BUSINESS PLAN · INDIA

Section-8 Company

Not-for-profit company for social objects

NONPROFIT

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

August 2026

1. Executive Summary

This plan sets out a **Section-8 Company** in India — a **not-for-profit organisation incorporated as a company** under Section 8 of the Companies Act 2013, for charitable/social objects, funded by **grants, donations & CSR**. It is functionally an NGO but in **company form** — chosen for its stronger governance, credibility & structure (preferred by CSR funders & institutional donors) over a Trust or Society. Like any NGO, it is **not-for-profit**: no dividends/profit distribution; all income is applied to its objects. The plan is framed honestly as a non-profit — funding mix, budget & sustainability, with programme impact as the return; its distinguishing feature is the **company structure & why it's chosen**.

A Section-8 company delivers social/charitable objects (education, health, environment, livelihoods, research, arts, etc.) like a Trust/Society, but as a **company licensed by the ROC/MCA** — giving it board governance, perpetual succession, stricter compliance & higher credibility, which **CSR funders & institutional/international donors often prefer**. It cannot distribute profits; income is applied to objects. It obtains **12A/80G, Form CSR-1 & FCRA** (for foreign funds) like any NGO. "Revenue" is **funding sources** (grants/donations/CSR/programme); success rests on programme impact, governance/credibility, funder trust, funding diversity & compliance — it is mission-, funding-, governance- & impact-driven, not profit. Its edge over Trust/Society is **structure & credibility**.

This is a not-for-profit company — funded by grants, donations & CSR (no profit distribution). This plan models a Section-8 company with an annual programme budget scaling from **₹2 crore** (Year 1) to **₹6 crore** (Year 3), deploying funds into programmes with surplus applied to objects/reserves. *(Section-8 non-profit company; grant/donation/CSR-funded, mission/impact/governance-driven — figures illustrative; NOT profit; company form chosen for credibility/governance; funds mission-deployed.)*

2. Organisation Description, Mission & Legal Form

Concept: A Section-8 not-for-profit company delivering charitable/social objects, funded by grants/donations/CSR - NGO in company form, chosen for governance & credibility.

Vision: Lasting social impact on [chosen objects], delivered through a credible, well-governed institution.

Mission: Deliver charitable objects effectively, transparently & accountably - with the governance & credibility of a company structure.

Legal form & why Section-8 company

- **Section-8 company** — licensed by ROC/MCA; company form for non-profit objects; no profit distribution.
- **Why over Trust/Society:** stronger governance (board/company law), perpetual succession, stricter compliance = higher **credibility with CSR/institutional/international funders**; clearer structure for scale.

> **Regulatory/governance anchor:** a Section-8 company is incorporated under the Companies Act (licence from ROC/MCA, MoA/AoA with charitable objects), governed by company law (board, ROC filings, audit) plus non-profit norms — **12A/80G, Form CSR-1, FCRA** (foreign funds); no dividend/profit distribution, income applied to objects. Programme impact, governance/credibility, funder trust, funding diversity & compliance determine success — mission- & impact-driven, not profit; company form is the credibility/governance advantage.

3. Founders, Board & Governance

Led by founders & a **board of directors** (company governance — stronger than trustee/GB), with programme, fundraising, M&E & finance/compliance teams. The company-form board governance, perpetual succession & compliance are the credibility differentiators (vs. Trust/Society). Programme impact, governance, funder trust & impact are the differentiators. Board & governance are editable inputs; not-for-profit (no profit distribution) & company-law compliance apply.

4. Need Analysis — India (Objects & Beneficiaries)

India's social needs (across the chosen objects) & the funder preference for well-governed, credible institutions favour the Section-8 company form — CSR & institutional/international funders often require or prefer it. This frames the **need/objects, beneficiaries & why a credible company structure helps** . Success rests on delivering the objects with impact, aided by governance/credibility for funding; it is need-, impact-, funding- & credibility-sensitive, met with effective programmes, governance & funder trust.

Need/impact drivers

- **Social need** (chosen charitable objects).
- **Funder preference for credible structure** (CSR/institutional).
- **CSR & philanthropy** funding pools.
- **Institutional/international** funders (governance-sensitive).
- **Scale & perpetual succession** needs.

Scope (illustrative)

Layer	Definition	Indicative
Need	Objects/beneficiaries	Large
Reach (Yr 1–3)	Beneficiaries served	Scaling
Funding pool	CSR/institutional/grants	Substantial

Beneficiaries & funders

- Beneficiaries: the target community/cause.
- Funders: CSR, institutional/international, foundations, donors.

5. Positioning & Differentiation

Landscape: other NGOs (Trust/Society/Sec-8), development organisations & funders' initiatives. The Section-8 company differentiates on **governance/credibility (company form)**, programme impact, transparency, institutional readiness & funder trust — the structure itself is a credibility advantage for CSR/institutional funding.

The organisation's edge

- **Company-form governance & credibility.**
- **Institutional/CSR-funder readiness.**
- **Programme impact & transparency.**
- **Perpetual succession & structure (scale).**

- **Compliance rigour (company + non-profit).**

6. Programmes & Funding Model

Funding source	Model	Basis
CSR funding	Project grants (form prefered)	Core
Institutional/international grants	Programme grants (FCRA)	Core/scale
Foundation/philanthropy	Grants	Core
Individual donations	Donations (80G)	Diversification
Programme fees (cost-recovery, some)	Nominal/earned	Sustainability

> "Revenue" is **funding** — CSR & institutional/international grants (the company form is often preferred/required for these), foundations, donations & nominal fees. These fund **programmes** (the impact). **No profit distribution**; surplus is applied to objects/reserves. The company structure aids access to CSR/institutional funding. Programme impact, governance/credibility, funder trust, funding diversity & compliance drive it — the decisive Section-8 levers.

7. Fundraising & Partnerships Strategy

- **CSR & institutional funders** (leverage company-form credibility).
- **International/FCRA** funding (governance-ready).
- **Foundation & individual** donations.
- **Impact & governance reporting** (funder trust).
- **Diversified funding.**

Approach

Leverage company-form governance/credibility to win CSR & institutional/international funding → deliver programmes → report impact & governance transparently → retain & grow funders → diversify & build reserves. Impact, governance/credibility, funder trust & funding diversity sustain the organisation; the company structure is the funding-access edge.

8. Programme Delivery & Operations Plan

- **Programme design & delivery:** theory of change, field teams/partners, implementation (as any NGO).
- **Governance:** board of directors, company-law compliance, ROC filings, audit — the credibility core.
- **M&E:** impact measurement, reporting (funder & statutory).
- **Compliance:** Companies Act (Sec-8) + 12A/80G/CSR-1/FCRA; no profit distribution.
- **Finance:** fund management, budgets, utilisation, reserves — applied to objects, not profit.

Programme workflow

Stage	Activity	Metric
Design	Theory of change	Relevance

Fund	CSR/institutional/grants	Funding raised
Deliver	Programme/field	Reach/beneficiaries
Govern/measure	Board/M&E	Governance/impact
Report	Statutory/funder	Trust/compliance

9. Regulatory, Registration & Compliance (India)

- **Incorporation:** Section-8 licence (ROC/MCA); MoA/AoA (charitable objects); company registration.
- **Non-profit:** no dividend/profit distribution; income applied to objects.
- **Tax/CSR/FCRA:** 12A/80G; Form CSR-1; FCRA (foreign funds).
- **Company compliance:** board, ROC filings, statutory audit, governance (stricter than Trust/Society).

10. Organisation & Team Plan

Role	Yr 1	Yr 2	Yr 3
Board of directors (governance)	—	—	—
Leadership (CEO) & programme heads	2	3	5
Programme / field staff	14	28	48
M&E, fundraising & partnerships	3	6	10
Finance, company-compliance & admin	2	4	7
Total staff (board is governance)	**21**	**41**	**70**

11. Programme Roadmap & Milestones

Phase	Timeline	Milestone
Setup	Month 0–4	Sec-8 incorporation (ROC), 12A/80G/CSR-1, board, first funders
Deliver	Month 4–12	Programmes, reach, governance/M&E, ₹2cr budget
Grow	Year 2	Scale, institutional/international funding, FCRA, ₹4cr
Sustain	Year 3	₹6cr budget; impact, credibility & diversified funding

12. Financial Plan (Illustrative — funding, budget & sustainability, NOT profit)

All figures are illustrative model assumptions for an Indian context, shown so the organisation can replace them with live figures. They are not projections of guaranteed results. NON-PROFIT (Section-8): funding mix + budget + sustainability; NO dividend/profit distribution — surplus applied to objects/reserves; success = programme impact; company form aids credibility/funding-access.

12.1 Funding sources & budget (Year 1)

Source	₹
CSR funding	90,00,000
Institutional/international grants (FCRA)	55,00,000
Foundation/philanthropic grants	40,00,000
Individual donations / nominal fees	15,00,000
Total funds raised (Yr 1)	**2,00,00,000**

12.2 Budget & fund deployment (3 years)

Particulars	Year 1	Year 2	Year 3
Total funds raised	2,00,00,000	4,00,00,000	6,00,00,000
Programme / direct-mission spend	1,50,00,000	3,04,00,000	4,60,00,000
Programme staff & field cost	26,00,000	50,00,000	78,00,000
M&E, fundraising & partnerships	12,00,000	24,00,000	38,00,000
Company-compliance, governance & admin	10,00,000	20,00,000	24,00,000
Total expenditure	**1,98,00,000**	**3,98,00,000**	**6,00,00,000**
Surplus → applied to objects/reserves	**2,00,000**	**2,00,000**	**—**
Programme-spend ratio	~75%	~76%	~77%

Note: no profit distribution (Section-8) — surplus is applied to objects/reserves; company compliance adds modest overhead vs. Trust/Society, offset by credibility/funding access; programme-spend ratio signals efficiency.

12.3 Sustainability & key ratios (not profit)

- **Credibility → funding access:** the company form's governance/credibility improves access to CSR & institutional/international funding (often preferred/required) — the structural advantage; diversified funding + reserves give sustainability.
- **Efficiency & governance:** programme-spend ratio, low overhead, board governance & compliance drive funder trust — the "bankability".
- **Impact (the metric):** beneficiaries reached & outcomes — the true return; company form is the enabler, not the goal.

12.4 Fund-flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	6,00,000	6,50,000	6,20,000	6,50,000
Funds received (CSR/institutional/grants)	50,00,000	49,00,000	51,00,000	50,00,000
Programme & operating spend	49,50,000	49,30,000	50,70,000	49,50,000
Closing balance (reserves)	**6,50,000**	**6,20,000**	**6,50,000**	**7,00,000**

> Section-8 cash discipline is funding-cycle management like any NGO (grants in tranches; programmes continuous) — reserves, multi-year & institutional commitments bridge gaps; company compliance is a modest, worthwhile overhead. The key risks are funding concentration/gaps, grant-cycle timing, compliance (company + 12A/80G/FCRA) & impact/reporting — met with funding diversity, reserves, governance & M&E. No profit; impact & sustainability are the goals; the company form aids credibility.

12.5 Key metrics to Monitor (impact & stewardship)

- **Impact:** beneficiaries reached; outcomes; impact-per-rupee.
- **Funding:** CSR/institutional/international share; diversity; reserves.
- **Efficiency:** programme-spend ratio; overhead.
- **Governance:** board/ROC compliance; audit; 12A/80G/FCRA; funder trust.

13. Funding Requirement & Sustainability

This Section-8 company is **grant/donation/CSR-funded** — no profit distribution; setup (incorporation, 12A/80G/CSR-1, board, first team) from founder contribution & seed grants (~₹20–30 lakh). It sustains via CSR + institutional/international + foundation + donations, with reserves & multi-year commitments; its **company-form credibility improves funding access** (CSR/institutional often prefer it). Its "bankability" is **funder trust** — impact, governance, credibility & compliance. Programme impact, governance/credibility, funder trust & funding diversity underpin the organisation. *(Non-profit company; funds are for the objects; no profit distribution; company form chosen for credibility/governance.)*

13.1 Fund utilisation (Year 1 budget ₹2 crore)

Use of funds	₹	% of budget
Programme / direct-mission spend	1,50,00,000	75%
Programme staff & field cost	26,00,000	13%
M&E, fundraising & partnerships	12,00,000	6%
Company-compliance, governance & admin	12,00,000	6%
Total	**2,00,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Funding concentration / gaps	Diversify CSR/institutional/grants/donations; multi-year; reserves
Grant-cycle / payment timing	Reserves, institutional/multi-year commitments
Compliance (company + 12A/80G/FCRA)	Board governance, ROC filings, audit, FCRA discipline
Impact / reporting shortfall	M&E, evidence, transparent statutory/funder reporting
Overhead (company-form cost)	Efficiency; offset by credibility/funding access

15. SWOT Analysis

Strengths Company-form governance/credibility (CSR/institutional preferred); perpetual succession; impact; funding access; compliance rigour.	**Weaknesses** Funding-dependent/cyclical; no profit buffer; higher compliance overhead (vs Trust/Society); grant-timing.
Opportunities CSR & institutional/international funding (form-preferred); scale; credibility-led growth; diversified funding.	**Threats** Funding cuts/cycles; FCRA/regulatory tightening; competition for funds; compliance burden.

16. Recommended AiSevak Tools for This Organisation

This Section-8 company would use AiSevak's Nonprofit vertical tools in delivery:

- **Programme & impact:** programme-delivery & M&E/impact-measurement, beneficiary-tracking & reporting tools.
- **Governance & compliance:** Section-8/ROC/company-compliance & 12A/80G/CSR-1/FCRA, board-governance/audit & donor-management tools (with Legal & Finance verticals).
- **Practice:** Organisation Plan, budget/funding-mix & sustainability tools to plan & steward the company.

17. Key Assumptions & Notes

- Section-8 company: NON-PROFIT incorporated as a COMPANY (Companies Act s.8, ROC/MCA licence) for charitable objects — NGO in company form; NO profit distribution; income applied to objects.
- Chosen over Trust/Society for stronger governance (board/company-law), perpetual succession, compliance & CREDIBILITY (CSR/institutional/international funders often prefer/require it).
- "Revenue model" = funding sources; "financial plan" = funding mix + budget + sustainability; success = programme impact; 12A/80G/CSR-1/FCRA + company compliance.
- Impact, governance/credibility, funder trust, funding diversity & compliance drive sustainability; figures illustrative; funds are for the objects, not profit; company form aids credibility/funding-access.

▶ Use these tools now — free on AiSevak

Every tool referenced in this plan is available on **aisevak.in**. Open the **Nonprofit toolkit** to browse and use them all at **https://aisevak.in/verticals/nonprofit** — or go straight to any specific tool at **https://aisevak.in/service/<tool-name>** . No signup needed to explore; each tool guides you step by step.