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Integrated Headquarters  
Ministry of Defence(Navy)  
Dte of Non Public Funds  
New Delhi – 110011

WE/1341

23 Feb 09

ADDRESSES OVERLEAF

**NAVY FOUNDATION CHARTERS**

1. The issue of TDS/Tax exemption for Navy Foundation Charters raised during AGM 2008 held at Mumbai on 23 Nov 08 has been deliberated at length at IHQ MOD(Navy).
2. The Administrators of 'Navy Foundation' are of the opinion that the Navy Foundation Charters at various locations should register themselves as Charitable Trusts with local regional authorities using the nomenclature "Navy Foundation Charitable Trust, 'location'. In this connection following actions are advised to all NF Charters.
  - (a) All Navy Foundation Charters are to execute Trust Deed on Stamp Paper by providing names of their Governing body. The objects of the Trust deed are to incorporate activities of charitable nature inclusive of widows welfare activities. The sample Trust deed is enclosed herewith for reference.
  - (b) NF Charters are to register the Trust with local registrar of Trust as per the Indian Trust act.
  - (c) Once NF Charters are registered as Charitable Trust, the Charters are to apply for PAN Cards.
  - (d) Each Charter will be required to render Income tax return to their respective income tax authorities on yearly basis. They are to work independently with regard to management of their funds, audit, balance sheets and filing of IT return, however they will be under overall administrative control of PDESA.
3. The Navy Foundation Charters will be required to open separate fund account and saving bank account in the name of registered Charitable Trust and corpus from their existing Charter Funds can be transferred in a phased manner to the newly opened fund. It is pertinent to mention that income generated through investments by Trusts are exempted upto Rs. 1.5 lakhs as per prevalent Income Tax rules and the benefit of the same is to be exploited by all the regional Navy Foundation Charters.

  
(BS Bajwa)  
Commodore  
Hony Treasurer  
Navy Foundation

**Encl : As above**

The President  
Navy Foundation, Visakhapatnam Charter  
Visakhapatnam

The President  
Navy Foundation, Goa Charter  
Goa

The President  
Navy Foundation, Bhubaneswar Charter  
Bhubaneswar

The President  
Navy Foundation, Kochi Charter  
Kochi

The President  
Navy Foundation, Delhi Charter  
Delhi

The President  
Navy Foundation, Kolkata Charter  
Kolkata

The President  
Navy Foundation, Chandigarh Charter  
Chandigarh

The President  
Navy Foundation, Bangalore Charter  
Bangalore

The President  
Navy Foundation, Hyderabad Charter  
Hyderabad

The President  
Navy Foundation, Coimbatore Charter  
Coimbatore

The President  
Navy Foundation, Chennai Charter  
Chennai

The President  
Navy Foundation, Mumbai Charter  
Mumbai

## SAMPLE TRUST DEED

This Deed of Trust is declared in the city of \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ by me \_\_\_\_\_ S/o \_\_\_\_\_, R/o \_\_\_\_\_ ( Hereinafter called the Donor ) in favour of \_\_\_\_\_ ( Hereinafter called the Trust ) founded and created under this Trust deed by my investing Rs. \_\_\_\_\_ ( Rupees \_\_\_\_\_ only ) for the time being in this trust and thereby giving the said amount in trust to :-

1. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
2. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
3. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
4. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
5. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
6. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
7. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.

Whereas the Donor is the absolute owner of the aforesaid amount of Rs. \_\_\_\_\_ ( Rupees \_\_\_\_\_ only ).

And whereas the Donor is desirous of creating a trust of a sum of Rs. \_\_\_\_\_ for the purpose to carry out charitable, social, philanthropic, cultural and educational and other activities for the benefit and to look after the interests generally to the beneficiaries, namely the retired fraternity And whereas the trustees above named are willing to be invested with the ownership, control and full power to utilize the said amount of Rs. \_\_\_\_\_ for the present and further sums as well as which may hereafter further so donated to this trust by this Donor or any other Descendant and outsiders for the purpose of carrying out the forth here in as to enable the aforesaid trust to prosecute its objects according to the directions and wishes of the Donor.

**Now it is hereby declared by the Donor as under :-**

1. That the donor as the beneficial owner of the aforesaid first sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ Only) hereby conveys transfers and grant into the trust all the said amount and every such amount which he further may think it necessary to be given for the purpose in future as well as to hold the same in trust for the objects of the trust as described below to be used and appropriated by the trust in order to carry out the objects and fulfil the objects in accordance with the directions hereby relinquishes for all times to come and for ever any claim to , interest or title in the said sum and ever any sums which he and/ or other may further contribute to the said society for the purpose of this trust.



2. The Objects of the Trust are :-

- (i) To provide facilities for those who have served in and retired from the Navy to maintain contact and fraternal relationship between themselves.
- (ii) To acquire, preserve and display articles of historical and educational value concerning the Navy.
- (iii) To carry out charitable, social, philanthropic, cultural, educational and other activities for the benefit and to look after the interests generally to the beneficiaries, namely the retired fraternity and the widows of Naval personnel.
- (iv) To provide assistance to the beneficiaries in matters concerning pensions, grants, gratuities, allowance, etc.
- (v) To establish and manage alone or in co-operation with others, hostels, guest houses or such other establishments primarily for the benefit of the beneficiaries and other Naval Personnel and their dependents.
- (vi) To establish, promote and manage recreational, canteens, playgrounds, community centers, clubs, sanatorium homes or other institutes or facilities for the physical, mental and moral well-being of the beneficiaries and for the care of the aged and invalid amongst them.
- (vii) To print and publish cause to be printed and published books, periodicals, pamphlets, newspapers and any other publications and to undertake production of or assist in the production of films, scripts, dramas cultural shows etc. as may be considered necessary for the promotion of the objects of the Foundation.
- (viii) To promote interest in Defence studies with particular reference to Naval developments and maritime activities.
- (ix) To create amongst the public, interest in the Navy and promote interest in maritime activities.
- (x) To create trusts and or other similar institutions to award scholarships, stipends, loans, financial assistance for promotion of studies and research.
- (xi) To create awareness amongst the public about the problems of ex-Naval personnel and their families and to enlist co-operation from other institutions, organizations, establishments, departments and other bodies for their resettlement or otherwise to help them in solving their problems.

- (xii) To place at the disposal of the Government, the Services of the Foundation or any or its branches, to be utilized in the event of wars, calamities, natural or otherwise, whether local or at the National level.
  - (xiii) To hold periodical conferences, meetings, seminars, lectures, exhibitions, film shows on matters or interest of the Navy or the ex-Naval personnel and their families.
  - (xiv) To do all such other things as are incidental or conducive to the attainment of the above objects.
  - (xv) Income of society shall be utilised for its objectives only
3. The Trustee may at the recommendations of the trust and after thorough verifications of the particulars submitted to them in this regard payout such stipends and financial help as incorporated, envisaged and contemplated in the above objects on such terms and conditions if/any under such rules and regulations which may hereafter be further so framed and amended thereafter for such purpose by the trustees with the help of the society from time to time as they may deem fit and proper as may be commensurate with the income or the subject matter of the trust.
4. The Trustees shall manage the subjects matter of the trust as economically and with circumspection as they may decide jointly at a meeting or by circulation resolve upon.
5. Any question arising in the administration of the trust shall be decided by majority of the trustee acting for the time.
6. After defraying all necessary expenses incurred in the realization of the subject matter and /or the income of the subject matter of the trust, balance of the subject matter and / or income there of shall be deposited in a company or in a scheduled Bank Unanimously and duly so approved by the Board of Trustees as such for this purpose and in no case more than 90 % of such annual income shall be expended during the year and the balance remaining 10 % shall be kept in a reserve fund to be utilised in a case of emergency in accordance with the unanimous opinion of the Trustee expressed in a joint meeting of the Trustees or as may be directed by a court of competent jurisdiction in this behalf. This accumulation shall be treated as part of the corpus for all intents and purposes except in cases its uses.
7. The Trustees may out of the corpus of the subject matter of the trust, out of income thereof spend such money, or out of the sale proceeds of an part thereof appropriate such money or part there of for allot or acquire an ready built property or acquire a plot and erect and furnish any Building , Research Institute, Library or Dispensary or for incurring any capital expenditure allowed by a court of competent jurisdiction in this behalf. It shall be incumbent in such a case for corpus in due course to be available for the objects of the funds of the Trust invested in immovable property.



8. But the trust shall not be entitled to incur any liability or obligation on behalf of the Trustees. The society shall only carry on the objects of the trust with such funds as may be made available to the trustees. The society shall rendered complete accounts to the trustees of all the monies received or realised including grants, peasants, donations or other money received by the trust from whatsoever source. The trust shall carry out the instructions from the Trustees. It shall have to get instructions from Board of Trustees before following them especially when such suggestions effect some additional expenses.
9. The administration of the educational, religious, vocational, industrial undertakings, dispensary, library and research institution and all other institutions for carrying out the purposes of the trust shall be in the superintendence, control and direction of the society, except that trust shall have no vested interest in the subject matter of the Trust otherwise than as provided in this deed.

**Constitution of the Board of Trustees :-**

10. (a) The first Board of Trustees shall constitute of \_\_\_\_ Trustees including the Donor himself as under :
1. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
  2. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
  3. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
  4. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
  5. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
  6. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
  7. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
- b) The trustee shall be at a liberty to appoint additional trustee to the board. In case any of the present trustee retires or becomes incapable to act, then another trustee can be appointed in his place by the existing trustee.
- Constitution of the Trust**
11. (a) As long as the donor shall live and be able to act in the matter, he shall be entitled to preside at all meetings of the society. In case of an equally split decisions he shall have a casting vote.
- b) The first body of the society shall be as under :-

1. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
2. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
3. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
4. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
5. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
6. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.
7. \_\_\_\_\_, S/o \_\_\_\_\_, R/o \_\_\_\_\_.

And thereafter if any vacancy arises in the body of the trust on account of death or incapability of the Trustee, the remaining members shall select and co-opt any suitable person for the same in the light of the para 10 (b) above.

12. The surplus funds available with the trust at any times shall always remain invested only in the form and modes prescribed U/S 11 (5) of the Income Tax Act, 1961.
13. In the eventuality of the trust being dissolved, the Board shall only have the option to transfer all the funds and property of this trust to another charitable trust which has been recognised by the Income Tax Act, U/S 12 and whose main objects are also similar to the objects of this trust.
14. (a) The Trustees shall cause true and accurate accounts to be kept of all moneys received and spent and of all matters in respect thereof in course of management of Trust properties or in relation to the carrying out of the objects and purposes of the Trust as well as of all assets, credits, and effects of the Trust Properties.  
(b) The accounts of the Trust shall be closed on 31<sup>st</sup> March every year and shall be got audited as per the specific provisions under the Income Tax Act, 1961.
15. For the furtherance of the objects of the Trust and in accordance with the provisions of the Income Tax Act, for the investment or use of Trust Funds, for the time being in force, the Trustees will have the following powers :-  
(a) To accept any donation, contribution, grant or subscription in cash or in kind from any person, body of persons or trust, with or without conditions.  
(b) To apply the whole or part of the income of the Trust fund or accumulation thereof or whole or part of the corpus of the Trust to any one or more of the objects of the Trustees as the Trustees, may in their discretion, think fit from time to time.



- c) To convert and deal with the Trust property and/or any investments for the time being.
- d) To invest and keep invested the corpus of the Trust and the Trust fund either in the purpose of mortgage of immovable property or in such securities as prescribed by the law then in force or in deposits with or loans to banks, and to alter, vary or transpose such investments from time to time as the Trustees may in their discretion think fit for others or the same of alike or different nature.
- e) To sell, dispose off and/or otherwise deal with any property comprising the Trust Fund.
- f) To let out, demise any immovable property comprised in the Trust fund for such period and at such rent on such terms and conditions as the Trustees in their discretion may think fit.
- g) To open account in the name of the Trust, and/or any Institution (s) run/conducted by the Trust with any bank(s) to operate such account(s) and to provide for opening and operation of such account(s) by any Trustees either jointly or individually as may be decided from time to time.
- h) To adjust, settle, compromise, compound, refer to arbitration , all actions, suits claims demands and proceeding regarding the Trust fund.

To appoint constituted Attorneys or Agents and to delegate to such Attorneys or Agents all or any of the powers vested in them under these presents and from time to time remove such Attorneys or Agents, and appoint other or others in his or their place.

- 16. The Trustees will not be entitled to receive any remuneration as Trustee but may reimburse themselves of all expenses actually incurred by them in connection with the trust or their duties relating thereto.
- 17. The number of Trustees shall not be less than two and more than eleven. If the number of the trustees shall fall below two, the Trustees shall not, except for the purpose of filing any vacancy, act so long as the number is below the said minimum.
- 18. The trustees for the time being will be at liberty to appoint additional Trustees within the number mentioned above for such period or on such terms as to retirement and re-appointment as the Trustees for the time consider proper. If any trustees, ~~are~~ retire or become unfit or incapable to act, the continuing or surviving trustee or trustees will be competent to appoint a Trustee in place of the Trustee, so dying, retiring, becoming unfit or incapable to act. A person shall cease to be a Trustee either (i) if he without leave of absence does not attend three consecutive meeting of the Trustees or for one calendar year, whichever is longer or (ii) if he is requested to resign by three fourth, or, as near thereto as possible of the remaining trustees.



19. Every Trustee will be at liberty to resign on giving one month notice of his intention to do so.
20. The Trustee may from time to time frame rules for the conduct and regulation of the meeting of trustees. In the absence of such regulations :
  - (a) Two Trustee shall form a quorum for a meeting of the trustees.
  - (b) All matters will be decided by majority.
  - (c) Resolution passed without any meeting of the Trustees but by circulation thereof and evidenced in writing under the heads of two-thirds of the Trustees shall be as valid and effectual as resolution duly passed at any meeting of the Trustees.
21. Any Trustee may delegate in writing all or any of his powers under these presents of this nominee who will be entitled so long as such nomination remains in force to exercise such power or power in the same manner as the trustee himself could do personally.
22. The Trustees shall have the power to determine in case of doubt whether any moneys or property shall for the purpose of this charity be considered as capital or income and whether out of income or capital any expenses or outgoing shall or ought to be paid or borne and any and every such determinations shall be binding and conclusive provided that nothing herein contained shall be deemed to authorise the Trustee to spend the income or corpus of the Trust for any purpose not authorised by these presents.
23. It shall be lawful for the Trustees to settle all account and to compromise, compound, abandon or refer to arbitration any action or proceedings or dispute, claim demand or things relating to these presents without being responsible for any loss occasioned thereby.

24. It shall be lawful for the trustees :

- (a) To apply to the government, public bodies, urban local, municipal, district and other bodies, corporations, companies or persons for and to accept grant of money and of aids, donations, gifts, subscriptions and assistance with a view to promoting the objects of the Trust and to discuss, negotiate with the Government Departments, Public and other bodies, corporations, companies, or persons, schemes and other work and to proper conditions upon which such grants and other payments may be made.
- (b) To take over or amalgamate with any other charitable trust, society, association or institution with similar objects.
- (c) To establish, promote manage, organise or maintain or to assist in establishment, promoting, managing organisation or maintaining any branch of the trust or any other Trust, or its branch with objects similar to those of this trust and to promote or carry out the affiliation or amalgamation or such other trust with this trust.
- (d) To take over, acquire manage control or aid any institution or institutions having objects either wholly or in part similar to the objects of this trust and on such terms and conditions as may be thought expedient.
- (e) To purchase or otherwise acquire and undertake all or any part of the property , assets, liabilities and engagements of any one or more of the Trusts, Societies, Institutions or Associations with which this trust is authorised to amalgamate.
- (f) To transfer all or any part of the property, assets , liabilities and engagements of this trust to any one or more of the Trust, Societies , Institutions or Associations with which this Trust is authorised to amalgamate.

25. The office of the trust shall be situated at \_\_\_\_\_

26. It is expressly declared that no part of the trust property or its income or trust fund shall be applied for any purpose outside India or for any purpose which is not a public charitable purpose in law and all provisions hereof shall be constructed accordingly.

In witness whereof, I, \_\_\_\_\_ the above named settler do here signed in execution of this Trust Deed.

Witness :

1.

\_\_\_\_\_  
Settler



2.

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

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Trustee

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