CHAPTER – 1

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CHAPTER - 1

INTRODUCTION

1.1 Title of the Research Study:

"Administration and Working of Public Charitable Trust in Pune City".

1.2 Background of the Research Study:

Man is a social animal. Right from the time of the Stone Age; man has been living for various reasons. In the contemporary context various groups of human beings staying/working together are called as society.

We have recently entered the new millennium, where the social binding and interpersonal relationships will gain importance. Every individual has to play an important role for the welfare and mobilization of the society. The present developments in the world suggest that the society is entering into transnational phase, wherein combined efforts will achieve significant goals. To make the combined efforts successful there should be trust between individuals. Trust brings the individuals having opinion and different perceptions together. It acts as a binding force. Trust is a magic word for resolving conflict and cementing the bonds of loyalty and strengthening the unseen bonds of relations.

In the year 1860 the British Raj in India formulated basic Trust Act. The Act was amended first in 1950 in the post independent era and was
called as The Bombay Public Trust Act, which also covered the Central Act of 1882\(^1\).

A Trust is commonly understood and explained as the gift of property of an interest in a property to a person or institution by or through the intervention of Trustees. The word Trust is defined in Indian Trust Act as an obligation annexed to the ownership of property and arising out of a confidence reposed in and accepted by the owner or declared and accepted by him, for the benefit of another, or of another and the owner\(^2\). The person creating such ownership is called the author of the Trust, those for whom the ownership is created are called the beneficiaries, and those who are interested with the ownership for the beneficial management of the beneficiaries are called as Trustees.

The Trustees should act as an owner but cannot enjoy the Trust property for their own benefit. They should use it as delegate-owners, acting in a careful manner and use the Trust property for the object for which the Trust is created.

As stated earlier the upliftment of the society is the need of the present millennium. The public Charitable Trust working in various cities of India should work in this direction. To analyze the working of public charitable

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\(^2\) Ibid.
Trust in this direction, it is intended to study some of the Public Charitable Trusts in Pune city.

1.3 Scope and Limitations of the Study:

1.3.1 Scope of the Study:

The Public Charitable Trusts works in various areas. This working needs an analytical and penetrating as well as probing approach. The mobilization of the society means educating a society from various angles, by making the society aware of its requirements and priorities.

The study will mainly focus on some of the Public Charitable Trusts in Pune and their role in the upliftment of the society. It is envisaged that the study will be able to provide recommendations for the working of these Publics Charitable Trusts towards the welfare and mobilization of the society.

1.3.2 Limitations of the Study:

1. The study is limited to Pune City.

2. The study focuses on some selected Trusts of Pune City.

1.4 Review of Literature:

In accordance with the problem of research, an exhaustive survey pertaining to the required literature on Trusts was undertaken. The search for the literature necessitated three different approaches.
1. A careful study of the Sections of Public Charitable Trusts Act 1950 along with all the amendments.

2. A study of the various available sources of information and data in regard to the number of registered Public Charitable Trusts from the Assistant Charity Commissioner, Pune (Encl. Appendix ‘I’). In this respect, up-to-date details in regard to the Trusts were available as under:

The total number of registered Trusts as on 30th November 2007 is 31955. These Trusts have been classified in six categories.

A – Hindus Trusts (including Jains, Buddhists, Sikhs, and other Hindus) – 2510

B – Muslims Trusts – 492

C – Parsi Trusts – 50

D – Christian Trusts – 80

E – Others Trusts (Trusts not covered from the above category and not for the specific community) – 4988

F – Societies registered under Society Registration Act 1860 and their Branches (i.e. Educational Trusts and Medical Trusts etc.) – 23835

For the purpose of a comprehensive study all the above six categories were considered as clusters and from each cluster certain Trusts have been selected at random. Hence all the six clusters provided a final sample of
thirty eight Public Charitable Trusts in the Pune City. Here for the purpose of research study, Pune City has been considered as comprising the entire area falling within the Pune Municipal Corporation limits. This sample size of 38 is in accordance with the statistical calculation of the entire population of Trusts in the Pune Municipal Corporation area.

The location of these Trusts is shown in the following Pune Municipal Corporation Map figure 1.1

3. The third approach consists of a detailed study of each one of the thirty eight selected Trusts. These Trusts have been classified into four categories i.e. (a) Education, (b) Social Work, (c) Health-Care, (d) Religion.

1.5 Objectives:

The research study mainly focuses on some of the Public Charitable Trusts in the Pune City area and their role in the upliftment of the society from various angles. It is envisaged that the study would be able to throw light on various aspects, positive as well as negative in regard to the working of these Trusts. Accordingly the following objectives have been framed.

1. To study the administration and working of some selected Public Charitable Trusts in Pune City.
Location of the Trusts registered in the Pune City area

Pune Municipal Corporation Map

| A-1 | Malshree Karve Sree Shikhshan Samitha | B-1 | Dr. Nanasheb Parekhkar Sankal Charitable Trust | C-1 | Niwara | D-1 | Shrimant Dagdusheth Halwai Gadanapati Trust |
| A-2 | Pune Vidyarthi Griha | B-2 | The Society for the Welfare of the Physically Handicapped (Research Centre) | C-2 | Sheth Tarachand Rammal Charitable Ayurvedic Trust | D-2 | Arya Samaj |
| A-3 | Jnana Prabodhini | B-3 | Nar Narasappa Maro | C-3 | Indian Red Cross Society | D-3 | Shree Shree Asanandayee Sangh |
| A-4 | Pune Sevasadan Society | B-4 | Sahitya (Society for Assistance to Children in Difficult Situation) | C-4 | Sadhu Vaswani Mission | D-4 | Geeta Dharma Mandal |
| A-5 | Town Hall Committee | B-5 | Voluntary Coordinating Agency | C-5 | Kalubhai Helicopter Ambulance | D-5 | Gurudwara Guru Nanak Darbar |
| A-6 | Swa-Roopvardhini | B-6 | Awaben Navrachana Samitha | C-6 | Shiksha Seva Mandir | D-6 | Poona Kadiwali & Shastri Ajman Charity Fund (Parsa Trust) |
| A-7 | Bai Kalyan Sainath | B-7 | Tapodham Prastithban | C-7 | Hansilal Sanchari Memorial Trust | D-7 | Bhavatiya Jain Sanghatana |
| A-8 | Student’s Welfare Association | B-8 | Raja Shree Shivrao Pratikshan (Matshree Veerabrahman) | C-8 | Jog Hospital CDRC Foundation | D-8 | Arshani Education Foundation |
| A-9 | Karnala Education Society | B-9 | Sharanayyaa Sainaj Seva Kendra | -- | -- | D-9 | Ashlock Education Society |
| A-10 | Lokseva Pratikshan | B-10 | Maitri Trust | -- | -- | D-10 | Haji Gulam Mohammed Anam Education Trust |

figure 1.1
2. To Study the financial provisions for the working of Public Charitable Trusts in Pune City.

3. To study the role of a Public Charitable Trust as a vehicle of social change and social mobilization.

1.5.1 Explanation of these Objectives:

The first objective aims at finding the positive features and developmental activities undertaken by some selected Public Charitable Trusts in Pune City. This objective is very much pertinent because Pune City has been contributing towards the enrichment of educational standards, development of scholarship and the spread of educational facilities to various sections of the society. Further Pune is noted as the “Oxford of the East”. Hence this objective would enthuse research in finding out the extent to which Pune City had to kindle the process of educational advancement, promotion of social welfare and thereby to the affective contribution of an environment of harmony and religious peace.

The second objective is basically meant to examine the financial stability and ethical principles in the financial dealings of the Public Charitable Trusts in Pune City. Pune has been quite conservative and calculative with financial wisdom. From the times of Pesewa, Nana Phadanwis, who was noted his financial wisdom, involving in the financial
projects Pune has been based on a careful and purposeful planning. Hence the importance of this objective.

The third objective is to assess the role played by a Public Charitable Trust as a significant instrument of social transformation through the promotion of educational, charitable, religious and health care activities.

1.6 **Hypothesis**:

In accordance with the above mentioned objectives the hypothesis has been precisely framed as under:

**THE PUBLIC CHARITABLE TRUST IS AN IMPORTANT INSTRUMENT FOR THE WELFARE OF THE SOCIETY IN REAL TERMS.**

The purpose of this hypothesis is to critically examine as to whether the randomly selected Public Charitable Trusts are engaging themselves in the proper conduct of the Trust activity through rigorous, administrative and financial disciplines or whether there are any deviational features and other drawbacks. This critical research is imperative because it is generally believed that “Public Charitable Trust is an instrument for the welfare of the society”. If this statement is true then the concept of welfare of the people is to be understood with reference to the promotion of the four important causes, viz. Educational, Social, Health Care and Religious. In this respect
the analytical details pertaining to the examination of this hypothesis have been provided in Chapter 5.

1.7 Research Methodology:

The Research Methodology is descriptive and also analytical. The descriptive aspect deals with an examination of the various provisions of the Public Charitable Trusts Act of 1950, with respect to the significant provisions relating to the administration and working of Public Charitable Trusts. The analytical aspects of research relates to the analysis of various facts and figures pertaining to Primary Data. The primary data has been collected on the basis of a carefully designed and appropriate questionnaire administered to randomly select prominent thirty Public Charitable Trusts in Pune City. These randomly selected Trusts have been classified into four groups on the basis of their major activities. These groups are (a) Education, (b) Social Work, (c) Health-Care, (d) Religion. The questionnaire consists of 23 questions. These questions cover related and relevant aspects pertaining to the administration and working of the Trust. The details collected have been analyzed, explained and interpreted from the viewpoint of utility, limitations, recommendation.

To support and also to verify the primary data, adequate secondary data from various sources, have also been collected. The details of the
secondary data, obtained through reliable published books; newspapers, discussion with eminent personalities in this field and thought provoking churning etc. have also been carefully studied and interpreted.

1.7.1 Collection of Primary Data:

The data has been collected primarily on the basis of a well designed questionnaire (Annexure 'III') consisting of twenty three questions. Question nos. 1 and 2 pertains to the Name & Address of the Trust and Registration Number and Date of Registration, Question no. 3 relates to Geographical spread of units of the Trust, i.e., in which area the Trust is working. Question no. 4 pertains to the nature of the Trust. It means whether the Trust is educational, medical, social, or religious. Question nos. 5, 6 and 7 relates to the major objectives, main activities of the trust and projects being undertaken by the trust. Questions 8 to 13 relate to the tenure of trusteeship, method of appointment of trustees, total number of trustees in the trust, frequency of the Board of Trustees meeting, appointment of the office staff members and nature of their employment. Question no. 14 pertains to the preparation of the budget of the Trust and filing of audit returns to concern department. Questions 15 and 16 deal with the addition and deletion of Trust property, and maintenance of moveable and immoveable property register. Question nos. 17 to 20 relate to the various
investments of the Trust, loans taken by the Trust, sources of income of the Trust, and permission of section 80G under Income Tax Act. Question no. 21 is concerned with the common problems faced by the Trust while working. Question no. 22 pertains to the efforts undertaken by the Trust for the fulfillment of their objectives by the use of proper management skills of the Trustees without government funding and the last question no. 23 relates to any project activity carried out by the Trust with the help of volunteers or use of man power only and without use of funds or commercial activities.

1.7.2 Secondary Data:

In addition to the primary data and the informative discussion with prominent authorities, it was felt necessary to refer to certain available books and records relating to Public Charitable Trusts Act. Also the journals/publications of the respective thirty eight Public Charitable Trusts were also referred to in regard to certain details. The purpose of this reference was to support the primary data. Further a list of books and journals have also been provided in the bibliography an appendix to this thesis.

1.8 Sample Size:

The subject matter of the research basically pertains to the working of some selected Public Charitable Trusts in Pune City. In addition to the
working, it has been considered imperative to examine the working, and appropriate usage of the various funds raised by the Trusts. Accordingly it has been decided to consider the total number of registered Public Charitable Trusts in the entire Pune District, which according to the latest statistics obtained from the office of the Assistant Charity Commissioner, Pune, comprises a total of 31955 in the Pune District up to November 2007. From this a sample size of 385 Trusts from amongst an approximate number of ten thousand trusts in the Haveli Taluka has been randomly selected. The sample size is based on a statistical procedure for determining the sample size. This has been explaining below:

The random sample size of Trusts was selected by using the sample size formula as given by an authority Taro Yamane.

\[
\text{Sample size } n = \frac{N}{1 + Ne^2} \quad n = \frac{10,000}{1 + 10,000 (0.05)^2}
\]

\[
n = \frac{10,000}{1 + 25} = 384.615
\]

\[
= 385 \text{ approximately.}
\]

Where \( N \) = Total population.

\( e \) = error such as 5% that is 0.05
This random sample of 385 would be representing a population of 10,000 at 5% level (error).

Therefore the sample size of approximately 10000 Trusts have been taken in the Haveli Taluka area which includes Pune Municipal Corporation area from amongst the 31955 registered trusts in all the Talukas of Pune District. The approximate sample size has been worked out as 385 from these 10,000 Trusts of Haveli Taluka. 38 Trusts forming 10% of 385 sample size pertaining to Haveli Taluka, has been taken as the appropriate representative sample size of Pune City area.

This sample of 38 Trusts has been classified into four groups i.e. a) Educational – 10, b) Social Work – 10, c) Medical – 8, Religious – 10. Hence the sample size is quite adequate and representative of the total number of Public Trusts in the Haveli Taluka. These Trusts have been studied with reference to their main activity which may pertains to education, social, health care or religion. Emphasis in the study of Public Charitable Trusts has been given to the educational and the social activity. These activities have been pioneered by eminent personalities and hence the Trusts-activity in Pune City area has been of a high order.
1.9 Importance of the Study:

The study will try to visualize the role of the Public Charitable Trust in Pune towards the welfare and mobilization of the society.

This study will focus on the Public Charitable Trusts in Pune City only because history reflects that Pune has always contributed and sowed the seeds of social welfare in India. Hence, in future Pune has to kindle the process of the social welfare and social mobilization in India.
1.10 **Chapters**:

Following are the Chapters of the Thesis -

Chapter 1: Introduction.

Chapter 2: Public Charitable Trusts – A Theoretical Perception.

Chapter 3: Public Charitable Trusts in Pune City – A Brief Profile

Chapter 4: Data Analysis and Interpretation.

Chapter 5: Findings and Conclusions.

Chapter 6: Suggestions and Recommendations.

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