Study Notes for
NISM-Series-XXIII: Social Impact Assessors Certification Examination (SACE)

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EXAMINATION DETAILS

Questions	Mcq - 100x1 mark
Total marks	100
Duration	2 hours
Pass mark	60
Negative marking	-

WEIGHTAGE

Chapter No.	Chapter Name	Weightages
1	Introduction to Social Sector Ecosystem	10
2	Social Stock Exchange: Introduction, Funding Structures and Instruments	10
3	Registration and Listing on Social Stock Exchanges	6
4	Understanding Logic Model in Social Programs for Social Impact Assessment	10
5	Social Impact Assessment and Social Impact Assessors	10
6	Social Impact Assessment Frameworks, Techniques and Standards	10
7	Social Impact Assessment Reporting	11
8	Social Impact Assessment- Case Studies	15
9	Disclosure Norms, Reporting Requirements by Social Impact Assessors and Penalties	10
10	Taxation	3
11	Key Regulations	5

NISM-Series-XXIII: Social Impact Assessors Certification Examination (SACE)

CHAPTER 1: INTRODUCTION TO SOCIAL SECTOR ECOSYSTEM

Social Sector Overview: The social sector in India, also known as the non-profit or third sector, includes NGOs, voluntary organizations, and social enterprises working toward societal development.

Non-Profit Organizations: Non-profits focus on creating an equitable and sustainable society, often addressing poverty, education, health, and environmental issues.

Sustainable Development Goals: The 17 Sustainable Development Goals (SDGs) outlined in the 2021 report provide a global framework for social sector initiatives in India.

Social Enterprises: Social enterprises use entrepreneurship and market approaches to create social value, operating as either non-profit or for-profit entities.

SEBI Definition: SEBI defines a Social Enterprise as a Not-for-Profit Organization (NPO) or For-Profit Social Enterprise (FPSE) meeting specific eligibility criteria.

Legal Structures: Non-profit social enterprises in India can be registered as Trusts, Societies, or Section 8 Companies under the Companies Act, 2013.

Trust Deed: Trusts require a Trust Deed as their constitutional document, outlining objectives and operational guidelines.

Memorandum of Association: Societies and Section 8 Companies use a Memorandum of Association (MOA) and Articles of Association (AOA) to define their structure.

Social Interventions: Social enterprises address underserved populations through interventions like healthcare, education, and financial inclusion.

Stakeholders: Stakeholders include direct beneficiaries, customers, employees, government, and local communities, as per Freeman's 1984 definition.

Sustainability: Sustainability in social interventions involves environmental, social, and economic considerations for long-term impact.

Care Management: Care management is a social intervention method linked to community care, such as healthcare or elderly support initiatives.

Risks in Social Sector: Social organizations face risks like funding shortages, regulatory compliance, and operational challenges.

International Standards: Voluntary international standards like the UN Guiding Principles and Global Reporting Initiative guide social sector operations.

Comparability Challenges: Variations in registration and regulation among social organizations hinder comparability of their impact.

Volunteerism: Volunteerism plays a significant role in the NPO sector, with individuals contributing time and skills to social causes.

State Regulation: Public Charitable Trusts are governed by state-specific Trust Acts and overseen by state Charity Commissioners.

Government Initiatives: The Indian government supports NGOs through schemes in education, health, and rural development.

Stakeholder Roles: Stakeholders like funders, government, and teachers play roles in achieving developmental goals in social interventions.

Development Priorities: India's top priority SDGs include reducing poverty, improving health, and ensuring clean water and sanitation.

Financial Markets: India's financial markets include money, capital, debt, and commodity markets, supporting social enterprise funding.

Depositories: Depositories like NSDL hold securities in electronic form, facilitating investor transactions through depository participants.

Custodians: Custodians manage securities and bank accounts for institutional investors, handling transactions like dividends and settlements.

KYC Agencies: KYC Registration Agencies ensure proper verification of investors to prevent fraud in the securities market.

Professional Institutes: ICAI, ICSI, and ICMAI regulate professions relevant to social impact assessment and auditing.

Equity Shares: Equity shares represent ownership in a company, offering dividends and capital appreciation to investors.

Debt Securities: Debt securities like bonds provide fixed income to investors, often used by social enterprises for funding.

Real Estate: Real estate is a major asset class offering diversification opportunities for social impact investments.

Mutual Funds: Mutual funds pool investor money to invest in diverse asset classes, suitable for retail investors.

Social Objectives: SEBI's taxonomy classifies social objectives into areas like health, education, and gender equality.

Non-Communicable Diseases: Social objectives include reducing premature mortality from non-communicable diseases.

MSME Growth: Promoting micro, small, and medium enterprises is a social objective tied to financial inclusion.

Gender Equality: Ensuring women's participation in leadership roles is a key social objective.

Climate Change: Addressing climate change through mitigation and adaptation is a priority social objective.

Affordable Housing: Providing access to safe and affordable housing is a social objective under SDGs.

Digital Divide: Reducing inequalities in access to information and communication technologies is a social goal.

Migrant Welfare: Welfare activities for local migrants aim to reduce economic inequalities.

NPO Statistics: India has over 31 lakh NPOs, serving one NPO per 400 individuals, per government estimates.

CSR Funding: CSR mandates require companies to spend 2% of net profits on social initiatives, supporting social enterprises.

Social Venture Capital: Social enterprises access funding through social venture capital funds and donations.

Market Infrastructure: Stock exchanges, depositories, and clearing corporations are collectively called Market Infrastructure Institutions (MIIs).

Financial Inclusion: Social enterprises focus on financial inclusion through services like microfinance and insurance.

Tech-Enabled Activities: Social enterprises leverage technology to scale impact in education, health, and livelihoods.

Cross-Sectional Study: A CSO Coalition@75 study highlights the diversity and impact of NPOs across India.

Ashoka Network: Ashoka supports social entrepreneurs through fellowships, promoting innovative solutions.

Regulatory Compliance: Social organizations must comply with state and central regulations, including FCRA for foreign funding.

Programmatic Interventions: Social interventions use a combination of methods like advocacy, education, and service delivery.

Stakeholder Mapping: Mapping stakeholders helps analyze relationships and their impact on social interventions.

Impact Measurement: Measuring social impact involves assessing outcomes like improved income or health metrics.

Social Sector Growth: The social sector is evolving with increased professionalization and tech-enabled solutions.

CHAPTER 2: SOCIAL STOCK EXCHANGE: INTRODUCTION, FUNDING STRUCTURES AND INSTRUMENTS

Social Stock Exchange (SSE): SSE is a platform to facilitate funding for social enterprises, connecting them with donors and investors.

Rationale of SSE: SSE addresses gaps in traditional funding mechanisms like CSR and philanthropy for social enterprises.

Trading Members: Trading members are authorized exchange members who trade on their own or clients' accounts.

Participants: SSE ecosystem includes NPOs, FPEs, Market Infrastructure Institutions, Social Impact Assessors, and Investors.

NPO Statistics: India has 31 lakh NPOs, highlighting the scale of the social sector needing funding support.

Section 8 Companies: Section 8 Companies are NPOs under the Companies Act, focused on social objectives like education and health.

Information Repositories: Information Repositories (IRs) collect and disseminate data on social enterprises listed on SSE.

Institute of Social Auditors: The Institute of Social Auditors of India, a Section 8 company, oversees social impact assessments.

Funding Structures: NPOs access funding through grants, pay-for-success models, and Development Impact Bonds (DIBs).

Pay-for-Success: Pay-for-success models link funding to achieved social outcomes, involving lending partners or grants.

Development Impact Bonds: DIBs aggregate projects with similar social outcomes, involving intermediaries and outcome funders.

Zero Coupon Zero Principal (ZCZP): ZCZPs are instruments issued by NPOs for specific social projects, listed on SSE.

SEBI ICDR Regulations: ZCZPs must comply with SEBI's ICDR Regulations, including Rule 19 of the Securities Contracts Rules.

Draft Fund Raising Document: NPOs must disclose details in draft and final fund-raising documents for transparency.

Listing Termination: ZCZP listing terminates if project objectives are achieved or funds remain unutilized for a specified period.

Equity Listing: Section 8 Companies listing equity must show a track record of social performance as per SEBI criteria.

FPE Listing: For-Profit Enterprises (FPEs) listing equity or debt must demonstrate social impact performance.

Alternative Investment Funds: Social Venture Funds under AIFs invest in social enterprises with at least 5% investor consent.

CSR Integration: SSE facilitates CSR funding by aligning corporate contributions with social enterprise projects.

Outcome Funders: Outcome funders pay based on social impact achieved, incentivizing performance-driven funding.

Independent Evaluators: Evaluators measure social impact in DIBs, ensuring unbiased outcome assessments.

Quality Education DIB: The world's largest DIB focuses on improving literacy and numeracy for children in India.

Social Impact Bonds: SIBs involve government as outcome funders, though not yet prevalent in India.

Risk Investors: Risk investors in DIBs bear initial losses to reduce credit risk for other lenders.

Disclosure Norms: SSE requires robust disclosure norms to ensure transparency in social impact reporting.

Market Discipline: SSE brings capital market rigor to social financing, enhancing accountability.

Philanthropic Investing: SSE complements philanthropy by providing structured investment opportunities.

FPE Identification: FPEs are distinctly identified as For-Profit Social Enterprises on the SSE.

Funding Limitations: Singaporean SSE models primarily serve FPEs, lacking systematic NPO funding approaches.

NPO Funding Needs: NPOs often face restrictions on using institutional donations for non-programmatic expenses.

SSE Facilitation: SSE acts as a common platform for social enterprises, donors, and investors to collaborate.

Social Financing: SSE enhances social financing by streamlining access to diverse funding instruments.

Investor Confidence: SSE's transparency and governance frameworks boost investor confidence in social investments.

Grant Utilization: Grants in pay-for-success models are used for research, capacity building, or specific outcomes.

Escrow Accounts: CSR funds in pay-for-success models are held in escrow until outcomes are achieved.

Legal Contracts: DIBs require strong legal contracts for governance and impact measurement.

Project Listing: DIBs can be listed for individual or pooled projects, specifying funding tenure.

Impact Measurement: SSE emphasizes rigorous impact measurement to validate social outcomes.

Brokerage Role: Trading members act as brokers, facilitating transactions on the SSE platform.

Regulatory Oversight: SEBI regulates SSE operations to ensure compliance and investor protection.

Social Performance: Social enterprises must demonstrate past social performance for listing eligibility.

Funding Diversity: SSE supports diverse funding instruments like equity, debt, and ZCZPs for social enterprises.

Stakeholder Engagement: SSE fosters engagement among stakeholders to align funding with social goals.

Market Liquidity: SSE enhances market liquidity for social investments through structured trading.

Investor Returns: ZCZPs offer no financial returns, focusing solely on social impact for investors.

Project Specificity: ZCZPs are issued for specific social development projects with defined objectives.

Governance Structures: SSE-listed entities require robust governance for reporting and compliance.

Social Venture Funds: Social Venture Funds under AIFs provide equity investments for social enterprises.

Impact Bond Market: The impact bond market is evolving, with DIBs gaining traction for scalable social impact.

SSE Circulars: SEBI circulars provide detailed guidelines for SSE operations and compliance.

CHAPTER 3: REGISTRATION AND LISTING ON SOCIAL STOCK EXCHANGES

Registration Process: Social enterprises must register with SSE to raise funds, following SEBI guidelines.

Eligibility Criteria: NPOs must demonstrate engagement in eligible activities for at least three years.

Expenditure Requirement: At least 67% of an NPO's three-year average expenditure must be on eligible activities.

Mandatory Qualifications: NPOs must meet mandatory criteria, including annual reporting obligations.

Rights and Obligations: The Social Governance Code (SGC) outlines rights and obligations for SSE-listed entities.

Process Flow: The onboarding process for social enterprises involves application, verification, and listing.

FPE Listing: FPEs list securities on main boards, SME platforms, or Innovators Growth Platforms as per SEBI rules.

Application Form: NPOs submit detailed applications to NSE for SSE registration, including financials and objectives.

Undertaking by NPO: NPOs provide undertakings confirming compliance with SEBI and SSE regulations.

Third-Party Undertaking: Social or statutory auditors provide undertakings for NPO registration on NSE SSE.

Annual Reporting: SSE-listed entities must submit annual reports detailing social impact and financials.

Disclosure Document: The Rights, Obligations, and Disclosures Document ensures transparency in SSE listings.

SEBI LODR Regulations: Regulation 91E mandates disclosure compliance for SSE-listed social enterprises.

Funding Conditions: Social enterprises must show intent to address underserved populations' challenges.

Social Impact Focus: NPOs must prioritize social impact over financial returns in their operations.

Verification Process: SSE verifies applications through audits and third-party confirmations for compliance.

NPO Registration: NPOs require valid registrations under the Income Tax Act (e.g., 12AA/12AB) for SSE listing.

Financial Transparency: NPOs must disclose financial statements and fund utilization details for SSE registration.

Social Auditor Role: Social auditors verify NPO compliance with SSE eligibility and reporting requirements.

Listing Platforms: FPEs choose listing platforms based on their size and regulatory requirements.

Investor Differentiation: SSE categorizes NPOs and securities to help investors make informed decisions.

Website Updates: Candidates must check NSE and BSE SSE websites for updated registration requirements.

Impact Reporting: SSE mandates regular impact reporting to assess the effectiveness of funded projects.

Regulatory Compliance: SSE-listed entities must adhere to SEBI circulars and guidelines for operations.

Stakeholder Clarity: SSE ensures stakeholders understand the social enterprise's objectives and impact.

Project Eligibility: Projects funded through SSE must align with SEBI's social objective taxonomy.

Governance Standards: SSE emphasizes strong governance to ensure accountability in social enterprises.

Fund Utilization: NPOs must demonstrate efficient use of funds for social impact activities.

Risk Disclosure: Fundraising through SSE requires a Risk Disclosure Document outlining potential risks.

Social Enterprise Types: SSE distinguishes between NPOs and FPEs for tailored regulatory approaches.

Application Details: NSE application forms require details on legal identity, projects, and financials.

Compliance Audits: SSE conducts compliance audits to ensure adherence to listing conditions.

Investor Protection: SSE frameworks protect investors through transparent disclosures and audits.

SSE Circulars: SEBI circulars (e.g., Sep 2022, Dec 2023) provide detailed SSE operational frameworks.

Onboarding Efficiency: SSE streamlines onboarding to facilitate quicker access to funding.

Social Performance: Social enterprises must demonstrate past social performance for SSE eligibility.

Mandatory Disclosures: SSE requires disclosures on governance, strategy, and social impact metrics.

NPO Funding: SSE enables NPOs to access diverse funding sources beyond traditional grants.

FPE Differentiation: FPEs are identified distinctly to avoid confusion with commercial enterprises.

SSE Ecosystem: The SSE ecosystem integrates regulators, auditors, and investors for holistic support.

Legal Identity: NPOs must clarify their legal identity (e.g., Trust, Society) in SSE applications.

Financial Audits: Statutory audits ensure financial integrity for SSE-listed social enterprises.

Project Scope: SSE applications must define the scope of social projects to be funded.

Stakeholder Engagement: SSE encourages stakeholder engagement for project design and impact assessment.

Transparency Standards: SSE enforces high transparency standards for investor confidence.

Impact Verification: Independent verification of social impact is mandatory for SSE-listed entities.

Regulatory Updates: SEBI regularly updates SSE regulations to address evolving market needs.

Social Objective Alignment: SSE projects must align with national development priorities and SDGs.

Fundraising Modes: SSE supports multiple fundraising modes, including ZCZPs, equity, and debt.

SSE Guidelines: NSE and BSE provide detailed guidebooks for social enterprises seeking listing.

CHAPTER 4: UNDERSTANDING LOGIC MODEL IN SOCIAL PROGRAMS FOR SOCIAL IMPACT ASSESSMENT

Logic Model: The Logic Model is a framework for designing, implementing, and evaluating social programs.

Project Goal: Goals define the major issue a project aims to address and its long-term community impact.

SMART Objectives: Objectives must be Specific, Measurable, Achievable, Relevant, and Time-bound (SMART).

Alternatives Analysis: This involves evaluating different strategies to achieve project objectives.

Outputs: Outputs are tangible deliverables produced by project activities, like training sessions conducted.

Indicators: Indicators measure progress and success at goal, purpose, and output levels of a project.

Risk Management: The Logic Model includes risk identification and contingency planning for resilience.

Impact Statement: The impact statement outlines the long-term intended change based on project vision.

Pre-Implementation: A mandatory time gap before implementation allows for planning and stakeholder alignment.

Logical Framework (LFA): LFA structures project components for clarity, planning, and evaluation.

Clarity and Structure: LFA provides a clear framework for aligning project activities with goals.

Enhanced Planning: LFA improves project planning by defining inputs, outputs, and outcomes.

Monitoring and Evaluation: LFA facilitates effective monitoring and evaluation of project progress.

Resource Allocation: LFA ensures efficient allocation of resources like funds and personnel.

Accountability: LFA increases accountability by linking activities to measurable outcomes.

Assumptions: Assumptions in LFA include external factors like community support or political stability.

Impact Analysis: Impact is verified by comparing pre- and post-program data, like income levels.

Means of Verification: Partnership agreements and attendance sheets serve as verification tools.

Activities: Key actions like developing training materials drive project outputs.

Monitoring Tools: Regular checks on workshop reports ensure timely execution of activities.

Evaluation Methods: Surveys and interviews assess the impact of project interventions.

Key Performance Indicators (KPIs): KPIs track metrics like the number of workshops conducted.

Financial Literacy: Example projects focus on improving financial literacy among rural women.

Stakeholder Involvement: Stakeholders like NGOs and banks are critical for project sustainability.

Feedback Loop: Feedback from outputs informs project design and planning for continuous improvement.

Cost Clarity: Logic Model ensures clarity on intervention costs for sustainability.

Matrix Alignment: LFA matrices align inputs, outputs, and outcomes for coherent project execution.

Project Scope: The Logic Model defines the scope of interventions within resource constraints.

Outcome Measurement: Outcomes are measurable changes, like increased savings among beneficiaries.

Baseline Data: Baseline data establishes the starting point for measuring project impact.

Contingency Planning: LFA includes contingency plans to address unforeseen challenges.

Stakeholder Clarity: The Logic Model provides stakeholders with clear intervention details.

Program Design: Program design under the Logic Model aligns vision with actionable steps.

Time-Bound Targets: LFA sets time-bound targets to ensure timely achievement of objectives.

Community Impact: Projects aim for long-term improvements in community well-being.

Input Resources: Inputs include funds, personnel, and materials required for project execution.

Output Deliverables: Outputs include deliverables like training manuals or workshops conducted.

Risk Mitigation: LFA identifies risks early to mitigate their impact on project success.

Evaluation Metrics: Metrics like attendance rates and economic data evaluate project outcomes.

Sustainability Focus: LFA emphasizes sustainable outcomes through efficient resource use.

Stakeholder Surveys: Surveys collect stakeholder feedback to assess project effectiveness.

Training Indicators: Indicators like training completion rates measure output success.

Economic Empowerment: Projects often target economic empowerment through skill development.

Partnerships: Partnerships with local organizations enhance project scalability.

Data Collection: LFA relies on robust data collection for monitoring and evaluation.

Project Adaptability: The Logic Model ensures projects remain adaptable to changing contexts.

Outcome Alignment: Outcomes are aligned with project goals for cohesive impact.

Stakeholder Feedback: Feedback from stakeholders drives iterative improvements in projects.

Performance Tracking: KPIs provide a framework for tracking project performance over time.

Social Program Success: The Logic Model ensures social programs achieve intended impacts.

CHAPTER 5: SOCIAL IMPACT ASSESSMENT AND SOCIAL IMPACT ASSESSORS

Social Impact Assessment (SIA): SIA evaluates the social, environmental, and economic impacts of programs.

Evolution of SIA: SIA in India evolved with CSR mandates and SEBI's SSE framework.

NGRBC Compliance: Business Responsibility & Sustainability Reporting (BRSR) is mandatory for India's top 1000 companies.

UN Guiding Principles: BRSR aligns with UN Guiding Principles on Business & Human Rights for global relevance.

SIA Objectives: SIA measures non-financial objectives through stakeholder views and performance monitoring.

Impact Assessors: Assessors include Chartered Accountants, Cost Accountants, or UGC-recognized post-graduates.

Integrity Principle: Integrity is the foundation of professionalism in social impact assessments.

Objectivity: Assessors must maintain objectivity, ensuring findings are based on evidence.

Independence: Internal assessors strive for independence, though full independence may be challenging in small organizations.

Non-Judgmental Attitude: A non-judgmental approach ensures objectivity and fairness in assessments.

Professionalism: Assessors demonstrate professionalism through competence and ethical conduct.

Competence Areas: Assessors need knowledge of SIA principles, management systems, and thematic areas.

Stakeholder Engagement: Engagement involves collecting stakeholder input through questionnaires and interviews.

Questionnaires: Questionnaires collect quantitative data from diverse stakeholders like beneficiaries.

Interviews: Interviews provide qualitative insights, capturing non-verbal cues from stakeholders.

Research Skills: Assessors require research skills to analyze data and draw evidence-based conclusions.

SAS Framework: The Social Impact Assessment Standard (SAS) Framework guides assessors on assessment elements.

SAS 200: SAS 200 focuses on promoting healthcare, mental health, and sanitation.

SAS 300: SAS 300 addresses education, employability, and livelihood promotion.

SAS 400: SAS 400 promotes gender equality and empowerment of women and LGBTQIA+ communities.

SIA Process: The SIA process includes data collection, analysis, and impact conclusion formulation.

Stakeholder Mapping: Mapping identifies relationships between organizations and stakeholders.

Entity Overview: SIA includes an overview of the social enterprise's legal identity and objectives.

Impact Evidence: Evidence includes documentary, observational, and primary data for validation.

Documentary Evidence: Reports and notes serve as documentary evidence during SIA audits.

Primary Data: Primary data from stakeholders and beneficiaries is critical for impact reports.

Sufficiency of Evidence: Sufficient evidence supports the assessor's opinion or conclusion.

Engagement Scope: SIA defines the scope of social projects, including efficiency and effectiveness.

Efficiency: Efficiency measures how well resources are utilized to achieve project impacts.

Quality Control: SIA quality control ensures reports are appropriate and evidence-based.

Fieldwork Sampling: Sampling in fieldwork ensures representative data collection for SIA.

Data Collection Methods: Methods include interviews, focus group discussions (FGDs), and surveys.

Structured Interviews: Structured interviews allow flexibility in questioning based on context.

Focus Group Discussions: FGDs collect group opinions on material social issues.

Outcome Comparison: Assessors compare actual results with expected outcomes and baseline data.

Reporting Frameworks: Assessors use standardized frameworks for clear and comprehensive reporting.

Traceability Challenges: Tracking stakeholder groups like nomads poses challenges in SIA.

Audit Reports: Reports should be stakeholder-friendly, timely, and balanced in presenting findings.

Report Components: SIA reports include executive summaries, methodologies, and key findings.

Inherent Limitations: SIA reports are not assurances but evaluations based on available evidence.

Thematic Areas: SIA covers thematic areas like poverty, health, and education.

Stakeholder Categories: Stakeholders include funders, communities, governments, and corporates.

Risk Assessment: SIA identifies risks of material misstatements in social impact reporting.

Audit Planning: Planning includes defining scope, timing, and responsibilities for SIA.

Feedback Provision: SIA provides constructive feedback to organizations for improvement.

Expert Involvement: Subject matter experts ensure accuracy in specialized thematic assessments.

Internal Controls: Internal control systems track impact measurements and performance.

Evidence Consistency: Assessors verify evidence consistency to ensure reliable conclusions.

Stakeholder Input: SIA relies on stakeholder input to validate social impact claims.

Comprehensive Reporting: Reports present social impact vis-à-vis intended objectives like poverty eradication.

CHAPTER 6: SOCIAL IMPACT ASSESSMENT FRAMEWORKS, TECHNIQUES AND STANDARDS

SIA Frameworks: Frameworks guide assessors in evaluating social impact systematically.

Theory of Change (ToC): ToC captures the change process and context of social interventions.

Situation Analysis: ToC begins with analyzing the problem an intervention seeks to address.

Activities in ToC: Activities are the specific actions a project undertakes to achieve outcomes.

Assumptions in ToC: Assumptions outline external factors influencing project success.

Impact in ToC: Impact is the long-term change, like reduced unemployment rates.

NGRBC Principles: National Guidelines on Responsible Business Conduct outline nine principles for businesses.

UN Guiding Principles: NGRBC aligns with UN principles on human rights and sustainability.

IRIS+ System: IRIS+ provides standardized metrics for assessing impact performance.

Risk Types: IRIS+ identifies risks like execution, efficiency, and alignment risks.

GRI Standards: Global Reporting Initiative (GRI) standards ensure transparent sustainability reporting.

UN Global Compact: The UN Global Compact promotes principles on human rights and anti-corruption.

Visual Representation: ToC uses visual tools like flowcharts to depict change processes.

Outcome Mapping: Outcome mapping tracks behavioral changes among stakeholders.

SDG Alignment: Impact investors align assessments with Sustainable Development Goals.

Core Metrics: IRIS+ core metric sets define key performance indicators for impact assessment.

Principle Operationalization: NGRBC principles include core elements for practical implementation.

Stakeholder Engagement: Frameworks emphasize stakeholder engagement for robust assessments.

Qualitative Analysis: ToC incorporates qualitative data to understand contextual changes.

Quantitative Metrics: Frameworks use quantitative metrics like income levels to measure impact.

Long-Term Goals: ToC defines long-term goals, like securing stable jobs for youth.

Feedback Strategies: ToC adapts strategies based on feedback and changing circumstances.

Business Applicability: GRI standards apply to businesses of all sizes and sectors.

Membership Growth: UN Global Compact has over 500 business participants in India.

Impact Evaluation: UNICEF's Methodological Briefs guide ToC-based impact evaluations.

Standardized Language: IRIS+ provides a shared language for comparing impact performance.

Context Description: ToC requires a clear description of the intervention's context.

Change Pathways: ToC maps pathways from activities to outcomes and impacts.

Risk Mitigation: Frameworks include risk mitigation strategies for project success.

Transparency Standards: GRI emphasizes transparency in environmental and social reporting.

Human Rights: UN Global Compact principles prioritize human rights in business operations.

Anti-Corruption: The UN Convention against Corruption is integrated into GRI standards.

Youth Employment: Example ToC projects target stable jobs for rural youth.

Financial Support: Inputs in ToC include financial support from government or donors.

Low Engagement Risk: ToC identifies risks like low stakeholder engagement.

Outcome Indicators: Indicators like job placement rates measure ToC outcomes.

Sustainability Focus: Frameworks prioritize sustainable outcomes aligned with SDGs.

Data Collection: ToC relies on robust data collection for evidence-based conclusions.

Stakeholder Behavior: Outcome mapping focuses on changes in stakeholder behavior.

Impact Communication: Frameworks facilitate clear communication of impact results.

Performance Comparison: IRIS+ enables comparison of impact performance across projects.

Guideline Flexibility: NGRBC guidelines are adaptable to diverse business contexts.

Environmental Reporting: GRI standards cover environmental sustainability metrics.

Social Metrics: IRIS+ includes social metrics like access to education or healthcare.

Evaluation Rigor: ToC ensures rigorous evaluation through clear change pathways.

Stakeholder Input: Frameworks rely on stakeholder input to validate impact claims.

Standard Alignment: SIA frameworks align with international standards like ISO 19011.

Impact Scalability: ToC designs interventions for scalable social impact.

Reporting Clarity: Frameworks ensure clarity in reporting impact assessment results.

Principle Integration: NGRBC integrates principles into business operations for impact.

CHAPTER 7: SOCIAL IMPACT ASSESSMENT REPORTING

SIA Reporting: SIA reporting communicates the social, environmental, and economic impacts of programs.

Approaches to SIA: Approaches include cost-benefit analysis, qualitative assessments, and monetary valuation.

Cost-Benefit Analysis: This approach compares program costs to social benefits in monetary terms.

Qualitative Assessments: Qualitative approaches capture stakeholder experiences and perceptions.

Monetary Valuation: Monetary valuation allows comparison of diverse social enterprises.

Monitoring and Reporting: SIA integrates monitoring data into management systems for stakeholder reporting.

Outsourcing Model: Organizations may outsource SIA to external experts for unbiased evaluations.

In-House Model: In-house SIA leverages internal expertise but may lack objectivity.

Partnership Model: Partnerships with research institutions enhance SIA credibility and visibility.

BACO Ratio: The Best Available Charitable Option (BACO) ratio assesses investment viability.

Direct Impact: Direct impact refers to changes in the target community due to interventions.

Indirect Impact: Indirect impact includes broader societal changes beyond the target group.

Executive Summary: SIA reports include an executive summary for stakeholder accessibility.

Transparency Principle: Reports adhere to transparency principles for stakeholder trust.

Materiality Principle: Reports focus on material issues relevant to stakeholders.

Report Components: Components include objectives, scope, data collection, and findings.

Qualitative Reporting: Detailed qualitative reports cover objectives and impact analysis.

Stakeholder Motivation: Evidence of impact motivates stakeholders to contribute further.

Long-Term Tracking: SIA reports track long-term trends for sustained impact assessment.

Social Enterprise Viability: BACO ratio evaluates financial and social leverage of investments.

Emergency Services: Example indicators include lives saved through emergency healthcare.

Learning Outcomes: Indicators like improved school performance measure educational impact.

Interdependencies: Outcomes may depend on external factors or other interventions.

Timeframe Variability: SIA timeframes vary based on program objectives and context.

Evidence Base: Partnership models strengthen the evidence base for SIA findings.

Co-Financing: Partnerships may attract co-financing for aligned research objectives.

Report Conciseness: Reports should be concise while meeting transparency requirements.

Stakeholder Accessibility: Executive summaries ensure accessibility for diverse stakeholders.

Impact Validation: Reports validate impact through robust data collection and analysis.

Sector-Wide Impact: Indicators assess broader sectoral changes, like increased healthcare access.

Community Impact: Direct impacts include improved health or economic outcomes for communities.

Standardization Challenges: Standardizing social impact measurement is complex due to diversity.

Qualitative Insights: Qualitative data provides insights into stakeholder experiences.

Quantitative Metrics: Quantitative metrics like lives impacted support impact claims.

Reporting Frameworks: Frameworks like SROI guide comprehensive SIA reporting.

Stakeholder Engagement: Reports reflect stakeholder input for balanced assessments.

Impact Communication: Clear communication of impact enhances stakeholder trust.

Program Objectives: Reports align findings with program objectives for coherence.

Data Analysis: Robust data analysis ensures credible impact conclusions.

Feedback Integration: Reports integrate stakeholder feedback for program improvement.

Impact Scalability: Reports assess the potential for scaling successful interventions.

Outcome Measurement: Reports measure outcomes like improved literacy or health metrics.

Report Structure: Structured reports include sections on methodology and findings.

Evidence Sufficiency: Sufficient evidence supports the credibility of SIA reports.

Stakeholder Grievances: Reports address stakeholder grievances for transparency.

Impact Sustainability: Reports evaluate the sustainability of achieved impacts.

Programmatic Insights: Reports provide insights for refining future programs.

Stakeholder Expectations: Reports align with stakeholder expectations for relevance.

Impact Documentation: Comprehensive documentation ensures traceability of findings.

CHAPTER 8: SOCIAL IMPACT ASSESSMENT (CASE STUDIES)

Case Studies: Case studies provide practical insights into SIA applications in real-world projects.

Integrated Watershed Management: The IWMP addressed water management in drought-prone areas.

Evaluation Methods: IWMP used focus group discussions, interviews, and quantitative surveys.

Quantitative Criteria: IWMP outcomes included a 12% increase in farm production.

Qualitative Criteria: Improved living conditions and health were qualitative IWMP outcomes.

Eye Healthcare Project: ABC Foundation's project focused on cataract surgeries in rural India.

Data Collection: Eye healthcare SIA included desk reviews, field visits, and interviews.

Health Outcomes: Over 10,000 individuals benefited from eye health screenings.

Social Impact: Increased awareness and women's empowerment were key impacts.

Limitations: Inconsistent baseline data posed challenges in eye healthcare SIA.

Women's Health Program: The program improved maternal health in underserved communities.

Community Involvement: Community participation supported women's health initiatives.

Key Indicators: A 30% improvement in postnatal care was a key indicator.

Mobile Clinics: 120 villages were supported by mobile health clinics.

Overlapping Stakeholders: Stakeholder overlap complicated women's health SIA.

Financial Literacy Project: E-Diksha promoted financial and digital literacy among rural women.

Desk Reviews: E-Diksha SIA included reviews of project reports and partnership documents.

Digital Transactions: A shift to digital transactions was a key E-Diksha outcome.

Formal Financial Access: Increased access to formal financial products was an impact.

Housing Project (Niwas): Swagruha's Niwas repaired homes for 1,265 slum families in Mumbai.

Safety Impact: Niwas improved residents' ability to deal with disasters.

Sanitation Improvements: Better shelter facilities enhanced sanitation conditions.

Employment Opportunities: Niwas created local employment through repair work.

Material Quality Issues: Some beneficiaries reported poor-quality repair materials.

Contractor Bias: Biased contractor selection was identified in Niwas SIA.

Stakeholder Satisfaction: KPIs included stakeholder satisfaction with Niwas outcomes.

Completion Rate: Niwas targeted 100% completion of home repairs within a set period.

Demographic Analysis: IWMP SIA covered beneficiary demographics like age and income.

Water Resources: IWMP increased water resource utilization by 18%.

Health Camps: Eye healthcare SIA included field visits to health camps for data collection.

Post-Surgery Care: Sustainability challenges included post-surgery care access.

Logistical Challenges: Reaching remote villages posed logistical issues in eye healthcare.

Menstrual Hygiene: Women's health SIA assessed improvements in menstrual hygiene.

Child Marriage Reduction: A 40% decrease in child marriage rates was an outcome.

Qualitative Limitations: Quantifying behavioral changes was challenging in women's health SIA.

Financial Product Access: E-Diksha increased access to loans, savings, and insurance.

Social Status: Improved social status was a qualitative E-Diksha outcome.

Housing Sector Impact: Niwas increased formal housing registrations under PMAY.

Crime Reduction: Niwas led to a decrease in crimes like theft and burglary.

Standard of Living: Niwas improved beneficiaries' standard of living.

Savings Increase: Increased savings were a qualitative Niwas outcome.

Project Context: SIA reports include context details like project objectives and scope.

Audit Standards: Niwas SIA clarified it was not an assurance engagement.

Assessor Credentials: SIA reports include assessor details like SRO registration numbers.

Evaluation Questions: IWMP SIA reviewed 50 evaluation questions for comprehensive assessment.

Community Feedback: E-Diksha SIA collected feedback on challenges in financial access.

Sustainability Recommendations: Eye healthcare SIA recommended mobile clinics for sustainability.

Program Scalability: Women's health SIA proposed digital platforms for health education.

Stakeholder Reluctance: Niwas beneficiaries were reluctant to share financial details.

CHAPTER 9: DISCLOSURE NORMS, REPORTING REQUIREMENTS BY SOCIAL IMPACT ASSESSOR AND PENALTIES

Disclosure Requirements: SSE-listed entities must comply with SEBI's disclosure norms for transparency.

General Disclosures: Disclosures cover scale of operations, organizational goals, and activities.

Strategic Intent: NPOs disclose how their vision aligns with social objectives.

Approach: NPOs describe baseline status and context at the start and end of interventions.

Strategy Formulation: Strategies consider organizational capabilities and challenges.

Governance: Disclosures include details of governing bodies and their composition.

Remuneration Policies: NPOs disclose remuneration policies for transparency.

Stakeholder Grievances: Grievance redressal processes and resolution numbers are disclosed.

Compliance Management: NPOs provide statements of compliance with regulations.

Social Impact Disclosures: Regulation 91E mandates disclosures on social impact metrics.

Positive Outcomes: Disclosures include positive outcomes like improved health metrics.

Negative Outcomes: Potential unintended negative outcomes must also be disclosed.

Website Disclosures: SSE-listed entities disclose events on their websites for accessibility.

Materiality Policy: Social enterprises frame policies for determining material events.

SEBI LODR Regulations: LODR Regulations ensure compliance for listed social enterprises.

Fund Utilization: Funds raised through SSE are kept in separate bank accounts.

Penalties under SEBI Act: SEBI imposes penalties for non-compliance, like failure to disclose.

Adjudication Proceedings: SEBI initiates proceedings against defaulting intermediaries.

Conflict of Interest: Disclosures address conflicts of interest for transparency.

Impact Score Card: NPOs disclose how they address challenges in their impact score card.

Baseline Analysis: Disclosures compare baseline and post-intervention data for impact.

Regulatory Compliance: SSE-listed entities must adhere to SEBI's LODR and ICDR regulations.

Financial Transparency: Disclosures include financial statements and fund utilization details.

Stakeholder Communication: Critical concerns are communicated to stakeholders promptly.

Annual Disclosures: Social enterprises submit annual reports on impact and governance.

SSE Circulars: SEBI circulars (e.g., Sep 2022) detail disclosure frameworks for SSE.

Investor Protection: Disclosure norms protect investors through transparent reporting.

Social Objective Alignment: Disclosures align with SEBI's social objective taxonomy.

Governance Standards: Robust governance ensures compliance with disclosure norms.

Impact Measurement: Disclosures emphasize rigorous impact measurement practices.

Stakeholder Trust: Transparent disclosures build trust among stakeholders.

Regulatory Oversight: SEBI oversees disclosure compliance for SSE-listed entities.

Fund Segregation: SSE funds cannot be co-mingled with other organizational funds.

Material Events: Material events like project milestones are disclosed promptly.

Grievance Redressal: Effective grievance redressal enhances stakeholder confidence.

Compliance Statements: NPOs provide compliance statements in annual reports.

Impact Reporting: Social impact reports include quantitative and qualitative metrics.

Transparency Standards: SSE enforces high transparency standards for disclosures.

Risk Disclosure: Disclosures include risks associated with social interventions.

Organizational Goals: Disclosures clarify how activities align with organizational goals.

Stakeholder Engagement: Disclosures reflect stakeholder input in impact reporting.

Penalty Framework: SEBI specifies penalties for non-compliance in its regulations.

SSE Reporting Forms: SEBI provides reporting forms for SSE-listed social enterprises.

Impact Validation: Disclosures validate impact through evidence-based reporting.

Governance Details: Disclosures include board composition and decision-making processes.

Social Enterprise Identity: Disclosures clarify whether an entity is an NPO or FPE.

Regulatory Updates: SEBI regularly updates disclosure norms to address market needs.

Investor Accessibility: Disclosures are accessible on SSE and organizational websites.

Impact Comparability: Disclosures enable comparison of impact across social enterprises.

Compliance Audits: SEBI conducts audits to ensure disclosure compliance.

CHAPTER 10: TAXATION

Securities Transaction Tax (STT): STT is levied on transactions involving securities like shares and derivatives.

Section 80G Deductions: Donations to eligible NPOs qualify for deductions under Section 80G of the Income Tax Act.

Section 12AB Registration: NPOs require Section 12AB registration for income tax exemptions.

Exemptions for NPOs: Section 11 exempts income from property held by NPOs for charitable purposes.

Business Income: NPO business income is exempt only if incidental to charitable objectives.

Capital Gains: NPO capital gains are exempt if reinvested in other capital assets.

Dissolution Requirements: NPOs must transfer assets to another registered NPO upon dissolution.

Gross Total Income: Gross Total Income is the sum of income before tax reliefs.

80G Registration Validity: Donations qualify for 80G deductions only if the NPO's registration is valid.

Donor Contributions: Donors can contribute through registered brokers for 80G benefits.

Taxable Income: NPOs must compute taxable income after applying exemptions.

Exemption Conditions: NPOs must meet conditions like fund utilization for exemptions.

Income Tax Act: The Income Tax Act governs NPO taxation and donor deductions.

Charitable Purposes: Exemptions apply to income used for charitable purposes like education.

Asset Transfer: NPOs transfer assets within 12 months of dissolution for exemption continuity.

Donation Limits: Section 80G deductions are subject to limits based on donor income.

Regulatory Notifications: Notifications like the one dated March 26, 2021, guide NPO exemptions.

Tax Reliefs: NPOs apply tax reliefs to reduce taxable income under the Income Tax Act.

Financial Transparency: NPOs maintain financial records for tax exemption compliance.

Donor Benefits: Donors receive tax benefits for contributions to SSE-listed NPOs.

STT Applicability: STT applies to transactions on recognized stock exchanges, including SSE.

Exemption Eligibility: NPOs must demonstrate charitable intent for tax exemptions.

Tax Compliance: NPOs comply with Income Tax Act provisions for exemptions.

Donation Verification: Valid 80G registration is verified at the time of donation.

Income Heads: NPO income is categorized under various heads for tax computation.

Exemption Limits: Exemptions are subject to limits based on NPO activities and income.

Regulatory Oversight: The Income Tax Department oversees NPO tax compliance.

Donor Incentives: Tax deductions incentivize donations to social welfare projects.

Fund Utilization: NPOs must utilize funds for specified charitable purposes.

Tax Audits: NPOs undergo tax audits to ensure compliance with exemption conditions.

Capital Asset Investment: Reinvestment of capital gains ensures continued exemptions.

Dissolution Compliance: Asset transfers during dissolution comply with tax regulations.

80G Benefits: Donors contributing Rs. 10,000 or more through brokers avail 80G benefits.

Taxable Profits: NPO profits from non-incidental business activities are taxable.

Exemption Documentation: NPOs maintain documentation for exemption claims.

Donor Eligibility: Donors must meet eligibility criteria for 80G deductions.

Tax Frameworks: Income Tax Act frameworks guide NPO and donor taxation.

Charitable Trusts: Trusts registered under Section 12AB qualify for exemptions.

Taxable Transactions: STT applies to taxable securities transactions on SSE.

Exemption Audits: Audits verify NPO compliance with exemption conditions.

Donation Records: NPOs maintain donation records for tax deduction verification.

Income Computation: NPOs compute income before applying tax exemptions.

Regulatory Updates: Income Tax regulations are updated to address NPO needs.

Donor Contributions: Contributions through SSE platforms enhance tax benefits.

Exemption Continuity: NPOs ensure continuity of exemptions through compliance.

Taxable Income: NPOs report taxable income after applying eligible exemptions.

80G Framework: Section 80G provides a framework for donor tax deductions.

NPO Registration: Valid registration under Section 12AB is mandatory for exemptions.

Tax Transparency: NPOs ensure transparency in financial reporting for tax purposes.

Donor Tax Relief: Donors receive tax relief for contributions to eligible NPOs.

CHAPTER 11: KEY REGULATIONS

SEBI Act, 1992: The SEBI Act empowers SEBI to regulate securities markets and protect investors.

ICDR Regulations: SEBI ICDR Regulations cover IPOs, rights issues, and depository receipts.

LODR Regulations: LODR Regulations ensure transparency and governance in listed companies.

PFUTP Regulations: SEBI's PFUTP Regulations, 2003, prohibit fraudulent and unfair trade practices.

Insider Trading: SEBI's Prohibition of Insider Trading Regulations, 2015, prevent misuse of non-public information.

Fraud Definition: Fraud includes willful misrepresentation or concealment to induce securities dealings.

Board Composition: LODR mandates specific board compositions for listed companies.

Independent Directors: Independent directors ensure unbiased governance in listed entities.

Financial Disclosures: LODR requires timely disclosure of financial results and material events.

Shareholder Rights: LODR protects shareholder rights through fair treatment provisions.

PMLA, 2002: The Prevention of Money-Laundering Act addresses financial misconduct.

Regulatory Oversight: SEBI oversees compliance with regulations for market integrity.

Investor Protection: SEBI regulations prioritize investor protection through transparency.

Governance Standards: LODR enforces high governance standards for listed entities.

Fraudulent Practices: PFUTP defines acts like misrepresentation as fraudulent practices.

Material Events: Listed entities disclose material events promptly under LODR.

Compliance Audits: SEBI conducts audits to ensure regulatory compliance.

Insider Trading Penalties: Violations of insider trading regulations attract penalties.

Market Integrity: SEBI regulations maintain market integrity through oversight.

Shareholder Transparency: LODR ensures transparent communication with shareholders.

Fraud Examples: Promises made without intent to perform are considered fraudulent.

Regulatory Updates: SEBI regularly updates regulations to address market dynamics.

Listed Companies: LODR applies to companies listed on main boards and SSE.

Fair Treatment: LODR ensures fair treatment of all shareholders in listed entities.

Disclosure Timeliness: Timely disclosures under LODR enhance investor confidence.

Fraud Penalties: SEBI imposes penalties for fraudulent practices under PFUTP.

Board Responsibilities: Boards ensure compliance with LODR governance requirements.

Investor Safeguards: SEBI regulations include safeguards against market manipulation.

Regulatory Framework: SEBI provides a comprehensive framework for market operations.

Insider Trading Oversight: SEBI monitors insider trading to prevent unfair advantages.

Fraud Detection: PFUTP enables SEBI to detect and address fraudulent practices.

Governance Compliance: Listed entities comply with LODR for governance standards.

Shareholder Protection: LODR protects shareholders through robust disclosures.

Market Transparency: SEBI regulations enhance transparency in securities markets.

Fraudulent Omissions: Concealment of facts to induce dealings is fraudulent under PFUTP.

Regulatory Penalties: SEBI imposes penalties for non-compliance with regulations.

Board Oversight: Boards oversee compliance with SEBI regulatory requirements.

Investor Confidence: Transparent regulations boost investor confidence in markets.

Fraudulent Misrepresentation: Willful misrepresentation of facts is a fraudulent act.

Compliance Framework: SEBI provides a framework for compliance with regulations.

Shareholder Engagement: LODR encourages shareholder engagement for governance.

Market Fairness: PFUTP ensures fairness in securities trading practices.

Regulatory Audits: SEBI conducts audits to verify compliance with regulations.

Insider Trading Rules: Insider trading rules prevent misuse of confidential information.

Fraudulent Intent: Fraud includes acts done with intent to deceive investors.

Governance Oversight: SEBI oversees governance practices in listed entities.

Shareholder Disclosures: LODR mandates disclosures to keep shareholders informed.

Market Regulation: SEBI regulates markets to prevent fraud and ensure fairness.

Compliance Monitoring: SEBI monitors compliance with regulatory requirements.

Investor Rights: SEBI regulations protect investor rights through robust frameworks.

Expenditure Requirement: At least 67% of the immediately preceding 3-year average of the social enterprise's expenditure must be incurred for eligible activities.

Completion Rate (Niwas Project): (Number of families with completed home repair in stipulated time / Total number of families) * 100.

Stakeholder Satisfaction: Survey or feedback mechanism to assess satisfaction among beneficiaries, contractors, and local authorities.

Quantitative Criteria (IWMP): Average 12% increase in farm production.

Water Resource Utilization (IWMP): 18% increase in amount of total water resources used.

Quantitative Criteria (Eye Healthcare): Over 10,000 individuals directly benefited from eye health screenings.

Postnatal Care Improvement: 30% improvement in postnatal care practices in beneficiary households.

Child Marriage Reduction: 40% decrease in child marriage rates in participating communities.

Mobile Clinics Coverage: 120 villages supported by mobile health clinics and community outreach.

Section 80G Deduction: Donations to eligible NPOs qualify for deductions subject to limits based on donor income.

IMPORTANT NOTE :

1. Attend **ALL** Questions.
2. For the questions you don't know the right answer – Try to eliminate the wrong answers and take a guess on the remaining answers.
3. DO NOT MEMORISE the questions & answers. It's not the right to way to prepare for any
   NISM exam. Good understanding of Concepts is essential.

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All the Best ☺

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