

The comparative table for three 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
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.
Authority with whom to be registered	Registrar of Societies of the concerned State	Sub-registrar of Registration at District level	Registrar of Company of the concerned state
Approval of Name	Seperate application not required. Name is generally granted if available	Not required	Separate application is required to be made. There are strict guideline for approval of name.
Minimum no. of subscribers/ trustees required	Seven	Two	Two
Cost of Registration	Less than Rs. 10,000/-	Less than Rs. 10,00/-	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.
Type of activities allowed	Not much difference between 3 forms. Any kind of charitable & public utility activities 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 ever year.	No documents are required to be filled.	Annual return and audited accounts are required to be filed every year.
General & Board meetings	General & Board meetings are required to be held as prescribed in the bye laws 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. Atleast 1 Annual General Meeting and four Board meetings are required to be held every 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	Permitted as per general body	Provision in	Permitted as per

functionaries	approval	the trust deed should be there for any such payment.	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 alongwith 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 its registration	Same	Same
FCRA Registration on Prior Permission	Compulsory for receiving foreign funds.	Same	Same
Labour & other relevant laws	To be compiled as per applicability.	Same	Same
Foreigner as a member/ trustee	Possible	Same	Same
Threat in having foreigner on	Difficulties may be faced in getting FCRA registration	Same	Same

board			
-------	--	--	--