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INTEGRATING CORPORATE GOVERNANCE PRINCIPLES INTO PUBLIC TRUST ADMINISTRATION: A COMPARATIVE LEGAL EVALUATION OF THE MAHARASHTRA PUBLIC TRUST ACT, 1950

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ABSTRACT:
Public trusts play a significant role in delivering charitable, educational, religious, and social welfare services, making effective governance essential for ensuring transparency and accountability. The Maharashtra Public Trusts Act, 1950 provides the statutory framework for regulating public trusts; however, its implementation is often constrained by administrative inefficiencies, inadequate accountability mechanisms, and limited adoption of modern governance practices. This study critically examines the governance framework under the Maharashtra Public Trusts Act, 1950 through a comparative legal analysis of corporate governance principles embodied in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the G20/OECD Principles of Corporate Governance (2023). Using a doctrinal and comparative research methodology, the study analyses statutory provisions, judicial decisions, and international governance practices to identify gaps in public trust administration. It argues that the integration of corporate governance principles, including transparency, fiduciary accountability, stakeholder participation, risk management, and digital governance, can significantly strengthen the regulatory framework governing public trusts. The study concludes with recommendations for legislative and institutional reforms to promote efficient, transparent, and accountable public trust administration while preserving the charitable objectives of the Maharashtra Public Trusts Act, 1950.

KEYWORDS: Maharashtra Public Trusts Act, 1950; Public Trust Administration; Corporate Governance; Trustee Accountability; Charity Commissioner; Transparency; Regulatory Compliance; Fiduciary Duties; Digital Governance; Comparative Legal Analysis.

INTRODUCTION

Garcinia gummi-gutta (L.) N. Robson, belonging to the family Clusiaceae, is an important evergreen tree species native
Public trusts have historically played a significant role in India's socio-economic and philanthropic landscape by promoting charitable, religious, educational, and healthcare activities. Traditionally, charitable endowments were governed by personal laws and judicial precedents until the enactment of specific statutory frameworks. To ensure uniform regulation, accountability, and protection of charitable properties, several legislative measures were introduced, including the Charitable Endowments Act, 1890 and the Charitable and Religious Trusts Act, 1920. Subsequently, the Bombay Public Trusts Act, 1950, later renamed the Maharashtra Public Trusts Act, 1950, established a comprehensive legal framework for the registration, administration, supervision, and regulation of public trusts in Maharashtra. The Act created the office of the Charity Commissioner to oversee trust administration and protect charitable assets while ensuring compliance with statutory obligations. [Maharashtra Public Trusts Act, No. XXIX of 1950 (India); Charitable Endowments Act, No. 6 of 1890 (India); Charitable and Religious Trusts Act, No. 14 of 1920 (India)]

In the contemporary era, increasing instances of financial irregularities, conflicts among trustees, prolonged administrative proceedings, inadequate disclosure practices, and inconsistent enforcement have exposed several shortcomings in the implementation of the Maharashtra Public Trusts Act, 1950. Although the Act prescribes mechanisms for trust registration, audit, inquiry, and dispute resolution, the existing governance framework often suffers from weak institutional accountability, administrative inefficiencies, limited transparency, and inadequate adoption of modern governance practices. In contrast, corporate governance in India has evolved considerably through the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and internationally accepted governance standards such as the G20/OECD Principles of Corporate Governance (2023), which emphasize transparency, fiduciary duties, stakeholder participation, risk management, and effective regulatory oversight. These developments demonstrate that governance principles successfully implemented in the corporate sector may provide valuable guidance for strengthening public trust administration. [Companies Act, No. 18 of 2013 (India); Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Organisation for Economic Co-operation and Development (OECD), G20/OECD Principles of Corporate Governance (2023)]

Against this backdrop, the present study critically examines the governance framework under the Maharashtra Public Trusts Act, 1950 by comparing it with established corporate governance principles. The study aims to identify deficiencies relating to trustee accountability, institutional oversight, financial transparency, and administrative efficiency while exploring governance practices that may be adapted to public trust administration. To achieve these objectives, the research adopts a doctrinal methodology based on an analysis of statutory provisions, judicial decisions, and scholarly literature, complemented by a comparative legal approach examining governance frameworks under corporate law and selected international jurisdictions. The study further analyses leading judicial pronouncements interpreting the Maharashtra Public Trusts Act, 1950 to assess its practical implementation and proposes reforms that can enhance transparency, accountability, and institutional effectiveness in the administration of public trusts. [V.D. Mahajan, Jurisprudence and Legal Theory (5th ed. 2009); Ian McLeod, Legal Method (10th ed. 2022)]

2. Conceptual Framework: Public Trust Governance and Corporate Governance

The effectiveness of any regulatory framework depends upon the governance principles that guide its administration and accountability mechanisms. Public trust governance and corporate governance, although operating in different institutional settings, share common objectives of ensuring transparency, fiduciary responsibility, ethical decision-making, accountability, and stakeholder confidence. While public trusts function primarily to advance charitable, religious, educational, and social welfare objectives, corporate entities are established for commercial purposes and shareholder value creation. Nevertheless, both require robust governance structures to prevent misuse of authority, financial irregularities, conflicts of interest, and institutional failures. Consequently, contemporary governance discourse increasingly advocates the adoption of universally accepted governance principles across both public and private institutions to strengthen organizational integrity and public confidence. [Organisation for Economic Co-operation and Development (OECD), G20/OECD Principles of Corporate Governance (2023); Robert I. Tricker, Corporate Governance: Principles, Policies, and Practices (5th ed. 2024)]

2.1 Meaning of Public Trust Governance

Public trust governance refers to the legal and administrative framework through which public charitable trusts are established, managed, supervised, and held accountable to beneficiaries and the public. Under the Maharashtra Public Trusts Act, 1950, governance encompasses trustee responsibilities, financial management, statutory compliance, regulatory oversight by the Charity Commissioner, and protection of charitable assets. Effective public trust governance requires transparency, integrity, accountability, and adherence to fiduciary obligations to ensure that trust property is utilized exclusively for the charitable purposes for which it was created.[Maharashtra Public Trusts Act, No. XXIX of 1950 (India); B.K. Mukherjea, The Hindu Law of Religious and Charitable Trusts (6th ed. 2010)]

2.2 Evolution of Corporate Governance

Corporate governance has evolved significantly from a narrow focus on shareholder protection to a broader framework emphasizing stakeholder interests, ethical leadership, sustainability, and corporate accountability. Major corporate scandals and financial crises prompted governments and regulatory bodies worldwide to introduce stricter governance standards, including independent boards, audit committees, disclosure requirements, and internal control mechanisms. In India, the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have substantially strengthened governance practices by imposing enhanced fiduciary duties and accountability standards upon company management.[Companies Act, No. 18 of 2013 (India); Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

2.3 G20/OECD Principles of Corporate Governance

The G20/OECD Principles of Corporate Governance represent internationally recognized standards for promoting good governance and institutional accountability. The Principles emphasize shareholder rights, equitable treatment of stakeholders, board independence, transparency, disclosure, risk management, and corporate integrity. Although developed primarily for corporate entities, these principles provide valuable guidance for strengthening governance in non-profit organizations and public trusts by encouraging ethical administration, effective oversight, and responsible decision-making.[Organisation for Economic Co-operation and Development (OECD), G20/OECD Principles of Corporate Governance (2023)]

2.4 SEBI Governance Framework

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 establish comprehensive governance norms for listed companies in India by prescribing standards relating to board composition, independent directors, audit committees, related-party transactions, financial disclosures, whistle-blower mechanisms, and risk management. These provisions have significantly improved corporate transparency and accountability. Several of these governance mechanisms, particularly those relating to financial reporting, conflict-of-interest management, and internal oversight, can serve as useful models for modernizing the governance framework applicable to public trusts.[Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; Umakanth Varottil, Comparative Corporate Governance: Law, Regulation and Theory (2024)]

2.5 Comparative Governance Philosophy

Despite differences in their objectives, both public trusts and corporations operate as fiduciary institutions entrusted with managing assets on behalf of others. Trustees administer charitable property for beneficiaries and the public interest, whereas company directors manage corporate assets for shareholders while considering broader stakeholder interests. Consequently, governance principles such as fiduciary responsibility, transparency, accountability, ethical conduct, regulatory compliance, and effective oversight possess universal relevance. Integrating these principles into public trust administration can strengthen institutional governance without compromising the charitable character of public trusts.[Robert I. Tricker, Corporate Governance: Principles, Policies, and Practices (5th ed. 2024); OECD, G20/OECD Principles of Corporate Governance (2023)]

3. Governance Gaps under the Maharashtra Public Trusts Act, 1950

Although the Maharashtra Public Trusts Act, 1950 was enacted with the objective of ensuring effective regulation and administration of public trusts, the existing governance framework has struggled to keep pace with evolving standards of institutional accountability and transparency. Over the past seven decades, the charitable sector has undergone substantial expansion in terms of the number of registered trusts, financial transactions, and public expectations regarding governance. However, the statutory framework continues to rely predominantly on traditional regulatory mechanisms that inadequately address contemporary governance concerns such as fiduciary accountability, financial disclosure, digital compliance, conflict-of-interest management, and independent institutional oversight. Judicial pronouncements have repeatedly emphasized the fiduciary obligations of trustees and the supervisory role of the Charity Commissioner; nevertheless, practical implementation remains constrained by administrative delays, inconsistent enforcement, and limited institutional capacity. Consequently, significant governance gaps continue to undermine public confidence in the administration of charitable institutions and necessitate comprehensive legal and institutional reforms. [Maharashtra Public Trusts Act, No. XXIX of 1950 (India); Companies Act, No. 18 of 2013 (India); OECD, G20/OECD Principles of Corporate Governance (2023)]

3.1 Trustee Accountability

Trustees occupy a fiduciary position and are legally obligated to administer trust property honestly, prudently, and exclusively for the benefit of the trust and its beneficiaries. Although the Maharashtra Public Trusts Act, 1950 prescribes duties relating to property management, maintenance of accounts, and statutory compliance, it provides comparatively limited governance mechanisms for evaluating trustee performance, enforcing ethical standards, or ensuring continuous accountability. Unlike corporate directors who are subject to detailed statutory duties under the Companies Act, 2013, trustees are not governed by comprehensive standards relating to board evaluation, governance disclosures, or performance assessment. This regulatory gap often results in arbitrary decision-making and weak institutional accountability. [Maharashtra Public Trusts Act, 1950, pages 36, 41A; Companies Act, 2013, pages 166, 177]

Judicial decisions have consistently recognised that trustees act in a fiduciary capacity and must exercise powers solely for the benefit of the trust. The Supreme Court in Church of North India v. Lavajibhai Ratanjibhai, (2005) 10 SCC 760, reiterated that trustees cannot treat trust property as their personal assets and are bound by fiduciary obligations. Despite these judicial safeguards, the absence of statutory governance standards similar to those applicable to corporate directors continues to weaken accountability mechanisms.

3.2 Financial Transparency

Financial transparency constitutes one of the fundamental principles of good governance and is essential for maintaining public confidence in charitable institutions. The Maharashtra Public Trusts Act mandates maintenance of accounts, submission of budgets, and auditing of trust finances. However, disclosure requirements remain relatively limited compared to the comprehensive financial reporting obligations applicable to companies under the Companies Act, 2013 and SEBI regulations. Public access to financial information is often restricted, and many trusts continue to rely on manual record-keeping, thereby reducing transparency and increasing the risk of financial irregularities. [Maharashtra Public Trusts Act, 1950, pages 32-34; Companies Act, 2013, pages 128-137]

The Supreme Court has repeatedly observed that trustees hold charitable property for public benefit and therefore owe a high degree of financial accountability. In W.O. Holdsworth v. State of Uttar Pradesh, AIR 1958 SC 887, the Court emphasized that charitable assets require careful protection and proper financial administration. Strengthening disclosure norms through mandatory electronic reporting and public disclosure of audited financial statements would significantly improve transparency within the charitable sector.

3.3 Audit Mechanism

The Act provides for compulsory auditing of public trusts to ensure financial discipline and statutory compliance. Nevertheless, the existing audit mechanism primarily focuses on accounting accuracy rather than evaluating governance practices, internal controls, risk management, or institutional performance. Unlike corporate entities, where statutory auditors, audit committees, and independent directors collectively strengthen financial oversight, public trusts generally lack an integrated governance audit framework. Consequently, financial audits often fail to detect governance failures, conflicts of interest, or ineffective internal controls. [Maharashtra Public Trusts Act, 1950, page 33; Companies Act, 2013, pages 139-148]

Modern governance frameworks increasingly recognize governance audits as an essential tool for institutional accountability. Incorporating governance audits, compliance reviews, and internal control assessments into the statutory framework governing public trusts would enable regulatory authorities to identify governance deficiencies at an early stage and improve overall institutional effectiveness.

3.4 Conflict of Interest

Conflict-of-interest management remains one of the least developed aspects of the Maharashtra Public Trusts Act, 1950. Although trustees are expected to discharge their duties honestly and in good faith, the Act contains limited statutory guidance regarding disclosure of personal interests, related-party transactions, recusal requirements, or governance safeguards against self-dealing. This legislative gap increases the possibility of misuse of trust property and compromises public confidence in charitable administration. [Maharashtra Public Trusts Act, 1950; Companies Act, 2013, pages 184, 188]

Corporate governance has evolved comprehensive conflict-of-interest regulations requiring directors to disclose financial interests and abstain from participating in related decisions. Similar statutory provisions applicable to trustees would substantially strengthen governance standards and reduce opportunities for abuse of fiduciary authority within public trusts.

3.5 Independent Oversight

An effective governance framework requires independent oversight capable of objectively monitoring institutional performance and ensuring regulatory compliance. Under the Maharashtra Public Trusts Act, oversight is primarily exercised through the office of the Charity Commissioner, who possesses investigative, supervisory, and quasi-judicial powers. However, unlike corporate governance frameworks that incorporate independent directors, audit committees, and external governance reviews, public trusts generally lack independent internal oversight mechanisms capable of continuously evaluating trustee performance and institutional governance. [Companies Act, 2013, pages 149, 177; OECD, G20/OECD Principles of Corporate Governance (2023)]

The introduction of independent governance committees or advisory boards for large public trusts could significantly improve transparency, accountability, and public confidence while complementing the supervisory role of the Charity Commissioner.

3.6 Digital Governance

Digital governance has become an indispensable component of modern regulatory administration by enhancing efficiency, transparency, and public accessibility. Although the Charity Commissioner's office has introduced limited online registration and filing facilities, several administrative processes under the Maharashtra Public Trusts Act continue to rely heavily on manual documentation and physical inspections. The absence of integrated digital governance systems delays regulatory proceedings, limits public access to trust information, and reduces administrative efficiency. [Digital India Programme, Ministry of Electronics & Information Technology; Maharashtra Public Trusts Act, 1950]

Adoption of comprehensive digital governance mechanisms, including online compliance portals, electronic auditing, AI-assisted scrutiny of financial returns, and publicly accessible trust databases, would modernize public trust administration and align it with contemporary governance standards followed in the corporate sector.

3.7 Charity Commissioner: Institutional Challenges

The office of the Charity Commissioner constitutes the cornerstone of public trust regulation in Maharashtra by exercising powers relating to registration, inquiries, audits, dispute resolution, and supervision of trust administration. However, increasing numbers of registered trusts, limited manpower, infrastructural deficiencies, procedural delays, and growing litigation have considerably affected institutional efficiency. These challenges often result in delayed inquiries, prolonged adjudication of disputes, and inconsistent enforcement of statutory provisions, thereby reducing regulatory effectiveness. [Maharashtra Public Trusts Act, 1950, pages 3-5, 19-22, 36, 41A, 50A]

Judicial decisions have consistently recognised the Charity Commissioner as a statutory authority entrusted with protecting charitable property and ensuring proper trust administration. For instance, in Church of North India v. Lavajibhai Ratanjibhai, (2005) 10 SCC 760, the Supreme Court acknowledged the supervisory role of statutory authorities in safeguarding public trusts. Strengthening the institutional capacity of the Charity Commissioner's office through enhanced staffing, specialized training, technological integration, and governance reforms is therefore essential for ensuring effective implementation of the Maharashtra Public Trusts Act, 1950.

4. Comparative Analysis with Corporate Governance Principles

Corporate governance has evolved into a comprehensive framework that promotes transparency, accountability, ethical leadership, and sustainable institutional management. While corporate entities are primarily established for commercial purposes and public trusts exist to advance charitable, religious, educational, and social welfare objectives, both institutions are fiduciary in nature and administer assets on behalf of others. Consequently, governance principles developed within the corporate sector have considerable relevance for public trust administration. The Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the G20/OECD Principles of Corporate Governance (2023) emphasize board accountability, financial disclosure, stakeholder protection, internal controls, and ethical governance. Incorporating selected corporate governance principles into the Maharashtra Public Trusts Act, 1950 would significantly strengthen trustee accountability, institutional transparency, and regulatory effectiveness while preserving the charitable objectives of public trusts.[Companies Act, No. 18 of 2013 (India); Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; Organisation for Economic Co-operation and Development (OECD), G20/OECD Principles of Corporate Governance (2023)]

4.1 Board Independence

Corporate governance recognizes board independence as a fundamental safeguard against arbitrary decision-making and conflicts of interest. The Companies Act, 2013 mandates the appointment of independent directors in specified companies to ensure objective decision-making, strengthen oversight, and protect stakeholder interests. Independent directors contribute impartial judgment by reviewing management decisions without personal or financial influence. [Companies Act, 2013, pages 149-150; SEBI (LODR) Regulations, 2015, Reg. 17]

In contrast, the Maharashtra Public Trusts Act, 1950 does not provide for independent trustees or governance committees. Trust administration generally remains concentrated in the hands of existing trustees, often resulting in limited external oversight. Introducing independent trustees or advisory governance boards for large public trusts could enhance impartiality, improve institutional credibility, and reduce governance failures.

4.2 Fiduciary Duties

Fiduciary responsibility constitutes the foundation of both corporate governance and public trust administration. Company directors are legally obligated to act in good faith, exercise due care, avoid conflicts of interest, and promote the interests of the company and its stakeholders. These statutory duties are expressly codified under Section 166 of the Companies Act, 2013, thereby creating clear standards of accountability. [Companies Act, 2013, page 166]

Similarly, trustees administer charitable property in a fiduciary capacity and are expected to exercise honesty, prudence, loyalty, and impartiality while managing trust assets. However, the Maharashtra Public Trusts Act primarily regulates trustee functions through administrative supervision rather than prescribing detailed fiduciary standards. Incorporating explicit statutory duties similar to those applicable to company directors would strengthen trustee accountability and improve governance practices.

4.3 Disclosure Standards

Financial disclosure is one of the cornerstones of modern corporate governance. Listed companies are required to disclose audited financial statements, governance reports, related-party transactions, material events, and compliance information on a periodic basis. These disclosure obligations promote investor confidence, facilitate regulatory oversight, and reduce opportunities for financial misconduct. [Companies Act, 2013, pages 128-137; SEBI (LODR) Regulations, 2015, Regs. 30 & 34]

Although the Maharashtra Public Trusts Act requires maintenance of accounts and annual audits, public disclosure requirements remain comparatively limited. Financial information of many trusts is not readily accessible to beneficiaries or the general public. Adopting enhanced disclosure standards, including mandatory online publication of audited accounts, annual governance reports, and significant financial transactions, would substantially improve transparency within public trust administration.

4.4 Internal Controls

An effective system of internal controls enables institutions to safeguard assets, prevent fraud, ensure regulatory compliance, and improve operational efficiency. Corporate governance frameworks require companies to establish internal financial controls, audit committees, compliance mechanisms, and periodic risk assessments. These measures facilitate early detection of governance deficiencies and strengthen organizational integrity. [Companies Act, 2013, pages 134(5), 177]

Public trusts, however, generally operate without comprehensive internal control mechanisms or governance committees. Internal monitoring largely depends upon trustees themselves, increasing the possibility of financial irregularities and administrative lapses. Incorporating statutory provisions requiring internal governance policies and compliance reviews would strengthen institutional accountability.

4.5 Risk Management
Risk management has become an integral component of modern corporate governance, requiring organizations to identify, evaluate, and mitigate operational, financial, legal, and reputational risks. Listed companies are expected to establish formal risk management systems capable of ensuring long-term organizational sustainability. [SEBI (LODR) Regulations, 2015, Reg. 21; OECD, G20/OECD Principles of Corporate Governance (2023)]

The Maharashtra Public Trusts Act does not expressly require trusts to undertake institutional risk assessments despite managing substantial charitable assets and public donations. Governance reforms introducing statutory risk management policies, periodic compliance assessments, and disaster recovery planning would improve institutional resilience and safeguard charitable resources.

4.6 Whistle-blower Protection
Whistle-blower mechanisms encourage employees, stakeholders, and beneficiaries to report financial misconduct, corruption, or ethical violations without fear of retaliation. Corporate governance frameworks mandate vigil mechanisms to facilitate confidential reporting and strengthen organizational integrity. Such mechanisms have become essential tools for preventing fraud and improving corporate accountability. [Companies Act, 2013, page 177(9); SEBI (LODR) Regulations, 2015]

The Maharashtra Public Trusts Act contains no dedicated provisions for whistle-blower protection or confidential reporting of trustee misconduct. Establishing statutory whistle-blower mechanisms would encourage early reporting of financial irregularities and administrative abuses while strengthening regulatory oversight.

4.7 Stakeholder Participation
Corporate governance has progressively shifted from a shareholder-centric approach towards broader stakeholder governance by recognizing the legitimate interests of employees, creditors, consumers, regulators, and society. Effective stakeholder participation enhances institutional legitimacy, improves decision-making, and strengthens accountability. [OECD, G20/OECD Principles of Corporate Governance (2023)]

Public trusts inherently exist for the benefit of beneficiaries and society; nevertheless, beneficiaries rarely participate in governance processes or institutional decision-making. Creating structured mechanisms for stakeholder consultation, grievance redressal, and beneficiary representation would significantly improve transparency and democratic governance within charitable institutions.

4.8 ESG Reporting
Environmental, Social, and Governance (ESG) reporting has emerged as one of the most significant developments in contemporary corporate governance. Indian listed companies are now required to furnish Business Responsibility and Sustainability Reports (BRSR), reflecting their environmental performance, social responsibility, governance practices, and ethical conduct. ESG reporting promotes long-term sustainability and enhances institutional accountability. [SEBI Circular on Business Responsibility and Sustainability Reporting, May 10, 2021; SEBI (LODR) Regulations, 2015]

Although public trusts primarily pursue social objectives, there is currently no statutory requirement requiring disclosure of governance performance, social impact, ethical practices, or sustainability initiatives. Introducing simplified governance and social impact reporting standards for large charitable institutions would improve transparency, facilitate public evaluation of institutional performance, and strengthen confidence among donors and beneficiaries.

Table 1: Comparative Analysis of Corporate Governance Principles and the Maharashtra Public Trusts Act, 1950

Governance Principle	Corporate Governance Framework	Position under the Maharashtra Public Trusts Act, 1950	Suggested Reform
Board Independence	Independent Directors	No provision for independent trustees	Appointment of independent trustees/advisory boards
Fiduciary Duties	Statutory duties under page166, Companies Act	General fiduciary obligations	Codification of trustee duties
Disclosure Standards	Extensive financial and governance disclosures	Limited financial disclosures	Mandatory online disclosure and governance reports
Internal Controls	Audit Committees and Internal Financial Controls	No structured internal control framework	Internal governance and compliance committees
Risk Management	Statutory Risk Management Committee	No statutory risk management framework	Mandatory risk assessment policy
Whistle-blower	Vigil Mechanism under	No whistle-blower	Statutory whistle-blower protection

Protection	page177	provision	
Stakeholder Participation	Stakeholder engagement framework	Limited beneficiary participation	Stakeholder consultation and grievance mechanisms
ESG Reporting	Mandatory BRSR for listed entities	No governance or impact reporting	Governance and social impact reporting framework

5. International Best Practices

The regulation of public trusts and charitable organizations has undergone significant modernization across several jurisdictions through the adoption of governance frameworks that emphasize accountability, transparency, independent oversight, and stakeholder participation. Countries such as the United Kingdom, Australia, and Singapore have developed robust statutory and regulatory mechanisms that combine effective supervision with principles of good governance. These jurisdictions have moved beyond traditional compliance-based regulation by integrating governance codes, risk-based monitoring, digital compliance systems, and performance-oriented accountability. Examining these international models provides valuable insights for reforming the governance framework under the Maharashtra Public Trusts Act, 1950 and aligning it with contemporary global standards. [Organisation for Economic Co-operation and Development (OECD), G20/OECD Principles of Corporate Governance (2023)]

5.1 United Kingdom

The United Kingdom has established one of the world's most comprehensive regulatory systems for charitable organizations through the Charity Commission for England and Wales, an independent statutory regulator responsible for registering charities, monitoring compliance, investigating misconduct, and protecting charitable assets. Complementing this regulatory framework is the Charity Governance Code, which prescribes principles relating to organizational purpose, leadership, integrity, decision-making, diversity, board effectiveness, openness, and accountability. The Code encourages trustees to adopt best governance practices rather than merely ensuring statutory compliance, thereby strengthening public confidence in charitable institutions. Maharashtra can adopt similar governance standards by introducing a voluntary or statutory governance code for public trusts, encouraging independent oversight, periodic governance evaluation, and greater transparency in trustee decision-making. [Charities Act 2011 (U.K.); Charity Governance Code Steering Group, Charity Governance Code (2020)]

5.2 Australia

Australia regulates charitable organizations through the Australian Charities and Not-for-profits Commission (ACNC), an independent national regulator established to enhance public trust and confidence in the charitable sector. The ACNC Governance Standards prescribe minimum governance requirements relating to charitable purpose, accountability to members, compliance with Australian laws, suitability of responsible persons, duties of responsible entities, and financial management. The Commission also operates a publicly accessible online register containing financial reports, governance information, and annual statements of registered charities, thereby promoting transparency and informed public participation. Maharashtra may draw valuable lessons from the Australian model by strengthening digital governance, adopting risk-based regulatory oversight, and introducing mandatory public disclosure of governance and financial information through an integrated online trust management system. [Australian Charities and Not-for-profits Commission Act 2012 (Cth); Australian Charities and Not-for-profits Commission, Governance Standards (2022)]

5.3 Singapore

Singapore has developed an efficient regulatory framework for charities through the Commissioner of Charities, who exercises supervisory powers over registration, investigations, financial reporting, and governance compliance. To supplement statutory regulation, Singapore has adopted the Code of Governance for Charities and Institutions of a Public Character, which establishes best practices concerning board composition, conflict-of-interest management, financial accountability, internal controls, strategic planning, and risk management. Although the Code follows a "comply or explain" approach, it has substantially improved governance standards and institutional accountability within the charitable sector. Maharashtra can adopt similar governance mechanisms by introducing structured governance codes, mandatory conflict-of-interest disclosures, internal control policies, governance reporting, and continuous capacity-building programmes for trustees and regulatory authorities. [Charities Act 1994 (Singapore); Commissioner of Charities, Code of Governance for Charities and Institutions of a Public Character (2023)]

6. Recommendations for Reform

The comparative analysis demonstrates that although the Maharashtra Public Trusts Act, 1950 has provided a comprehensive legal framework for regulating public trusts for more than seven decades, its governance architecture requires significant modernization to address contemporary challenges. The increasing complexity of charitable institutions, rising public expectations regarding transparency, technological advancements, and evolving international governance standards necessitate reforms that extend beyond traditional regulatory supervision. Drawing upon corporate governance principles and international best practices, the following legislative, institutional, governance, and technological reforms are proposed to strengthen accountability, transparency, and public confidence in public trust administration. (Organisation for Economic Co-operation and Development (OECD), G20/OECD Principles of Corporate Governance (2023); Companies Act, No. 18 of 2013 (India)).

6.1 Legislative Reforms

The Maharashtra Public Trusts Act, 1950 requires comprehensive legislative amendments to incorporate modern governance principles and address existing regulatory deficiencies. The Act should expressly codify the fiduciary duties of trustees, including duties of care, loyalty, diligence, prudence, and good faith, similar to the statutory obligations imposed upon company directors under the Companies Act, 2013. Such codification would establish objective standards of accountability and facilitate more effective enforcement against trustee misconduct. [Companies Act, 2013, page 166]

Further, the Act should introduce detailed provisions governing conflict-of-interest situations by requiring mandatory disclosure of personal interests, restrictions on related-party transactions, recusal from decision-making, and penalties for violations. Clear statutory guidance on trustee liability for financial mismanagement, breach of fiduciary duties, and misuse of trust property would strengthen institutional integrity and protect charitable assets from abuse.

6.2 Institutional Reforms

The office of the Charity Commissioner should be institutionally strengthened to improve regulatory efficiency and ensure effective supervision of public trusts. Increasing the number of Assistant Charity Commissioners, providing specialized training in governance, accounting, forensic auditing, and digital compliance, and establishing dedicated governance review units would significantly enhance regulatory capacity. Similar to independent oversight mechanisms in corporate governance, large public trusts may also be required to constitute advisory or governance committees to assist in monitoring institutional performance.

Institutional reforms should also include periodic performance audits that evaluate not only financial compliance but also governance effectiveness, utilization of charitable funds, achievement of trust objectives, and compliance with statutory obligations. Additionally, adopting digital inspection systems supported by standardized inspection protocols would reduce delays, improve consistency, and facilitate evidence-based regulatory decision-making.

6.3 Governance Reforms

A separate Governance Code for Public Trusts should be developed to establish uniform standards relating to trustee responsibilities, ethical conduct, financial management, stakeholder engagement, conflict-of-interest management, internal controls, and governance disclosures. Similar to the Charity Governance Code adopted in the United Kingdom, such a framework would encourage best governance practices while complementing the statutory provisions of the Maharashtra Public Trusts Act, 1950. [Charity Governance Code Steering Group, Charity Governance Code (2020)]

Governance reforms should also encourage the appointment of independent trustees or external experts in larger charitable institutions to enhance impartiality and improve decision-making. Further, every public trust above a prescribed financial threshold should publish an Annual Governance Report containing information regarding governance practices, trustee meetings, compliance status, financial management, risk assessment, conflict-of-interest disclosures, and significant decisions affecting trust administration. Such disclosures would substantially improve public confidence and institutional transparency.

6.4 Technology Reforms

Digital transformation should become a central component of public trust administration under the Maharashtra Public Trusts Act, 1950. A comprehensive online compliance platform should facilitate electronic registration, filing of statutory returns, submission of audited accounts, change reports, inspection reports, and grievance redressal. Integrating all regulatory functions within a unified digital ecosystem would reduce administrative delays, improve accessibility, and enhance compliance monitoring.

The Charity Commissioner's office should further adopt Artificial Intelligence (AI)-based monitoring systems capable of identifying unusual financial transactions, delayed filings, governance irregularities, and compliance risks through automated analysis of trust records. Digital auditing tools, electronic document verification, and risk-based inspection mechanisms would enable more efficient regulatory supervision while reducing dependence on manual scrutiny. Additionally, a publicly accessible Public Trust Transparency Portal should be established to provide real-time information regarding trust registration, audited financial statements, annual governance reports, trustee details, inspection outcomes, and regulatory actions. Such technological reforms would significantly strengthen transparency, promote public participation, and align public trust governance with contemporary standards of digital administration. [Digital India Programme, Ministry of Electronics & Information Technology; Organisation for Economic Co-operation and Development (OECD), G20/OECD Principles of Corporate Governance *(2023)]

7. CONCLUSION

The present study demonstrates that although the Maharashtra Public Trusts Act, 1950 has served as the principal legislation governing public trusts in Maharashtra for more than seven decades, its regulatory framework requires significant modernization to address contemporary governance challenges. The analysis reveals several deficiencies relating to trustee accountability, financial transparency, conflict-of-interest management, institutional oversight, digital governance, and administrative efficiency. While the Act provides an essential statutory mechanism for the registration and supervision of public trusts, its implementation has not evolved in line with emerging governance standards and increasing public expectations of transparency and accountability. Judicial interpretations have reinforced fiduciary obligations and the supervisory role of the Charity Commissioner; however, legislative and institutional reforms remain necessary to ensure effective governance in the charitable sector.

A significant contribution of this study lies in its comparative evaluation of public trust administration through the lens of corporate governance. By examining governance principles embodied in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the G20/OECD Principles of Corporate Governance (2023), and international charitable governance frameworks in the United Kingdom, Australia, and Singapore, the study demonstrates that several universally accepted governance principles can be effectively adapted to public trusts without compromising their philanthropic character. Concepts such as independent oversight, codified fiduciary duties, enhanced disclosure standards, internal controls, risk management, whistle-blower protection, stakeholder participation, ESG-oriented reporting, and digital governance offer a pragmatic roadmap for strengthening the administration of public trusts. [Companies Act, No. 18 of 2013 (India); Organisation for Economic Co-operation and Development (OECD), G20/OECD Principles of Corporate Governance (2023)]

The findings have important policy implications for legislators, regulators, trustees, and civil society organizations by emphasizing the need for a governance-oriented rather than merely compliance-oriented regulatory framework. Legislative amendments to the Maharashtra Public Trusts Act, 1950, coupled with institutional strengthening of the Charity Commissioner's office, adoption of governance codes, technological integration, and enhanced public disclosure, would significantly improve transparency, efficiency, and public confidence in charitable institutions. Future research may extend this comparative framework by undertaking empirical studies on governance practices across public trusts, evaluating stakeholder perceptions of regulatory effectiveness, or conducting comparative analyses of charitable governance laws across Indian States and international jurisdictions. Such research would further contribute to the development of an adaptive and globally aligned governance framework capable of ensuring the long-term sustainability, accountability, and integrity of public trust administration.

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