



CIRCULAR

HO/49/14/(10)2026-CFD-POD1/II/9380/2026

April 15, 2026

To

All Recognized Stock Exchanges
All Recognized Depositories
All Merchant Bankers and Brokers registered with SEBI
All Social Enterprises
All Social Impact Fund registered with SEBI
All Social Impact Assessment Firms
The Institute of Chartered Accountants of India (ICAI)
The Institute of Company Secretaries of India (ICSI)
The Institute of Cost Accountants of India (ICMAI)

Sir / Madam,

Sub: Review of requirement relating to registration for a Not for Profit Organization on Social Stock Exchange (SSE) and minimum subscription requirement for issuance of Zero Coupon Zero Principal Instruments

1. In order to promote the SSE and to facilitate ease of fund raising and encourage greater participation by Not for Profit Organizations (NPOs) on SSE, SEBI in consultation with the Social Stock Exchange Advisory Committee (SSEAC) undertook a review and recommend the following under the SSE framework:
 - 1.1. Extension of the period of registration for Not for Profit Organizations from two years to three years without undertaking fund raising through SSE; and
 - 1.2. Reduction in the minimum subscription requirement for issuance of Zero Coupon Zero Principal Instruments (ZCZP) from 75% to 50%, provided that, 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.
2. In view of the above, following partial modifications to the Master Circular no. HO/49/14/14(6)2025-CFD-PoD1/II/2771/2026 dated January 19, 2026 shall be carried out:
 - 2.1. After para 1.1.1, a new para 1.1.2. as under, shall be inserted:

“1.1.2. In terms of Clause (1) of Regulation 292F of SEBI ICDR Regulations, it is being specified that a Not for Profit Organization may register on a Social Stock Exchange and not raise funds through it for a period of two years from the date of

registration. Such period of two years may be further extended by one additional year subject to approval by the Social Stock Exchange.”

2.2. Para 1.4.5 of abovementioned Master Circular, shall be read as under:

“1.4.5. The minimum subscription required to be achieved shall be 75% of the funds proposed to be raised through issuance of ZCZP:

Provided that 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.”

2.3. Para 1.4.6 of abovementioned Master Circular, shall be read as under:

“1.4.6. 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:*

Provided that the funds shall be refunded in case the minimum subscription is not achieved.”

3. This Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 292F and Regulation 292K of the ICDR Regulations to protect the interests of investors and to promote the development of, and to regulate the securities market and shall come into effect immediately.

4. A copy of this circular is available on SEBI website at www.sebi.gov.in under the categories “Legal → Circulars”.

Yours faithfully,

Vimal Bhatte
Deputy General Manager
Corporation Finance Department
Tel. No.: +91 22 4045 9386
Email id: vimalb@sebi.gov.in