TUESDAY, THE 28TH DAY OF JULY 2026

DBP No. 61 of 2023

SUO MOTU

VS

STATE OF KERALA & OTHERS

ADVS FOR PETITIONER/S:
NIL
ADVS FOR RESPONDENT/S:

DBP No. 39 of 2025

SENIOR DEPUTY DIRECTOR

VS

GURUVAYUR DEVASWOM MANAGING COMMITTEE REPRESENTED BY ITS ADMINISTRATOR

ADVS FOR PETITIONER/S:
GOVERNMENT PLEADER
ADVS FOR RESPONDENT/S:

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

DBP Nos. 61 of 2023 & 39 of 2025

Dated this the 28th day of July, 2026

O R D E R

Raja Vijayaraghavan V, J.

This order shall be read in continuation of the order dated 23.07.2026.

2. After detailing the assertions in the affidavit as well as the counters filed by the Audit Department as well as the Devaswom, we deemed it necessary to get a direct status report from the authorities entrusted with the audit. In the said circumstances, we directed the 3rd respondent, the Senior Deputy Director, Kerala State Audit Department, Guruvayur Devaswom Audit, as well as the 4th respondent, the Principal Accountant General (A&E), Kerala, to appear before us and to inform this Court as to whether the deficiencies, omissions, and issues highlighted in the affidavit filed by the Senior Deputy Director, during the course of the audit have been satisfactorily addressed by the Guruvayur Devaswom authorities, whether all requisite records and information have since been made available to the audit teams, and whether any further impediments continue to hinder the completion of the audit exercise, in accordance with the provisions of the statute.

3. In terms of the directions, the Principal Accountant General (A&E), Kerala, has appeared before us virtually. It is submitted by the Principal Accountant General (A&E) that, as per the request of the Devaswom, two Officers have been deputed to carry out certain activities and supervision. It is further submitted that the Office of the Principal Accountant General (A&E), Kerala, is not in any way engaged in the conduct of the audit of the Devaswom.

4. The Senior Deputy Director who appeared before us submitted that insofar as Section 23(2) of the Guruvayur Devaswom Act, 1978, is concerned, the accounts of the Guruvayur Devaswom are to be subjected to concurrent audit. It is stated that the receipts of the Guruvayur Temple and the institutions under the Guruvayur Devaswom, such as Devaswom book stall, Panchajanyam Rest House, Panchajanyam Annex, Kousthubham Rest House, Sree Valsam Guest House, GSSM, Devaswom Medical Centre, Sreekrishna Rest House, Punnathur Anakkotta, Vehicle Parking fee collections and other revenue generating units, are also subjected to concurrent audit on a daily basis.

4.1. Insofar as the present status is concerned, the Senior Deputy Director has stated that the relevant records, receipts and registers and documents required for conducting the concurrent audit of receipts except those relating to online/software receipts, are being produced and the audit is being carried out on a daily basis. It is further stated that the records required for the audit of online/software (Sopanam etc.) receipts and the necessary audit login credentials have not been made available to the Audit Department to date. It is stated that the correctness of the receipts collected through the online/platforms has not been verified from the commencement of the online/receipts system to date. In the case of POS (Point of Sale) machine transactions, batch close reports are being provided for audit and verified against the Bank Statement to date. The concurrent audit of expenditure has not been carried out, as the essential records, including the Cash book and ledger, have not been made available as and when required for the audit.

5. It is stated by the Senior Deputy Director that the Devaswom has implemented various modern facilities with the help of Banks for vazhipadu collection, like software-based online vazhipadu collection, POS (Point of Sale) machines, MPOS (Mosambee POS), credit/debit card swiping machines & kiosks, E-hundi for scanning QR code, etc to facilitate cashless transactions.

5.1. It is stated that the Devaswom has failed to formulate a flawless system to account for the money collected through the above-mentioned systems. It is also stated that no information regarding the installation of these systems nor any training or demonstration was given to the statutory audit wing to understand the functioning/working of these machines. It is stated that though Devaswom has discontinued the use of Mosambee POS machines, the records and audit access /system required for verifying receipts collected through the Online/software platforms (HCL, Sopanam and TCS) have not been made available. As a result, the receipts accounted for through these platforms could not be subjected to audit. The Officer states that though several communications have been addressed to the Devaswom, requesting to provide the necessary user credentials, the same has not been made available so far.

6. It is stated that a complaint was lodged before the Police against the auditor alleging hacking of the software of the Bank. The Police, after detailed enquiry, found that no prima facie case was made out against the auditor. However, the Administrator, Guruvayur Devaswom has filed a private complaint before the Judicial Magistrate of the First Class, Chavakkad, against the auditor of the Office. It is stated that the said complaint is still pending before the Judicial Magistrate of the First Class, Chavakkad.

7. It is stated that one of the principal grievances is that no follow-up action has been taken on the audit observations. It is further stated that the Devaswom has not taken serious and earnest steps to rectify the defects pointed out by the Audit Department. It is also stated that, for the period from 2001–2002 to 2021–2022, the total number of audit queries is 2,048 and the number of pending reports is 16.

8. Another issue highlighted before us is with regard to delay in submission of the annual accounts. It is pointed out that under section 23(1) the committee is required to keep regular accounts of all receipts and disbursements. According to the Senior Deputy Director, the Guruvayur Devaswom Act, 1978, and the Devaswom Rules do not contain a specific provision regarding the manner in which the annual accounts of the Devaswom are to be prepared, the authority whose approval is required for the annual accounts, the financial statements to be

included therein, or the time limit within which the annual accounts are to be submitted for audit. It is stated that as a result, the annual accounts are made available for audit only after a lapse of several years from the close of the respective financial year. It is submitted that the annual accounts for the financial years 2023-24, 2024-25 and 2025-26 have not been made available for audit. The audit of the annual accounts for the financial year 2022-23 has been completed, and the audit report is ready for issuance.

9. Another issue pointed out by the Audit Department is with regard to the non-furnishing of the minutes of the Managing Committee. It is stated that the Devaswom, vide its communication dated 05.05.2015, has informed the Audit Wing that the Managing Committee had resolved not to furnish the minutes of its meeting for audit.

9.1. It is stated that in the audit review held on 27.04.2021, a decision was taken that the minutes would be made available to the Audit Wing. However, the Devaswom has not complied with the decision and the minutes continue to be withheld from audit. Under the provisions of the Devaswom Act, the Audit Office is entrusted with the concurrent audit of the receipt and expenditure transactions. However, decisions and orders that have bearing on the annual accounts, such as opening and closure of bank accounts, deployment of new generation digital devices, installation of e-Hundies, introduction of new sources of revenue, fixation of rental rates, revision of existing rates, and similar matters, are not being communicated promptly to the audit. This, according to the Audit Department, is tantamount to keeping the audit in the dark, and to impair its effectiveness.

10. It is stated that in terms of Rule 17 of the Guruvayur Devaswom Rules 1980, the Devaswom is liable to pay actual cost as audit charge to the Government. The outstanding amount of audit charge to be remitted by the Devaswom up to 2021-22 is stated to be Rs. 14,72,68,152/-.

11. Insofar as the present status of the statutory audit of the accounts of the Guruvayur Devaswom is concerned, it is stated that Audit Reports have been issued in respect of the years 2020–2021 and 2021–2022. Insofar as the Audit Report for the year 2022–2023 is concerned, it is stated that the same will be issued within a week. For the year 2023–2024 onwards, the final accounts have not yet been submitted. The audit of the Keezhedam Temples and other institutions under the governance of the Devaswom has also been completed, and the respective Audit Notes have been issued. Insofar as the subsequent years are concerned, the final accounts have not been submitted as on date.

12. The Senior Deputy Director has stated that an effective system of internal controls is indispensable for the proper safeguarding and protection of the assets of the Devaswom, including valuable movable properties such as gold, silver, ornaments and other valuables, as well as its immovable properties. All records, registers, inventories and software systems relating to the custody, management and preservation of such assets have to be properly maintained and have to be made available for audit verification. He would also point out that Rule 12(6) of the Guruvayur Devaswom Rules mandates that the Managing Committee

shall, on or before the 30th day of June every year, conduct an Annual Physical Verification of all movable properties of the Devaswom, including gold, ornaments and other valuables, and forward to the Commissioner a certificate of such verification together with its observations, if any. It is stated that the Audit has not been provided with information as to whether such annual physical verification is conducted every year. It is stated that in the absence of such records, the Audit is unable to undertake a comprehensive verification of compliance with the statutory requirements governing the custody and protection of the assets of the Devaswom.

13. Insofar as the impediments faced in completion of the audit exercise are concerned, the Senior Deputy Director has highlighted the issues that are now being faced by the Department.

13.1. He would refer to Section 23(1) of the Guruvayur Devaswom Act, 1978 and Rule 17 of Chapter VII of the Guruvayur Devaswom Rules, 1980 and it is stated that the audit of the Guruvayur Devaswom is being conducted by the Office strictly within the limited statutory mandate conferred under the above Act and Rules. It is stated that neither the Act nor the Rules prescribe any detailed audit methodology, audit standards, scope of examination, audit procedures or reporting framework. In spite of that, upon completion of the audit, the Audit Report is submitted to the Commissioner, Guruvayur Devaswom, in terms of Section 24 of the Guruvayur Devaswom Act, 1978. The responsibility for considering the Audit Report, taking consequential action thereon and passing appropriate orders rests with the Commissioner.

14. We have carefully taken note of the submissions advanced.

15. We find that the assets and income of the Guruvayur Devaswom are the properties of the Deity. As per principles of Hindu Law, the idol (Deity) of a temple is regarded as a Juristic (Legal) Person capable of owning and holding property. Neither the Guruvayur Devaswom Managing Committee nor its Officers are owners of the Devaswom properties. They function as custodians and fiduciaries entrusted with the administration and protection of the properties belonging to the Deity. In that view of the matter, it is for the Managing Committee to ensure that the properties of the Deity are safeguarded and administered in the capacity of a Trustee/ Fiduciary. Unless a comprehensive audit report is received to ascertain as to whether various financial transactions entered into by the Committee are looked into by an independent audit and ascertained as to whether the assets and income of the Devaswom have been administered lawfully, prudently, faithfully and in strict discharge of the fiduciary obligations imposed upon the Managing Committee. It cannot be said that the provisions of the Act and the Rules have been complied with in its letter and spirit.

16. We find that for an audit to provide a meaningful assurance, it must necessarily examine as to:

(1) Whether the properties and assets of the Devaswom have been adequately safeguarded.

(2) Whether the entire revenue legally due to the Devaswom has been fully realised and accounted for.

(3) Whether expenditure has been incurred solely for the lawful objects purposes of the Devaswom.

(4) Whether all decisions have been taken strictly within the powers and authority conferred by the governing statute.

(5) Whether any act, omission or decision has resulted in financial loss, loss of assets, or prejudice to the interests of the Devaswom.

As the existing audit system suffers from several structural deficiencies, which materially affect the effectiveness of the audit, urgent measures are required to correct the same.

17. We also find that no structured institutional mechanism exists for effective communication and coordination between the Audit Department and the Guruvayur Devaswom. It appears to us that the absence of such a structured mechanism has seriously affected the efficiency, transparency and effectiveness of the audit process.

18. We also do not approve of the delay in finalisation of the annual accounts. Section 23 of the Guruvayur Devaswom Act specifically states that the Committee shall maintain proper and regular accounts of all receipts and expenditures of the Devaswom and that the accounts of the Devaswom shall be subject to Concurrent Audit. Rule 18(6) of the Guruvayur Devaswom Rules stipulates that the Administrator shall, every month, prepare a statement showing the income and expenditure under the various budget heads and place the same before the Managing Committee for its approval. As neither the Guruvayur Devaswom Act nor the Rules prescribe any statutory time limit within which the annual accounts of the Devaswom are required to be finalised and approved by

the competent authority, huge delay is being occasioned.

19. Another issue is with regard to the non-providing of Primary Records relating to revenue transactions to the audit. It has to be properly maintained in chronological order by the respective offices and produced for audit.

20. We also find that, for an effective and comprehensive audit, the reports, records, audit logs, and audit trails generated at each of the above stages shall be properly preserved and made available for audit verification. The Audit has recommended the implementation of a centralised software solution to address the larger issues of financial governance and institutional accountability within the Guruvayur Devaswom. It has also recommended that the centralised software should provide an Audit login. There is also a need to provide the necessary digital equipment to facilitate the audit. The Audit has further reported that the Devaswom maintains more than 65 bank accounts, of which around 37 are operational. The failure to communicate the nature of these accounts to the Audit Department causes difficulties, as they may relate to revenue or expenditure. Another issue highlighted is the absence of training or demonstration to the auditors regarding the operation of the digital equipment.

21. Another issue pointed out by the Audit pertains to the fixation of criteria for the implementation of sponsored projects. In the absence of such criteria, the Devaswom is unable to take appropriate action where projects remain incomplete or are not formally handed over to the Devaswom.

22. Another issue highlighted is with regard to non-maintenance of Demand, Collection and Balance (DCB) statements for revenue items such as building rent, room rent and auction proceeds, despite the demand being known in advance.

23. In our order dated 23.07.2026, we had impressed upon the Guruvayur Devaswom Managing Committee the need to engage a reputed institutional consultant, such as the Centre for Management Development (CMD), an autonomous institution under the Government of Kerala, the State e-Governance Mission Team (SeMT) under the National e-Governance Division, or any other institution possessing comparable expertise, to undertake a comprehensive study of the existing administrative and financial systems of the Devaswom. The purpose of such an exercise is to evaluate the existing processes, identify systemic deficiencies and operational gaps, undertake a comprehensive audit of the existing workflow, and recommend an appropriate enterprise-level software solution capable of integrating the various administrative, financial, and operational functions of the Devaswom into a unified and seamless digital platform. Such an integrated system would not only enhance efficiency and transparency but also ensure real-time monitoring, accountability, and better institutional governance.

24. We are aghast to note that the final accounts from the financial year 2023–2024 onwards have not yet been prepared and submitted for audit. Under Section 23 of the Guruvayur Devaswom Act, 1978, the Managing Committee is

under a statutory obligation to maintain regular and accurate accounts of all receipts and disbursements. The said provision further mandates that the accounts of the Devaswom shall be subjected to concurrent audit, that is to say, the audit is required to be carried out contemporaneously as and when expenditure is incurred, and not after the lapse of considerable time. The object of providing for concurrent audit is to ensure continuous financial oversight, detect irregularities at the earliest possible stage, and maintain financial discipline in the administration of an institution managing substantial public and devotee funds. The very purpose of such a statutory mechanism stands defeated if the accounts themselves are not finalised and made available for audit within a reasonable time. We are of the considered view that such a state of affairs cannot be permitted to continue. A prolonged delay in the preparation of accounts and the completion of audit not only undermines the statutory mandate contained in Section 23 but also seriously impairs transparency, accountability, and effective financial governance within the Devaswom.

25. Having regard to the inputs received from the Audit Department, we are of the opinion that the Devaswom shall immediately undertake all necessary corrective measures to ensure that the system of concurrent audit envisaged under Section 23 of the Guruvayur Devaswom Act, 1978, is rendered effective, meaningful, and complete. The statutory requirement of concurrent audit must be implemented both in letter and spirit so that the financial affairs of the Devaswom remain under continuous scrutiny and any irregularities are identified and addressed without delay. To ensure that such an exercise is carried out, the

Guruvayoor Devaswom Managing Committee shall carry out the following measures:

a) The Guruvayur Devaswom shall, within a period of three weeks from today, furnish to the Audit Wing the audit login credentials and read-access to all online and software-based receipt platforms, including HCL, Sopanam and TCS, and to the Point of Sale and Mobile Point of Sale machines, card-swiping machines, kiosks and e-Hundi/QR systems, so as to enable verification of the receipts collected through these platforms from the date of their commencement.

b) The reports, records, audit logs and audit trails generated at each stage of every digital transaction shall be preserved and made available for audit verification.

c) The Administrator shall produce the Cash Book, the ledger and all primary records relating to expenditure, as and when required, to enable the concurrent audit of expenditure to be carried out without further delay.

d) All primary records relating to revenue transactions shall be maintained in chronological order by the respective offices and produced for audit.

e) The Managing Committee shall produce the certificate of Annual Physical Verification of all movable properties, including gold, silver, ornaments and other valuables, required under Rule 12(6) of the Guruvayur Devaswom Rules, 1980, for the relevant years. If such verification has not been conducted, the Managing Committee shall conduct the same and forward the certificate, together with its observations, to the Commissioner.

f) The minutes of the meetings of the Managing Committee shall be furnished to the Audit Wing, in terms of the decision taken at the audit review held on 27.04.2021, and shall not hereafter be withheld from audit.

g) All decisions bearing upon the annual accounts, including the opening and closure of bank accounts, the deployment of new digital devices, the installation of e-Hundies, the introduction of new sources of revenue, and the fixation or revision of rental and other rates, shall henceforth be communicated to the Audit promptly.

h) The Devaswom shall furnish to the Audit a complete list of all bank accounts maintained by it, specifying in respect of each account its nature, its purpose, and whether it relates to receipts or to expenditure.

i) The annual accounts for the financial years 2023–24 and 2024–25 shall be finalised, approved and submitted for audit within a period of three months from today, and the annual accounts for the financial year 2025–26 within a period of six months from the close of that year. As an interim measure, and until a statutory time limit is prescribed, the annual accounts shall hereafter be finalised, approved by the competent authority, and submitted for audit within six months from the close of each financial year.

j) The Devaswom shall place on record a schedule for the remittance of the outstanding audit charge of Rs. 14,72,68,152/- payable under Rule 17 of the Guruvayur Devaswom Rules, 1980, up to the year 2021–22.

k) The Devaswom shall arrange for demonstration and training to be imparted to the audit team in the operation of all digital devices and platforms, and shall provide the digital equipment necessary to facilitate the audit.

l) The Devaswom shall maintain Demand, Collection and Balance statements in respect of building rent, room rent, auction proceeds and other revenue items where the demand is ascertainable in advance, and shall formulate criteria for the implementation of sponsored projects, including for the eventuality of projects remaining incomplete or not being formally handed over to the Devaswom.

m) A structured institutional mechanism, in the nature of periodic coordination meetings between the Commissioner or the Administrator and the Audit Department, shall be constituted to consider the audit observations and to ensure their timely disposal.

n) The Commissioner shall, in terms of Section 24 of the Guruvayur Devaswom Act, 1978, consider the Audit Reports already issued for the years 2020–21 and 2021–22, and the report for the year 2022–23 upon its issuance, take consequential action thereon, and cause the pending audit queries to be cleared.

o) The pendency of the private complaint before the Judicial Magistrate of the First Class, Chavakkad, shall not be treated as a ground for denying the Audit Wing the cooperation, access and records to which it is entitled under the Act and the Rules. The Devaswom shall consider whether the initiation of criminal proceedings against the auditor is warranted.

26. Sri T.K. Vipindas, the learned Standing Counsel, submitted that a detailed affidavit shall be filed setting out the steps already taken and the remedial measures proposed by the Devaswom and the action taken insofar as items (a) to (o) above are concerned shall be placed before this Court within a period of 4 weeks.

27. The learned Standing Counsel submitted that the affidavit shall specifically address each of the issues highlighted in our order dated 23.07.2026 as well as those referred to in the present order. The learned Standing Counsel further submits that the Devaswom has engaged "Logical Steps", a firm, to undertake the end-to-end computerisation and digitisation of its operations. He undertakes to place on record the Request for Proposal (RFP), the scope of work, and all other relevant documents furnished to the said agency indicating the nature and extent of the proposed digitisation.

28. The learned Standing Counsel also submits that, having regard to the nature and importance of the issues raised in these proceedings, the Devaswom does not view either the observations made by this Court or the audit findings as adversarial in nature. On the contrary, it is stated that the Devaswom

Managing Committee is committed to taking all necessary corrective measures to promote transparency, strengthen institutional accountability, and modernise its systems. It is further submitted that the Devaswom intends to work in close coordination with the Audit Department so as to facilitate the timely completion of the audit immediately after the close of every financial year, thereby ensuring greater financial discipline and improved governance.

Tag this matter along with WP(C) No. 7426 of 2024 and post on 17.08.2026.

Sd/-

RAJA VIJAYARAGHAVAN V,
JUDGE

Sd/-

K.V. JAYAKUMAR,
JUDGE

APM