

Is there a provision under law to convert from one choice of registration to another?

Speaker: Under the law there is no provision to convert. While you are a trust you can create a section 25 company. Over a period of time the trust can be closed down; the trust can give by way of donation to the Section 25 Company since both have the same objects. The trust is governed by various judicial bodies whereas the company is governed by the Registrar of Companies. If you decide you want to convert then:

- first create the new Section 25 entity, establish it, get 12A and 80G in place
- then transfer the surplus or deficit from the trust to the new entity

There is a clear act in society registration for dissolution. There is a clear act in companies act for dissolution. But when a trust is governed there is no dissolution. Once a trust is formed it can be wound up only when an auditor declares that there is no income and expense.