

SECTION 8 COMPANY v/s TRUST

Sr. No.	Particulars	Section 8 Company	Trust
1.	Statute	Companies Act, 2013	Indian Trust Act, 1882
2.	Types	Trust or Society	Public or Private Trust
3.	Registration	Regional Director (RD) and Registrar of Companies (ROC) of the concerned state.	It lies with the Charity Commissioner of concerned state.
4.	Charter Documents	Memorandum of Association (MOA) and Articles of Association (AOA)	Trust Deed
5.	Minimum Requirement for Incorporation	Minimum 2 directors and 2 shareholders It is mandatory to appoint resident director	Minimum 2 trustees are required to form a trust. Foreigner or NRI can be trustees of the trust.
6.	Management	Board of directors of the Company	Trustees
7.	Annual Compliance	Filing of Financial Statements and Annual return with the Registrar of Companies.	Filing of Financial Statements with Charity Commissioner of concerned state. There is no requirement to file annual return.
8.	Is profit making permitted	It can be established for the promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object It should apply its profits, if any, or other income in promoting its objects and intends to prohibit the payment of any dividend to its members Certain other conditions are imposed on activities that are not entirely of charitable nature.	Trusts are allowed to generate a profit. Profit, if any, should be ploughed back into the organization for "charitable purposes" and not distributed by way of dividends, etc., to trustees or members of the organizations. Certain other conditions are imposed on activities that are not entirely of charitable nature.
10.	Can they receive Foreign Contribution	Registration under Foreign Contribution and Regulation Act, 2010. FDI subject to compliance of FEMA Regulations	FDI is not permitted other than 'VCF' registered and regulated by SEBI and 'Investment vehicle'
11.	Taxation	Both are exempt from income tax, subject to conditions which are required to be met on a yearly basis.	