Trusts Act, 1882

Section 20 - INVESTMENT OF TRUST-MONEY. Where the trust-property consists of money and cannot be applied immediately or at an early

subject to any direction contained in the instrument of trust) to invest the money on the following securities, and on no others:- (a) In promissory notes, debentures, stock or other securities of any State Government or of the Central Government, or of the United Kingdom of Great Britain and Ireland: Provided that securities, both the principal whereof and the interest whereon shall have been fully and unconditionally guaranteed by any such Government, shall be deemed, for the purposes of this clause, to be securities of such Government; (b) In bonds, debentures and annuities charged or secured by the Parliament of the United Kingdom before the fifteenth day of August, 1947 on the revenues of India or of the Governor General in Council or of any province: Provided that, after the fifteenth day of February, 1916, no money shall be invested in any such annuity being a terminable annuity unless a sinking fund has been established in connection with such annuity; but nothing in this proviso shall apply to investments made before the date aforesaid; (bb) in India three and a half per cent stock, India three per cent stock, India two and a half percent stock or any other capital stock which before the 15th day of August, 1947, was issued by the Secretary of State for India in Council under the authority of an Act of Parliament of the United Kingdom and charged on the revenues of India or which was issued by the Secretary of State on behalf of the Governor-General in council under the provisions of Part XIII of the Government of India Act, 1935; (c) In stock or debentures of, or shares in, Railway or other Companies the interest whereon shall have been guaranteed by the Secretary of State for India in Council or by the Central Government or in debentures of the Bombay Provincial Co-operative Bank, Limited, the interest whereon shall have been guaranteed, by the Secretary of State for India in Council or the State Government of Bombay; (d) In debentures or other securities for money issued, under the authority of any Central Act or Provincial Act or State Act, by or on behalf of any municipal body, port trust or city improvement trust in any Presidency- town, or in Rangoon town, or by or on behalf of the trustees of the port of Karachi: Provided that after the 31st day of March, 1948, no money shall be invested in any securities issued by or on behalf of a municipal body, port trust or city improvement trust in Rangoon town, or by or on behalf of the trustees of the port of Karachi; (e) on a first mortgage of immovable property situated in any part of the territories to which this Act extends 1 [* * *] : Provided that the property is not a leasehold for a term of years and that the value of the property exceeds by one-third, or, if consisting of buildings, exceeds by one-half, the mortgage money; 2 [(e)in units issued by the Unit Trust of India under any unit scheme made under section 21of the Unit Trust of India Act, 1963 (52 of 1963)-; or] (f) On any other security expressly authorized by the instrument of trust, 2 [or by the Central Government by the notification in the Official Gazette,] or by any rule which the High Court may from time to time prescribe in this behalf: Provided that, where there is a person competent to contract and entitled in possession to receive the income of the trust-property for his life, or for any greater estate, no investment on any security mentioned or referred to in clauses (d), (e) and (f) shall be made without his consent in writing