



Fundraising Trends Before and After SSE Registration: Evidence from Indian Non-Profit Organizations

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Abstract

The Social Stock Exchange (SSE) was introduced in India to create a structured and transparent platform through which eligible non-profit organizations (NPOs) and social enterprises can access philanthropic and impact-oriented funding. Despite the growing policy importance of the SSE, empirical evidence on whether registration is associated with improved fundraising performance remains limited. This study examines changes in fundraising performance before and after SSE registration among selected Indian non-profit organizations. The study adopts a descriptive research design based on secondary data collected from the audited annual reports of twenty NPOs registered on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) Social Stock Exchanges. The sample was selected using purposive sampling based on the availability and comparability of financial information before and after registration. Since fundraising amounts varied substantially across organizations and exhibited considerable dispersion, the Wilcoxon Signed-Rank (WSR) Test was employed to examine whether a statistically significant difference existed between pre-registration and post-registration donation levels. The findings indicate that fourteen organizations recorded higher donations after SSE registration, while six organizations experienced a decline. The WSR Test produced a statistically significant result ($Z = -2.240$, $p = 0.025$), suggesting a significant difference in fundraising performance before and after registration among the sampled organizations. These findings indicate that participation in the SSE may be associated with improved fundraising performance, although the study does not establish a direct causal relationship because fundraising performance may also be influenced by organizational, economic, and sector-specific factors. The study contributes to the emerging literature on social finance by providing one of the early empirical assessments of fundraising performance among Indian NPOs registered on the SSE.

Keywords: Social Stock Exchange; Non-Profit Organizations; Fundraising Performance; Social Finance; Donations.

1. Introduction

Social finance has emerged as an important mechanism for mobilizing financial resources toward organizations that generate measurable social and environmental outcomes. Governments, investors, philanthropic institutions, and development agencies are increasingly promoting innovative financial platforms that combine financial sustainability with social impact. Among these innovations, the SSE has gained international recognition as a platform designed to connect social enterprises and nonprofit organizations with socially conscious investors and donors while promoting transparency, accountability, and measurable social outcomes.



India formally introduced the Social Stock Exchange under the regulatory framework of the SEBI to strengthen the country's social finance ecosystem. The SSE operates through the NSE and the BSE, providing eligible NPOs and For-Profit Social Enterprises (FPEs) with a regulated platform to raise funds while complying with standardized disclosure and governance requirements SEBI 2022; . By increasing financial transparency and public accountability, the SSE aims to improve stakeholder confidence and facilitate greater participation in impact-oriented financing.

Fundraising remains one of the most significant challenges faced by nonprofit organizations. Traditional funding sources, including grants, corporate social responsibility (CSR) contributions, charitable donations, and philanthropic support, are often uncertain and highly competitive. Consequently, nonprofit organizations continuously seek alternative funding mechanisms capable of improving both financial sustainability and donor confidence. The SSE represents one such mechanism by encouraging greater transparency, standardized reporting, and improved governance practices that may positively influence fundraising performance

Theoretically, the potential relationship between SSE registration and fundraising performance can be explained through Signaling Theory and Legitimacy Theory. Signaling Theory suggests that organizations voluntarily disclose credible information to reduce information asymmetry and enhance stakeholder confidence. Registration on a regulated SSE may therefore act as a positive signal of organizational credibility, transparency, and accountability, encouraging greater donor participation. Similarly, Legitimacy Theory proposes that organizations seek societal approval by aligning their operations with accepted institutional norms and governance standards. Compliance with SSE disclosure requirements may therefore strengthen organizational legitimacy and improve stakeholder trust.

Although SSE have attracted growing academic and policy interest worldwide, empirical research evaluating their effectiveness remains limited, particularly within the Indian context. Existing studies primarily discuss the regulatory framework, governance mechanisms, policy implications, and operational structure of the SSE, while relatively few studies empirically examine whether registration is associated with measurable improvements in fundraising performance. Consequently, evidence regarding the financial implications of SSE registration for nonprofit organizations remains insufficient.

To address this research gap, the present study investigates fundraising performance before and after SSE registration among selected Indian nonprofit organizations. Using audited financial statements obtained from publicly available annual reports, the study compares donation amounts before and after registration through the WSR Test, a non-parametric statistical technique suitable for paired observations characterized by substantial variability in donation income. Rather than establishing a causal relationship, the study examines whether a statistically significant difference exists in fundraising performance following SSE registration among the selected organizations.

The findings contribute to the emerging literature on social finance by providing empirical evidence on fundraising performance within India's evolving SSE framework. The study also offers practical insights for policymakers, regulators, nonprofit organizations, and donor institutions seeking to strengthen transparent and sustainable financing mechanisms for the social sector.

2. Literature Review

2.1. Social Stock Exchange and Social Finance

The SSE has emerged as an innovative financial platform that connects social enterprises and nonprofit organizations with socially responsible investors. Unlike conventional stock exchanges, the SSE aims to mobilize capital for organizations that generate measurable social impact while promoting transparency, accountability, and standardized disclosure practices. India's SSE, introduced under the regulatory framework of the Securities and Exchange Board of India (SEBI), represents a significant step toward strengthening the country's social finance ecosystem by improving funding opportunities for eligible nonprofit organizations and social enterprises.

Vig (2023) examined the structure and regulatory framework of India's SSE and concluded that the SSE provides a formal mechanism for bridging the funding gap faced by nonprofit organizations through improved governance, standardized disclosures, and increased investor confidence. The study also highlighted the importance of regulatory oversight in ensuring the credibility and long-term sustainability of the platform.

Hussain (2025) analysed India's SSE using the Institutional Analysis and Development (IAD) framework and observed that the effectiveness of the SSE depends on strong institutional arrangements, performance reporting standards, stakeholder participation, and continuous capacity building. The study emphasized that financial innovation and robust governance are essential for the long-term success of the exchange.

Bhargava, Mukherjee, and Rani (2025) investigated funding dynamics across SSE operating in countries such as the United Kingdom, Canada, Singapore, the United States, and Jamaica. Their findings indicate that governance quality, transparency, sector characteristics, and investor confidence significantly influence funding outcomes for organizations listed on Social Stock Exchanges.

Aggarwal et al. (2025) reviewed the global literature on impact investing and found that financial returns, social outcomes, and investor motivation jointly influence investment decisions in social finance. The study recommends strengthening regulatory frameworks and market infrastructure to encourage greater participation in impact investing and enhance the effectiveness of social finance initiatives.

Collectively, these studies demonstrate that SSE have the potential to improve access to funding by promoting transparency, accountability, and investor confidence. While previous research has primarily focused on regulatory frameworks, governance, and conceptual development of SSEs, limited empirical evidence exists on whether SSE registration is associated with changes in fundraising performance among Indian nonprofit organizations. The present study addresses this gap by analysing fundraising performance before and after SSE registration using audited financial data.

2.2. Fundraising Performance of Non-Profit Organizations

Fundraising plays a crucial role in ensuring the financial sustainability of NPOs, as they primarily rely on donations, grants, corporate social responsibility (CSR) contributions, and philanthropic funding to achieve their social objectives. As competition for financial resources has increased, fundraising has evolved into a strategic activity that depends on organizational credibility, effective stakeholder engagement, and sound governance practices.

Studies indicate that donors increasingly support organizations that demonstrate transparency, accountability, and measurable social impact. emphasized that donor trust and effective communication

significantly influence fundraising success and long-term donor retention. Although the SSE aims to improve fundraising opportunities through enhanced governance and standardized disclosures, empirical evidence examining its influence on fundraising performance among Indian nonprofit organizations remains limited.

2.3. Transparency, Accountability and Donor Trust

Transparency and accountability are widely regarded as key determinants of stakeholder confidence in nonprofit organizations. Financial disclosure, ethical governance, and impact reporting enable donors to assess the credibility and effectiveness of organizations before making funding decisions. [1] observed that donor trust is strongly associated with organizational accountability, while [2] highlighted that transparent communication strengthens long-term donor relationships. The disclosure and governance requirements prescribed under the SSE framework further reinforce these principles by promoting institutional credibility and informed philanthropic decision-making.

2.4. International Experience of Social Stock Exchanges

Several countries have introduced social finance initiatives and SSE models to improve transparency, accountability, and access to impact-oriented investment. These international experiences demonstrate the importance of standardized disclosure practices, stakeholder confidence, and effective governance in strengthening fundraising opportunities for nonprofit organizations.

Although the operational frameworks differ across countries, these initiatives share the common objective of mobilizing capital for organizations generating measurable social impact. India's Social Stock Exchange has incorporated several of these international best practices while adapting them to the country's regulatory and nonprofit ecosystem.

2.5. Research Gap

Existing studies primarily focus on the regulatory framework, governance mechanisms, and potential benefits of the SSE, while research on nonprofit fundraising largely examines donor behaviour, transparency, and organizational accountability. However, limited empirical evidence is available on whether SSE registration is associated with changes in fundraising performance among Indian nonprofit organizations. Moreover, few studies have employed audited financial statements to compare fundraising levels before and after registration. This study addresses this gap by examining fundraising performance using audited financial data from selected Indian NPOs and analysing the results through the WSR Test.

3. Methodology

3.1. Research Design

This study adopts a quantitative research approach using a descriptive and comparative research design to examine fundraising performance before and after SSE registration among selected NPOs in India. The study compares paired fundraising data from the same organizations across two different time periods to determine whether a statistically significant difference exists following SSE registration. The research is based entirely on secondary data obtained from publicly available audited financial statements.

3.2. Data Collection

The study is based on secondary data collected from the audited annual reports of NPOs registered on the NSE and the BSE Social Stock Exchanges. Additional information regarding registration details and organizational profiles was obtained from the official NSE SSE, BSE SSE, and SEBI websites. Fundraising

performance was measured using donation income reported in the audited financial statements for the financial year immediately before registration and the first financial year after registration.

3.3. Sample Selection

The study employed purposive sampling to select nonprofit organizations registered on the NSE and BSE Social Stock Exchanges. Only organizations with publicly available audited financial statements for both the pre-registration and post-registration periods were included in the analysis. Based on these criteria, a final sample of 20 NPOs was selected for the study.

3.3.1. Inclusion Criteria

The sample was selected based on the following criteria:

- Registered on the NSE or BSE Social Stock Exchange.
- Classified as a Non-Profit Organization (NPO).
- Availability of audited annual reports for the pre-registration and post-registration periods.
- Availability of comparable donation income data.
- Complete financial information required for analysis.

Based on these criteria, 20 Non-Profit Organizations were selected using purposive sampling.

Table 1. Variables of the Study

Variable	Description
Independent Variable	Social Stock Exchange Registration
Dependent Variable	Fundraising Performance (Donation Income)

Fundraising performance was assessed by comparing donation income reported before and after Social Stock Exchange registration.

3.4. Research Objectives

The study was undertaken with the following objectives:

1. To examine the fundraising performance of selected NPOs before and after SSE registration.
2. To determine whether a statistically significant difference exists in fundraising performance following SSE registration.

3.5. Research Hypotheses

Null Hypothesis (H_0):

There is no statistically significant difference in fundraising performance before and after Social Stock Exchange registration among the selected Non-Profit Organizations.

Alternative Hypothesis (H_1):

There is a statistically significant difference in fundraising performance before and after SSE registration among the selected NPOs.

3.6. Data Analysis Technique

The study employed the WSR Test, a non-parametric statistical technique used to compare paired observations. This test is appropriate when analysing fundraising data before and after SSR registration for the same organizations, particularly where the data exhibit substantial variability and do not require the assumption of normally distributed paired differences. The analysis was performed using IBM SPSS Statistics, and statistical significance was evaluated at the 5% significance level ($p < 0.05$).

3.7. Ethical Considerations

The study is based exclusively on secondary data obtained from publicly available sources, including audited annual reports and official regulatory websites. No confidential information or personal data were collected, ensuring that the research complies with accepted ethical standards for academic research.

4. Results and Discussion

4.1. Sample Description

The study analysed fundraising performance of 20 NPOs registered on the NSE and the BSE Social Stock Exchanges. The sample was selected using purposive sampling based on the availability of audited financial statements for both the pre-registration and post-registration periods. Donation income reported in the audited annual reports was used as the measure of fundraising performance. The complete list of the selected NPOs is provided in Appendix A.

4.2. Fundraising Performance Before and After SSE Registration

The fundraising performance of the selected 20 NPOs was assessed by comparing donation income reported in the audited financial statements before and after SSE registration. A preliminary comparison of the data indicated variations in fundraising performance across the organizations. While several NPOs reported an increase in donation income after registration, others experienced a decline. This variation suggests that the impact of SSE registration on fundraising performance differs across organizations and warrants statistical evaluation.

To determine whether the observed differences were statistically significant, the WSR Test was employed. This non-parametric test is appropriate for analysing paired observations and provides a robust assessment of changes in fundraising performance without assuming normality of the data.

4.3. Wilcoxon Signed-Rank Test Results

To examine whether fundraising performance differed before and after SSE registration, the WSR Test was employed to analyse paired donation income data from the selected 20 NPOs. As a non-parametric statistical technique for paired samples, the test is well suited to evaluating changes in donation income before and after SSE registration. The results are presented in Table 2.

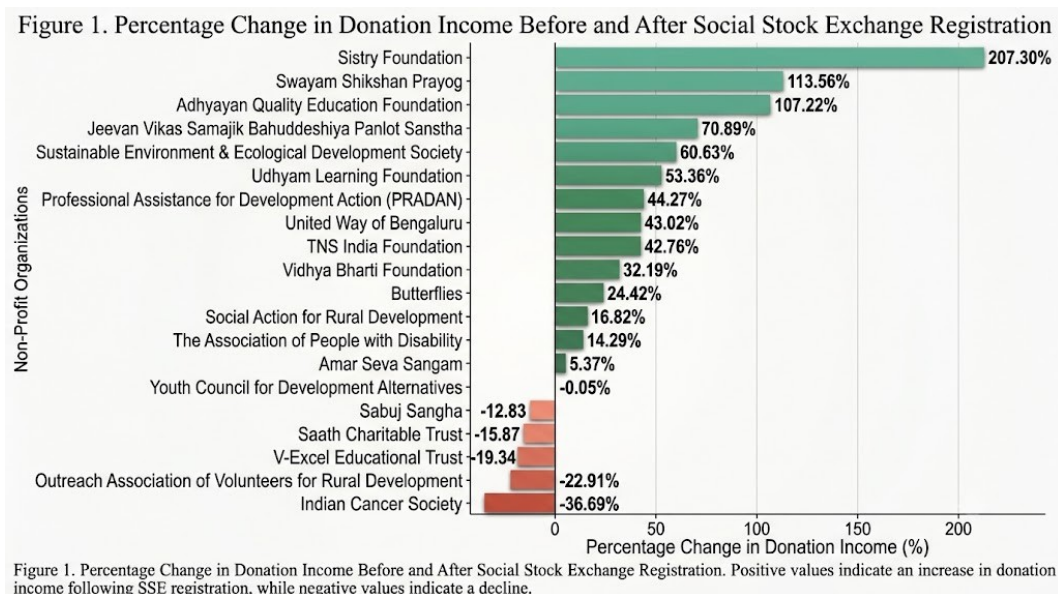
Table 2. Summary of Wilcoxon Signed-Rank Results

Fundraising Performance	Number of NPOs	Percentage (%)
Increased after SSE Registration	14	70
Decreased after SSE Registration	6	30

Fundraising Performance	Number of NPOs	Percentage (%)
No Change	0	0
Total	20	100

Table 2. presents the descriptive analysis of fundraising performance for the 20 selected NPOs before and after SSE registration. Of the 20 organizations analyzed, 14 recorded an increase in donation income following SSE registration, while 6 experienced a decline, and none reported no change. These descriptive findings indicate that the majority of the selected organizations observed positive changes in fundraising performance during the post-registration period.

Figure 1 complements Table 2 by visually illustrating the percentage change in donation income across the selected Non-Profit Organizations following SSE registration, thereby providing a clearer understanding of the variation in fundraising performance among the organizations.



Source: Authors' computation based on audited annual reports.

Figure 1. The positive values indicate an increase in donation income following SSE registration, while negative values indicate a decline.

Table 3. Wilcoxon Signed-Rank Test Statistics

Test Statistic	Value
Z-value	-2.240
Asymptotic Significance (2-tailed)	0.025

Table 3. presents the results of the WSR Test conducted to examine differences in fundraising performance before and after SSE registration. The test produced a Z-value of -2.240 with a p-value of 0.025. Since the p-value is less than the 5% significance level ($p < 0.05$), the null hypothesis is rejected. The findings indicate a statistically significant difference in fundraising performance before and after SSE registration among the selected nonprofit organizations.

Effect Size

The effect size was calculated using the following formula:

$$r = \frac{|Z|}{\sqrt{N}} \text{ Where:}$$

$$Z = -2.240$$

$$N = 20$$

$$r = \frac{2.240}{\sqrt{20}} = 0.50$$

The calculated effect size ($r = 0.50$) indicates a large practical effect, suggesting that SSE registration is associated with a meaningful improvement in fundraising performance.

Table 4. Hypothesis Testing

Hypothesis	Decision
H_0 : There is no statistically significant difference in fundraising performance before and after SSE registration.	Rejected
H_1 : There is a statistically significant difference in fundraising performance before and after SSE registration.	Accepted

Overall, the WSR Test demonstrates a statistically significant difference in fundraising performance before and after SSR registration. The majority of the sampled nonprofit organizations recorded higher donation income following registration, indicating a positive association between SSE registration and fundraising performance. However, these findings should be interpreted as evidence of an association rather than a direct causal relationship, as fundraising outcomes may also be influenced by organizational capacity, donor engagement, and broader economic conditions.

5. Discussion

The findings of the WSR Test reveal a statistically significant difference in donation income before and after SSE registration among the selected NPOs. The test results ($Z = -2.240$, $p = 0.025$) indicate that donation income increased significantly following SSE registration, suggesting that participation in the SSE is associated with improved fundraising performance.

The ranking statistics further reinforce this finding. Among the twenty organizations included in the study, fourteen reported higher donation income after registration, while six experienced a decline, and no organization reported identical donation values across the two periods. This overall pattern indicates that, despite variations in the magnitude of fundraising outcomes, most organizations benefited from registration on the SSE. One possible explanation for this improvement is that the SSE may promote greater transparency, standardize financial reporting, and enhance organizational accountability. These features can strengthen donor confidence by providing reliable and accessible information regarding the utilization of funds and the social impact generated by NPOs. Increased credibility and visibility may therefore encourage greater philanthropic support from individual donors, institutional contributors, and impact-oriented investors.

The findings are consistent with previous research highlighting the importance of transparency and accountability in improving fundraising performance. Emphasized that stronger accountability practices enhance stakeholder confidence and contribute to improved financial sustainability among non-profit

organizations. Similarly, emphasized that donor trust, transparency, and accountability play an important role in influencing charitable giving. The present study extends this body of knowledge by providing empirical evidence from India's SSE, demonstrating that the structured disclosure framework associated with SSE registration is linked with improved fundraising performance. Despite these positive findings, the results should be interpreted within the scope of the study. The analysis is based on a sample of twenty registered organizations, and fundraising performance may also be influenced by factors such as organizational size, sector of operation, economic conditions, donor engagement strategies, and institutional support. Consequently, while the findings demonstrate a statistically significant association between SSE registration and fundraising performance, they should not be interpreted as establishing a direct causal relationship.

Overall, the study provides empirical evidence that SSE registration is associated with improved fundraising performance among registered NPOs. By encouraging greater transparency, accountability, and stakeholder confidence, the SSE has the potential to strengthen the financial sustainability of the non-profit sector and support the broader objectives of social finance in India.

Limitations of the Study

This study has certain limitations that should be considered while interpreting the findings. First, the analysis was limited to a sample of 20 NPOs registered on the NSE and the BSE Social Stock Exchanges due to the availability of audited financial data. Second, the study evaluated fundraising performance using donation income as the primary indicator and did not consider other financial or non-financial performance measures. Finally, the findings are based on the Indian Social Stock Exchange framework and may not be directly generalizable to nonprofit organizations operating in different regulatory or institutional contexts.

6. Conclusion

This study examined the fundraising performance of selected NPOs before and after registration on the SSE in India. Using audited financial data from 20 registered NPOs and the WSR Test, the study assessed whether a significant difference existed in donation income following SSE registration. The findings revealed a statistically significant difference in fundraising performance after SSE registration, with the majority of organizations reporting higher donation income during the post-registration period. These results suggest that the SSE is associated with improved fundraising performance, potentially through enhanced transparency, standardized disclosures, and stronger stakeholder confidence. The study further supports the growing role of social finance initiatives in strengthening the financial sustainability of nonprofit organizations. This research contributes to the limited empirical literature on India's SSE by providing evidence based on audited financial statements and an appropriate non-parametric statistical approach. The findings offer useful insights for nonprofit organizations, policymakers, regulators, and donors regarding the potential benefits of the SSE in promoting accountable and sustainable fundraising practices.

Overall, the study highlights the importance of transparent governance and structured disclosure mechanisms in enhancing fundraising performance while reinforcing the role of the SSE as an emerging platform for mobilizing social capital in India.

6.1. Practical Implications

The findings of this study have important implications for multiple stakeholders. For NPOs, the results highlight the potential benefits of SSE registration in improving fundraising opportunities through enhanced transparency, standardized disclosures, and stronger governance practices. Policymakers and regulators, including SEBI and the SSEs, may use these findings to strengthen the SSE framework and encourage greater

participation among eligible organizations. For donors and impact investors, the study reinforces the importance of transparent financial reporting and accountability in making informed funding decisions. Overall, the findings contribute to promoting a more credible, transparent, and sustainable social finance ecosystem in India.

6.2. Future Research Directions

Future research may extend the present study by examining a larger sample of NPOs registered on the SSE over a longer time period. Researchers may also incorporate additional financial and non-financial performance indicators, such as grant income, operational efficiency, beneficiary outreach, and social impact measures, to provide a more comprehensive assessment of organizational performance. Comparative studies across different countries or social finance frameworks could further enhance understanding of the effectiveness of SSE. In addition, future studies may employ mixed-method or longitudinal research designs to gain deeper insights into the long-term impact of SSE registration on nonprofit sustainability and fundraising performance.

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Conflict of Interest

The authors declare no conflict of interest.

Data Availability Statement

Data available from the corresponding author upon reasonable request, subject to lawful/ethical limits.

AI Usage Disclosure

No generative AI tools were used.

Author Contributions

Author full name	CRedit roles (specific)	Contribution (%)
VIKAS GOWDA	Writing - Original Draft, Writing - Review and Editing, Visualization	50%
Dr. Chetan Shetty	Conceptualization, Methodology, Software, Validation, Formal Analysis, Investigation, Resources, Data Curation	50%

Appendix. Supplementary Material

APPENDIX A

Table 5. Selected Non-Profit Organizations and Donation Income Before and After Social Stock Exchange Registration

Non-Profit Organizations	Donation Before registration	Donation After registration	Percentage change
	2023-2024	2024-2025	
Vidhya Bharti Foundation	50,97,633	67,38,746	32.19%
V-Excel Educational Trust	5,92,76,556	4,78,15,785	-19.34%
Saath Charitable Trust	9,14,88,754	7,69,74,111	-15.87%

United Way of Bengaluru	1,05,97,18,009	1,51,55,56,022	43.02%
Udhyam Learning Foundation	1,50,414	2,30,680	53.36%
Swayam Shikshan Prayog	23,61,40,972	50,42,49,433	113.56%
Jeevan Vikas Samajik Bahuddeshiya Panlot Sanstha	4,46,86,415	7,63,63,706	70.89%
Indian Cancer Society	37,64,518	23,83,140	-36.69%
Youth Council for Development Alternatives	8,05,85,337	8,05,44,254	-0.05%
Social Action for Rural Development	7,60,95,354	8,88,94,476	16.82%
TNS India Foundation	19,97,91,000	28,51,96,000	42.76%
Sabuj Sangha	9,67,05,700	8,42,97,500	-12.83%
Sistry Foundation	14,78,603	45,44,974	207.30%
Adhyayan Quality Education Foundation	41,50,919	86,01,882	107.22%
Professional Assistance for Development Action (PRADAN)	1,05,48,000	1,52,16,000	44.27%
The Association of People with Disability	31,56,62,515	36,07,47,080	14.29%
Sustainable Environment & Ecological Development Society	17,35,99,639	27,88,69,597	60.63%
Amar Seva Sangam	18,66,02,190	19,66,30,867	5.37%
Outreach Association of Volunteers for Rural Development	12,46,089	9,60,600	-22.91%
Butterflies	4,10,94,112	5,11,29,472	24.42%

APPENDIX B

SPSS Output – Wilcoxon Signed-Rank Test

The following output presents the results of the Wilcoxon Signed-Rank Test generated using IBM SPSS Statistics. These results support the statistical analysis discussed in Section 4.3 of the manuscript.

Table 6. Wilcoxon Signed-Rank Test: Ranks

Ranks		N	Mean Rank	Sum of Ranks
Donations After Registration - Donations Before Registration	Negative Ranks	6 ^a	7.50	45.00
	Positive Ranks	14 ^b	11.79	165.00
	Ties	0 ^c		
	Total	20		

a. Donations After Registration < Donations Before Registration

b. Donations After Registration > Donations Before Registration

c. Donations After Registration = Donations Before Registration

Source: Author's computation using IBM SPSS Statistics.