Chapter - II

AN OVERVIEW OF THE FINANCIAL MANAGEMENT AND ADMINISTRATION OF THE TTD
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2.1 Introduction

The temple of Tirumala has been going through many phases of its glorious long history, during which the temple management has undergone phenomenal changes. In its early phase, the temple was managed by private individuals interested in the religious activity. Gradually, the temple attracted the royal patronage and a regular control. Later, the temple administration passed from the royal patronage into the hands of the colonial rulers. The British later transferred the responsibility of the temple management to the Mahants whose imperfect management of the temple prompted the government to take over the management and then to transfer the responsibility to the TTD, a trust, created by the Government itself.

Over years, the TTD has evolved into a virtual state within a state as its revenues have grown at a remarkable rate, from multifarious sources. Along with the rapidly rising revenues, the expenditure functions of the TTD have also registered a rapid growth on both revenue and capital accounts. Apart from the expenditure on temple rituals, the expenditure on pilgrim amenities of varied types registered an amazing increase. With ever expanding revenue and capital receipts, particularly, the receipts from the Hundi collections, the TTD’s expenditure domain has been expanding. Gradually, the TTD has taken up a large number of what could be called secular expenditures or expenditures which are in the nature of civil society expenditures. The expenditure on health and medical infrastructure, water supply infrastructure, modern drainage and sewerage, roads and illumination, eco-friendly avenue plantation, and
educational institutions of all types has gained importance. Further, as a temple with elastic revenues, the TTD came to be looked upon as a source of maintenance for other temples in the state which otherwise do not receive adequate revenues for maintenance. As a premier Hindu temple organization, the TTD was called upon to shoulder several responsibilities connected with the promotion of activities closely allied with Hindu religion viz., sculpture and temple architecture, promotion of 'Kalyana mandapams' all over the country, and more recently, promotion of Hindu marriages at the cost of TTD. With the expanding functional responsibilities, the TTD has gradually emerged into a state within a state, its annual budget, equaling Rs.916.23 crores¹. Along with the growing size and complexity of its finances, the financial management and administration of the TTD has been undergoing several changes. An attempt is made in this chapter to present an overview of the evolution of the financial management and administration system in the TTD.

2.2 Importance of the Financial Management and Administration for the TTD

2.2.1 Unique Features of the TTD

Apart from the general administration, it is the financial management that matters as the managerial efficiency is glaringly reflected in financial terms. The action of the officials at all levels involves the financial implications for the future of the organization. The scope of financial management of any organization encompasses the system of financial administration and the norms on which the system should be based. The central purpose of the financial management is to facilitate the maximization of output or satisfaction, with minimum resources. The TTD, which is essentially run with the funds collected in different forms from the devotees, is no exception to this principle. The devotees, who make

¹ TTD Budgets 2007-08 (BE), TTD, Tirupati Vol. I.
different types of contribution to the temple, expect the management to use the funds judiciously to perpetuate the temple rituals and to provide amenities for the pilgrims visiting the temple. However, the financial management of the TTD has certain unique features in that:

- there is no rigid target of revenue and capital receipts;
- there is no stress on achieving the targeted expenditures;
- non-economic and religious considerations often influence the financial management decisions; and
- the TTD is not directly accountable to the Legislature elected by the people.

2.2.2 Importance of Prudent Financial Management

Notwithstanding its unique features, a prudent financial management assumes critical importance in the TTD especially as it is necessitated by the fact that the pilgrim devotees who contribute huge amounts of financial resources to the temple, do not have a direct say in its management and as the control of the State government through the Board of Management is only indirect, being tenuous. Further, the inter-temporal considerations are significant in the temple management. The financial management should focus not only on the temple rituals and pilgrim amenities in the present, but also be provident. Further, the local fund audit of the State government and the sample audit of CAG are post accounting activities and hence the utmost significance is to be accorded to judicious financial management of resources. The financial administration of the TTD is subject to the overall control of the Board of Trustees constituted by the GOAP, with the Executive Officer who is also the Member Secretary of the Board, implementing its decisions and reporting to it. The financial administration of TTD has undergone various transformations and is presently governed by the Act 30 of 1987.
Evolution of Financial Management of the Tirumala Temple

The history of the Tirumala temple dates back to Centuries and from the legendary periods, the temple passed through the royal patronage of various Hindu kings and the Muslim rulers. However, except for the administrative information and the avowals of various kings available from various inscriptions, the Tirumala temple's financial administration records are available only in bits and pieces. The financial management and administration of the temple for which verifiable records are available, can be broadly divided into four phases; first, the royal patronage period; second, the colonial period; third, the period when Mahants had their sway over the temple financial management from 1843; and the last, and the continuing phase of the management of Tirumala Tirupati Devasthanam from 1932, onwards.

2.3.1 Financial Management under Royal Patronage (900 to 1801 AD)

The Tirumala temple received munificent endowments and gifts during the Pallava (up to 900 A.D.), the Chola (900 to 1200 A.D.), the Pandian (1230 to 1350 A.D.), the Vijaya Nagara (1360 to 1670 A.D.) and the Golkonda and Nawab of Arcot (1678 to 1801 A.D.) periods. The land endowments and gifts made, were meant for the upkeep of the temple. The Pallava queen Samavai is said to have donated extensive tracts of land to the temple of Tirumala. Every land endowment, at least from 12th Century onwards, was for a specific purpose, mostly for the upkeep of the temple and for providing food to the pilgrims who came from distant places, and for sevas like Abhishekam or a street festival. In addition to the endowments, the royal families donated precious stones and jewelry to the temple. The first of them is believed to have been made by the Pallava Queen 'Samavai'. It involves, along with the donation of land as endowment, jewels to adorn the main deity. In the matter of endowments and gifts to the temple, Sri Krishnadevaraya, however, excelled all others. Many of the jewels said to have been gifted by Sri Krishnadevaraya are
used to adorn the main Deity as well as processional Deities. The form and extent, to which the endowment of land and villages took, varied from Century to Century. In addition to the endowments, a small portion of the revenue collected from taxes, was also made available to the temple during the Pallava, the Chola and the Pandian kings.

The central feature of the financial management under the royal patronage was that the temple revenues were not steady and sustained and that they rose and fell along with royal patronage. There was no continuity in the flow of support. The offerings of the devotees constituted a relatively small portion of the temple revenues. Financial administration as such, was coupled with the general administration of the temple. The temple was largely taken care of by ‘Sthanathar’ (or) caretaker (or) trustees. By 1390, there were 2 Sthanathars/ trustees. For the management of all the estates, separate departments collectively known as the ‘Thiruppani Bandaram’ or the department of works were established. In making an endowment of the village of Durga Samudram, near Tirupati in 1482 A.D., for the purpose of construction and repairs of temple structures exclusively, the donor Saluva Narasimharaya made the Tiruppani Bhandarathers (incharge of the department of works) the trustees. The collection of revenues from and the repairs and improvements of the irrigation source in all the temple-owned villages, were also attended by them. It is not, however, stated in any of the inscriptions as to how the funds required for these purposes were raised. But very many inscriptions which record cash endowments make it clear, that the sthanathars/ trustees were permitted to utilize them for the

2 The inscription X-133-1552 AP mentions such taxes as irrigation channel tax, tax on date trees, taxes on land, festival tax, house tax in Tirumala, tax on marriages etc. The nature of taxes varied with the change of the rulers of the land. The taxes had their roots in the early centuries of Pallava rule which increased in numbers during the days of the Pandyan kings, and were almost retained by the Vijayanagar rulers.

3 The earliest inscription available, seems to be of the year 880 A.D., ordered by the local Bana ruler Vijaya Aditya to the local revenue officer, directing him to use the gold collected as kings revenue, to pay the salaries to the two temple servants of the Tirumala temple. The other inscription of the same period tells about the decision of the administrative officers of Tiruchanur village to make use of the net revenue collected in the village, after making the payment, towards all obligations and essential services, for the maintenance of the local temple.
improvement and the repairs of the irrigation works and also for the excavation of the new ones in the temple owned village. This is an early evidence of the temple emerging as a civil society institution transcending the religious domain.

2.3.2 Temple under the Vijayanagara Rule

From the reign of Vijayanagara (1360–1670 AD) onwards, the Tirumala temple started mobilizing its own revenues. The various inscriptions of II-4 of 1450, II-53, 54 and 55 of 1475, II-133 of 1495, 1517 and III-159 of 1524 refer to various types of endowments to the temple and mention that the taxes levied on the lands and pilgrims, be given to the temple. An example of the taxes of the land being diverted to the temple, is evident from the inscription of the second January 1517 A.D which specifically mentions that Sri Krishna Deva Raya permitted the trustee or Sthanattar of the temple to collect 1000 varahas of gold from the taxes and 500 varahas in a village, to meet the cost of performing some sevas in the temple.

2.3.3 Temple under Golkonda Ruler and the Nawab of Arcot

The endowments of land and cash contribution came to a virtual stop from the time the Temple came under the rule of Golkonda Muslim rulers and the Nawab of Arcot (1678–1801 A.D.). The unsettled political conditions in the region after 1638 A.D., brought about a great change in the administration of the temple. According to the inscription X1-24 of 1684, the trustees of the temple toured the country for the purpose of raising donations. The Nizam of Hyderabad placed the Temple in the hands of the Nawab of Arcot. During this long period (1670–1819 A.D.), the income of the temple was made a source of revenue for the king. For this purpose, the management was leased out on payment of annual sums of money and the expenditure on the temple was cut down considerably.
2.3.4 Temple under the British East India Company (1819-1847)

The management of the temple was taken over by the British East India Company in 1819. The entry of the British into the temple management marks a watershed in the history of the Tirumala temple management. This temple was considered to be a prized possession. In his report, the then Collector of North Arcot, Stratton under whose jurisdiction, the temple of Tirumala was placed, reported to the British Government in a report dated 31-01-1803, that this great temple received about 1,000 people per day and four to five times that figure on the occasion of annual Bramhotsavam. The average revenue of the temple for ten years prior to 1803, was declared as about 3,674 rupees inclusive of some taxes levied on the pilgrims at that time. The East India Company had formulated clear rules and regulations to manage the temple. Known as the 'Bruce's Code' of 1821, which had provided a firm basis for building an elaborate financial management and administration in the later years. The Company gave a systematic shape to the practices in vogue. The Company took care to see that there was no interference with the daily rituals in the temple. The 'parpatyadar' a supervisory officer of the temple, was made the Joint Treasury Officer along with the 'Tahsildar' or the head of the Taluk. However, the 'Jeeyangar' or the chief priest was also associated with these officials, as far as the temple management was concerned.

2.3.4.1 New Revenue Sources Evolved

A new system of endowment in the shape of 'Kanuka', 'Arjitham' and 'Varthana' came into existence during this period. What was thrown into the Hundi as a votive offering of the pilgrim, was 'Kanuka'. It was counted daily and taken into the accounts of the renter.
2.3.4.2 Arjitham

A pilgrim who sought *darshanam* at the time of different 'sevas' and 'services' was made to pay a graduated fee. For the performance of a festival, the prescribed lump sum was paid a definite proportion of which, was appropriated by the renter. These two sources of income are known as *Arjitham* or what is earned by way of income.

2.3.4.3 Varthana

*Varthana* is a fee levied to enable the management to maintain the staff and the equipment, necessary for performing the services. All these fees had to be paid to obtain the permission of the renter to worship the deity in the manner in which, a pilgrim designed to worship.

2.3.4.4 Trends in Revenue and Expenditure

The average revenue and expenditure of the Temple during 1824–1833 A.D. presented in *Table-2.1*, indicates that the finances rose into prominence during the early British period.

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Revenue</th>
<th>Amount (Rs.)</th>
<th>Expenditure</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>From Fasli</td>
<td>31,700</td>
<td>Temple services</td>
<td>31,200</td>
</tr>
<tr>
<td>2.</td>
<td>Kanuka &amp; Arjitham</td>
<td>1,16,600</td>
<td>Establishment under Government</td>
<td>4,400</td>
</tr>
<tr>
<td>3.</td>
<td>From Dharma Karthas</td>
<td>14,000</td>
<td>Rent from <em>Inam</em> Lands enjoyed by others</td>
<td>31,000</td>
</tr>
<tr>
<td>4.</td>
<td>Cash from Government</td>
<td>28,500</td>
<td>Other Items</td>
<td>7,160</td>
</tr>
<tr>
<td></td>
<td><strong>Total Income</strong></td>
<td><strong>1,90,800</strong></td>
<td><strong>Total Expenditure</strong></td>
<td><strong>73,760</strong></td>
</tr>
</tbody>
</table>

*Source: N. Ramesan, The Tirumala Temple, TTD, 1981, Chapter XX*
The expenditure on the temple services was only Rs.31,200/- and the revenue for the government was Rs.1,17,040/- per year (Rs.1,90,800 – Rs.73,760). The surplus income accrued to the East India Company which had managed the temple directly. However, it was understood that the same East India Company had received from the renter a much larger income 70 years ago (during 1754-58). It was reported that the Company received Rs.1,98,500/- during this period. In addition, the renter had his own share in the income. Thus, the Tirumala Temple passed through an exploitative period owing to both the Company (Government) and the renter using the temple as a source of income. The temple services were ill performed. The age old practice of individuals making munificent donations and endowments for defraying the expenditure on the religious services gradually disappeared.

The management of the Temple under the British continued until 1934, when a strategic decision to withdraw from the management of the native temples altogether, was made, a decision that paved the way for the Mahants’ taking up of the management of the Temple.

2.3.5 Management by Mahants from 1847–1932

The British Court of Directions prohibited all sorts of interference by the government officials in the administration of the religious institutions in the country. Following the direction, the Directors of the British East India Company took a decision of withdrawing from the management of the native temples and the management of the Tirumala temple was thus handed over to Mahants of the Hathiramji Mutt, Tirupati, in 1847. The decision of the East India Company was a strategic one, as it avoided hurting the sentiments of the natives scrupulously keeping in view its own long-term interests. The British Government, however, had not transferred any landed properties to the Mahants.
Once the British had passed on the management of the temple to Mahant Sevadasji of Hathiramji Mutt, Tirupati, the revenue of the temple began increasing gradually. By 1908, the temple annual revenues rose to Rs.3.00 lakhs and by 1930 the revenues of the temple reached Rs.11.00 lakhs. But due to the narrow outlook and selfish attitude of the subsequent Mahants who had succeeded Mahant Sevadas, the temple was dragged many a time to the then British India courts. After a series of legal battles and misappropriation of funds etc., it was in 1933, that the then Madras Government had promulgated the TTD Act of 1932 to provide a better administration for the temple. A scheme of administration was drawn up by the then Government of Madras as per the directions of Privy Council.

2.3.6 Management by the TTD from 1932

The systematic financial management of the TTD began in 1932, with the enactment of the TTD Act by the then Madras Government. The Act of 1932, provided for the appointment of a committee, to oversee the management of the temple. The Act also provided for the appointment of a Commissioner, who would carry out the decisions of the committee. The 1932 Act was adopted with minor modifications by the then Andhra Government in 1953. A series of statutory changes were made to improve the financial management and administration, since then. The present financial management and administration is governed by Act 30 of 1987. The statutory changes governing the financial management and administration are briefly discussed in the following.

2.3.6.1 Changes to the Accounting System

In the early periods, the system of accounting maintained by the TTD, was in accordance with the procedure laid down by the Local Funds Department of Andhra Pradesh State Government. The administrative structure of the TTD in the late 1950s and 1960s was not as huge as it is
now. The revenue was not even ten percent of the present magnitude. As the administration did not have several departments and establishments, a single entry accounting system was adopted. A consolidated statement of the revenue and expenditure and the balance sheet, were prepared every year as part of the accounting requirement. There was no scientific system of preparing detailed budgets.

Due to lack of structured accounting procedures, the system did not reflect the accuracy of the books of accounts. It was found lopsided and defective and did not facilitate the disclosure of the real financial position of the TTD. Therefore, it was thought that a new accounting system should be devised for the proper maintenance of accounts of the TTD.

2.3.6.2 Introduction of Double Entry System of Accounting

A new double entry accounting system was introduced in the TTD with effect from 01.04.1974.4 The accounting system of the TTD was divided into seven groups, in which there were about 65 independent units and departments, functioning under the overall supervision and control of the Executive Officer. The new scheme of accounting was intended to reflect, with reasonable accuracy, the financial position of the TTD and the working results of its operations at any given point of time. Under the new system, the independent accounts unit maintains all the books of original entry as laid down in the TTD Accounts Manual5.

4 On the request of the TTD administration, Rajagopalan, an accounts expert and Chief Cost Accounts Officer of the Government of India, had recommended the introduction of double entry system of accounting through the accounts manually prepared by him. The approval of the GOAP was sought for the new accounting system and the same was given to the TTD by the Revenue Department vide G.O.Ms.No.739 on 24.8.1973. Ultimately, the new accounting system was introduced into the TTD administration from 1.4.1974.

As the revenue and budgetary transactions of the TTD grew rapidly, a new set of accounting procedures was drafted and introduced into the system, under the rules of 1979. Under the new system, the administration of the TTD was classified into seven groups for facilitating the accounting. The 65 independent establishments of the TTD were brought under 31 accounting units. Each accounting unit was required to maintain separate books of accounts and the related records and had a separate bank account. The banks transferred all the receipts received at the unit level, to Central Office on the day of collection itself. All the heads of items of assets, liabilities, receipts, disbursements and investments, were given general ledger account numbers. The TTD prepared books of original entry for recording necessary information relating to the original transactions. Separate forms were prescribed for each book of original entry. Each book of original entry was self-balancing such that the total debit entries were found equal to the total of credit entries.

With the introduction of the new system of accounting, decentralization of accounts was introduced in all TTD institutions, consisting of about 300 accounting units grouped under 8 functional departments. The independent units maintain all the books of original entries (BOE) such as receipt book, cash book, payments cash book, purchase day book, transfer in day book, materials issued day book, transfer out day book, general ledger, subsidiary ledger etc., as per the procedures of the accounting manual.

All the receipts at the unit level are pooled up and the respective banks transfer the same to the general account of head office on the date of collection itself. Similarly, for the purpose of meeting the expenditure of the units, the banks were advised to transfer the required amounts from general account, amounts equivalent to the cheques presented by each unit, limiting the total transfer to their monthly allotment, based on the
budget allocation for each accounting unit. This new type of accounting the transactions facilitated the financial control in a more effective manner over all the 66 accounting units, in respect of both receipts and payments.

2.3.6.4 Advantages of New Accounting System

As a result of the introduction of the new accounting system, the TTD funds have been pooled and deposited in savings bank accounts so that they can earn interest on bank balances. The new system has also facilitated the investment of surpluses in long term bank deposits, popularly known as FDRs (Fixed Deposit Receipts). This has enabled the TTD to maximize the interest earnings on the surplus funds. More significantly, the new system has widened the portfolio choice of the TTD.

One of the major advantages of the new accounting system is the treatment of Hundi collections of the TTD as an addition to the 'Corpus Fund'. The pilgrims make donations for the perpetuation of the Temple rituals and for the provision of basic amenities for those visiting the temple on a sustained basis. Therefore, the Hundi collections are treated as capital receipts. As a consequence, there are no 'surplus' funds on which income tax was payable. The TTD has been completely exempted from the payment of income tax as per the notification issued by the Government of India in 1976, with retrospective effect from 1973-74.

2.4. Financial Management

2.4.1 Financial Management of the TTD under 1987 Act

The Andhra Pradesh Legislature, on the basis of the recommendations of the Justice Challa Kondaiah Commission of enquiry, enacted a comprehensive legislation governing the finances of the HR & CE institutions, including the TTD. The Act clearly lays down the provisions governing the finances of the TTD including the source of funds, purposes for which funds can be used, preparation of budgets, audit and accounts of revenues and expenditures.
2.4.2 Funds

The Act stipulates that the TTD shall have its own funds including amounts received in the form of donations and gifts, Kanukas (Hundi collections), any income from any other source and shall make all payments from the funds so collected. The funds shall be operated by the officers appointed by the Board of Trustees as per the procedures laid down for this purpose. All funds shall be held in the banks or treasury or invested in securities approved by the Government.

2.4.3 Purpose of the TTD Expenditure

The Act stipulates that the TTD shall utilize the funds for:

- maintenance, management and administration of the temples the conduct of religious rituals, functions and festivals;
- maintenance, management and administration of the educational institutions;
- propagation and promotion of Hindu religion and the study of Vedas and Hindu Philosophy, training of Archakas to perform religious worship and ceremonies;
- construction and maintenance of choultries and rest houses for pilgrims;
- provision of water supply and other sanitary arrangements to the pilgrims;
- establishment and maintenance of hospitals and dispensaries for the relief of pilgrims and worshipers visiting the temples;
- construction and maintenance of roads and communications for the convenience of the pilgrims;
- acquisition of land or property for the TTD;
- establishment and maintenance of dairy farm and veterinary hospitals for the animals of the TTD;
- any work or undertaking authorized by the Government; and
- any other religious or charitable work.
2.4.4 Priorities in Expenditure

The Act further stipulates that in incurring expenditure on different objects, the TTD should adhere to the following priorities:

- performance of the objects of the TTD and proper performance of and the remuneration for the services rendered by the employees there along with the Dittam for the temple;
- discharge of all liabilities and subsisting commitments binding on the TTD; and
- the maintenance of the working balances.

After meeting these commitments, in the balance income, not less than 40% should be incurred on the arrangements to be made for securing the health, safety and convenience of the pilgrims. This is the second important priority. In the remaining balance of income, 10% should be contributed to the reserve fund of the TTD. In the remainder of income, not less than 30% can be incurred on the construction, repair, renovation and improvement of the TTD buildings. Finally, not less than 5% of the balance amount shall be contributed to the Common Good Fund. Thus, the objects and priorities of expenditure are clearly laid down in the Act.

2.4.5 Approval of the Annual Budget by GOAP

The Act of 1987 clearly stipulates that the budget estimates for any following year, are prepared in detail and placed before the Board of Trustees before Jan. 15th of every year. The Board shall approve the same with or without modifications and forward it to the GOAP for necessary sanction. The government may sanction the budget with or without modifications. The Board is also competent to a supplementary budget and seek the sanction of Government. Thus, the Act of 1987 instituted the system of annual budget preparation and sanction. It has also conferred substantial powers on the GOAP to modify the budget provisions and to direct the Board to undertake or not to undertake any further expenditure.
2.4.6 Accounts and Audit

The Act also stipulates that the FA and CAO of the TTD keep regular accounts of all receipts and expenditures of each financial year separately in the prescribed form. Further, the Acts state that the auditors approved by the government, shall audit the accounts annually and submit their report on the annual accounts, to the GOAP.

2.5 System of the Financial Administration in the TTD

The Tirumala Tirupati Devasthanams is an independent body, governed by the Board of Trustees, appointed by the GOAP with the executive officer acting as the Member Secretary of the Board. As per the provisions of 1987 Act, the TTD is required to adhere to the rules and regulations of GOAP in the actual conduct of the financial administration. The hierarchical structure of the TTD financial administration, is presented in the Organogram (Chart-I).

Chart – I
TTD Financial Administration: Organogram

[Diagram representation of the TTD financial administration's hierarchical structure is shown, including the Board of Trustees, Executive Officer, Financial Advisor and Chief Accounts Officer, Accounts Officers, Superintendents, and Junior Assistants.]
2.5.1 Financial Control of Government of Andhra Pradesh

The GOAP exercises the direct apex control over the TTD, and appoints the Board of Trustees, which exercises an overall control of the TTD administration. The Executive Officer, the Financial Adviser and the Chief Accounts Officer, are also appointed by the GOAP. These officers are drawn from the GOAP or Government of India (GOI) service on deputation terms and conditions, for the smooth running of the financial administration of the TTD. The state audit department of the GOAP audits the TTD accounts. All major financial and other decisions of the TTD, are to be approved by the GOAP.

Apart from appointing the Board of Trustees, the Executive Officer, Financial Adviser and Chief Accounts Officer, the GOAP also decides the issue of rules and regulations. The TTD is required to adhere to all rules and regulations laid down by the GOAP which can also make any rule specifically for the TTD or alternatively can offer any existing rule in favour of the TTD. The budget approved by the Board of Trustees, has to be forwarded to the GOAP for its approval. The Government is entitled to make any re-appropriation before approving the budget. The GOAP also appoints the State Audit Department to audit the accounts of the TTD. The Government, on the basis of the audit report submitted to it, can initiate suitable action. Thus, the GOAP exercises full control over the financial administration of the TTD.

2.5.2 Financial Control of the TTD Board of Trustees

The GOAP appoints the Board of Trustees to conduct all the affairs of the temple. The administration including the financial administration of the TTD, is vested with the Board of Trustees. The Board of Trustees under section 97 (VII) of the TTD Act of 1987, delegates their powers to the Executive Officer. Eleven members from various fields are appointed
as the members of the Trust Board. Three of them are members of the AP Legislature. One of the eleven members should be a woman. The Act provides for a representation of at least one member from the Scheduled Castes. One of the eleven members is to be designated as the Chair Person of the Board and the Board is required to meet at periodic intervals. All decisions of the TTD are to be approved by the Board. The Board is the competent authority to formulate policies and programmes for the governance of the TTD. In all financial matters, the Trust Board is the final authority as well as the competent authority to approve the annual budget.

2.5.3 Financial Functions and Powers of the Board of Trustees

The Board lays down the general lines of policy and also recommends policy guidelines to the TTD in accordance with the Act (30) of 1987. The Board is entitled to take decision on any matter concerning the TTD. More specifically, the Board of Trustees is empowered to:

- manage the funds, resources and properties that belong to the TTD;
- alter or initiate any fee for any service or ritual that is connected with the temple;
- levy the toll fee on the vehicles that make use of the roads in Tirumala and lead to Tirumala;
- demand through a resolution, the sanction and security of a post in the TTD, as per the requirement;
- call for an information from accounts in the interests of proper administration of the TTD funds;
- give its asset or any property, either movable or immovable and to receive properties or assets on behalf of the TTD, except the
offerings in Hundi and cash offerings received in the office of TTD;

- sell, exchange, invest or mortgage any property belonging to the TTD;

- approve the sale of movable properties of value exceeding rupees one lakh;

- nominate the officials for the treasury i.e., the custodians of jewelry and other valuables of the TTD;

- write off the dues of the TTD to the tune of Rs. 5,000/-;

- approve the annual budget, before seeking the approval of the government;

- direct the executive officer to initiate action on the basis of the audit report against any officer, who is guilty of misappropriation of funds, willfully causing loss to the organization; and

- direct the TTD to launch criminal cases in case of embezzlement of funds, fraud or breach of trust.

2.5.4 Financial Functions and Powers of Executive Officer of TTD

The Executive Officer, who is the chief administrative head of the TTD, is appointed by the GOAP. Bearing in mind the importance of the position in the organization, the Government has stipulated that the person appointed to be an Executive Officer, shall be drawn from the Indian Administrative Service, who is holding or has held the post of District Collector or a post, not lower in rank than that of a District Collector in any other service in the state. The Joint Executive Officers are also drawn from the cadres of Indian Administrative Service.
Following are the important financial functions and powers assigned to the Executive Officer. As per the Act, the Executive Officer:

- is responsible for the maintenance and custody of records and properties of the TTD;
- has power to fix the wages for employees other than those on the time scale of pay;
- can authorize any officer of the TTD to function as a cheque drawing and disbursing officer;
- shall furnish to the Commissioner a return of the annual income for the previous year after getting the approval from the Board of Trustees for making the contribution to the endowment administration fund;
- for all practical purposes, has to consult the Financial Adviser & the Chief Accounts Officer on all matters relating to expenditure, investment etc., of TTD;
- can overrule the advice of FA & CAO which has to be recorded in writing;
- has power to sell movable properties below one lakh in public auction, the terms and conditions for such a sale, being decided by him only;
- any new jewels or the provision of new Vahanams (chariots) can be decided by him, with the prior permission of the Board;
- with the prior permission of the Board, can permit the leasing of the immovable properties of the TTD;
- can write off an amount of Rs.5,000/- due to TTD in each case, at a time;
- is responsible for placing the budget before the TTD after receiving the budget from FA & CAO; and
- is also responsible for placing the audit report before the Board after getting it scrutinized by FA & CAO.
Apart from these, he is also empowered to take any decision in furtherance of the interests of the TTD, but such actions are required to be approved by the Board of Trustees.

2.5.5 Financial Functions and Powers of FA and CAO

As per the provisions of the TTD Act, the GOAP also appoints a Financial Adviser and Chief Accounts Officer (FA & CAO) of the TTD. The FA & CAO is under the direct control of the Executive Officer. The FA & CAO is administratively subordinate to the Executive Officer. The FA is incharge of the finances of the TTD, and is the head of the accounts and finance departments. The finance and accounts departments are further divided into 15 sub-sectors such as computers, accounts and establishments, advances, audit objections etc., and is manned by a superintendent. Two Accounts Officers oversee the entire work of all the departments and report to chief accounts officer who in turn, reports to the FA & CAO.

The Act confers important financial powers on the FA & CAO. The FA & CAO:

- is responsible for keeping accounts of all receipts and disbursements for each financial year regularly;
- functions as the pay and accounts officer as well as the cheque drawing officer of the TTD. On the advice of the FA & CAO, the EO may appoint any other officer to function as a cheque drawing and disbursing officer;
- is responsible for preparing the annual budget of the TTD and also to spend it according to the budgetary provisions;
has to be consulted by the EO on all matters of finance regarding expenditure, bills, contracts, investments etc;

is responsible for placing of all records, accounts, correspondence, plans and other documents relating to the properties of the TTD, before the auditors;

is responsible for rectifying the defects of irregularities pointed out by the auditors and has to make a rectification report and place it before the Board through the EO;

has to conduct a physical verification every year of all valuable properties of the TTD like, jewelry, temple vessels, Vahanams (chariots and vehicles), furniture, stores, stock etc., and must provide a physical verification report;

is custodian of all the receipts of the TTD, subject to the overall control of the Executive Officer;

can withdraw the money from the deposits on behalf of the TTD, subject to the control of the Executive Officer;

oversees the TTD employees' pension fund, gratuity fund and provident fund separately and has to create a trust for the purposes of discharging the liabilities of the TTD employees;

is the official receiver in the TTD office of any cash/kind deposited to the TTD; and

is responsible for accounting all the collections of the TTD. No person other than FA&CAO shall be competent to give a valid discharge of any claim of the institution.
2.6 Budget Classification

As per the provisions of the Act, an annual budget is prepared and submitted to the Board of Trustees for its approval before January 15th of every year. The master budget of the TTD is prepared in accordance with the principles laid down by the accounts manual, based on the units/department's individual budgetary estimates. The budget is basically divided into two kinds of account viz., the revenue account and the capital account. All current transactions in terms of receipts and expenditures are recorded under the revenue account. All transactions, which are not in the nature of the current transactions, are recorded in capital account. Each account in turn is divided into cash budget and adjustment budget. The material transfers from one accounting unit of the TTD to any other accounting unit, are recorded under the adjustment budget. Such transactions are credited to the original unit, with a corresponding debit entry to the receiving unit. This facilitates the correct financial position of the accounting units. All cash transactions are recorded under the receipts and payments accounts of the budget. The budget classification is illustrated in the following chart:

Chart - II

Master Budget

- Cash
  - Receipts
    - Capital
    - Revenue
  - Payments
    - Capital
    - Revenue

- Adjustment
  - Receipts
    - Material Transfers
    - Cost Transfers
  - Payments
    - Material Transfers
    - Cost Transfers

Thus, each master budget provides the detailed cash and adjustment budgets for five years. Thus, for example, the budget for 2006-07 furnishes the information in the following format under different heads:
Table – 2.2
Illustrative Annual Budget Format of the TTD

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<thead>
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</thead>
<tbody>
<tr>
<td>A.</td>
<td>Opening Balance</td>
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<td>B.</td>
<td>Receipts during the year</td>
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<td>i)</td>
<td>Capital Receipts</td>
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<td>ii)</td>
<td>Revenue Receipts</td>
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<td>iii)</td>
<td>Investments realized</td>
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<td>iv)</td>
<td>Loans and advances</td>
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<td>v)</td>
<td>Deposits received</td>
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<td>vi)</td>
<td>Staff recoveries – receipts</td>
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<td>vii)</td>
<td>Adjustment receipts</td>
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<td>C.</td>
<td>Total</td>
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<td>D.</td>
<td>Payments during the year</td>
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<td>i)</td>
<td>Capital payments</td>
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<td>ii)</td>
<td>Revenue payments</td>
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<td>iii)</td>
<td>Investments made</td>
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<td>iv)</td>
<td>Loans and advances</td>
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<td>v)</td>
<td>Deposits paid</td>
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<td>vi)</td>
<td>Staff payments</td>
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<tr>
<td>vii)</td>
<td>Adjustment payments</td>
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<tr>
<td>E.</td>
<td>Total</td>
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<tr>
<td>F.</td>
<td>Closing Balance</td>
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</table>

Source: TTD
2.7 Functional Departments

Further, all receipts and payments in respect of both cash and adjustment account, are presented in terms of eight major groups, as indicated below:

- **Srivari temple, Tirumala**
- Other temples;
- Service departments for temples;
- Service departments for pilgrims-I;
- Service departments for pilgrims-II;
- Engineering department;
- General administration; and
- Educational institutions.

The budget documents also furnish detailed accounts and estimates for each sub-group within the major group. Another interesting dimension of the TTD budget classification is the presentation of what is called a contrast budget, indicating receipts, payments and net surplus/deficit picture in respect of each of the eight major groups. This facilitates not only the identification of surplus and deficit areas, but also more importantly than this, the source and extent of surplus/deficit. From the point of view of the fiscal management, such an identification would be very useful. Even more interesting is the presentation of expenditure details in terms of the statutory classification provided as part of the budget, under section 116 (6) (a) of AP HR and CE Act 30 of 1987. These details facilitate an assessment of the discrepancy between the statutory norms for expenditure vis-à-vis the actual expenditure.
2.8 Objectives of the Financial Management of the TTD: A Conjecture

Maximization of profits and maximization of wealth of the shareholders are generally considered as the twin objectives of the financial management of corporate undertakings. The TTD is not a commercial enterprise and, as such, it is not involved in the process of maximizing the profits. The second objective of maximizing the shareholder/stakeholder wealth also does not directly apply to the TTD. There are no direct stakeholders to whom the TTD is required to distribute the dividend, by maximizing its wealth. But the TTD cannot be considered as a non-profit organization either, as its objectives are not usually expressed in non-financial terms depending upon the nature of the service provided.

Pilgrims form the ultimate source of revenue for the TTD. The devotees provide multiple sources of revenue for the TTD. The pilgrims contribute the following sources of receipts to the TTD:

- *Hundi* offerings or *Kanukas*;
- *Arjitha sevas* and special darshan receipts;
- Purchase of *prasadams*;
- Payment of *rent* to the *cottages/choultries*;
- Tonsure and the sale of human hair; and
- Sale proceeds of the *TTD* publications, gold and silver coins and other receipts.

The TTD in turn, is expected to use the funds for providing various facilities and conveniences for the devotees. As such, the devotee is the consumer as well as the payer of services. The TTD finds itself in a piquant situation of just being a catalyst, to facilitate the process. Since the devotee is the source of all funds, he is the primary stakeholder. The
universally accepted objective of the maximization of the wealth of shareholders, applies to the TTD as well, though indirectly. However, as in the case of commercial organizations, the TTD has not been providing dividends to its stakeholders. But this is due to the fact that there is no individual ownership as such and it is the collective interest of the devotees that needs to be promoted. The objective of maximization of wealth, therefore, applies in a modified form, to the TTD as well.

In its operational terms, the maximization of the stakeholder wealth, is an easily observable measure. In a typical commercial firm, the types of decisions taken, are immediately reflected in the market price of the share. The same applies, in an indirect manner, to the TTD also. Any important decision taken by the TTD, has its effect on the devotees and in turn on their contribution to the temple receipts. The devotees make different types of offerings to the temple with the expectation, that the funds would be used to ensure the conduct of regular temple rituals as well as the provision of pilgrim amenities and services.

The objective of maximization of the stakeholder or the devotee takes into account, the future activities/amenities as well as the uncertainty associated with future activities. An organization, which has stakeholder wealth as the primary objective, pays regular dividends. In respect of the TTD, this would mean providing requisite amenities for the pilgrims, besides conducting the all important temple rituals. The shareholders of any organization would prefer an increase in wealth to an increasing flow of profits to the firm. In the same way, the devotees expect the TTD to provide them better amenities, besides perpetuating the temple rituals. The objective of the financial management of the TTD could then be construed as the maximization of the satisfaction of the primary stakeholder i.e., the devotee of the temple. The ultimate goal of financial management of the TTD can be conjectured as the well being and satisfaction of the devotee who makes contributions to the temple.
The well-being of the devotee would call for a rationale and a prudent management of the finances of the TTD. This in turn implies, that the entire gamut of finances needs to be managed along sound lines. The processes that are involved in the financial administration of the TTD are:

- collection of receipts of different types from the devotees;
- collection and management of gifts, offerings and donations from the devotees and the management of similar public funds; the custody of funds thus collected and an effecting of the payments, for the smooth running of the organization;
- proper coordination of the public receipts and expenditures through a well prepared and implemented annual budget; and
- the general management and control of the financial affairs of the organization, including the management of investments.

The first one concerns itself with the management of the revenue receipts of the TTD, while the second with the capital receipts of the TTD, including Hundi collections and donations. Third and fourth, deal with the management of the revenue and capital expenditures of the TTD, respectively. The last one relates to the management of the TTD investment portfolio. Financial management and administration encompass these four key processes. The present study therefore focuses on the management of (a) management revenue receipts; (b) revenue expenditures; (c) capital receipts; (d) capital expenditures; and (f) investment of the TTD and other sub-trusts.
Prudent financial management assumes significance as the TTD is not directly responsible to the pilgrim devotees, who contribute to its finances in a variety of forms. The control of the state government is indirect and the state audit and the sample audit of the CAG, are not only limited but are post accounting activities. Further, the TTD should protect not only the interests of the present generation of pilgrims and followers, but also that of several future generations. Therefore, any sound financial management gathers importance. The modern financial management of the temple began with the introduction of ‘Bruce’s Code’ in 1821, which had provided a firm basis for the development of a financial management and administration system. The system continued for long, with minor modifications, till the passage of the TTD Act of 1932. After the formation of the State of Andhra, and later Andhra Pradesh, changes were ushered into the financial system. Introduction of the double entry system of accounting in 1974 and the new accounting procedures in 1979, was an important development. Later, the HR & CE Act of 1987 laid a solid foundation for the financial management and administration of the TTD. The Act clearly defines the sources of funds, the objects and priorities of expenditure, the formulation and approval of the budget, the requirement of maintaining systematic accounts by following the accounts manual, the audit of accounts and the financial administration. The financial powers of the GOAP, the Board of Trustees, the Executive Officer and the FA & CAO, are clearly defined. On the basis of the Act, budgets are formulated, approved and implemented. For the sake of promoting transparency, accountability and budgetary control, the TTD is divided into 8 functional departments. The ultimate objective of the financial management of the TTD, is to promote the long-term interests of the temple and the pilgrim devotees and followers. Therefore, a prudent management of the receipts, expenditures and investments, acquires critical importance.