

Comparative Table for Forms of Registration for NGOs in India

Description	Society	Trust	Company
Act under which it is registered	The Societies Registration Act, 1860	The Registration Act, 1908	The Companies Act, 1956
Objects	Charitable, Literary, Scientific etc	Charitable, socially beneficial	Non profit activities
Main Documents	Memorandum and Articles of Association, Rules and Regulations (Bylaws)	Trust deed	Memorandum and Articles of Association
Authority with whom to be registered	Registrar of Societies of the concerned state	Sub-registrar of Registration at District level	Registrar of Societies of the concerned state
Ease of Formation	Relatively simple, it may take 1-2 months	Very simple, it may take a week	Relatively complicated, it may take 3-6 months
Approval of Name	Separate application not required. Name is generally granted if available	Not required	Separate application is required to be made. There are strict guidelines for approval of name.
Stamp Duty	No stamp paper required for Memorandum & Articles of Association	Trust required to be executed on non-judicial stamp paper (valued at 4% of the trust property)	No stamp paper required for Memorandum & Articles of Association
Minimum no. of subscribers/trustees required	2 (Two)	2 (Two)	7 (Seven)
Name	Comparatively Simple	Comparatively Simple	Prior approval required from the Registrar of Companies in the relevant state/ U.T
Cost of Registration	Less than Rs.10,000/-	Less than Rs.10,000/-	Less than Rs.25,000/-
Governing Structure	Two tier structure a) General body b) Board of Directors	Single tier structure the trustees are the ultimate authority	Two tier structure a) General body b) Board of Directors
Voting Rights	All members have equal rights	All trustees have equal rights	The voting rights may vary on the basis of share holding. This provision can be used for control

			purposes
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Types of activities allowed	Not much of a difference between these 3 forms. Any kind of charitable & public utility activity can be undertaken	Same	Same
Annual Documents to be filed	The Act requires a list of managing body to be filed every year. But different states have different requirements for filling additional documents every year	No documents are filed every year.	Annual return and audited required to be filed every year.
General & Board meetings	General & Board meetings are required to be held as prescribed in the bye law of the society	No provisions are laid down. Adequate rules should be framed in the trust deed, in this regard.	Specific provisions have been laid down. At least 1 Annual General Meeting and Board meetings only once in six months but should have held four meetings in a year.
Transfer of Membership	Membership is not transferable	Membership is not transferable	Membership can be transferred. Restriction on transfer can also be placed.
Payment to functionaries	Permitted as per general body approval	Provision in the trust deed should be there for any such payment	Permitted as the general body approval
Recurring expenditure	The statutory compliances required are minimal. Consequently recurring expenditure are also negligible	No statutory recurring expenditure	Annual returns & Balance Sheet are filed along with certain fees. Again the quantum of expenditure is not significant.
Area of operation	Can operate throughout India even if registered in one particular state. No separate registration is required for operating in another state.	Can operate throughout India	Can operate throughout India as the registration is granted by the Central Government

Income Tax Registration	Compulsory within 12 months of registration	Same	Same
Foreign Contribution Regulation Act, 2010 Registration or Prior Permission	Compulsory for receiving foreign funds.	Same	Same
Labour & other relevant laws	To be complied as per applicability.	Same	Same
Foreigner as a member/trustee	Possible	Same	Same
Threat in having foreigner on board	Difficulties may be faced in getting Foreign Contribution Regulation Act, 2010 registration. No other threat perceived.	Same	Same