



DIFFERENCE AMONGST VARIOUS TYPE OF NGO/NPO



RUBARU PROFESSIONALS LLP

DIFFERENCE BETWEEN TRUST, SOCIETY, SECTION 8 COMPANY AND OTHER TYPE OF NGO/NPO

Forms Particulars	Trust	Society	Section 8 Company	Association of person (AOP)	Waqf
Meaning	It is considered to be the oldest form of charitable organization. It is, in essence, an arrangement between parties whereby one party holds ownership over property on behalf of another person.	It is formed when a collection of people come together for a common charitable purpose. It is not limited to charitable purposes but may extend to multiple other fields.	It is a company established with the purpose has in its objects the promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of the environment or any such other object and whereby they apply any profits int	An Association of Persons (AOP) or a Body of Individuals (BOI), whether incorporated or not is treated as a person u/s 2(31) of the Income Tax Act, 1961.	waqf” means the permanent dedication by any person, of any movable or immovable property for any purpose recognised by the Muslim law as pious, religious or charitable and includes— (i) a waqf by user, a Shamlat Patti, Shamlat Deh, Jumla Malkkan, “grants”,) a waqf-alal-aulad
Governing Legislation	A trust is established under and governed by the Indian Trust Act, 1882 for private trusts. General law is applied for public trusts except in a few states such as Gujarat and Maharashtra, which have their own state laws.	Societies Registration Act,1860 or the relevant laws of the concerned state	Companies Act, 2013	No such Act	The Waqf Act, 1995
Registered as	NGO/NPO	NGO/NPO	They enjoy all the privileges of a limited	Association of Person (AOP)	As Waqf

			company without the need for them to add Pvt. Ltd. to the name.		
Document of constitution	Trust Deed	MOA (Memorandum of Association) and rules and regulations	MOA and AOA (Articles of Association)	Deed of Association	Waqf Deed
Registration Authority	The official having jurisdiction in the state for Trust registration.	Registrar or Deputy Registrar of the particular state in which it is to be registered.	Registrar of Companies (RoC) or Regional Director	No Regulator	Waqf Board
Minimum members required	2 trustees minimum	7 members minimum (5 for Jammu and Kashmir)	2 directors and 2 shareholders. It should be noted that the directors may also be the shareholders.	2 members	One member as "Mutwalli"
Annual compliances	Audited financial statements are required to be submitted	The society must file the list of names, occupations and address of the managing committee members of the society to the Registrar annually	The company must file the annual returns and accounts with the ROC.	NO need	Annual Return and Details to be submitted by Mutwalli to the Board
Statutory Audit	NA	Yes	Yes, need to appoint a statutory auditor in every 5 years	NA	NA
Registration under 12A of the Income Tax, Act, 1961	Yes, required to be registered as a charitable or religious Trust	Yes, required to be registered as a charitable or religious society	Yes, required to be registered as a charitable purpose company	Yes, required to be registered as a charitable or religious Trust	Yes, required to be registered as a charitable or religious Waqf
Registration under 80G of Income Tax, Act, 1961	Yes, required to be registered if want to provide	Yes, required to be registered if want to provide exemption benefits to donors	Yes, required to be registered if want to provide exemption benefits to donors	Yes, required to be registered if want to provide exemption benefits to donors	Yes, required to be registered if want to provide exemption benefits to donors

	exemption benefits to donors				
Registration under Darpan Portal of Niti Ayog	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Registration under FCRA	Mandatory, if want to receive a foreign contribution of grants	Mandatory, if want to receive a foreign contribution of grants	Mandatory, if want to receive a foreign contribution of grants	Mandatory, if want to receive a foreign contribution of grants	Mandatory, if want to receive a foreign contribution of grants
Compliance Cost	Very Low	High	Very High	Law	Very Low
Trust	Good Trust if members are non-blood relation	Good and direct Trust on society and donors, and Government	Good and direct Trust on society and donors, and Government, but the model is new not well recognized	Very minimum, it is beneficial just for maintaining "Funds" "rights" etc	Good Impact, but it available for Muslim properties
Transparency	No transparency	Good Transparency	High Transparency, well accepted by businessmen/ corporates	No transparency	Limited Transparency
Social Impact	Good, if trust if working	Direct Impact on public	Direct Impact on public	No Impact	For particular community
Recognition	Recognized but not supported by the Government Policy or Law	Well statutorily recognized	statutorily recognized	No recognition	recognized
Responsible Body to manage the Affairs	Board of trustees	Governing Body	Board of Directors	As defined in deed	Mutwalli or management committee

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