

What is the definition of a Trust?

Many organizations are registered as a trust. See section three of the Indian Trust Act of 1882. I quote the Indian Trust Act though we are in Maharashtra and governed by the Bombay Public Trust Act, because the term trust or trustees is not defined anywhere in the Bombay Public Trust act of 1950. It's an omission. In law when you don't have a definition in the primary law, you go to a related law. The Indian Trust Act applies to a private trust not to public trust.

Private Trust means.... A trust created for the benefit of family members or employees of certain organizations. You could even create a provident fund trust. They are also deemed to be registered as per the principles of the Indian Trust Act. Section 3 of the Indian Trust Act 1882 defines 'trust' as an obligation annexed to the ownership of property and arising out of a the confidence reposed accepted by the owner or declared and accepted by him for the benefit of another. The section says that it is an obligation that a trustee voluntarily takes on. It says it is annexed to the ownership of property. Property includes a sum of money. If you create a trust with a sum of five hundred rupees it becomes the property of your trust. So property can be movable or immovable. So it's an obligation which is annexed to the ownership of the property. And you are accepting that responsibility voluntarily; not for your personal benefit, but for the benefit of another.

Who is another?

It can be the poor and needy, the visually impaired. Who so ever you define. The concept of trust and trusteeship is captured here. A trustee is one who takes on an obligation to manage the trust property. That property legally vests in the trustee as it belongs to him or her.

The property must be managed as judiciously as if it is his own but not for his personal benefit. It is for the benefit of the beneficiaries as named in your charter. What is your charter. Trust deed if you are trust. The Memorandum and Articles of Association if you are a Society or if you are a Company.