**Draft format of Private Trust Deed. Private Trust formation document format.**

**Format of Private Trust Deed is given below. It is not mandatory to register a private Trust with the Registrar. But the registered private trust deed is valid for all legal purposes. Private Trust Deed can be registered with the Sub-Registrar / Registrar in the particular area.**

**\_\_\_\_\_\_\_\_\_\_\_\_TRUST**

THIS DEED OF TRUST made this \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_, \_\_\_\_ by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, son/wife of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ residing at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Passport No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ issued from \_\_\_\_\_\_\_\_\_\_\_\_ and valid upto \_\_\_\_\_\_\_\_\_\_\_ hereinafter referred to as the Settlor (which expression shall, unless excluded by or repugnant to the subject or context mean and include his heirs, executors, successors, administrators and legal representatives) of the ONE PART,

and

Shri \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, son/wife of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, resident of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Passport No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ issued from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and valid upto \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

and

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, son/wife of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, residing at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Passport No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ issued from \_\_\_\_\_\_\_\_\_\_\_\_ and is valid upto \_\_\_\_\_\_\_\_\_\_\_\_.

[hereinafter jointly referred to as the Trustees (which expression shall, unless excluded by or repugnant to the subject or context mean and include the Trustee or Trustees for the time being and the successor or successors in office of the Trustees hereunder) ]of the OTHER PART.

AND WHEREAS in pursuance of the said desire prior to the execution of  these presents, the Settlor has handed over a sum of Rs.5,000/- by cash to the Trustees (which fact the Trustees do hereby admit and acknowledge);

NOW THIS INDENTURE WITNESSETH that in consideration of natural love and affection that the Settlor has for the beneficiaries (named hereinabove) and for diverse other good causes and considerations the Settlor doeth hereby make this declaration of trust and say that he/she has already handed over the said sum of Rs. 5,000/- (Rupees Five Thousand only) by cash to the Trustees, to have and to hold the said sum irrevocably for the use and upon Trust and for the ends, intents and purposes as contained in this Deed.

AND WHEREAS at the desire of the parties settlor has now agreed to register the Deed of Trust.

AND WHEREAS the settlor has constituted this Trust with the Trustees mentioned hereinabove as the first Trustees;

**NOW THIS DEED WITNESSETH AS FOLLOWS:**

1.            NAME OF THE TRUST

This trust shall be known as the '\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_' [hereinafter referred to as the trust].

2.            TRUST PROPERTY

For effectuating his said desire and for diverse good causes and considerations thereunto the Settlor doth hereby make over, transfer and assign to the trust the aforesaid sum of Rs 5,000/- as Trust Property, to hold the same and all rentals and other incomes generated therefrom and all monies received by way of investments made from the incomes generated thereof, for the time being representing the same together with all additions and accretions thereto and contributions and gifts and all accumulated income thereof and all other properties that may be acquired out of the same or become subject matter of the Trust (hereinafter collectively referred to as the 'Trust Properties') upon Trust to be used only for the objects and purposes hereinafter expressed with the power, provisions and / or upon the terms and conditions hereinafter mentioned concerning the same.

3.            DUTIES OF THE TRUSTEES

The Trustees have accepted the said trust properties and agreed to hold the same and investment thereof for the time being representing the same together with all additions and accretions thereto and contributions and gifts and all accumulated income thereof and all other properties that may be acquired out of the same or become subject to the Trust for the objects and purposes hereinafter expressed.

4.            The Trustees shall hold and stand possessed of the Trust properties for the tenure of this trust and during the lifetime of and for the benefit of the Beneficiaries.

5.            BENEFICIARIES
The beneficiaries of this trust shall be:

\_\_\_\_\_\_\_\_\_\_\_\_ aged about \_\_\_\_\_\_\_\_\_\_\_ years son/daughter of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, resident of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_; and lineal descendent of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

6.            TENURE OF THE TRUST

The tenure of this Trust shall be for a period of ten years from the date of commencement of this Trust. However the Trustees may put an end to the trust at any time or continue the trust beyond the period of ten years, whichever in their discretion is in the interest of the beneficiaries.

7.            PURPOSES OF THE TRUST

During the tenure of this Trust, the Trustees shall as and when necessary from time to time apply whole or part of the corpus and/or income of the Trust at their discretion for the maintenance, education, medical treatment, marriage or for any other use and enjoyment of the said Beneficiaries. Upon the expiry of this trust for whatever reason, the balance of the corpus and/or the income of the trust properties will be distributed by the trustees at their discretion, to the beneficiaries

8.            EXPENSES OF THE TRUST

The Trustees shall meet, discharge and pay all outgoings and expenses of and incidental to the administration of the Trust out of the income and profits of the Trust properties and subject thereto shall hold, accumulate and / or apply the income and / or funds of the Trust for the intents and purposes herein declared and expressed of and concerning the Trust properties and funds.

9.            POWER OF TRUSTEES TO ESTABLISH BUSINESS / PARTNERSHIP

The Trustees may with the use of the Trust properties and funds for and on behalf and for the benefit of the Trust carry on by themselves or in partnership with others such business in such name or names and in such manner as they in their absolute discretion may think fit and proper and may also close and restart any such business and in the conduct and management of such business the Trustees shall have powers to do all such acts, deeds and things as they may consider necessary and expedient.

10.          The Trustees may nominate any one or more of them to be a partner in such partnership business or the trustees may nominate any one among them to be a director in a company where the Trust may be competent and authorised to appoint or nominate a director on the Board, as hereinabove stated on behalf of the Trust, in such case though ostensibly such nominees may appear in such partnership as a partner in his individual name, the Trustees shall be bound to indemnify such nominee against all losses and liabilities which he / she may incur as a partner or a Director as the case may be, out of the Trust Properties.  The Trustees may meet out of the incomes of the Trust properties such losses as may be incurred in any business whether carried on by the Trust itself or in partnership with others.

11.          EXPENSES INCURRED BY TRUSTEES IN DISCHARGE OF THEIR DUTIES

All expenses incurred by the Trustees personally in the discharge of their duties as Trustees shall be deemed to be expenses of the Trust and shall be treated as such for all purposes including the computations for the purposes of paying taxes, if any, by the Trust.

12.          TAXES OF THE TRUST

It must be clarified that the taxes, if any, which may have to be paid by the Trust or the Trustees as the case may be shall be provided for and/or paid out of the Trust properties before the same are utilised or in any way expended on the Beneficiaries.

13.          POWERS OF THE TRUSTEES
The Trustees shall also have the following powers and authority.

a)            To invest the Trust properties or the income thereof either in the purchase of or construction of immovable property or for taking on lease or licence immovable property and making construction thereon either by the Trust itself or in co-ownership or in co-partnership or in the purchase of movable properties or in shares, debentures, stocks or other securities, in accordance with any law for the time being in force regarding the powers of the Trustees to invest Trust Funds, or in deposit with any individual firm or company including those in which the Trustees or any of them may be directly interested on such terms and conditions with or without any security as the Trustees may think fit and proper.

b)            To sell, alter, vary or transpose or otherwise dispose of or alienate the Trust properties or any investment representing the same, and to reinvest the same in any manner as the Trustee may, in their discretion, think fit and proper.

c)            To pay all charges, impositions and other outgoings payable in respect of the Trust properties or any property comprised in the Trust and also to pay all costs of and incidental to the administration and management of the Trust properties for the time being.

d)            To let out or demise any immovable property that may be comprised in the Trust properties on such terms and conditions as the Trustees may, in their discretion, think fit and proper.

e)            To sell, dispose of or otherwise transfer any immovable property which may be comprised in the Trust and to invest the sale proceeds thereof in any investment as the Trustees may in their discretion think fit and proper.

f)          To raise or borrow moneys required for the purpose of the said Trust with or without security or mortgage, hypothecation, charge or pledge of the Trust properties or any part thereof and at such rate of interest and on such terms and conditions as the Trustees may in their discretion think fit and proper.

g)            To compromise, compound and refer to arbitration all actions, suits, proceedings and disputes touching and concerning the Trust properties or any of them.

h)         To accept any gift or contribution in cash or in kind and of any property movable or immovable from any person for the objects and purposes of the Trust.

i)          To receive realise and / or accept any money or other property or asset for and on behalf of the Trust and to hold the same in such form or manner as the Trustees may think fit and proper.

j)          To appoint constituted attorneys or agents and to delegate to such attorney or agent/s all or any of the powers vested in them under these presents.

k)         To appoint a Secretary, Clerk or Clerks or other employees to look after and manage the Trust properties or business or affairs and to allot to such Secretary, Clerk or Clerks or other employee on such terms and conditions, such duties as the Trustees may, in their discretion, think fit and proper.

14.          Without prejudice to the above and in addition thereto the Trustees shall have all such powers as may be necessary for carrying out the objects of the Trust and for performing their duties and functions under the Trust including the power to amend any of the provisions of this trust, however the trustees shall not have the power to amend, in any way, the list of beneficiaries as contained in para 5 of this Deed.

15.          Any one of the Trustees shall be entitled to open and operate savings, current, cash credit, fixed deposit or any other account with any Bank/s and shall be entitled to deposit all sums that may be received on account of and for the Trust hereof whether as gifts, contribution, interest, dividend or income or otherwise and make withdrawals therefrom and to give instructions to the Bank for transfer and / or re-transfer of any amount and /or interest from one account to the other and vice-versa.

16.          Any Trustee can, with the approval of the other Trustees, nominate or appoint Constituted Attorneys or Agents and to delegate to such Constituted Attorney or Agent all such duties and/or powers as may be necessary to implement and carry out and/or to execute documents in accordance with the decision of the Trustees and from time to time remove such attorney or agent and re-appoint other or others in his or their place.

17.          DELEGATION OF POWERS OF TRUSTEES

Any Trustee may delegate in writing all or any of his/her powers and authorities to his/her other Co-Trustees who will be entitled to exercise such power or powers in the same manner as the Trustee himself or herself could have personally done.

18.          The Trustees may, by a resolution direct that any act, deed or thing required to be done or executed by them may be done or executed by any one or more of them and in such cases any act, deed or thing done or executed in pursuance of such resolution shall be valid and effectual as if it had been done or executed by all the Trustees.  Such delegation of authority may be general or special.

19.          The Trustees shall be at liberty to employ or engage solicitors, Advocates, Banker or any other agents as they, in their discretion, may think fit and proper in connection with any matter relating to the Trust or its affairs thereof and shall be entitled to pay all charges and expenses therefore out of the said Trust properties.

20.          A Trustee shall not be responsible or answerable for any loss or any act of omission or commission by any constituted attorney or agent or employee or other co-Trustee or Trustees unless occasioned by his / her willful neglect or default.

21.          ACCOUNTS OF THE TRUST

The Trustees shall cause true and correct accounts to be kept of all moneys received and spent and of all matters in respect thereof in the course of management of the Trust or in relation to the carrying out of the objects and purposes of the Trust as well as of all the assets credits and effects of the Trust properties and funds.  Such accounts shall be closed on 31st day of March every year or such other date as the Trustees in their discretion may decide.

22.          DECISIONS BY TRUSTEES

It will be the endeavor of the trustees to take all decisions unanimously however, In the case of any difference of opinion amongst the Trustees, in case there is more than one Trustee, the opinion of the majority shall prevail.

23.          RESIGNATION OF TRUSTEES

Any of the Trustees may resign from the office of Trustee on giving one month's notice, in writing, to the other Trustee or Trustees.

24.          APPOINTMENT OF TRUSTEES

The Trustees shall have the right to appoint one or more Trustee or Trustees. Notwithstanding anything contained in clause 22 hereinabove, a new Trustee shall  be appointed to the Trust only with the express consent of all the surviving Trustees.

25.          DEATH OR RESIGNATION OF TRUSTEES

If any Trustee dies or resigns or becomes incapable or unfit to act, the continuing or surviving Trustee or Trustees shall be entitled to appoint a successor in place of the Trustee(s) dying or retiring or becoming incapable or unfit to act.

26.          Upon the appointment of a new Trustee or Trustees, the Trust properties shall vest in the new Trustee or Trustees jointly with the continuing or surviving Trustees with the powers, provisions and subject to the Trust hereby created.

27.          EMERGENCY POWERS

Notwithstanding anything contained in this Deed, in the event of any of the  beneficiaries, requiring money in an emergency, the Trustees may in their discretion, distribute any portion of the Trust Property to the Beneficiaries, to meet any such emergencies.

            IN WITNESS WHEREOF the parties hereto have executed these presents on the day, month and year first above - written.

SIGNED AND DELIVERED by the

Settlor at \_\_\_\_\_\_

in the presence of

                                                                                                         sd/-

1.

2.