



Are religious institutions contributing to the development of India?

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ABSTRACT

Religious institutions in India are too rich in terms of their income through donations and treasures. But this wealth of the country is kept confined to the institutions itself. This paper explains the current scenario of Indian religious institutions by carrying out an empirical as well as the descriptive research on the topic. It will focus on the need of the hour for using these funds for the social upliftment and development. It will also emphasize whether nationalisation of these institutions is required or not. This paper also analyses that if the religious institutions are already under State control, then there should be a transparent mechanism in which all the funds collected through religious institutions are utilized. And it will also study that the funds need to be circulated in the economy for the boom of the economy. It has also emphasized on some international systems where taxes has been imposed upon the religious institutions for the development of the country and the institutions itself. Lastly, we would be discussing whether there is a need for imposing Aastha Tax in India. And what should be the nature of such taxes (if imposed) and their advantages and disadvantages as well.

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Introduction

People in India have huge faith in religious institutions. They donate a large amount of money without even thinking for a second where their donated money will be used. Is the large amount of donations collected by the religious institutions seen to have been used in any productive or developmental activities? Where are these funds actually going? Is there optimum utilization for the public interests or for the own benefits of the managers of these religious institutions? And the answer to all these questions is blatant 'nope'! Will it not be more beneficial if the fund so collected is used for the developmental practices and ultimately be beneficial for the country? The main idea of the researcher is to bring some light on this topic and encourage the utilization of such huge amount of funds for some judicious and charitable purposes. This imbalance leads to unequal distribution of wealth. A raw data collected through different sources reveal the facts that :-

In August 2014, the investigation was done by Dainik Bhaskar regarding the donations of 4 big temples in India that is Tirupati Balaji, Siddhivinayak, Shirdi Saibaba, Kashi Vishwanathan Mandir and how this donation amount is spent. The survey found out that the total value of donations in these temples came out to be 1,32,000 crore!! This is a very huge amount and is more than the wealth of richest man in India. If we look at the expenditure, then only 2% of the amount is spent on Gods and 40% are spent on salaries of the Pandits, Mahants and others employed by the temples. Some amount is paid in charities as well. For eg:- Siddhivinayak temple established the kidney dialysis center which is treating patients at Rs. 250. Mahavir cancer and research institute is also established for this purpose.

The main question is that a large amount of money goes unrecorded¹.

Vaishno Devi – 500 crore annually

The Vaishno Devi board has undertaken numerous developmental activities out of these funds such as making the yatra comfortable for yatri and in education activities.

Tirupati Balaji - 650 crore donations every year

Tirupati venkateshwar deity is clad with 1000 kg of gold. Through entry fee only it earns extra amount of 215 crore. People donate their hair to the deity and from the selling of human hair ,temple collects around 200 crore. Total income-1000 crore, Total expenditure – 796 crore

482 crore that is the major part is going in the payment of wages and salaries. 95 crore amount is spent on the educational institution.² 63 crore on TTD run hospitals. development of sanitation in and around Tirupati - 100 crore. Vigilance and security department- 56 crore

After briefly analyzing we draw the conclusion that a big amount of funds collected are going unrecorded and their utilization cannot be traced. Instead, people should be encouraged to give such amounts for charity work. That will also be included in Karma and will help the needy who are actually in need of money for survival.

1 The logical Indian, 'Seems Rs. 8 Cr Daily Donations Not Enough, Temples Now Opening Demat Accounts To Accept Shares' <http://thelogicalindia.n.comstory-feed/opinion/seems-rs-8-cr-daily-donations-not-enough-temples-now-opening-demat-accounts-to-accept-shares/>, (Last modified on September 16, 2015)

2 ' Rich temples of India', ' Be money aware Blog', <http://www.bemoneyaware.com/rich-temples-of-india/>, (last modified on September 10, 2015)

Income and Expenditure of other Religious Institutions

TEMPLE/ CHURCH	INCOME	EXPENDITURE	ASSETS
1. Shri Ponnu Guruvayurappan Aradhana Samajam, Dombivli ³ (2013-14)	1) Rent- 18900 2) Bank interest – 2,16,970 3) Other sources – 39,16,130 4) By transfer from reserve – 6,21,692 TOTAL – 47,83,691	1. Expenditure in respect of properties – 11,00,355 2. Establishment expense – 12,03,441 3. Legal and professional fees – 6,377 4. Depreciation- 3,33,375 5. Religious expenses- 19,19,153 6. Education expenses – 1,22,492 7. Medical expense – 29,000 8. Surplus – 69,497 TOTAL – 47,83,691	1. Immovable properties – 1,40,65,394 2. Investments – 1,19,60,713 3. Other Assets – 5) Gold ornaments- as per last B/S – 62,96,252 Addition – 1,00,930 TOTAL – 63,97,182 6) Silver ornaments – as per last B/S – 10,64,967 Additions- 16,807 Total- 10,81,774 7) Fixed Assets- 28,85,104 8) Deposit and Advances – 7,86,059 4. Cash & bank – 6,57,972 TOTAL – 3,78,34,198⁴
2. Kashi vishwanath Mandir ⁵ (2013-14)	1) Donation & Offering – 6,77,16,000 2) Accrued interest on FDR- 3,20,05,576 3) Other sources- 1,61,15,044 TOTAL – 11,58,36,620	1) Pooja Expenses – 8,76,480 2) Administrative expenses – 96,47,402 3) Other Expense – 2,32,726 4) Surplus 10,50,80,012 TOTAL -11,58,36,620	1) Investments- 50,55,71,329 2) Loans and Advances – 15,77,270 3) Fixed assets – 18,64,24,860 4) Bank balance – 1,62,32,148 TOTAL – 70,98,05,607⁶
3. Nathdwara Temple (2013-14)	1) Donation – 32,19,21,521 2) Donation in foreign currency – 5,45,513 3) Bank interest – 33,411 4) Other Income – 37,06,13,983 TOTAL – 69,31,14,428	1) Pooja expenses – 2,70,14,281 2) On cows – 2,76,71,808 3) Personnel expenses – 16,92,20,033 4) Charitable expenses – 7,89,20,335 5) Other expenses – 18,91,06,094 6) Depreciation – 4,32,97,050 7) Surplus – 15,78,84,826⁷ TOTAL – 69,31,14,428	1) Fixed Assets – 96,27,30,534 2) Jewellery – 10,61,02,346 3) Investments – 1,19,955,778 4) Current assets, loans and advances – 2,07,26,12,713 TOTAL – 3,26,14,01,371⁸
4. Shri Siddhivinayak Ganpati Temple (2014-15) ⁹	1) Donation- 43,27,56,200 2) Interest received- 19,88,25,996 3) Income from other	1) Religious expenses – 8,68,35,410 2) Administrative expenses- 2,70,72,720	11) Fixed assets – 24,05,49,800 12) Ornaments and Article 41,88,71,386

³ S. Sadashiv & Co. Chartered Accountant, ‘ Shri Ponnu Guruvayurappan Aradhana Samajam Dombivli’, < <http://www.ponnuguruvayurappan.org/download/balance%20sheet%202015%20final.pdf> > , (balance sheet as on 31 March, 2014)

⁴ *ibid.*

⁵ Jamuna Shukla and Associates, Shri Kashi Vishwanath Mandir trust schedule forming part of balance sheet as on 31 March, 13-14, <http://shrikashivishwanath.org/Balance_Seat/skvt%20Balance%20sheet%20annexure-20140001.pdf>

⁶ *ibid.*

⁷ Om Prakash S. Chaplot & co., ‘ Nathdwara Temple Board, Nathdwara, <<http://www.nathdwaratemple.org/Management/Balance%20Sheet%202013-2014.pdf>>, (balance sheet as on 31 March, 2014)

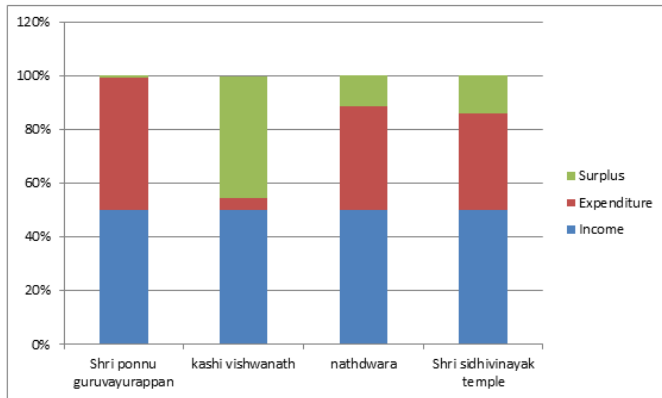
⁸ *ibid.*

⁹ Kochar & Associates, ‘ Shri Siddhivinayak Ganpati Temple Trust, Prabha devi’, <<http://www.siddhivinayak.org/Siddhivinayak%20BS%202014-2015.pdf>>(balance sheet as on 31 March, 2015)

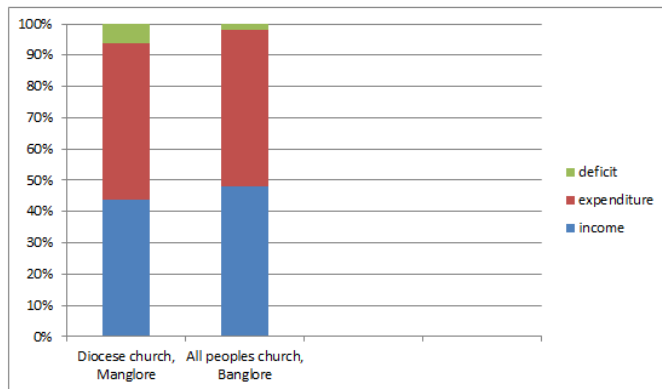
	sources- 3,28,10,190 TOTAL – 66,43,92,386¹⁰	3) Establishment expenses- 16,14,150 4) Depreciation- 2,69,38,250 5) Education expenses- 1,13,60,785 6) Medical expenses- 9,57,83,309 7) Donation – 50,00,000 8) Project- Jalayukta Shivar Abhiyan- 15,50,00,000 9) Transfer to management fund- 6,64,39,239 ¹¹ 10) Surplus- 18,83,48,534 TOTAL – 66,43,92,386¹²	13) Investments – 2,60,05,57,269 14) Current Assets & loans and advances – 1,27,72,486 TOTAL – 327,27,50,940
Karnataka southern diocese church of south India, Manglore (2014-15)	1) Specific funds received – 1,62,93,536 2) Activities other than mentioned above – 2,21,957 3) Interest – 2,32,468 4) Deficit – 23,68,627 Total – 1,91,16,588	1) Construction And maintenance of schools and college – 837917 2) Grant of scholarship – 659848 3) Construction/ maintenance/ repairs of places of worship – 28,41,870 4) Religious education of priests – 3,00,000 5) Free medical aid – 3,40,150 6) Welfare of orphans – 1,11,96,059 7) Activities other than mentioned above – 11,00,275 8) Audit fee – 12,500 9) Administrative charges – 2,95,299 10) Depreciation – 15,32,670 TOTAL – 1,91,16,588	1) Land and buildings – 2,61,48,875 2) Furniture and Equipments – 3,50,645 3) Borewell and water system – 3,89,644 4) Library books – 10,240 5) Photo copy machine – 70,400 6) Vehicles – 1,84,500 7) Bank -45,32,491 TOTAL - 3,16,86,794
All peoples church, Bangalore (2014-15) ¹³	Income Recd. – 3,13,90,350 Deficit -13,30,425 TOTAL – 3,27,20,775	Expenditures -3,16,54,694 Depreciation – 10,66,081 TOTAL – 3,27,20,775	Fixed assets – 54,17,923 Current assets – 1,92,93,395 TTD receivable – 4,60,948 Bank – 1,22,32,852 TOTAL – 3,74,05,118¹⁴

¹⁰ *ibid.*¹¹ *ibid.*¹² *ibid.*¹³ Simon Rodrigues & Associates, ‘ All peoples Church, RT Nagar, Bangalore,
<<http://apcwo.org/newsite/resources/financials/APC-FY-2014-2015.pdf>>, (balance sheet as on 31 March, 2015)¹⁴ Simon Rodrigues & Associates, ‘ All peoples Church, RT Nagar, Bangalore,
<<http://apcwo.org/newsite/resources/financials/APC-FY-2014-2015.pdf>>, (balance sheet as on 31 March, 2015)

Graphical representation of use of fund by Temples taken above



Graphical representation of use of fund by Churches taken above



Social commentator Santosh Desai thinks that religious institutions are answerable to society as opposed to the corporations, which hold their allegiance only to shareholders and hence there's all the more reason for them to plough back the money to the society. "There can be no other legitimate applications of funds except for charity, except maybe for creating infrastructure that helps devotees," says Desai.

Paul Zacharia, a Sahitya Academy Award winning writer known for his "heterodox" style, says religious institutions don't contribute enough since they believe they don't have a social responsibility: "People give them the impression that they are only answerable to god."¹⁵

But is it unfair to quantify the social contribution of these places of worship? Not at all, according to Desai. "Since the devotion is often in quantitative form, why should the contribution not be too?" asks Desai. Zacharia, too, believes they should be held accountable. "They are beneficiaries of monetary donations, only reasonable they give back too," he says.

Both Zacharia and Desai say the first step is for religious institutions to be more transparent about their accounts. "Temples often refuse to be audited. Why should they be not be audited when they are using public resources?" questions Zacharia. In 2013, the Guruvayur temple, in Kerala, which is home to a 33.5-metre (110-ft) gold-plated flagstaff, had told the Reserve Bank of India (RBI) it wouldn't divulge details of the amount of gold it has.

¹⁵ Arunabh Saikia, 'Religion and Charity: God knows where the money goes', newslaundry.com, <<http://www.newslaundry.com/2015/06/04/religion-and-charity-god-knows-where-the-money-goes/>> , (Last modified on June 4,2015)

Zacharia contends the media is the "biggest culprit" for having refrained from asking tough questions of religious institutes. He is perhaps right when he says the gods won't ask any questions but it's time the media did.¹⁶

Nationalisation of Religious Institutions

Whenever we talk about nationalization of religious institutions or bringing 'aastha tax' or bringing religious institutions under state control we should not neglect that certain temples in Karnataka, Maharashtra, Andhra Pradesh and Tamil Nadu have already been under state control and the purpose of these temples have been defeated. The following points will showcase the conditions which surpassed:-

1) Tamil Nadu

The Supreme Court delivered the landmark judgment on January 6, 2013 allowing the SLP that sought the quashing of Tamil Nadu governments order 2006 which has mandated the government takeover of the nataraj temple.¹⁷

The situation is "significantly" better at the famous Nelliappar Temple in Tirunelveli. In this temple, priests performing daily pujas are paid monthly salaries, but ranging from Rs. 55- Rs. 72 per day (and this was during 2010-11). But even that is quite less.

Many large temples maintain a fleet of luxury vehicles, typically the 'fully loaded Toyota Innova', for the use of VIPs and for the use of assorted Joint and Additional Commissioners and, of course, the Commissioner himself. It is very difficult to understand the religious purpose such extravagance serves or even a 'secular' purpose! The HR & CE takes away annually around Rs.89 crore from the temples as administrative fee. The expenditure of the department including salaries is only Rs.49 crore. Why does the government overcharge the temples- literally scourging the deities - for a sub standard service?

2) Andhra Pradesh

One more problem if the temples are under state control is that the government destroy the natural heritage of the temples and are ultimately jeopardising the future of Hindu temples. The temple fund, donations though not adequately used by the temple authorities but when come under the hand of politicians and businessman than it is just targeted as vote bank politics. In 1951 Hindu Religious and Charitable and Endowment Act (HRCE Act) was enacted. This act was enacted to have the temples under the control of government as the donation amount was not properly and judiciously utilised by the temple authorities but the solution was also not able to solve the problem much. If the money is not utilised than the donors need to be worried and take a step instead of the interference from the government. This has resulted into the growing allegation that the temple generated fund controlled by the government is mismanaged and embezzlement of income take place.¹⁸

¹⁶ *Ibid.*

¹⁷ Subramaniam Swamy, 'Freeing temples from state control', The Hindu <<http://www.thehindu.com/opinion/lead/freeing-temples-from-state-control/article5594132.ece>> , (last modified on January 20, 2014)

¹⁸ J.G.Arora, 'Government control of temples is destroying Hinduism', <<http://www.shehjar.com/list/87/746/1.html>> , visited on February 15,2016

For the purpose of better administration under this Act several managers were appointed and the ultimate control of the property of temples was in the hand of state. They used the money for the non religious purposes. Example – Under this Act about 34000 temples are coming under government control in Andhra Pradesh. Only 18% of the temple revenue is given back to these temples for religious activities and rest all the amount is used on their personal wills. So ultimately the government which is supposed to be the protector of culture has become its destroyer.

3) Karnataka

In Karnataka Rs. 79 crore was collected from about 2 lakh temples and ultimately what temples received in return as maintenance was just Rs. 7 crore. Muslim madrassahs and haj subsidy were given Rs. 59 crore and churches Rs. 13 crore which makes the total to 79 crore. Funding of money received from the temples to the non temple use is ultimately leading to the closure of around 25% of the two lakh temples from which government collected such huge amount. This closure is just because of the lack of resources to run the temples.¹⁹

4) Orissa

In Orissa, the state government intends to sell over 70,000 acres of endowment lands from the Jagannath Temple, the proceeds of which will be used to solve a huge financial crunch brought about by its own mismanagement of temple assets.²⁰ Most important is that India is a secular country i.e. State should not interfere in religion but if the temples and the religious places will be under the control of government than it will be ultimately the anti – secular act.

Temples belong to hindu society so they must be restored to the Hindu community and the independent boards of the temples should be established which will have the ultimate control. Restrictions also needs to be imposed on the expenditure of receipts. It must be used in the educational, medical, developmental purposes²¹.

International Arena

“Church Tax” (as is called in some States) is a kind of tax imposed upon churches by the States’ Official Church in some countries such as Austria, Denmark, Finland and Germany. This tax is different from those collected by their government or by their Municipal Corporations on their income. This is a kind of tax unknown in India. Such tax ranges from 0.5% to 2.5%, generally, which is quite less in terms of the income of these churches. In Germany, the church tax is roughly eight to nine percent of the income tax rate collected by them in their country. The church tax is collected by the State in the name of churches at the time of collecting income tax only. But still it mandates these churches to keep a record of all their other earnings and nothing goes unrecorded, whether cash or kind, unlike in India where most of the income of religious institutions is unrecorded. Only people affiliated with a

recognised faith are required to pay and most foreigners opt out of the system by declaring that they are non-religious or not affiliated with a recognised faith. Otherwise, church tax is deducted automatically at source along with income tax.²²

Such tax can be either collected by the State’s Official Church or through the tax officials of the State, as is propounded. After the collection of such tax, the amount goes into the accounts of the States’ Official Church, which is furthered from there. Out of the money received out of church tax, the Official church of State keeps a check on other churches of the State and help them in any difficult circumstances. In some other States, even the government pays tax to the Official Church in the name of ‘church tax’ which ranges from 10-15%. In such States, the government keeps transparency in their accounts too and in return the Official Church helps them in situations of emergencies and even in the social upliftment of the State and their subjects.

In the process of paying such taxes, all the donations made to the churches are being recorded by the administration of such churches and the chances of misappropriation of funds are lessened. Such a tax also helps the flow of some money of these churches in their economy which further contributes in boosting their economy. Further, the devotees are satisfied that their donations are being used wisely and for needy²³.

The church tax such collected is being further used for the maintenance of churches and other welfare activities of the State. Such activities include opening up schools and health care centres for those who could not afford paying the fees. Other welfare activities includes opening up orphanages and old age homes in addition to providing food, clothes and shelter to unprivileged ones. State Official Churches also prove to be a great support to the government with funds and other help, in times of need such as wars, emergencies, inflation, any natural disaster, epidemic or any human interventions.

These tax prove to be of too much help to the churches, the concerned State and their citizens. Unlike India, where there is no exact record of income and expenditure of religious institutions or transparency in the working of such institutions, the Church Tax collected by these States is quite a commendable system of helping the State and it’s subjects.²⁴

Finding

From the above tabular and graphical data which we collected randomly, and the above article on Nationalization of Temples; it is very evident that the income of all the temples whose data is collected by us is more as compared to their expenditure. Especially in Kashivishwanath, Nathdwara, huge amount of surplus is left. And the data is collected from the balance sheet provided on the official website of these temples so there might be the possibility that the figures shown as expenditure are the exaggerated figures and there are chances that they are spending less than this.

¹⁹ Stephen Knapp, ‘Against India and the need to protect its ancient vedic tradition 1000 Years of Attacks Against Hinduism And What to do About it.’, (last updated on April 1, 2016)

²⁰ CA Sanjay Ruia, ‘Hindu temples and use of their incomes’ < <https://www.linkedin.com/pulse/20140725073011-81657483-hindu-temples-and-use-of-their-income>>, (last updated on July 25,2014)

²¹ J.G.Arora, ‘ Government control of temples is destroying Hinduism’, <<http://www.shehjar.com/list/87/746/1.html>>, visited on February 15,2016

²² Angloinfo, ‘ Church tax’, <<http://germany.angloinfo.com/money/general-taxes/church-tax/>> (last visited on 15 February, 2015)

²³ Angloinfo, ‘ Church tax’, <<http://germany.angloinfo.com/money/general-taxes/church-tax/>> (last visited on 15 February, 2015)

²⁴ ‘ Church Tax’, <https://en.wikipedia.org/wiki/Church_tax>, (last modified on December 20, 2015)

So mainly the point is that temples are not properly using their receipts, donations, grant from the government in a judicious way for the developmental purposes. If the surplus left is used for developmental activities or a compulsory payment i.e. tax is given to the government out of this than there will be a lot of change in the society.

Suggestions

By analysing we have seen that neither the trust nor board of temples is playing its role effectively and neither the state.

1. There should be a mechanism imposed on such temples like CSR on companies which means to make it mandatory and without any choice to utilise the particular fund for particular purposes. A body should be established to make sure that the fund is utilised in the stated manner. More transparency should be brought in the funds which are collected and which are actually being utilised by the religious institutions. It will not only be beneficial for the state but will also ultimately benefit the country.

2. Our country is rich in renewable source of energy which can be utilised and it will reduce the state burden to a lot of extent. For example the temples can run on solar power. This will ultimately reduce the burden of the state to provide electricity to such temples. All the rich temples can afford the investment. Hydro energy can also be generated by such temples. The temples which are at height can generate wind energy by the construction of wind mills. The fund generated and the donation of the public can be utilised for the sanitation purposes, the construction of roads which lead to the temples, the administrative purposes, parking areas development etc.

3. The temples in our country receive a huge amount of gold in the name of donations. The gold is more than enough apart from all the decorations in the temple or the clothing of the deity. If we go by the data than just one temple in Kerala has over 100,000 crore i.e. \$ 18 billion worth of gold and jewellery and this amount is beyond the dressing of the deity.

Tirupati also deposit 1 ton of gold with SBI but supposedly had 200 ton of gold. There should not be any religious sentiments engaged if we think of with the selling of gold or melting it and converting into bricks than auctioning it. Because the gold is not beneficial for the temples and it is not "GOD", it is just the gift made to God!

4. Since the temples are the religious entities and a new norm came up for the NGO's that they should spend 85% of their money they collect outside the restrained corpus collection measure or they are taxed. So similar thing need to be done with the religious institutions. They should be taxed so that there would be a compulsory payment made by such temples. When these institutions will have a certain kind of restriction on them than this will have the fund to be utilised in a better way. Temples, churches and mosques all should be taxed. To a certain extent it will involve a huge controversy and it will be unfair to force the institutions to utilise their fund in one particular direction but it would be the best available choice among the alternatives.

5. A one more way for the better management of funds of religious institution can be that peoples who want to make a donation of money or gold to religious institution can give these to the Government as indirect donation or Aastha Tax and then government will make available these funds and resources to the religious institutions for the maintenance and welfare. Government can also use surplus fund for the welfare activities of the citizens.

Conclusion

From this paper we can conclude that religious institution are having more than sufficient funds with them but neither the religious institutions nor state government are managing the fund properly. Rigid and strict mechanism need to be imposed to curb the malpractices. If A proper mechanism or body is set up for the proper utilisation of the fund by bringing transparency it will be beneficial for religious institution as well as for the welfare of the state.