**Assignment Of Estate For Creditors Benefit**

THIS ASSIGNMENT is made the\_\_\_\_\_\_\_\_\_ .day of \_\_\_\_\_\_\_\_\_, 20 \_\_\_\_\_\_\_\_\_, BETWEEN AA., etc. (hereinafter called the ‘‘Debtor’’) of the first part AND (name and description of the Trustees) (hereinafter called the ‘‘Trustees’’ which expression shall include the trustees for the time being appointed under the deed), of the second part AND the several persons, firms and companies whose names and description, amounts of whose debts are subscribed in the Schedule hereto and all other creditors of the Debtor who shall in writing or otherwise signify their assent of this deed (hereinafter called the ‘‘Creditors’’ which expression shall include the heirs, successors and assigns) of the third part.

WHEREAS the said AA. is indebted to the extent of a total sum of Rupees \_\_\_\_\_\_\_\_\_, as on date of this deed and the Creditors are unable to obtain satisfactory payment of their debts;

AND WHEREAS the estate of the Debtor consists mainly of immovable property the immediate sale of which can alone satisfy in full the demands of the Creditors;

AND WHEREAS the Creditors are willing and agreeable to abstain from enforcing the claims in a court of law and are desirous of some adequate arrangement being made whereby systematic payment is made to them and the Debtor is willing to entrust the management of his estate to a panel of Trustees appointed for the purpose of liquidating the debts rateably.

NOW, THEREFORE, THIS DEED WITNESSES that in consideration of the release hereinafter contained the Debtor as sole and absolute owner hereby assigns unto the Trustees ALL THAT property comprising houses, shops and lands, together with all trees, fences, hedges, ditches, ways, waters, watercourses, liberties, privileges, easements and appurtenances whatsoever, to the said houses, shops and lands detailed in the schedule of property annexed to this and also the movable properties like shares, bonds etc. also mentioned and detailed in the aforesaid Schedule.

TO HOLD the said property hereby assigned unto the Trustees upon and subject to the trusts and conditions hereinafter contained, that is to say:

1. The Trustees shall as soon as may be call a meeting of the Creditors and obtain the assent to this deed and may enter into any compromise or settlement with the Creditors in respect of the liquidation of the debts under this deed. Thereafter, the Trustees shall draw up a scheme whereby each Creditor may receive interest up to date as agreed or compromised and a portion of the principal from the net incomes of the properties hereby assigned so that the entire indebtedness of the Debtor, as compromised, is liquidated in full within a period of \_\_\_\_\_\_\_\_\_ years from the date hereof.

2. In case, however, it is not possible to draw up such a scheme or the Trustees in their absolute discretion do not think such a scheme to be to the best advantage of the Debtor they shall as soon as may be call in and collect and if necessary sell and convert any part of the said property into money, but in such a way and by such means and at such times as the Trustees may in their absolute discretion deem best and proper and pay the debts on which higher rates of interest are accruing.

3. That after payment of the debts carrying larger rates of interest the Trustees shall revert to the scheme of payment envisaged in Para 1 above.

4. That in any case, the Trustees shall after paying the collection charges pay to the Debtor and in case of his death his heirs, successors and representatives a monthly allowance not less than Rupees \_\_\_\_\_\_\_\_\_ for his maintenance in addition to the right to live in one house to be named by the Debtor and thereafter to apply the balance for the liquidation of the Debtor’s liabilities.

5. The Trustees may pay in full or settle or compound for at a higher rate than the other creditors or give security in respect of or otherwise deal with the debt of any creditor or creditors, who shall stand out and refuse to take the benefit of this deed.

6. That the Trustees shall have full powers to give time for payment of any debts due to the Debtor and to compound, compromise, release and abandon any such debts or to accept payment for the same in kind or by instalments or by bills, notes or other negotiable instruments or in any other way which they may deem most advantageous for the Debtor’s estate and likewise to give receipts and discharges for moneys received and to bring or defend and compromise or refer to arbitration all actions, disputes or other proceedings or matters arising out of or in relation to or in respect of the Debtor’s estate.

7. The Debtor hereby covenants with the Trustees and the Creditors and each of them that he will at all times give the Trustees all the information and assistance in his power in order to enable them to get in and realise the Debtor’s estate and for that purpose will execute and do all such assurances and things as may be required by the Trustees.

8. The Debtor hereby appoints the Trustees to be his attorney on his behalf and in his name or otherwise to make, execute and sign any deed or document or other instrument which they may think necessary for more effectually carrying out the purposes of this deed. The Trustees are also empowered to delegate any of the powers hereby conferred to one or more Trustees who shall act on behalf of all the Trustees.

9. In consideration of this assignment and the proposed scheme of liquidation the Creditors do and each one of them does hereby release and discharge the Debtor from all debts due from the Debtor to them or any of them and from all actions, suits, claims, demands or other proceedings, whatsoever in respect thereof.

10. The foregoing release shall be entirely without prejudice to the rights of the Creditors against third parties and all rights and remedies of the Creditors against any surety or sureties for the said debts.

11. The following persons are hereby appointed the first Trustees:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

12. In case the Trustees or any one of them go abroad or have a receiving order in bankruptcy made against him or die or refuse to act or is in any other way incapacitated from acting as such or if the Creditors by a majority desire his removal, then the Creditors shall have power to appoint a new Trustee in his place by a majority vote of the Creditors present in a meeting convened for the purpose and for which 7 days’ clear notice has been sent to all the Creditors at their addresses given in the Schedule hereto. The cost of such meeting shall be paid by the Creditors if the election is done at their desire otherwise it shall be paid out of the trust fund.

IN WITNESS whereof the Debtor and the Trustees have hereto signed at \_\_\_\_\_\_\_\_\_ the day and the year first above-mentioned.

Sd. AA.

Debtor.

Sd. 1.

2.

3.

Trustees.

**SCHEDULE ‘‘A’’**

List of Property (immovable and movable)

IMMOVABLE

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Serial No. | Description | Share | Area | Kind of Property | Revenue paid or Rent realised | Approximate Value |
|  |  |  |  |  |  |  |

 MOVABLE

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Serial No. | Description | Weight | Remarks | Approximate Value |
|  |  |  |  |  |
|  |  |  |  |  |

**SCHEDULE ‘‘B’’**

List of Creditors

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Serial No. | Name, Description and Residence of Creditor | Detail of Debt | Amount of Debt | Signature of Creditor | Witness |
|  |  |  |  |  |  |