FAQs on Public Trust –

1. What is a Public Trust
A trust established to manage the property of funds for the benefit of Public in general or for a specific charitable cause (such as Education, Medical, cultural, religious etc.)

2. Public Trusts are established under which act?
The primary acts governing public trusts in India are –
    a) The Maharashtra Public Trust Act 1950 –Formerly the Bombay Public Trusts Act (State specific Public Trust act)
    b) The Charitable and Religious Trusts Act 1920
    c) The Societies Registration Act 1860 – Many organisations and public trusts choose to register as societies particularly for education, welfare Or Literary purposes by following guidelines set out by the Registrar of Companies

3. What are necessary conditions to create Public Trust
The elements that are required to form a Public Trust –
a) a clear intention to create a Public Trust
b) a designated purpose (object),
c) Corpus
d) a valid trust deed defining scope of the Public trust, roles and responsibilities of trustees

4. Can a Public Trust be revoked or closed?
No… Once a Public Trust is formed, it is irrevocable and final. After the decision of trustees, the assets of the trust can be transferred to another trust with similar objectives with Charity Commissioner's approval.

5. Can a trustee be removed?
Yes, the Competent authority i.e Charity commissioner in Maharashtra, have powers to suspend OR dismiss a trustee for persistent default of accounts, breach of trust, mis appropriation of trust properties etc.

6. Can a Public Trust accept foreign donations?
Yes, but in India, it requires registration under the Foreign Contribution Regulation Act (FCRA) to legally accept and utilize the funds.

7. What Tax benefits are available for registered trust?
Registered Public trust generally apply for specific tax provisions (i.e. Section 12A/12AB and Section 80G) which provides income tax exemptions for usage of funds and allow donors to claim tax deductions on their donations to Public Trust

8. Are Public Trust allowed to generate profit?
Yes, but they are 'Non-profit distributing", means any profit generated must be reinvested entirely into the trust charitable purposes, rather than being distributed to as dividends to trustees or members.

9. Who can become a trustee of a Public Trust?
The trustees must be of legal age and competent to enter into a contract. Minors cannot act as a trustee. Foreigners OR NRIs are generally not debarred, but they must adhere to strict local and international compliance regulations.

10. Number of trustees in a Public Trust
In India, a public charitable trust requires a minimum of two trustees and no upper limit to the maximum members. The minimum and maximum trustees, their mode of selection etc. be clearly outlined in the trust deed itself at the time of registration.