

COMPARISON OF SECTION 8 COMPANY, TRUST AND SOCIETY

S.NO	POINTS OF DIFFERENCE	SEC.8 COMPANY	TRUST	SOCIETY
01.	Purpose	Established for promoting commence art, religion, science, charity or any other useful objects.	For discharge of the charitable and/ or religious sentiments of the author or settlor of the trust, in a way that ensures public benefit.	Established for charitable literary, scientific purposes etc.
02.	Enactment	Governed by Companies Act, 2013	Governed by Indian Trust Act, 1882	Governed by Societies Registration Act, 1860.
03.	Charter	-Certificate of Incorporation -MOA and AOA	Trust Deed	- Memorandum of Association - Bye Laws
04.	Books of accounts	To be maintained on compulsory basis.	To be maintained on compulsory basis.	To be maintained on compulsory basis
05.	Formation	Formation procedure is complicated involving various Paper Work and Time Consuming	Formation procedure is simple and easy, only Trust Deed has to be registered.	Formation procedure is simple and easy, only MOA & Bye Laws has to be registered.
06.	Name Availability	Name has to be got approved from the ROC.	Selection of Name is not difficult.	Selection of Name is not difficult.
07.	Management	Provisions of Companies Act, 2013 have to be complied with which are complex laborious, rigid and time consuming.	Management of trust is easy and simple and not many restrictions have been imposed under the Act.	Management of Society is easy and simple and not many restrictions have been imposed under the Act.
08.	Meetings	All the meetings have to be held as per provisions, of the Companies Act, 2013. - One AGM - At least one meeting of Board within every THREE calendar months	Meetings have to be held as per the provisions of the Trust Deed.	Annual Meeting of society has to be held as per provisions in the Act, meeting of Governing Body is held as prescribed in the Rules of the society.
09.	Penalties	Provisions under the Companies Act are more stringent and attract penalties.	Penalties are rare as compared to company.	Very few offences and penalties have been prescribed.
10.	Filing of Documents	- Annual Return and Balance Sheet of the Company has to be filed with ROC within the prescribed period. - Income Tax Return has to be filed compulsorily.	Income Tax Return has to be filed till 30th September.	-The society has to file with the Registrar. List of the names, addresses, occupations of the members of the Governing Body once in a year within 14 days of the date of holding of Annual General Meeting. - Income Tax Return has to be filed till 30th September.

11.	Alteration /Amendment in Chapter	Memorandum of Association/ Article of Association can be altered by Complying with the provisions of Companies Act, 2013.	Trust deed can not be attended without the specific order of Court.	Memorandum of Association/ Bye laws can be amended by complying with the provisions of the societies Registration Act, 1860.
12.	Application of Income	Company has to compulsorily apply during the year at least 85% if its income for charitable purpose.	Trust has to compulsory apply during the year at least 85% of its income for charitable purposes.	Society has to compulsory apply during the year at least 85% of its income for charitable purposes.
13.	Taxation	Governed by Sec. 11,12,12A, 12AA & 13 and certain clauses of Section 10 of the Income Tax Act.	Governed by Sec. 11,12,12A, 12AA & 13 and certain clauses of Section 10 of the Income Tax Act.	Governed by Sec. 11,12,12A, 12AA & 13 and certain clauses of Section 10 of the Income Tax Act.
14.	Registration Fees	Depends on Nominal Capital of the Companies.	No registration fee is required, only Trust Deed is required to be registered.	Registration fee for Registration of Society is Rs. 50/-.
15.	Quorum for Meetings	Quorum at a meeting of Board shall be either eight members or 1/4 of its total strength, whichever is less, subject to minimum of two.	No specific provisions laid down in the Act.	No specific provisions laid down in the Act. Usually, the Quorum of General Body Meeting shall be 2/3 rd of the total strength.
16.	Minimum no of members	Pvt. Co. -2 Members Public LTD Co. -7 Members	Three parties essential to form a trust.	These should be at least 7 members of any Governing Body.
17.	Corpus/Capital Donation	Exempt – 100%	Exempt – 100%	Exempt – 100%

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