

IN THE HIGH COURT OF KERALA AT ERNAKULAM
PRESENT
THE HONOURABLE MR. JUSTICE RAJA VIJAYARAGHAVAN V
&
THE HONOURABLE MR. JUSTICE K. V. JAYAKUMAR
Friday, the 8th day of August 2025 / 17th Sravana, 1947

DBAR NO. 2 OF 2025

IN THE MATTER OF TRAVANCORE DEVASWOM BOARD - SPECIAL REPORT (FINAL) ON THE
SERIOUS EMBEZZLEMENT AT THE PETROL PUMP, NILAKKAL - REG:

PETITIONER:

JOINT DIRECTOR,
KERALA STATE AUDIT DEPARTMENT, TRAVANCORE DEVASWOM BOARD,
THIRUVANANTHAPURAM, PIN - 695003

BY GOVERNMENT PLEADER FOR THE PETITIONER

RESPONDENT:

THE SECRETARY,
TRAVANCORE DEVASWOM BOARD, NANTHANCOD, KAWADIAR POST,
THIRUVANANTHAPURAM, PIN - 695003

BY STANDING COUNSEL FOR TRAVANCORE DEVASWOM BOARD

THIS DEVASWOM BOARD AUDIT REPORT HAVING COME UP FOR ORDERS AGAIN
ON 08/08/2025, UPON PERUSING THE REPORT AND THIS COURT'S ORDER DATED
17/06/2025, THE COURT ON THE SAME DAY PASSED THE FOLLOWING:

**RAJA VIJAYARAGHAVAN V.,
&
K.V. JAYAKUMAR, JJ.**

DBAR. No. 2 of 2025

Dated this the 8th day of August, 2025

ORDER

Raja Vijayaraghavan V, J.

The instant Devaswom Board Audit Report has been filed by the Joint Director, Kerala State Audit Department, Travancore Devaswom Audit. The report is a Special Report (Final) on the serious embezzlement detected at the petrol pump run by the Travancore Devaswom Board at Nilakkal in the name and style as 'Swamy Ayyappa Fuels'.

2. The Report makes for deeply disturbing reading. Some of the pertinent but shocking observations are as follows:

- a) Stock Registers of fuels were not promptly recorded, reflecting a gross lack of supervision, control, and follow-up in maintaining accurate and up-to-date records. Entries in the Stock Register were updated only up to 13.07.2024, and the credit sales of Government Departments were recorded only up to 13.09.2024.
- b) Entries in the Cash Book had not been verified by the Assistant Registrar or the Executive Engineer. Bank reconciliation statements were not prepared periodically, and financial reports did not tally with original records such as the Sales Register, Sales Slips, and Vouchers.
- c) Remittances to the Dhanalekshmi Bank of the daily collections were inordinately delayed.

- d) There were serious irregularities in fuel stock management. Daily Sales Receipts, Collection Registers, remittance details, and the initial readings of each dispensing nozzle were recorded only in an *unofficial handbook*, which was not even produced for audit verification. Stock Register balances were being prepared based on the Daily Sales Register, without independent verification.
- e) In the absence of proper official records, the auditors had to rely on the periodic inspection report of IOCL conducted at the Nilakkal Fuel Station.
- f) Machine readings recorded by the IOCL revealed that the quantity of High Speed Diesel (HSD) sold during the relevant period was 1,90,510 litres, whereas the Stock Register and Daily Sales Register reflected 1,82,818 litres. After accounting for tank variation and evaporation loss of 705 litres, there remained a discrepancy of 6,987 litres, a figure that is simply unacceptable for an operation of this nature.
- g) The total quantity of daily sales was determined from initial and final machine readings. No cash receipts were provided to customers, and no proper records were maintained to reconcile the sales with the machine readings.

3. In view of these serious discrepancies, disciplinary proceedings appear to have been initiated against employees for misappropriation and embezzlement. The amount of short remittance is estimated at approximately Rs. 40 lakhs.

4. The Joint Director has made various recommendations, including the urgent implementation of a digital record-keeping system to track fuel sales, credit slips, and stock levels in real time.

5. In these circumstances, this Court queried the learned Standing Counsel as to whether any measures had been taken to computerise the various temples, institutions, and activities of the Board. The learned counsel has produced before us the order dated 08.08.2014 in D.B.P. No. 164 of 2011 and the order in D.B.P. No. 8 of 2018 and connected matters of this Court. From the order in D.B.P. No. 164 of 2011, it is clear that the Board had, as far back as 2014, assured this Court that it would complete the computerisation of all institutions under it, including its offices. Taking note of that assurance, this Court disposed of the petition with a direction to ensure full implementation. Later, this Court had occasion to consider DBP No. 8 of 2018 and connected matters, which were regarding the computerisation of various temples and offices of the Travancore Devaswom Board under the total computerisation of the Travancore Devaswom Board Project. We find from the order dated 26.07.2023 passed by this Court that the work was awarded to KELTRON to carry out the computerisation for a total project cost of Rs. 9,73,61,396/-. However, serious disputes arose, and this Court, based on the opinion given by the I.T. Mission, noted that the software was outdated and the methodology of development of software was not suitable. It would be profitable to extract the relevant portion of the judgment for clarity:

"7. In terms of the directions in the aforesaid order, the I.T. Mission prepared a report and submitted to the Special Commissioner,

Sabarimala. In turn, the Special Commissioner submitted a report before this court on 10.05.2022. The remarks/suggestions of the Special Commissioner in the above regard are enumerated in the report, which reads:-

- (i) present software of computerization is outdated and methodology of the development of software is also found to be not suitable.
- (ii) The present methodology of software development is akin to the waterfall model of software development.
- (iii) The way forward for fool proof development of the software application is to adopt Agile methodology of software development which requires for interaction with the domain experts and officers of the TDB and taking into consideration various methods of process and functioning adopted by the TDB while continuously improving application while developing the software. The functionality of the software can be ensured only by getting inputs from domain experts from the Travancore Devaswom Board.
- (iv) Agreement has to be renewed between TDB and KELTRON-ULCC consortium.
- (v) KELTRON-ULCC has to give technical training to the TDB IT division team.
- (vi) Software development team should work from TDB HQ and the various major temples including Sabarimala, get inputs from domain experts, receive feedback from pilgrims until the Softwares and applications are successfully developed, by ensuring functionality and the completion of the project.
- (vii) UI (User Interface) of the current applications should be modified to be attractive and easy to use by devotees. More

information should be furnished in the user interface.

- (viii) Up-to-date technology is to be adopted for the whole project. The entire software applications are to be hosted in the cloud ecosystem and cloud technology can be used to reduced (sic) the implementation cost.
- (ix) For development of software and conducting UAT, though the TDB has an Information Technology Wing IT Department now, it is suggested to post a competent officer from Kerala State IT Mission who is conversant with the process of development of software and application on deputation basis to the TDB.
- (x) The KELTRON, ULCCS consortium should give necessary back up to the TDB.
- (xi) Training should be provided by KELTRON ULCCS consortium to a hand full of employees of the TDB from each of its different wings and they are to be appointed as master trainers.
- (xii) The master trainers in turn have to give training to all the employees of TDB in operating the software. Within a time frame all the staff of the TDB should be able to operate the software applications.
- (xiii) The hardware asset management of Travancore Devaswom Board has to be implemented with the aid of Kerala State IT Mission.
- (xiv) The current DPR, on which the softwares are being developed was prepared in the year 2013-'14. After that a lot of technological advances happened in the industry. Hence proceeding with this old DPR is not practical and it will become a loss to the Board. Hence it is suggested that the 3 modules now in use only should be completed properly and can be put in use.

- (xv) New DPR should be prepared for the remaining computerization programme and that too should be completed within a time frame.
- (xvi) The funds received through the billing system of present modules are not yet reconciled. Proper and strict direction to reconcile the accounts should be given to the accounts officer/Finance Commissioner, within a time limit. The refund issues can be sorted out only after doing the reconciliation. The Travancore Devaswom Board may also consider using the free softwares provided by Kerala State Govt. for office administration, like e-office, SPARK, BIMS etc.
- (xvii) An IT technical team should be constituted urgently for implementing the computerization in TDB.
- (xviii) Scope of developing a user friendly mobile application which enables the devotees to get information from all major temples, access services, book poojas, make e-kanikka vazhipadu etc may be considered by all the stakeholders."

6. At the time of passing the judgment, this Court noted that the period of the contract was over and the warranty support period of 3 years was also over. This Court directed the Devaswom Board to take effective steps to carry out computerisation either with the original vendor or another competent agency. We are informed that routine reports are being submitted before the learned Ombudsman.

7. From the embezzlement detected at Sri. Ayyappa Fuels, it is evident that the Board has failed to achieve the very objectives emphasised by this Court while disposing of the matter. The magnitude of the laxity becomes stark when one considers that even privately-run fuel stations maintain proper digital accounting of

their operations, whereas the Board, despite managing an institution of such scale and sanctity, has not implemented even the most basic safeguards.

8. Under Section 3 of the Travancore Cochin Hindu Religious Institutions Act, 1950, the administration of incorporated and unincorporated Devaswoms, Hindu Religious Endowments, and all their properties and funds are vested in the Board, subject to statutory exemptions.

9. Under Section 15A of the Act, the Board is duty-bound to monitor the activities of its administrative officials and employees, ensure proper maintenance and upliftment of Hindu Religious Institutions, and establish and maintain proper facilities.

10. Under Section 24 of the Act, the Board must maintain temples, buildings, and other appurtenances in a state of good repair.

11. Under Section 25 of the Act, the funds of the Board include income received by the Devaswoms from their institutions, which must be safeguarded and utilised for their intended purposes.

12. In **A.A Gopalakrishnan v. Cochin Devaswom Board And Others**¹, the Apex Court had occasion to highlight the importance of protecting the properties of deities, temples and Devaswom boards. It was observed as under in para 10 of the judgment.

¹ (2007 INSC 764)

10. The properties of deities, temples and Devaswom Boards, require to be protected and safeguarded by their trustees/archakas/shebaites/employees. Instances are many where persons entrusted with the duty of managing and safeguarding the properties of temples, deities and Devaswom Boards have usurped and misappropriated such properties by setting up false claims of ownership or tenancy, or adverse possession. This is possible only with the passive or active collusion of the authorities concerned. Such acts of "fences eating the crops" should be dealt with sternly. The Government, members or trustees of boards/trusts, and devotees should be vigilant to prevent any such usurpation or encroachment. It is also the duty of courts to protect and safeguard the properties of religious and charitable institutions from wrongful claims or misappropriation.

13. It is shocking that a fuel pump catering to a large volume of vehicles has been permitted to operate without proper accounting mechanisms or real-time monitoring systems. This Court is constrained to observe that this instance appears to be merely the tip of the iceberg. Such gross administrative negligence cannot be allowed to persist. As early as 2015, clear and binding directions were issued mandating the complete computerisation of operations to prevent corruption, mismanagement, and embezzlement, and to ensure transparency in both financial and administrative affairs. We also take note that there is a long delay in completing the statutory audit of various temples and institutions and the same is attributable to the failure to reconcile accounts and the continued dependence on outdated manual accounting processes. This is a disturbing reflection of the absence of financial integrity within the institution.

14. We make it unequivocally clear that any further delay in implementing end-to-end computerisation will only serve to abet the continued misappropriation of funds by unscrupulous elements operating with impunity. Such inaction not only compromises the sanctity of temple administration but also gravely undermines public trust in the functioning of the board.

15. We would like to reiterate that transparency, accountability, and the adoption of robust technological safeguards are no longer matters of administrative discretion; they are statutory obligations that the Board is legally and morally bound to discharge without exception. We are of the view that any failure to act can lead to only one inference: that the higher echelons of the Board are somehow or other perpetuating the status quo for reasons best known to them. Financial irregularities can be brought to a stop, and systematic loss of income out of Devaswom assets and properties can only be prevented by adopting sound accounting practices, a prerequisite of which is computerisation. It must also be emphasised that if these institutions are administered efficiently and with full transparency, the legitimate generation of revenue would increase manifold, enabling better upkeep of temples and welfare activities for devotees. Any further delay by the Board can only be attributed to depriving these institutions of their rightful financial growth and sustainability.

16. We are of the considered view that it is the bounden duty of the Board to ensure that a comprehensive, fully functional, and tamper-proof software system of all the institutions governed by the Board is in place at the earliest, so that all

revenues and expenditures are captured, monitored, and reconciled on a day-to-day basis. The system must be capable of -

- a) Tracking all receipts from every temple, institution, and commercial activity, including fuel pumps and shops, in real time.
- b) Monitoring tendering processes for contracts, enforcing transparent bidding, and preventing dealings with blacklisted parties.
- c) Ensuring that no purchases are made above prevailing market prices and that all procurement is through public tender.
- d) Capturing every voucher, credit slip, and stock transaction in a digital audit trail.
- e) Integrating HR records, including qualifications, vacancies, and appointment approvals, to prevent nepotism and under-qualified recruitments.
- f) Recording and approving all prerequisites for construction activities, including uploading structural drawings, sketches, and estimates before sanction.
- g) Contracts & Purchase Management Module, which should include Contract Creation & Approval, Budget Validation, Vendor Verification, Performance & Compliance Clauses, Milestone-Based Payments, Digital Contract Repository, Amendment & Termination Control, Audit Trail etc.

17. We are given to understand that there are about 1250 temples which are administered by the Travancore Devaswom Board. We direct the Board to place

before this Court a comprehensive and detailed report outlining the concrete steps taken to computerise the accounts of all institutions under its administration. The report shall specifically state whether the Board has implemented an End-to-End ERP System for the complete digitisation and digitalisation of its institutions and operations, incorporating modular functionalities for Accounting & Audit, Contracts & Purchase Management, Procurement & Tendering, HR & Payroll, Project & Construction Management, Inventory & Stock Control, and Anti-Corruption Mechanisms. The Board shall further clarify whether the technology platform adopted is modern, microservices-based, cloud-hosted, and fully integrated with accounting software to enable seamless reconciliation. If no such exercise has been carried out, the Board shall furnish its explanation.

A statement shall be filed before this Court on or before 22.08.2025.

Post on 22.08.2025.

Sd/-
RAJA VIJAYARAGHAVAN V,
JUDGE

Sd/-
K.V. JAYAKUMAR,
JUDGE

msp/PS/11/8/25