responsibility through a zero coupon zero principal instrument.

As per Rule 2(1)(l) of Companies (Corporate Social Responsibility Policy) Rules, 2014, the "zero coupon zero principal instrument" means an instrument declared as a security that is issued by a Not for Profit Organization registered with the Social Stock Exchange segment of a recognised Stock Exchange in accordance with the regulations made by the Securities and Exchange Board of India.

As per Rule 2(1)(ha) of Companies (Corporate Social Responsibility Policy) Rules, 2014, a "Not for Profit Organization" has the same meaning as in clause (e) of regulation 292A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Based on above, the companies can now channel their mandatory CSR allocations towards these specialized non-profit financial instruments.

Lesson 2

CSR Policy

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:-

………

(xiii) Subscription to zero coupon zero principal instruments on Social (Inserted vide MCA's Notification dated 27th May, 2026)

Lesson 3

CSR Projects & Implementation Agency

CSR Implementation

As per rule 4(1) of CSR Rules, the Board shall ensure that the CSR activities are undertaken by the company itself or through-

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company; or

(b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(c) any entity established under an Act of Parliament or a State legislature; or

(d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Explanation.- For the purpose of clause (c), the term "entity" shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.

Lesson 5

Guidelines on CSR

Guidelines on Corporate Governance for insurance companies issued by the Insurance Regulatory and Development Authority of India (IRDAI)

The Insurance Regulatory and Development Authority of India (Corporate Governance for Insurers) Regulations, 2024 (“the Regulations”) were notified on 21st March 2024. The Authority has outlined in general terms, governance responsibilities of the Board in the management of insurers under the Regulations. Further, the Authority issued Master Circular on Corporate Governance for Insurers, 2024 to provide various operational and procedural aspects, for adoption by all insurers. The Master Circular inter-alia provides the following provisions in respect of CSR by insurance Companies:

(a) The CSR committee shall be constituted as specified under Section 135 of the Companies Act, as amended from time to time.

(b) Further the ‘Net Profit’ for this purpose shall be as under:

“Net profit” means the “profit/(loss) before tax” as per its financial statements prepared in accordance with the applicable provisions of the Insurance Act, 1938 and the Regulations framed thereunder, but shall not include the following, namely –

(i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act.

The net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Insurance Act, 1938, shall not be required to be re-calculated in accordance with the provisions of the Companies Act.

(c) In line with Section 135(5) of Companies Act, the Board of Directors of the insurer shall ensure that the insurer spends not less than 2% of the three years’ average Net Profits towards the CSR activities.

(d) In addition, the following points in relation to the above shall also be complied with by the insurers:

(i) CSR shall be based only on the average of the three years’ profit as per the Statement of Profit and Loss Account as stated above. If insurer has not completed 3 years from its incorporation, then for the purpose of calculation of average net profit, the profit immediately preceding financial year shall be considered.

(ii) The CSR Committee shall formulate a CSR policy, get it approved by the Board. The Constitution of CSR Committee shall be as per Companies Act.

(iii) The CSR committee shall monitor the “CSR Policy” of the insurer from time to time.

(iv) The expense incurred on CSR Policy shall not be included for the purpose of calculation of ceilings on Expenses of Management under Section 40B and Section 40C of the Insurance Act, as the case may be.

(v) The expenses incurred on CSR shall not be charged to the Policyholders’ Account.

The Board shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website.

Lesson 9

Social Stock Exchange

- **"Not for Profit Organization"**

As per Regulation 292A(e) of the SEBI (ICDR) Regulations, a Not for Profit Organization means a Social

Enterprise which is any of the following entities:

(i) a charitable trust registered under the Indian Trusts Act, 1882;
(ii) a charitable trust registered under the public trust statute of the relevant State;
(iii) a Trust registered under the Registration Act, 1908 with the relevant Sub-Registrar in those States
(i) that have not enacted the law governing public trust;
(iv) a charitable society registered under the Societies Registration Act, 1860;
(v) a charitable society registered under the Societies Registration Act of the relevant State;
(vi) a company registered under section 8 of the Companies Act, 2013 including a company registered
(ii) under section 25 of the repealed Companies Act, 1956;
(vii) any other entity as may be specified by the Board.

- **In order to establish the primacy of its social intent, such Social Enterprise shall meet the following eligibility criteria: -**

(a) the Social Enterprise shall indulge in at least one of the following activities:
  (i) eradicating hunger, poverty, malnutrition and inequality;
  (ii) promoting health care including mental healthcare, sanitation and making available safe drinking water;
  (iii) promoting education, employability and livelihoods;
  (iv) promoting gender equality, empowerment of women and LGBTQIA+ communities;
  (v) ensuring environmental sustainability, addressing climate change including mitigation and adaptation, forest and wildlife conservation;
  (vi) protection of national heritage, art and culture;
  (vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
  (viii) supporting incubators of Social Enterprises;
  (ix) supporting other platforms that strengthen the non-profit ecosystem in fundraising and capacity building;
  (x) promoting livelihoods for rural and urban poor including enhancing income of small and marginal farmers and workers in the non-farm sector;
  (xi) slum area development, affordable housing and other interventions to build sustainable and resilient cities;
  (xii) disaster management, including relief, rehabilitation and reconstruction activities;
  (xiii) promotion of financial inclusion;
  (xiv) facilitating access to land and property assets for disadvantaged communities;

(xv) bridging the digital divide in internet and mobile phone access, addressing issues of misinformation and data protection;
(xvi) promoting welfare of migrants and displaced persons;
(xvii) the activity provided under Schedule VII of the Companies Act, 2013;
(xviii) any other area as identified by the Board or Government of India from time to time.

(b) the Social Enterprise shall target underserved or less privileged population segments or regions recording lower performance in the development priorities of the Central or State Governments, or such other target segments as may be specified by the Board from time to time.

(c) the for profit Social Enterprise shall have at least 67% of its activities, qualifying as eligible activities to the target population, to be established through one or more of the following:
(i) at least 67% of the immediately preceding 3-year average of revenues comes from providing eligible activities to members of the target population;
(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;
(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.

It may be noted that 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.

Requirements relating to Registration for a Not for Profit Organization

Regulation 292F of the SEBI (ICDR) Regulations states that a Not for Profit Organization shall mandatorily seek registration with a Social Stock Exchange before it raises funds through a Social Stock Exchange.

A Not for Profit Organization may register on a Social Stock Exchange and not raise funds through it for a maximum period of two years from the date of registration or such duration as may be specified by the Board.

Upon expiry of the period of two years from the date of registration or such duration as may be specified by the Board, the Not for Profit Organization shall have at least one listed project for which funds have been raised through the Social Stock Exchange, failing which it shall cease to be registered.

However, such period of two years may be further extended by one additional year subject to approval by the Social Stock Exchange.

The minimum requirements for registration of a Not for Profit Organization on a Social Stock Exchange shall be specified by the Board from time to time.

The Social Stock Exchange may specify the eligibility requirements for registration of a Not for Profit Organization in addition to the minimum requirements specified by the Board.

Fund Raising by Social Enterprises

According to Regulation 292G of the SEBI (ICDR) Regulations a Social Enterprise may raise funds through following means: -

(a) A Not for Profit Organization may raise funds on a Social Stock Exchange through:
   (i) issuance of Zero Coupon Zero Principal Instruments to eligible investors and/or in accordance with the applicable provisions of this Chapter;
   (ii) donations through Mutual Fund schemes as specified by the Board;
   (iii) any other means as specified by the Board from time to time.

(b) A For Profit Social Enterprise may raise funds through:
   (i) issuance of equity shares on the main board, SME platform or innovators growth platform or equity shares issued to an Alternative Investment Fund including a Social Impact Fund;
   (ii) issuance of debt securities;
   (iii) any other means as specified by the Board from time to time.

Explanation: Securities issued by For Profit Social Enterprises shall be listed and traded under the applicable segment of the stock exchange with an identifier stating that the scrip is that of a For Profit Social Enterprise and such For Profit Social Enterprises shall meet the eligibility criteria for the main board, SME Platform or innovators growth platform, as applicable, in addition to the criteria provided in this Chapter.

Disclosures by a Not for Profit Organization

As per Regulation 91C (1) of the SEBI (LODR) Regulations, a Not for Profit Organization registered on the Social Stock Exchange(s), including a Not for Profit Organization whose designated securities are listed on the Social Stock Exchange(s), shall be required to make annual disclosures to the Social Stock Exchange(s) on –

(i) financial aspects, as may be specified by the Board, by October 31st of each year or before the due date of filing of income tax return as prescribed under the provisions of the Income-tax Act, 1961, whichever is later, or within such other period as may be specified by the Board; and
(ii) non-financial aspects, as may be specified by the Board,

within a period of 60 days from the end of the financial year or within such other period as may be specified by the Board.

In addition to the disclosures referred in sub-regulation (1), the Social Stock Exchange(s) may specify matters that shall be disclosed by the Not for Profit Organization on an annual basis.

Disclosures by a Social Enterprise in respect of Social Impact

Regulation 91E of the SEBI (LODR) Regulations states that a Social Enterprise, which is either registered with or has raised funds through a Social Stock Exchange or a Stock Exchange, as the case may be, shall be required to submit an annual impact report to the Social Stock Exchange or the Stock Exchange in the format specified by the Board from time to time.

The annual impact report shall be assessed by a Social Impact Assessment Organization employing Social Impact Assessor(s) for listed project(s) and shall be self-certified for non-listed project(s). The annual impact report shall cover atleast 67% of the program expenditure in the previous financial year.

A Social Enterprise which is only registered on a Social Stock Exchange without raising funds shall submit a self-certified annual impact report.

A Not for Profit Organization that is registered on a Social Stock Exchange shall be permitted not to raise funds through it for a maximum period of two years from the date of registration or such duration as may be specified by the Board. Upon expiry of the period of two years from the date of registration, the Not for Profit Organization shall have at least one listed project failing which it shall cease to be registered.

In the above context, a "Social Impact Assessment Organization" means any entity which has –

(i) employed Social Impact Assessor(s) with a track record of minimum three years in conducting social impact assessment; or
(ii) employed at least two full time Social Impact Assessors, each with a minimum experience of three years, in conducting social impact assessment, who shall sign the social impact assessment report.

The Social Stock Exchange(s) may specify parameters, in addition to those specified by the Board, which shall be required to be disclosed by a Social Enterprise on an annual basis.

Statement of Utilisation of Funds

As per Regulation 91F of the SEBI (LODR) Regulations, a listed Not for Profit Organization shall submit to the Social Stock Exchange(s) the following statement in respect of utilisation of the funds raised, on a quarterly basis, , within 45 days from the end of quarter: -

- category-wise amount of monies raised;
- category-wise amount of monies utilised;
- balance amount remaining unutilised.

The unutilised amount shall be kept in a separate bank account and shall not be co-mingled with other funds.

The statement required shall be given till the time the issue proceeds have been fully utilised or the purpose for which they were raised, has been achieved.

FRAMEWORK ON SOCIAL STOCK EXCHANGE

Minimum Requirements to be met by a Not for Profit Organization (NPO) for registration with SSE in terms of Regulation 292F of the ICDR Regulations

A NPO desirous of registration on SSE, in terms of Regulation 292F(1) of ICDR Regulations, shall fulfil the following criteria:

Broad Parameter	Indicator	Details
	Legal Requirements	
Entity is registered as an NPO	Registration certificate valid at least for next 12 months at the time of seeking registration with SSE	Entities must be registered in India as one of the below: a. a charitable trust registered under the Indian Trusts Act, 1882; b. a charitable trust registered under the public trust statute of the relevant State;

		c. a Trust registered under the Indian Registration Act, 1908 with the relevant Sub-Registrar in those States that have not enacted the law governing public trust; d. a charitable society registered under the Societies Registration Act, 1860; e. a charitable society registered under the Societies Registration Act of the relevant State; f. a company registered under section 8 of the Companies Act, 2013 including a company registered under section 25 of the repealed Companies Act, 1956.
Ownership and control	Governing document (MoA & AoA/ Trust Deed/ Bye-laws/ Constitution)	Disclose if NPO is owned and/or controlled by government or private.
Exemption under Income Tax Act	Registration Certificate under section 12A / 12AA / 12AB under Income Tax Act, 1961	a. Registration Certificate under section 12A/ 12AA/ 12AB/ 10(23C)/ 10(46) to be valid for atleast the next 12 months. b. Details regarding pending notices or scrutiny cases from all regulatory and statutory authority shall be disclosed at the time of making the application for the registration. c. Fines or penalties if imposed shall be disclosed as paid or appealed within 7 days. The Stock Exchanges shall have the right to refuse registration of those applicants, if the notices/ scrutiny cases are grave and debilitating enough to endanger the registration of the NPO under the Income-Tax Act, 1961 or other relevant laws.
Registration with Income Tax as an NPO	IT PAN	Valid IT PAN.
Age of the NPO	Registration certificate	Minimum 3 years.
Deduction under Income Tax Act, 1961	Valid 80G registration under Income Tax Act, 1961 for entities registered under section 12A / 12AA / 12AB of the Income Tax Act, 1961.	Entity to ensure whether tax deduction is available or not to investors.

Eligible to be Social Enterprise	Requirements with Regulation 292E of ICDR Regulations	As may be specified by SSE.
Minimum Fund Flows		
Annual Spending in the past financial year	Receipts or Payments from Audited accounts/ Fund Flow Statement	Must be at least Rs. 50 lakhs.
Funding in the past financial year	Receipts from Audited accounts/ Fund Flow Statement	Must be at least Rs. 10 lakhs.

Procedure for public issuance of Zero Coupon Zero Principal Instruments (ZCZP) by an NPO

1. The NPO shall file the draft fund raising document with the SSE where it is registered along with the fees as specified by the SSE and an application seeking in-principle approval for listing of its ZCZP on the SSE. The SSE shall specify the details to be incorporated in the fund raising document.
2. The draft fund raising document shall be made available on the website of SSE and the NPO for a period of at least 21 days for public comments.
3. The SSE shall provide its observation on the draft fund raising document to the NPO within a time period of 30 days from the date of filing of the draft fund raising document or receipt of clarification, if any, sought by the SSE from NPO whichever is later.

   The NPO shall incorporate the observations of the SSE in draft fund raising document and file the final fund raising document with SSE prior to opening the issue.

Contents of the fund raising document

The draft fund raising document and the final fund raising document shall contain all material disclosures which are true and adequate to enable the applicants to take an informed decision.

Without prejudice to the generality of clause stated above, the draft fund raising document and the final fund raising document shall contain disclosures as may be specified by the Board from time to time. The SSE may mandate additional disclosures in respect of the draft fund raising document and the final fund raising documents.

Other conditions relating to issuance of ZCZP

1. ZCZP shall be issued in dematerialized form only.
2. ZCZP shall not be transferable from the original subscriber/ holder till the expiry of the tenure of the said instrument.
3. The minimum issue size shall be rupees fifty lakhs.
4. The minimum application size shall be rupees one thousand.
5. The minimum subscription required to be achieved shall be 75% of the funds proposed to be raised through issuance of ZCZP.
   However, the minimum subscription required to be achieved shall be 50% in case where the funds raised can be deployed, so as to be aligned with the disclosed object of the issue in a manner that the implementation of the project remains viable and meaningful. For this, the

Social Stock Exchange shall prior to granting in-principle approval for such partial fund raising, undertake due-diligence to satisfy themselves that the funds raised towards the object(s)are capable of being deployed in a meaningful manner, taking into consideration the subscription scenarios disclosed in the Fund Raising Document

6. In case of any under subscription, the NPO in the fund raising document, shall provide details on the following:
   a) manner of raising balance capital in case of minimum subscription achieved is 75% or 50%, as the case may be;
   b) possible impact on achieving the social objective(s) in case such under subscription is not arranged.

   The funds shall be refunded in case the minimum subscription is not achieved.
7. The SSE shall maintain the details of the allotment pursuant to issuance of ZCZP by a NPO.
8. The SSE shall specify the additional norms in respect of issue procedure including on agreements with depositories, banks, etc., ASBA related matters, duration for public issuance, allocation methodology and any other ancillary matter related to issue procedure.

Minimum Initial Disclosure Requirement for NPOs Raising Funds through the issuance of Zero Coupon Zero Principal Instruments in terms of Regulation 292K of the ICDR Regulations

1. Social Stock Exchange (SSE) under the guidance of SSE Governing Council (SGC) shall mandate the structure of the draft fund raising document/ final fund raising document. SSE shall host such requirements on its website.
2. SSE shall ensure that the documents contain the following minimum disclosures:
   i. **Vision**
   Organisation's activities, interventions and programmes are in line with aims and objects stated in its constitution.

   ii. **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.

   iii. **Strategy**
   Strategy formulation towards accomplishing vision should take into account capabilities and learning from challenges.

   iv. **Governance**
   Organisation has a governing body and details of its governing body, composition, dates of board meetings held (key items covered).

   v. **Management**
   Details of key managerial staff such as those in charge of Programmes, Fundraising, Marketing, Communication, Finance, HR. Organisation discloses whether it provides letters to staff and volunteers defining roles and responsibilities, has a periodic performance appraisal process etc.

vi. **Credibility**

Documents such as Registration, Trust Deed/ MoA and AoA, Address Proof, IT PAN, 12A/12AA/12AB Certificate, FCRA certificate and returns, remuneration to governing members.

vii. **Social Impact**

Details of past social impact as pr the existing practice of NOPs the past social impact should highlight trends in key metrics/parameters relevant to the NPO (as may be determined by the Exchange) for which it seeks to raise funds on SSE, number of beneficiary, cost per benfeiciary and administrative overheads.

viii. **Risks**

Disclose (i) risks that the NPO sees to its work and how it proposes to mitigate these (ii) unintended consequences that the NPO sees from its work and how it proposes to mitigate these.

Annual Disclosure by NPOs on SSE which have either Raised Funds through SSE or are registered with SSE in terms of Regulation 91C of the LODR Regulations

The following disclosures would be made by the NPOs on an Annual Basis (i.e.) within 60 days from end of Financial Year:

1. Disclosures on General aspects:

i. Name of the organization (legal and popular name)
ii. Location of headquarters and location of operations
iii. Vision / Mission / Purpose
iv. Organizational goals, activities, products and services
v. Outreach of organization (Type and number of direct, indirect and institutional beneficiaries / stakeholders reached)
vi. Scale of operations (Including Employee and Volunteer strength)

2. Disclosures on Governance aspects:

i. Ownership and legal form.
ii. Governance Structure (outlines board and management committee structures, mandates, membership, charters, policies and internal controls).
iii. Details of governing body including names of the members of the body.
iv. Executives with key responsibilities.
v. Number of meetings by governing body and other committees formed by them along with attendance and the process of performance review.
vi. Organisation level potential risks and mitigation plan.
vii. Mechanisms for advice and concerns about ethics, along with conflict of interest and communicating other critical concerns.
viii. Remuneration Policies.
ix. Stakeholder grievance, process of grievance redressal and number of grievance received and resolved.
x. Organisation registration certificate and other licenses and certifications (12A, 80G, FCRA, GST, etc.).

The following disclosures would be made by the NPOs on an Annual Basis of the Financial Year by October 31st of each year or before the due date of filing the Income Tax return as prescribed under the provisions of the Income Tax Act, 1961, whichever is later:

a) Disclosures on General aspects:
   i. Outreach of organization (Type and number of direct, indirect and institutional beneficiaries / stakeholders reached);
   ii. Details of top donors or investors of organisation - List of Top 5 donors or investors (budget wise);
   iii. Details of top 5 programs in disclosure period - List of Top 5 interventions/programs (budget wise).
b) Disclosures on Governance aspects:
   i. Reporting of related party transactions;
   ii. Compliance management process and statement of compliance from senior decision maker.
c) Disclosures on Financial aspects:
   i. Financial Statement (Balance Sheet, Income statement and Cash Statement). Also program wise fund utilization for the year.
   ii. Auditors report and auditor details.

SSE may specify additional parameters that may be required to be disclosed by NPO on annual basis.

Disclosure of Annual Impact Report by all Social Enterprises which have Registered or Raised Funds using SSE in terms of Regulation 91E of the LODR Regulations

All Social Enterprises which have raised funds using SSE will have to provide duly assessed AIR to SSE by October 31st of each year or before the due date of filing the income tax return as prescribed under the provisions of the Income Tax Act, 1961, whichever is later.

1. The AIR shall capture the qualitative and quantitative aspects of the social impact generated by the entity and where applicable, the impact that is generated by the project or solution for which funds have been raised on SSE.
2. In case an NPO is registered without listing any security, the AIR will be self-reported and must cover the NPO's significant activities, intervention, programs or projects during the year and the methodology for determination of significance must be explained. Additionally, if there is an activity, intervention, program or projects covered under a listed security, it will qualify as a significant activity, intervention, program or project. The annual impact report shall cover 67% of the program expenditure in the previous Financial Year.
3. For a Social Impact Fund where the underlying recipients of funds are SEs which have registered or raised funds using SSE, must disclose an overall AIR for the fund covering all investee/grantee organizations where the fund is deployed.
4. The AIR should at a minimum, cover the aspects described below:

   A. Strategic Intent and Planning

   i) What is the social or environmental challenge the organization and/or the instrument listed is addressing? Has this changed in the last year?
   ii) How is the organization attending to the challenge or planning to attend to the challenge? Has this changed in the last year?
   iii) Who is being impacted (target segment)? Has this changed in the last year?
   iv) What will be the outcomes of the activities, intervention, programs or project? Disclosure should include positive and potential unintended negative outcomes.

   B. Approach

   i) What is the baseline status / situation analysis / context description at the start of the activity/intervention/programs or project and at the end of the last reporting period?

ii) What has been the past performance trend? (if relevant)
iii) What is the solution implementation plan and the measures taken for sustainability of activity/intervention/programs or project outcomes? Has there been any material change in your implementation model in the last one year?
iv) Please brief out alignment of solution to Sustainable Development Goals (SDGs)/national priorities/state priorities/ developmental priorities.
v) How have you taken into consideration stakeholder feedback in this reporting period?
vi) In the last year, what have you seen as the biggest risks to the achievement of the desired impact? How are these being mitigated?

C. Impact Score Card
i) What are the metrices monitored and what has been the trend?
ii) Briefly include narratives of impact on target segment(s) in the reporting period.
iii) Beneficiary/Stakeholder Validation through surveys and other feedback mechanisms.

5. SSE may specify additional parameters that may be required to be disclosed by SE in its AIR.
6. The AIR shall be assessed by Social Impact Assessors and the SEs shall disclose the report of the Social Impact Assessors along with AIR.