3.1 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 religious activity. Gradually, the temple attracted 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 to transfer the responsibility to the TTD, a trust, created by the Government itself. Over the years, the TTD has evolved into a virtual state within a state as its revenues have grown at a remarkable rate, from multifarious sources. An attempt is made in this chapter to present an overview of the evolution of the general and financial management of the TTD and to study the financial management in the TTD.

3.2 GENERAL MANAGEMENT

Financial Management is a part and parcel of General Management of TTD. The general management of TTD is divided into two parts i.e. history and present management and presented below.

3.2.1 History

The history of the management of the TTD, right from the period of records available, is classified into five categories and reviewed in the study i.e. Management of TTD by Kings and Rulers, Management of TTD by Muslim Rulers, Management of TTD by the East India Company, Management of TTD under Mahants, Management of the TTD by the Government after Mahants.

3.2.1.1 Management of TTD by Kings and Rulers

Hindu rulers exercised supervision over the temples and the management of their endowments had always been considered as one of the primary functions of the rulers. The kings exercised control over the religious institutions and endowments through their Officers. The temples of Tirumala and Tirupati were directly under the successive control of the kings and emperors of different regimes. There were numerous inscriptions referring to the receipt of a stream of royal benefactions by the temple from 813 AD to 1660 AD.
3.2.1.2 The Andhra Satavahana Period (78-102AD)

The Tirumala Tirupati region is situated in what was familiarly known as ‘Thondamandalam’ for a long time and as ‘Karnatic’ in the later times. The early history of this region is lost in obscurity and only a few glimpses can be obtained. In the first century A.D., Vengadam was inhabited by an uncivilised tribe of hunters known as the Kalvar. Their Chieftain was Pully, who was a fierce and powerful master. To the north of Thondamandalam, there flourished the Great Andhra Satavahana empire. Goutamiputra Sathakarni – the great king of this family ruled between 78-102 AD. Thondamandalam was included in the Satavahana empire towards the end of 1st century AD\(^1\).

3.2.1.3 The Nagas Period (102AD-260AD)

At the beginning of the 3rd century AD, Thondamandalam and its neighbourhood were under the domination of Nagas\(^2\).

3.2.1.4 The Pallava Period (260-900AD)

The age of Pallavas constitutes the first important land mark in the history of Thondamandalam and the Tirumala-Tirupati region which was included in it. These pallavas were originally the inhabitants’ of the south eastern part of Satavahana empire, bordering upon Thondmandalam. The founder and first ruler of this dynasty, Simha Varman alias Virakurcha, married a Naga Princess from the kingdom of vanavasi and inherited a kingdom and royal status through his wife. As the son-in-law of the most powerful Naga family of the time, he might have been easily recognised as the leader by the other Naga tribes inhabiting Thondamandalam. The kingdom was ruled by him and his successors till the end of the ninth century AD\(^3\).

3.2.1.5 The Chola Period (900-1250AD)

Thondamandalam became part of Chola empire after its conquest by Aditya-I and remained so till about the middle of the thirteenth century. Aditya-I (880-907) became the first important Chola Kind defeating the last Pallava ruler Aparajitha. The founder of the Chola power was, however, Vijayaraya, (the father of Aditya) who was the first ruler of Tanjore. With the defeat of the last Pallava King Thondamandalam i.e. the areas around ‘Vengadam’ came under the control of the
Cholas. The greatest ruler of the Cholas is Raja Raj Chola-I. He assumed the title of Jayakonda Chola and Thondamandalam comprising areas around Tirumala, Kalahasthi, etc., came to be called from then onwards as Jayakonda Chola Mandalam after him.

The temple management during the Chola period was run by managers as in the times of Pallavas. Their work was however supervised and controlled by the Officers of this king. It would also appear that the temple servants were called kaikkolais.

3.2.1.6 The Telugu Pallavas and Pandyas (1251-1275)

The temple has few inscriptions of the Pandya King Jathawarma Sundara Pandya-I (1251-1275) of Madura. It is this king that acquired merit by fixing a gold kalasam on the temple at Tirumala during his reign. The Chola King Rajendra-III was vanquished in battle by this Pandya. His inscriptions do not throw any light on the temple affairs of this period. However there are several inscriptions of the Telugu Pallava, Vijaya Gandagopala of Nellore (1250-1282 AD) (TTD Epigraphical Series Vol.I) dated 1254 AD, mentions the ‘Kaikkolai’ or temple servants of Tirumala receiving gold in the Sri Bhandaram, and undertaking to provide certain services to the Lord.

3.2.1.7 The Transition Period / The Yadavarayas (1260-1360ad)

Thondamandalam was included in the Vijayanagara empire right from the time of its establishment in 1336 AD. During this period, the Yadavarayas were the most important local Chieftains in the Tirumala Tirupati Region. They were intimately connected with the temples of this area and made valuable benefactions to the temples. Vira Narasingadeva is the earliest member of this family to be connected with the temple of Tirumala. This Chieftain gifted a village to the temple for the supply of rice, vegetables and ghee every day. Tirukalattideva, another member, assigned some land in the village of Avilala to the temple. The queen of Vira Narasinga presented 64 cows and two bulls for setting up two perpetual lamps.

3.2.1.8 The Vijayanagara Period (1336-1680 AD)

Thondamandalam was included in the Kingdom of Vijayanagara from the time of its foundation and continued as part of it till the time of its fall. The period of
the rule of the Sangama, Saluva, Tuluva and Aravidu dynasties of Vijayanagara constitutes the most brilliant epoch in the history of the Tirumala – Tirupati region and of its temples. Mahamandalesvara Mangideva, a prominent feudatory of Sangama dynasty, set up a golden kalasa on the sikhara of the vimana of the temple in 1369 AD after gilding the sanctum. An inscription of 1495 AD states that Narasimharaya of Saluva dynasty issued an order authorizing Kandadai Ramanija Ayyangar to carry on necessary repairs to the temple jewels and gold and silver vessels and to be in hereditary charge of the jewellery store room.

The temple of Tirumala received liberal patronage during the period of the rule of Tuluva dynasty. Two famous rulers of this dynasty Krishnadevaraya and his brother Achyutadevaraya were ardent devotees of Sri Venkateswara and gave Him many valuable presents. Srikrishna devaraya visited Tirumala temple eight times ranging from 1509 to 1521. Rani Thirumala Devi (consort of Krishna devaraya) presented a golden bowl on 10th February 1513 to the Lord. This bowl even now is used for offering milk to the Lord during and after the night worship. The statues of Srikrishna devaraya and his consorts, Thirumaladevi and Chinnadevi, were installed in Tirumala Temple to commemorate their services to the Lord of Seven Hills.

3.2.1.9 Management of TTD by Muslim Rulers (1650-1800AD)

The Tirumala – Tirupati region came to be conquered by the Sultans of Golconda by about the middle of the 17th century and remained under Muslim rule for about a century and half. This was a period of confusion, chaos and disorder and there was practically no government worth the name in this region. The Hindu empire of Vijayanagara had vanished and various interested parties like the Qutub Shah, the Mughals, the Nizam, the Maharathas, the Nawabs of Arcot, Hyder Ali, the English and the French entered the arena and added to the confusion and misery of this area.

3.2.1.10 Management by the East India Company (1801-1843AD)

On the close of Fourth Mysore War in 1799 and after the death of Mohammad Ali in 1795 and his son in 1801, the company made an agreement with Mohammad Ali’s second son, Azim-ul-umra, in July 1801 by which he handed over the entire political sovereignty over the Karnatic to the East India Company in return
for a fixed stipendiary allowance. Thus from 1748 i.e. middle of the 18th century, the East India Company came into possession of the income of the Tirumala Temple of Sri Venkateswara and later it took over the direct management of the temple in the beginning of the 19th century when they arrived at an agreement with Mohammad Ali’s son.

The East India Company investigated all matters relating to the temple, such as its management, its income and its sources, the worship of the deity, the particular kinds of worship and their traditions, the staff-hereditary, temporary and optional, their duties and emoluments, daily food-offerings and special offerings on certain days of the week, fortnight, month and other occasions, festivals on particular days and the annual festival Brahmotsavam, the different temples and shrines and their apartments and the Deities and other idols enshrined in them, vehicles for procession and their occasions, pilgrims visiting the Deity, their donations and their receipt and accounting, and other relevant items and got up five records –

(1) The dittam, containing the rations for food-offerings for all Deities and icons of the Vaishnava Alvars. Acharyas and others. The earliest one was produced and brought into use from Fasli 1200 to Fasli 1250;

(2) The Kainkarya-patti, laying down the duties and emoluments of the different classes of functionaries and servants was prepared twice, once in 1801 and again in 1820;

(3) Bruce’s Code, for an objective administration of the temple and all its affairs, was prepared by the then Collector on 25-7-1821;

(4) The Sawal-Jawab-patti giving a list of questions and answers relating to the duties of functionaries and their income, religious services, endowments and other similar items, prepared in 1819; and in 1819.

(5) The Paimayishi Account, containing measurements of temples and other buildings, and an account of the Deities and images enshrined and preserved in them, produced in 1819.

Broadly speaking, the management of the temple under the East India Company was in accordance with the Madras Regulations VII of 1817. This was a regulation for the appropriation of rents and produce of lands granted for supporting
mosques, temples, etc., and for the custody of escheats. This regulation empowered the Board of Revenue to superintend the endowments and ensure that the revenue from the original endowments were put to proper use. The District Collector working under the Board of Revenue became the authority for such superintendence. Under section 8 of the above regulation, the District Collector became the ex-officio agent of the State Government for the above purpose. The administration of the Tirupati temple during the Company’s time was according to a set of rules called the Bruce’s Code.

3.2.1.11 management under the Mahants (1843-1933 AD)

The management of TTD was transferred by the East India Company in 1843 to the Mahants. A Mahant was appointed to inquire into and to administer the devastha ams of the Tirumala Sri Venkateswara and Tirupati Sri Govindaarasa wamy temples. From 1843 to 1933 AD six generations of Mahants by discipleship exercised authority as the Vicharanakartas of the Devasthanams. They are 1) Mahant Sevadasa, 2) Mahant Dharmadasa, 3) Mahant Bhagavandas, 4) Mahant Mahabirudas, 5) Mahant Ramakisoradas and 6) Mahant Prayagadasa.

Generally speaking the management of the Tirumala Temple by the Mahants was satisfactory and there was all round noticeable improvement in the repairs and renovation work of the temple and in the facilities offered to the pilgrims.

However, as it is unavoidable in such an organisation, the entry of the Mahants into the administration started an era of continuous strife, between them and the vested interests in the temple, resulting in unending chain of civil and criminal cases. The narrowness of outlook of both the parties resulted in not only dragging the name of this ancient shrine before courts, but in colossal waste of temple funds, as the final courts of appeal had invariably ordered the payment of costs of both parties from the temple funds. Charges of misappropriation and misapplication of the funds and breach of trust were the chief subjects of these litigations. The period of the first Mahant Seva Doss from 1843 to 26\textsuperscript{th} February 1864 (when he died) was the only spell during which the temple affairs were not taken before courts. The Prayaga Dasji was the most enlightened and he carried out several useful measures of permanent benefit to the temple. The Mahants were incharge of the management of TTD till 1933.
After the Mountford Reforms were introduced in 1919, the Government felt the need of the legislation on the religious endowments. The Raja of Pangal, the then Chief Minister of Madras State, conceived the idea of establishing a Board of Commissioners on the lines of the Board of Charity Commissioners in England to have full control over the religious institutions\textsuperscript{12}. A bill was accordingly drafted and the Madras Hindu Religious Endowments Board (HREB) was formed with a President and four Commissioners having powers of supervision and control over the temples and maths. Later, a number of defects were soon found in the working of the Act of 1925. As the Mathadhipaties and some Managers of temples questioned the validity of the Act, it was repealed by the Act II of 1927. The Madras HRE Act, 1927 was the first legislation of its kind in India with regard to the religious institutions. This Act became an important religious Act whose model has been copied years later by other States in the country. In order to remedy the defects discovered in the working of the Act, several Acts have been brought out since 1927.

\subsection*{3.2.1.12 Management by the Government through the Legislative Frame Work}

With the enactment of the Madras Act XIX of 1933, the management of the TTD and their properties were taken away from the Mahants and vested in the TTD Board of Trustees which was formed by the provincial Government of Madras. This Board was constituted as a Corporate Body having perpetual succession and a common seal and it administered the TTD through a Commissioner appointed by the Government. The Madras Act of 1933 was superseded by a comprehensive Act called Madras Hindu Religious and Charitable Endowments Act 1951. The administration was entrusted to a Board of Trustees and an Executive Officer appointed by the State Government to implement the policies of the Board subject to the control of the Commissioner and the State Government. The Act of 1933 has no doubt placed the actual management of temple under the Commissioner who was certainly better fitted for the task than the Mahants. But, the Act itself was limited in scope as the framers were interested more with the idea of using the funds for secular objectives than with the investigation of these revenues and the purposes for which the original donors of the funds and lands intended them to be used\textsuperscript{13}. After the formation of the State of Andhra Pradesh in 1953, The Hindu Religious and Charitable Endowments Act of 1951 was adopted by the Government of Andhra.
Pradesh. Subsequently the Government had replaced it by a comprehensive enactment called ‘The Andhra Pradesh Charitable and Hindu Religious Institutions and Endowments Act, 1966 (Act 17 of 1996)’ which came into force on 26-1-1967. The Chapter XIV of 1966 Act had dealt with administration of the TTD. The other general provisions of the Act and the rules framed under the old Act, i.e. 19 of 1951 Act were made applicable to the TTD wherever the relevant rules were not framed under the 1966 Act.

Under the A.P. Charitable and Hindu Religious Institutions and Endowments Act, 1966, Section 86 provided for the constitution of the Board of Trustees by the Government which might consist of not more than 11 persons. An Executive Officer had to be appointed by the Government who will be the Chief Executive of the TTD and he must be a person professing Hindu religion. All the properties, etc., of the TTD were vested in the Board of Trustees by virtue of the provisions of the Act. It had to manage the properties of the TTD and apply their funds in accordance with the provisions of the Act and the Board of Trustees were empowered to exercise all powers for the betterment of the administration of the TTD. The Act provided for the constitution of a civic committee. For the Tirumala hill area. The management set up of the TTD under the 1966 Act was as follows:

Government

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Commissioner of Endowments

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Board of Trustees

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Executive Officer

The Government of Andhra Pradesh promulgated the TTD Ordinance No.10 of 1979 on May 18, 1979 and it was subsequently replaced by the TTD Act No.20 of 1979. The Government has brought out this separate Act of the governance of the TTD for the following reasons : (i) the TTD became a major religious institution in the State with vast resources and extensive properties, (ii) The provisions of the Act of 1966 were found inadequate and not been possible for the TTD to take quick decisions in the matter of administration wherever considered necessary, and (iii) The full rigours of control and supervision by the Commissioner, Endowments had
been in fact leading to administrative inefficiency in such a huge organisation like the TTD. The fresh legislation of 1979 was intended to remove these loopholes and ensure better administration of the TTD. Since the 1979 Act came into existence, the APC & HRI and Endowments Act, 1966 stands repealed and the provisions of the Act ceased to apply to the TTD.

The management of TTD sought to fulfil the following objectives and functions: (1) to provide relief to the ailing and sick people by constructing beggar houses and hospitals, (2) to provide educational facilities by establishing various colleges and schools at several places including Tirupati and Tirumala, (3) to construct prayer halls and kalyanamandapams at several places of Andhra Pradesh, (4) to give encouragement and assistance to Indian culture and heritage and propagate Hindu religion, (5) to disseminate information about the pilgrimage to the various shrines and publish mythological and spiritual books, (6) to adopt certain villages near Tirupati for development, (7) to provide various welfare programmes to the staff of the TTD, e.g., construction of quarters, water facilities and medical facilities, etc., (8) to provide statutory contributions to the State Government and participate in the nation building activities, (9) to provide all the required facilities to the visiting pilgrims of Tirumala and Tirupati, and (10) to conduct various religious conferences and encourage artists in different fields.

The management set up of TTD under the new TTD Act of 1979 is as follows:

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Government

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TTD Trust Board

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Management Committee

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Executive Officer
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3.2.1.12.1 TTD Board

There is a Board constituted by the Government for the TTD called “The Tirumala Tirupati Devasthanams Board” consisting of not more than 13 members including the Chairman Appointed by the State Government of whom: (1) The
Commissioner shall be a member ex-officio, (2) The Executive Officer shall be the Member Secretary ex-officio, (3) There shall be members of the State Legislature (4) One shall be person belonging to the Scheduled Castes, and (5) One shall be a woman. It is stipulated in the Act of 1979, that the persons appointed as members should be persons professing Hindu religion. The functions of the TTD Board are: (1) to lay down policies relating to pilgrim facilities, (2) to exercise general superintendence, and (3) to review the administration and to approve the budget having due regard to public interest, the services and amenities to be provided and safety measures to be undertaken for the pilgrims, visiting to Tirumala.

The Board will lay down general lines of policy and recommend policy guidelines to the TTD in accordance with the TTD Act 1979. Following are the policy matters which will be taken up by the Board for consideration: (1) transport including construction of roads and communications, (2) accommodation, (3) catering, (4) protected water supply, sanitation electricity and other allied matters, (5) orderly darshan and worship, (6) safety to person and property, (7) medical and health facilities, and (8) such other matters of policy on general superintendence and review in relation to the administration of the TTD having regard to public interest and the services and amenities provided to, and the welfare and safety measures to be undertaken for the pilgrims, devotees and worshippers resorting to TTD. At a special meeting to be convened not later than the 15th January of each financial year, the Board shall consider the budget as placed by the Management Committee and approve the same with or without modifications. Within three months after the close of each financial year, the Committee will submit to the Board a report on the administration of the affairs of the TTD during the year in such form as the Government may determine. The Board will have to review the report and submit a copy of the same to the Government with its remarks.

3.2.1.12.2 TTD Management Committee

There is a Committee constituted by the Government for TTD called ‘The Tirumala Tirupati Devasthanams Management Committee’ which is a Body corporate having perpetual succession and a common seal with a power to acquire, hold and dispose off property and shall sue and be sued by the said corporate name. The Committee consists of the Chairman of the TTD Board who is ex-
officio Chairman of the Committee, the Commissioner who is a member ex-officio, the Executive Officer who is the ex-officio member Secretary of the Committee and two other members of the Board nominated by the State Government. Under Section 7 of the TTD Act 1979, the administration of the TTD shall vest in the Committee. “The Committee shall manage the properties, funds and affairs of the TTD and arrange for the conduct of daily worship and ceremonies and of the festivals in every temple according to its customs and usage. It has the power to fix the fees for the performance of archana, ritual, utsavam or any service connected with the TTD. The Committee has the power to call for information and accounts as may in its opinion be necessary for reasonably satisfying itself that the TTD is properly maintained and the endowments appropriated to the purposes for which they were founded”16. The Committee will fix dittam17 in the temples and exercise the general superintendence and control over the administration of TTD in conformity with the policy laid down by the Board.

The TTD Management Committee shall invariably meet on the first Friday of every month at Tirumala or at any other place. If there is need, it can also meet on the third Friday of the every month for the transaction of the business of the TTD. The Committee can also meet at its discretion to discuss any vital issues on any other day at any place. The meeting will be convened by the Executive Officer who is ex-officio member secretary. Notice of the meeting specifying the date, time and place along with a copy of agenda shall be sent by the Executive Officer at least seven days before the date of the meeting by certificate of posting to the usual place of residence of the members. In case of emergency meeting, the ex-officio member Secretary may convene the meeting on giving telegraphic notice of two days.

The Management Committee shall consider the budget presented by the Executive Officer of TTD. The Committee will also have to submit to the Trust Board a report on the administration on the affairs of the TTD during a year within three months after the close of the financial year. It is felt necessary that after presenting the budget every year, the administration should publish a detailed note on the financial matters of the TTD in all newspapers for enabling the public to know the financial policy of the administration. Being a public religious institution, this may be found desirable as its income is mostly dependent on public patronage and devotion. At present, only the budget figures are made available to the public.
3.3 PRESENT MANAGEMENT OF THE TTD

The present management set up of TTD under the new TTD Act of 1987 is as follows:

Government

TTD Trust Board

Executive Officer

3.4 FINANCIAL MANAGEMENT

All the matters related to the financial management of TTD are presented below.

3.4.1 Importance of the TTD Financial Management

3.4.1.1 Unique Features of 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 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.
3.4.1.2 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 Government of Andhra Pradesh, 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.

3.4.2 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 is governed by Act 30 of 1987. The statutory changes governing the financial management and administration are briefly discussed in the following.

3.4.3 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.

3.4.4 Introduction of Double Entry System of Accounting

A new double entry accounting system was introduced in the TTD with effect from 01-04-1974. 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 Manual.

3.4.5 New Accounting Procedures-1979

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 receipts received at the 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 financial on the budget allocation for each accounting unit. The 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.

### 3.4.6 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.

3.4.7 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 Hindu Religious and Charitable Endowment 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.

3.4.8 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.

3.4.9 Approval of the Annual Budget by Government of Andhra Pradesh

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 January 15\textsuperscript{th} of every year. The Board shall approve the same with or without modifications and forward it to the Government of Andhra Pradesh for necessary sanction. The government may sanction the budget with or without modifications. The Board is also competent to approve 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 Government of Andhra Pradesh to modify the budget provisions and to direct the Board to undertake or not to undertake any further expenditure.
3.4.10 Accounts And Audit

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

3.4.11 System of the Financial Management in TTD

The TTD is an independent body, governed by the Board of Trustees, appointed by the Government of Andhra Pradesh 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 Government of Andhra Pradesh in the actual conduct of the financial administration. The hierarchical structure of the TTD financial administration is presented in the Organ gram (chart-I).

Fig. 3.1: TTD Financial Administration: Organogram
3.4.12 Financial Control of Government of Andhra Pradesh

The Government of Andhra Pradesh exercise 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 Advisor and the Chief Accounts Officer, are also appointed by the Government of Andhra Pradesh. These Officers are drawn from the Government of Andhra Pradesh or Government of India service on deputation terms and conditions, for the smooth running of the financial administration the TTD. The state audit department of the Government of Andhra Pradesh audits the TTD accounts. All major financial and other decisions of the TTD, are to be approved by the Government of Andhra Pradesh.

Apart from appointing the Board of Trustees, the Executive Officer, Financial Adviser and Chief Accounts Officer, the Government of Andhra Pradesh also decides the issue of rules and regulations. The TTD is required to adhere to all rules and regulations laid down by the Government of Andhra Pradesh 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 Government of Andhra Pradesh for its approval. The Government is entitled to make any re-appropriation before approving the budget. The Government of Andhra Pradesh 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 Government of Andhra Pradesh exercises full control over the financial administration of the TTD.

3.4.13 Financial Control of The TTD Board of Trustees

The Government of Andhra Pradesh 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 A.P. 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.

3.4.14 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 properties of value exceeding rupees one lakh;
- nominate the officials for the treasury i.e., the custodians of jewellery and other valuables of the TTD;
- write off the dues of the TTD to the tune of Rs.5000/-;
- 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, wilfully causing loss to the organization; and
- direct the TTD to launch criminal cases in case of embezzlement of funds, fraud or breach of trust.
3.4.15 Financial Functions and Powers of the Executive officer of TTD

The Executive Officer, who is the chief administrative head of the TTD, is appointed by the Government of Andhra Pradesh. 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 30 of 1987, 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 Financial Adviser & the Chief Accounts Officer 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 Trust Board after receiving the budget from Financial Adviser & the Chief Accounts Officer.
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 TTD Board of Trustees.

3.4.16 Financial Functions and Powers of the FA & CAO

As per the provisions of the TTD Act, the Government of Andhra Pradesh 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 & CAO 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 30 of 1987 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 Executive Officer 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 Executive Officer 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 Executive Officer;
• has to conduct a physical verification every year of all valuable properties of the TTD like jewellery, 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.

3.4.17 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:
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 – 3.1**

**Illustrative Annual Budget Format of the TTD**

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<tbody>
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<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>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>Investments made</td>
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<td>Deposits paid</td>
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<td>vi)</td>
<td>Staff payments</td>
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<td>vii)</td>
<td>Adjustment payments</td>
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<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 Budget*
3.4.17.1 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 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 A.P. Hindu Religious and Charitable Endowments Act 30 of 1987.20 These details facilitate an assessment of the discrepancy between the statutory norms for expenditure vis-a-vis the actual expenditure.

3.4.18 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 object 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 facilitate 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 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 rational 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.
3.4.19 Provisions of Endowment Act

The Andhra Pradesh Charitable and Hindu Religious Institutions & Endowments Act 1987 has mandated the following functions on Tirumala Tirupati Devasthanams, which are being carried out by the Finance Department besides the conventional accounting functions.

3.4.19.1 Section 111 : Funds of the TTD

This Section provides for the creation and maintenance of three distinct Funds, viz own Funds, Corpus and any other income. Sub section (2) of the said sections empowers the Management Committee of Tirumala Tirupati Devasthanams to empower any officer or Officers to operate the funds in the manner and conditions provided by it. This section also explains the purposes for which the above Funds can be utilised.21

3.4.19.2 Section 116 : Budget

This Section mandates Tirumala Tirupati Devasthanams to prepare an annual Budget and get the approval of the Government.

3.4.19.3 Section 117 : Accounts and Audit

This Section mandates Tirumala Tirupati Devasthanams to maintain the Books of Accounts in the prescribed manner.22

3.4.20 Rules Governing the Finance Department

The Rules Supplement issued vide G.O. No 311, Revenue (Endowments -I) Department, Dated 9-4-1990 23 outlines the following functions of Finance Department.

<table>
<thead>
<tr>
<th>Rule No.</th>
<th>Description of the Rule</th>
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<tbody>
<tr>
<td>63</td>
<td>Maintenance of accounts of all receipts and disbursements</td>
</tr>
<tr>
<td>64</td>
<td>Pay &amp; Accounts and Cheque Drawing and Disbursing Officer</td>
</tr>
<tr>
<td>65</td>
<td>Preparation of the Annual Budget</td>
</tr>
<tr>
<td>66</td>
<td>Over ruling of the advise of FA &amp; CAO</td>
</tr>
<tr>
<td>67</td>
<td>Audit of the accounts</td>
</tr>
<tr>
<td>70</td>
<td>Scrutinizing the Audit Report and preparation of summary of the Audit Report</td>
</tr>
</tbody>
</table>
Over ruling of the advise of Financial Advisor & Chief Accounts Officer

Audit of the Accounts

Scrutinizing the Audit Report & preparation of summary of the Audit Report

Preparation of Rectification Report

Physical Verification of valuable properties of TTD

Auditor shall send a report to the Government

Audit Report

Custody of Moneys received by TTD

Deposit of Moneys received

Maintenance of Deposits

Constitution of separate trusts for employee's Pension Fund, Gratuity Fund and Provident Fund

Procedure for deposit of moneys received

Procedure for encashment or withdrawal of deposits

Constructions of Kalyanamandapams

Construction of Geetha Mandirams

Establishment and maintenance of schools for the training of Archaka, Adhyapaka and Vedaparayanadars

Loan to overseas temples.

Feeding of pilgrims visiting Tirumala

Construction of choultries at various pilgrim centres

Utilisation of Surplus Funds of TTD

Collection of TTD Income

Responsible for making all collections of Income, whether in cash/kind

Receipts of Income, offerings and gifts

Credit of collections received

Maintenance of Receipt Books

Deposit of Collections Received

Discharge of Claim

Incurring the expenditure not sanctioned in the budget

To avoid appropriation of receipts to expenditure

Payment of undisputed claims

Verification of correctness of the claim and sanction the payment

Maintenance of Registers for Jewels or other valuables

Arrangements for the Safe Custody of Jewels and valuable
Procedure for custody and maintenance of Daily usage jewels and Verification of jewels under the custody of Archaka

Security Deposit of Land Lease

Advice on Write off

Opinion on the Execution of works, supplies and services in the Engineering and all other Departments

Fig. 3.3: Functional Chart of the Finance Department

3.4.21 Departmental Hierarchy

The Financial Advisor and Chief Accounts Officer is the head of the Finance Department. The Financial Advisor & Chief Accounts Officer is assisted by an Additional Financial Advisor & Chief Accounts Officer. The Chief Accounts Officer and Chief Audit Officer are Head of the Department of Accounting and Audit functions.
The Additional Financial Advisor and Chief Accounts Officer, in the absence of intended Chief Jewellery Officer, handle the Treasury and Inventory Sections through the respective Assistant Executive Officers. While he handles all the other Financial Functions through the Chief Accounts Officer and Chief Audit Officer, the Oversight Functions are handed through an Audit Officer and Superintendent respectively.

The Chief Accounts Officer handles the Accounting, Trusts, and Employee related Functions through combination of Accounts Officers, Superintendents and Assistant Accounts Officers.

The Chief Audit Officer handles Pre-audit Function through the Audit Officers. He supervises the Internal Audit, State Audit and Tax Audit Functions carried out by the respective agencies.

Fig. 3.4: Finance Departmental Hierarchy Chart
3.4.22 Functions of the Finance Department

3.4.22.1 Financial Functions

3.4.22.1.1 Custodial – Treasury Section

The Treasury Section of the Finance Department is functioning under the Additional FA & CAO and headed by Asst. Executive Officer. The primary function of the Treasury Department is Management of the Precious and Valuable Articles of the Tirumala Tirupati Devasthanams, all the valuable items, including un-current coins and foreign coins, received in Hundis as Kanuka from all Temples under Tirumala Tirupati Devasthanams. The valuables are segregated, apprised, valued and stored. Silver articles, un-current coins and foreign coins are disposed off after isolating the Antique and items of rarity. Gold items including bar gold are handed over to the Bankers which are converted into Gold Bonds after getting purified by the Government of India Mint.

The Treasury Section also holds in archive all valuable documents representing the assets, easements and rights belonging to the Tirumala Tirupati Devasthanams. The Treasury Section further procures, stores and issues Gold and Silver Dollars for sale at the various offices/counters of the Tirumala Tirupati Devasthanams.

3.4.22.1.2 Registry – Inventory Section

All Durable articles including that of routine use are considered as Tools and Plants in Tirumala Tirupati Devasthanams. Such assets are recorded in the Tools and Plants Register of the respective section.

Duplicate Copies of the above Tolls and Plants Registers are maintained at the Inventory Section. Inventory Section ensures the existence of such items and regular recording of any changes in the assets in both the Original Register and Duplicate Register through periodical reconciliations, verifications and Inspections.

3.4.22.1.3 Investments

The Investment Section has got sizeable funds under its management; Most of the Funds are presently invested in Fixed Deposits or in the form of Gold Deposit Bonds with mostly Public Sector Bonds. The investment activity as a whole is being
closely monitored. The investments are being made with the guidelines approved by an Investment Committee consisting of eminent members; the outcome is subjected to a Special Audit focussing on compliance and portfolio performance.

3.4.22.1.4 Funds Management

Tirumala Tirupati Devasthanams receives funds from various streams of revenue. TTD is under obligation to utilise its funds judiciously and a) ensuring deployment of the entire Corpus Fund Receipt as investments or creation of income yielding capital Assets b) facilitating timely payment of expenditure c) avoiding unnecessary float of funds with the Bankers losing interest.

This function is presently carried out by the Addl. FA & CAO with the clerical input provided by the Banking Desk under the Chief Accounts Officer.

3.4.22.1.5 Budget

Budget management is a way for planning the estimates of future expenses and revenues based on projected plans and activities. It provides target setting and estimating revenue, and allows from time to time review and to take corrective action in terms of revised estimates. Budget is one-year comprehensive financial plan that allocates resources based on the requirement of different departments of the Tirumala Tirupati Devasthanams for the financial year. Budget management also involves monitoring the utilization of budget allotted to various departments.

The annual exercise of budgeting in TTD means the Preparation of detailed Roadmap of Requirement of Resources and its efficient use for the achievement of the Organizational Objectives. Tirumala Tirupati Devasthanams, being a Religious Institution serving the Pilgrims of Lord Venkateswara and other presiding deities in various Temples under its fold, is required to ensure efficient and economical usage of its resources under its command.

TTD is mandated under Sec 116 of the Andhra Pradesh Charitable, Hindu Religious Institutions & Endowments Act 1987, to frame and place before the Board, the Budget showing the probable Receipts and Expenditure during the following Financial Year. The Budgeting process in TTD is very unique and distinct from both private and Government Budgets. In the case of Private Budget, it is a “Budget of Economics” where the objectives are to match the Receipts and
Payments, whereas in the case of Government, unlike a pure Economic Budget, the Government Budget is designed for optimal allocation of scarce resources taking into account larger *Socio Political considerations*. In the case of TTD, while determining its expenditure the larger *Socio Religious considerations* are taken into account. Further, while managing the expenditure within the available Revenue resources, the long term organizational sustainability is always kept as the guiding principle.

The Budgeting in TTD therefore, begins with the broad objectives of the Organization to be broken down into detailed work plans for each programme and sub-programme, activity and projects for each unit of the Organization. All the Individual institutions under the fold of TTD present their requirements and the same is deliberated wherever required with the Executives. Finally the Revised Estimates required for the current year and the Budget Estimates proposed are prepared in the Budget Document.

### 3.4.22.2 Accounting Functions

#### 3.4.22.2.1 Investment Accounting

The entire Investments of Tirumala Tirupati Devasthanams are held under various schemes with specific “Fund objectives”. At present 36 schemes are in existence. Investment Accounting includes accounting of investment related transactions in the Investment Registers and their reconciliation with the General Ledgers. Investment auditing covers Investment Accounting also to ensure the proper reflection of Investment Activity in the Books of Accounts.

#### 3.4.22.2.2 Disbursement of Payments

Any payment by Tirumala Tirupati Devasthanams needs to be pre-checked by the Pre-Audit Sections at the Finance Department. The Cheque section makes the payment to the respective payees on the basis of the payment order on the bills issued by the pre-audit department, after duly recording the expenditure in the books. The objective of the Cheques Dept is to reach the funds to the respective payees in a transparent, accurate and timely manner. Cheque Section by way of techniques like consolidated payment, and online transfer of funds has brought in greater efficiency and satisfaction to its customers.
3.4.22.2.1 Unit Accounting Wings (E-Section)

Accounting work related to three of the Accounting Units, Sri Tirumala Temples, Huzur Office and Information Centre are being maintained at the Accounting Section. This Section monitors the Books of Accounts, Monitors their Budgets and preserves the underlying Base Documents. They ensure that the Books of Accounts are prepared in a timely manner, following all the conventions and appropriate Statutes after duly recording all the Financial and Material Transactions of their respective units and performing all the necessary studies, investigation, research reconciliations and analysis to ensure the correctness of the Books of Accounts.

3.4.22.2.2 Computer Section

From April 01, 2012, the accounting activities related to the rest of the 94 units are maintained at the accounting units sans monitoring of the Budget, the recording activity. The Computer Section provides the necessary infrastructure. The underlying base records once accounted and verified for their accuracy are preserved in the Record room under the Compilation wing. The respective Assistant Accounts Officer oversees the preparation of the Books of Accounts of the Unit allotted to him. The AAOs are assisted by CA Firms engaged on Outsourcing basis and Data Entry Operators managed by the Superintendent of Computer Section.

3.4.22.2.3 Compilation Wing / MIS Section

Consolidation of Accounting at TTD level is undertaken at the Compilation Wing. The wing acts as the coordination point for aggregating all accounting inputs and consolidating all MIS related data. This section is also responsible for filing Income Tax Returns and handles the Income Tax Assessment. Presently this Section is being headed by an Assistant Accounts Officer supported by Professionals engaged on outsourcing and advisory basis.

3.4.22.2.4 Records Maintenance

The underlying base records for all entries in the Books of Accounts are proposed to be maintained at the Record Room facility available at the TTD Press Complex.
3.4.22.2.5 Functional Desks

Like any other organisation Tirumala Tirupati Devasthanams too has various types of transactions. Ideally, when a large number of transactions of a particular type happen in sufficiently large numbers, a division of labour amongst employees will help in building up specialisation and efficiency. With this view Central Functional Desks have been created in the Finance and Accounts Department.

3.4.22.2.5.1 A) Bank Desk

This Desk essentially maintains the liquidity or cash management in the organisation. It maintains the bank book of all the bank accounts of Tirumala Tirupati Devasthanams, other than the Unit Collection Accounts and Disbursement Accounts. In the case of Collection Accounts and Disbursement Accounts, their funds flow corresponding to the General Accounts are maintained in these accounts.

3.4.22.2.5.2 B) Investment Desk

Investments Desks handle the entire investment portfolio of the Tirumala Tirupati Devasthanams regardless of the beneficiary of that particular Investment.

The investment activity as a whole is being closely monitored. The investments are being made with the guidelines approved by an Investment Committee constituting of eminent members. The outcome is subjected to a Special Audit focussing on compliance and portfolio performance.

3.4.22.2.5.3 C) Advance Desk

Accounting and monitoring of all the advances to the officers of Tirumala Tirupati Devasthanams is handled at this Desk.

3.4.22.2.5.4 D) EMD/SD Desk

From April 01, 2012, the entire EMD’s and SD’s across various offices of Tirumala Tirupati Devasthanams are maintained at this desk. Also this desk maintains the monies received through EMD’s and SD’s in distinct deposits apart from the General Funds of Tirumala Tirupati Devasthanams.
3.4.22.5.5 E) Bills Desk

All the bills meant for payment at the time of submission with the pre-audit department are vetted at the Bills desk for the correctness of the classification of expenditure, besides capturing some other details regarding the payment.

3.4.22.5.6 F) Consolidation Desk

Salaries, including all recoveries, of all the employees of Tirumala Tirupati Devasthanams are paid through online in a consolidated manner. To enable consolidation of salaries, a consolidation desk is being maintained.

3.4.22.5.7 G) Demand Collection Balance Desk

This is a Desk to collate the Demand details across the entire Organisation Analysis and presenting it to the Management for its review and necessary actions. The detailed functioning of each desk is provided in the earlier section.

3.4.22.3 Oversight Functions

3.4.22.3.1 Checking Squad

The Checking Squad is headed by an Audit Officer on deputation from the State Government. The Officer acts the reference point to report any referred transactions whether they comply with all the Rules, Acts and Guidelines applicable to such transactions or not. Also, the squad ensures the correctness of any particular transaction.

3.4.22.3.2 Flying Squad

Surprise physical verification of financial records and related financial assets is one of the effective tools to ensure the robustness of the financial strength of any organization. Routine Inspection may be done by any executive wing or by an independent team from the Finance Department. Today the Financial Department is involved in physical verification only once in the whole year i.e. on the 31st of March every year during the physical verification of stocks. This has become a routine inspection exercise as the staff collects the data sheet from the respective departments and there is no mechanism to cross check the same. In other words the inspection from the Finance Department at pre-determined dates cannot provide the necessary deterrent value.

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To mitigate this risk, a Flying Squad has been formed under the direct supervision of the Chief Audit Officer and it verifies, Cash-in-hand at both counter operated by TTD in its own as well as on outsourced agencies and Banks, verifies proper maintenance of all the Financial Records / Registers as may be required from time to time, including the updating of the same and verifies the Physical Stocks and Maintenance of Stock Register wherever applicable. Stock shall include consumables in all Departments, redistributable items in the centralized purchase department; scrap, resalable items, stores, spares, but not Tool & Plants which are included in the T&P Registers.

3.4.22.4 Trust Related Functions

3.4.22.4.1 Nodal Office of Allied Trusts

Besides TTD there are varied allied Trusts with a complementary bouquet of Objectives undertaking Charity and philanthropic activities,(1)S.V. Nithyaannadhana Trust, (2)S.V. Balamandir Trust (3) S.V. Vidyadhana Trust (4) S.V. Pranadhana Trust (5)BIRRD Trust (6) Sri Srinivasa Sankaranethralaya Trust (7) S.V. Vedaparirakshna Trust (8) S.V. Heritage Preservation Trust (9) S.V. Gosamrakshana Trust.

Of the above Trusts S.V. Nithyaannadhana, BIRRD Trust, Sri Srinivasa Sankaranethralaya and S.V. Gosamrakshana handle their own administrative and Donor Management activities. In the case of the other Five Trusts, Accounts Department acts as the nodal office for varied levels of responsibilities. However, the Accounts Department supervises and coordinates the preparation of Books of Accounts and Income Tax Department assessments.

3.4.22.4.2 Donation Processing

TTD and allied Trusts receive Donations from pilgrims and philanthropists. TTD as a measure to encourage the Donors, offers certain privileges to them. The Trusts in Accounts Department acknowledge the donations, issue income Tax Exemption Certificates and Donor Passbooks to the Donors. For other trusts the respective HODs carry out the functions. The Trusts also handle any request with respect to the changes in the beneficiaries mentioned in the Donor Passbooks.
3.4.22.5 Employee Related Functions

3.4.22.5.1 Employees Loans

Like the State Government, TTD too provides various loans at low interest rates to its eligible employees. Marriage Loan, House Building Loan, House Repair Loans, Vehicle Loans, computer loans and festival loans are in vogue. The Loans Section at the Accounts Section manages these Loans. Most of the activity of this section is already computerised.

3.4.22.5.2 GPF and CPS Trusts

TTD is maintaining the GPF Funds through an exclusive Trust. GPF related activities are administered in terms of the GPF Act 1935 and rules issued there under. However, applicable Funds are presently invested in Bank Fixed Deposits Only. The TTD Investment Committee has advised to explore the possibility of transfer of Funds to LIC for its administration. Similarly, for all employees joining service after 2004 Contributory Pension Scheme is applied. TTD is maintaining the funds through a separate Trust and as a separate fund.

3.4.22.5.3 Pension and Gratuity Trusts

All the regular employees who have joined before 2004 are eligible for pensionary benefits subject to their period of service and other conditions through an exclusive Trust. Over the period TTD has built a corpus fund of around Rs.270.00 Crores. The interest from these investments is being used to meet the pension commitment. Further, fund requirements over and above the funds are met from the TTD General Budget. The Pension Act 1980 and other relevant rules are applicable for the administration of Pension.

3.4.22.5.4 Pay Bill Centralised Payment

The entire salary bills of TTD are being processed by the respective HODs and Pre-audited salaries bills are sent to Accounts Department. The centralised payment is made through the Accounts Department.
3.4.22.5.5 Group Insurance Scheme

In TTD Group Insurance Scheme is maintained in similar lines to that of the Government with the Life Insurance Corporation. The Chief Accounts Officer acts as the co-ordinator for the Scheme.

3.4.22.6 Auditing Functions

3.4.22.6.1 Pre-Audit

Any payment made by TTD or its allied Trusts, needs to be pre-checked and approved at the Audit. The pre-audit reviews the payment bill in aspect like Administrative Sanctions, Financial Sanctions, statutory allowability and Commercial Correctness. The pre-audit wing is headed by Audit Officers from the State Government engaged on Deputation Basis. The pre-audit is carried out for Engineering Bills and General Bills separately.

3.4.22.6.2 Tax Audit

There is no specific provision for Tax Audit like commercial establishments. However, during the course of certifying for utilisation of Funds, the objective of Tax Audit is being carried out and the Income Tax returns are filed before the Income Tax Department.

3.4.22.6.3 Statutory Audit by State Audit Department

Sec 117(2) of the Act requires TTD to get its books of accounts audited by the Government appointed Auditor. Accordingly, the State Audit Department is carrying out the Statutory Audit of TTD. The Audit for the financial year 2010-11 is complete pending submission of Report to the Govt by the Auditors and audit for the year 2011-12 is in progress.

3.4.22.6.4 Concurrent Audit - Internal Audit

With a great vision to put in place proper operational review mechanism, internal audit, by professional Chartered Accounting Firms has been introduced in the year 2011. Slowly it has been extended across all core areas. The issues raised in the internal audit report are being monitored by the Chief Audit Officer and reviewed periodically by the Internal Audit Committee.
NOTES AND REFERENCES

2. Dr. Rama Rao, M., Temples of Tirumala Tirupati and Tiruchanoor, TTD, 1963, p. 5.
8. Dr. Rama Rao, M., Temples of Tirumala Tirupati and Tiruchanoor, TTD, 1963, p. 14
10. Ibid. p. 454.
14. TTD Rules, TTD, Tirupati, 1979, p. 3.
16. Ibid. p. 4.
17. Dittam means the schedule of articles and other requirements of worship or offering in connection with the daily dupa, deepa, naivedyam, pachikam, pariarikam and other general special or periodical services, ceremonies or observances in the TTD temples.
18. 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 sme 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.
23. G.O. No 311, Revenue (Endowments-I) Department, Dated 9-4-1990, TTD.