

## Butter

PPPs that adheres

# Extend Uniform Law to Religious Trusts?

## Minorities Will Oppose Such a Law



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A uniform law applicable to charities across the country is indeed a laudable objective. However, it is likely to run into rough weather and may never see the light of day. Regulation of charity or the lack of it, varies from state to state. Even large and bona fide charities often prefer to operate from a state where there is no law regulating charity (West Bengal and Tamil Nadu) due to the fear of being embroiled in mindless overregulation as also vexatious and frivolous litigation. Maharashtra and Gujarat have the strongest tradition of law relating to charities in the form of the Bombay Public Trusts Act, 1950. However, levels of efficiency and integrity are not very high in case of charity regulators, to say the least. In addition, most large trusts are constantly involved in

litigation either before the Charity Commissioner or the courts, directly affecting their smooth functioning.

A national law will make for better regulation on the lines of the company law administration. However, it will be severely opposed by minorities, including Muslims and Indian Christians, to the extent that it seeks to replace the existing laws which apply to a particular minority. In addition, legislations like the proposed uniform law on charities are likely to gather dust in the form of a draft bill as they are unlikely to get legislative priority.

While undoubtedly bona fide charities are on the increase in India as philanthropy management becomes more serious, it is equally true that several unscrupulous elements float charity trusts only to evade taxes by abusing the generous exemptions under the Income tax law given to charities. A national law will make it difficult for such elements to operate with impunity. Over a period of time, a national charity directorate is highly desirable and required. Even in the developed countries, regulation of charity is a slow process. Only late last year, New York becomes the 47th state in the US to adopt a new uniform law for managing, investing and spending of charitable endowments. Let's hope that the new law will be simple and rational and encourage philanthropy management in India, rather than be a deterrent to it.

## There is no Case to Exempt Them



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There is a lot of dichotomy between state and central legislations. For instance, section 11(5) of the Income tax Act allows charitable or religious trusts to invest their funds in a mutual fund. However, at the state level, the charity commissioner under Bombay Public Trusts Act 1950 allows investments only in certain MFs. A Section 25 company registered with the Registrar of Companies may easily borrow funds or alienate property, but a trust or society registered in Maharashtra or Gujarat cannot do so without prior permission of the charity commissioner.

Indeed, a uniform law could eliminate this dichotomy and streamline processing and reporting systems. Often, the government tries not to annoy religious bodies. When it introduced section 115BBC a few years ago to tax anonymous donations it targeted only 'charitable and not 'religious' institutions. Also, 'charitable' trusts established after 1961 for specific religious communities or denominations do not enjoy tax benefits. But, a trust wholly for 'religious purpose' could!

In my opinion, whether the institution is 'religious' or 'charitable', legislation should be such that it regulates rather than 'controls' and regulation should be such that it promotes maximum transparency and accountability. Merely because an institution is religious does not give it a right to be exempt from regulation. In this regard, legislation should be equitable for both religious and charitable institutions.

died of natural causes.

Though they all had the mutation blocking cell repair, the athletic mice had generated enough normalcy to overcome their genetic destiny.

The moral of their saga was simple: exercise alone alters the course of aging.

Finally, it was the size of the mice gonads that gaddled the post-docs to run for their lives.

## Chat Room

### Mathematical Conundrum

The current methodology employed in calculating a batsman's average in cricket appears to be mathematical wrong, particularly the treatment of not-outs.

For example, since not-outs are not added to the denominator, a batsman can have an average higher than any of his scores, a paradox! If a batsman scores 30\*, 35\*, 25\* and gets out for 10 in his last innings, he is credited with an average of 100,

much more than any of his scores! Evidently averages seem to be calculated by those who failed in maths in school! This method needs to be changed.

The first method suggested is — if the not-out score is less than his current average up to the previous innings, then the innings and score are both ignored for the average. The second method — the average in to the previ-