

DIFFERENCE BETWEEN TRUST, SOCIETY & SECTION 8 COMPANY

S. No.	Basis of Difference	Trust	Society	Section 8 Company
1	Statute/Legislation	Trusts governed by the Indian Trust Act, 1882.	Societies are governed by the Societies Registration Act 1860, which is an all-India Act. Many states, however, have variants on the Act.	Section 8 Companies are governed by the Indian Companies Act, 2013.
2	Jurisdiction	The trusts are under the jurisdiction of Deputy Registrar/Charity commissioner of the relevant area.	The power to register a society lies in the hand of Registrar of societies (charity commissioner in Maharashtra).	The power to register a section 8 Company lies in the hand of Regional Director & Registrar of Companies of concerned state.
3	Registration Document	For Registration of Trust main instrument is Trust deed.	For Registration of society main instrument is Memorandum of Association and rules & regulations.	For registration of section 8 Company main instrument is Memorandum and Articles of Association.
4	Stamp Duty	Trust deed to be executed on non-judicial stamp paper, vary from state to state.	No stamp duty required for memorandum of association and rules and regulations.	No stamp duty required for memorandum and articles of association.
5	Members Required	At least two trustees are required to register a public charitable trust. In general, Indian citizens serve as trustees, although there is no prohibition against non-natural legal persons or foreigners serving in this capacity.	Minimum: - Seven members are required for formation of state level society. - Eight members required from separate states for formation of national level society.	Minimum 2 for a private company and 7 for a public ltd company.
6	Board of Management	Trusts are governed by their trustees or by board of trustees.	Societies are usually managed by a governing council or managing committee.	It is managed by the board of directors.
7	Legal Title	Legal title of the property of a trust vests in the hands of	In a society, all properties are held in the name of the society.	In section 8 Company, all properties are held

		trustees.		in the name of Company.
8	Revocable/ Irrevocable	Indian public charitable trusts are generally irrevocable.	Societies may be dissolved. Dissolution must be approved by at least three-fifths of the society's members.	A section 8 Company may be dissolved.
9	In case of Inactiveness	If a trust becomes inactive due to the negligence of its trustees, the Charity Commissioner may take steps to revive the trust. Furthermore, if it becomes too difficult to carry out the objects of a trust, the doctrine of cy pres, meaning "as near as possible," may be applied to change the objects of the trust. Thus, it appears that grantors can feel fairly secure that the charitable nature of a trust will be honored, even if the original, specific purposes of the trust cannot be carried out.	Upon dissolution, and after settlement of all debts and liabilities, the funds and property of the society may not be distributed among the members of the society. Rather, the remaining funds and property must be given or transferred to some other society, preferably one with similar objects as the dissolved entity.	Upon dissolution and after settlement of all debts and liabilities, the funds and property of the company may not be distributed among the members of the company. Rather, the remaining funds and property must be given or transferred to some other section 8 Company, preferably one having similar objects as the dissolved entity.
10	Annual Compliance	There is no requirement of annual return filing.	Societies must file annually, with the Registrar of Societies, a list of the names, addresses and occupations of their managing committee members.	There is requirement of annual compliance by filing of annual accounts and return of company with the RoC.
11	Online filing facility	Online filing facility is not available. Compliances are more complicated & time consuming	Online filing facility is not available. Everything has to be submitted in the office of Registrar of Societies in hard copy. Compliances are more complicated & time consuming.	Online facility is available. The Compliances, like annual filing, appointment & removal of directors, shifting of registered office,

				increase in capital, change in object clause & others can be done online at MCA portal. It is very easy, time saving and transparent process.
12	Time Period involved in registration/formation	10-15 days	30-45 days	60-75 days
13	Cost factor	Low	Medium	High
14	Registration with Income Tax u/s. 12A & 80G as NGO	At par with society & Section 8 Company.	At par with trust & Section 8 Company.	At par with trust & Society.
15	From the point of view of Grant of subsidy by the government	Less preferred	Less preferred	Most preferred
16	From the point of view of Foreign Contribution Regulation Act, (FCRA) registration	Less preferred	Less preferred	Most preferred
17	Transparency in working	Low	Low	High as everything is available online.
18	Change in board of directors/ trustees Members	Easy	Complex	Easy
19	Change of Registered office	Difficult	Difficult	Easy