IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE RAJA VIJAYARAGHAVAN V

&

THE HONOURABLE MR.JUSTICE K. V. JAYAKUMAR

Thursday, the 5th day of March 2026 / 14th Phalguna, 1947

SSCR NO. 6 OF 2026

IN THE MATTER OF TRAVANCORE DEVASWOM BOARD - SABARIMALA SPECIAL COMMISSIONER REPORT - SM.NO.06/2026 - REPORT REGARDING AUDITED ACCOUNTS OF TRAVANCORE DEVASWOM BOARD WITH RESPECT TO THE AGOLA AYYAPPA SANGHAMAM - SUBMITTING OF - REG. - SUO MOTU PROCEEDINGS INITIATED - REG:

PETITIONER:

SUO MOTU

RESPONDENTS:

1. STATE OF KERALA
   REPRESENTED BY THE SECRETARY TO GOVERNMENT,
   REVENUE (DEVASWOM) DEPARTMENT, GOVERNMENT SECRETARIAT,
   THIRUVANANTHAPURAM - 695001
2. CHIEF POLICE COORDINATOR
   (ADDITIONAL DIRECTOR GENERAL OF POLICE) (POLICE HEADQUARTERS)
   SABARIMALA, PATHANAMTHITTA. PIN - 689713
3. DEPUTY DIRECTOR
   LOCAL FUND AUDIT, TRAVANCORE DEVASWOM BOARD,
   THIRUVANANTHAPURAM - 695003
4. TRAVANCORE DEVASWOM BOARD
   REPRESENTED BY ITS SECRETARY, NANTHANCODE, KAWDIAR POST,
   THIRUVANANTHAPURAM - 695 003
5. DEVASWOM COMMISSIONER
   TRAVANCORE DEVASWOM BOARD, DEVASWOM BUILDINGS, NANTHANCODE,
   THIRUVANANTHAPURAM, PIN - 695 003
6. EXECUTIVE OFFICER
   SABARIMALA, SABARIMALA P.O., PATHANAMTHITTA - 689 662

7. CHIEF VIGILANCE & SECURITY OFFICER
(SUPERINTENDENT OF POLICE), TRAVANCORE DEVASWOM HEAD QUARTERS, NANTHANCODE, KAWDIAR POST, THIRUVANANTHAPURAM - 695 003
*ADDL.R8 IMPLEADED

8. M/S.VIJAYAN AND ASSOCIATES,
CHARTERED ACCOUNTANTS, AMMALU HOUSE, SMRA-59, TC 22/1995(2), SASTHAMANGALAM, THIRUVANANTHAPURAM – 695010
*IS SUO MOTU IMPLEADED AS ADDITIONAL 8TH RESPONDENT VIDE ORDER DATED 02/03/2026 IN SSCR.NO.6/2026.

BY SRI.S.RAJMOHAN, SENIOR GOVERNMENT PLEADER
BY SRI.G.BIJU, SC, TRAVANCORE DEVASWOM BOARD
BY SMT.SAYUJYA RADHAKRISHNAN, AMICUS CURIAE FOR SABARIMALA SPECIAL COMMISSIONER

THIS SABARIMALA SPECIAL COMMISSIONER REPORT HAVING COME UP FOR ORDERS AGAIN ON 05/03/2026, UPON PERUSING THE REPORT AND THIS COURT'S ORDER DATED 02/03/2026, THE COURT ON THE SAME DAY PASSED THE FOLLOWING:

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

- -

SSCR No. 6 of 2026

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Dated this the 05th day of March, 2026

ORDER

Raja Vijayaraghavan V., J.

This order shall be read in continuation of the earlier orders passed by this Court in this Sabarimala Special Commissioner Report.

2. This matter pertains to the report filed by the Sabarimala Special Commissioner regarding the furnishing of the audited accounts of the Travancore Devaswom Board in connection with the Global Conclave of Ayyappa Devotees held on 20.09.2025.

3. In our order dated 02.03.20226, we had suo motu impleaded M/s. Vijayan and Associates, Chartered Accountants, the auditor concerned, entrusted with the task of auditing the accounts relating to the Global Conclave of Ayyappa Devotees. We directed the additional 8th respondent to place before this Court all primary and foundational records forming the basis of the audit, including, but not limited to, bills, vouchers, cash books, ledgers, asset registers, expenditure statements, agreements entered into with vendors, details of final payments effected, and any supporting documentation relevant thereto in connection with the Conclave. We also directed the auditor to disclose as to whether any audit review

memorandum, management letter, or query was submitted to the Travancore Devaswom Board. The Devaswom Board was directed to place before this Court the full account statement in respect of Account No."027503500001091" opened with Dhanlaxmi Bank in the name of the Devaswom Accounts Officer for the purpose of the Global Conclave for the period from 08.08.2025 to 02.02.2026. We had posted the matter to 06.03.2026.

4. Today, prior to the commencement of the court proceedings, the learned Standing Counsel appearing for the Travancore Devaswom Board submitted that the partner of the audit concern is present. It is submitted that the learned Standing Counsel was under the impression that the posting of the case was on 05.03.2026. As the auditor was present along with the records and account details, we had directed the Registry to post the matter today itself, so that inconvenience to the auditors who had come all the way from Thiruvananthapuram could be avoided.

5. The entire records called for by this Court have been produced by Mr. Vijayan, one of the partners of M/s. Vijayan and Associates, Chartered Accountants.

6. We have gone through the records and also interacted with the auditor.

7. From the records, we find that the Travancore Devaswom Board had entrusted the conduct of the Global Conclave of Ayyappa Devotees to the Indian Institute of Infrastructure and Construction (IIIC), for event management and

infrastructure activities.

8. Though, as per established procedures and manuals of the TDB, works and contracts are to be awarded through competitive quotations/tenders, the awarding of contract to IIIC was without inviting competitive quotations. Faced with the above situation, the auditor raised specific queries with regard to the awarding of the contract, the absence of documentation evidencing any exceptional circumstances and whether any precedent existed for awarding such contracts. It appears that no satisfactory explanation or supporting documentation was submitted, and it was in the said circumstances that, in the report, the auditors had mentioned that the handing over of the contract to IIIC was not in order.

9. The Memorandum of Understanding cum Agreement entered into between the Travancore Devaswom Board and the IIIC has been placed before this Court.

10. We find that in the Memorandum of Understanding, Clause 4 deals with the roles and responsibilities of TDB. It says that the TDB shall have the responsibility of issuing appropriate directions to the IIIC for the execution of the work and also the inspection of works carried out by the IIIC. It also says that it shall make payment on time as per the payment terms. Clause 4.2. says that a competent Official/Representative of the TDB shall inspect the venue and certify its compliance to the approved design, and clause 4.3 says that TDB shall appoint a nodal officer for the event, who shall be the single point contact for resolution of issues on site. As far as the total cost and classification is concerned, clause 5 deals

with the total cost for the Project facilitated by IIIC. The first part, i.e., Clause 5.1 is with regard to 'Lump Sum Cost', which is the cost for the development of infrastructure facilities and its management with 10% for administrative and facilitation charges plus GST payable to IIIC. The second clause i.e. Clause 5.2, deals with the 'Cost Plus', which is the actual cost of additional and extra works entrusted with payment to the project plus 10% for administrative and facilitation charges plus GST payable to IIIC. The payment terms is 50% at the time of mobilisation, 25% on completion of the erection and the balance 25% upon successful completion of the event and submission of invoices.

11. It appears from the records that as the contract was reportedly awarded on a "cost plus 10% administrative charges" basis, it was important for the auditor to ascertain the correctness of expenditure by verifying the actual bills and supporting documents relating to the event. The auditors, however, found that IIIC had further subcontracted substantial portions of the work to the following entities without GST:

(i) Neo Cochin Infrastructure Private Limited for ₹ 17355005.87/ -;

(ii) Kerala Arts and Crafts Village, Kovalam for ₹ 32224798/-;

(iii) Uralungal Labour Contract Co-operative Society for ₹ 3601993/-.

12. It appears that, as per the request of the auditor, consolidated bills from these subcontractors were produced. However, the auditors found that the programme schedule consisted of multiple independent activities, that the expenditure relating to various activities were clubbed together in consolidated

invoices and programme-wise expenditure, and original supply-level verification therefore could not be carried out. It is also found that the original supporting bills evidencing the base costs were not produced for verification in a structured and verifiable manner.

13. The auditors noted that in a cost-plus contract, it is imperative to determine the exact and verifiable costs incurred under each head of expenditure. As only consolidated bills were produced, the auditor was unable to independently verify possible cost escalations or to correlate the expenditure with the approved budget schedule.

14. In the course of the audit of the entire records, auditors found that there were variations from the approved budget as well. Though the overall expenditure reported by IIIC was in certain heads, that too within the approved budget, in numerous instances, expenditure exceeded the original sanctioned budget substantially. This assumes importance, since as per the agreement, any increase beyond the approved budget has to be separately disclosed under the "cost-plus" category and original bills in detailed justification for excess expenditure were required to be produced.

15. It appears that the auditor had issued written communication requesting the production of the asset register to verify the existence and correctness of fixed assets as reflected in the balance sheet. However, the asset register was not produced for verification.

16. Insofar as GST verification and Input Tax Credit are concerned, the Devaswom was entitled to Eligible Input Tax Credit amounting to ₹ 1,07,54,140.70. Out of this, a sum of ₹ 45,76,271.18 (being the GST portion relating to the first payment of ₹ 3 crores made to IIIC) was claimed. The balance Input Tax Credit of ₹ 61,77,869.52 is expected to be reflected in GSTR-2B upon filing of GSTR-1 by the concerned contractors for the return period February 2026.

17. The auditor has also reported that discrepancies were found in the Joint Measurement Report. The Joint Measurement Report is also placed before us, from which it is evident that certain expenditures that were actually incurred and duly met out of the funds allocated for the event have not been reflected. The mismatch relates to:

(i) Wooden framed center table with table glass top finish;

(ii) Food serving charges in VIP area;

(iii) Supply of 50 beds amounting to ₹ 1,73,000/- (inclusive of GST) and;

(iv) Items listed in the Extra Item List from Entry No. 47 to 68.

The auditors have stated that the mismatch between the financial records and the Joint Measurement Report was also reflected in the audit report.

18. It is stated that it is in view of non-production of detailed and verifiable primary expenditure documents, consolidated billing in a cost-plus contract, budget variations without proper classification and justification and non-production of Asset Register for verification, that the auditors were constrained to issue a qualified audit report, clearly setting out the limitations encountered

during audit and the specific areas where verification could not be completed to their satisfaction.

19. We have also gone through the Joint Measurement Sheet signed by representatives of the Travancore Devaswom Board and IIIC.

20. In the Joint Measurement Sheet, we find that there is reference to (a) Welcome Kit and Gift Hampers for Delegates and officials, (b) Pre Event Activities, (c) Spatial Creatives and Ambiance and (d) Cultural Events. Insofar as the head "Cultural Events" is concerned, the following programmes have been mentioned: a) Vijay Yesudas and Sudheep music programme, b) Nandha Govindhan Bhajans. Under the same head, production techrider and instruments, and accommodation & travel for all artists and their troupes are shown as expenses. It is stated that all the events were executed. We also find that the Joint Measurement Sheet has been signed by the Assistant Engineer, Sabarimala Development Project, Travancore Devaswom Board, who is the Nodal Officer for the Devaswom Board.

21. From the email dated 24.12.2025, we find that a revised billing statement for the Agola Ayyappa Sanghamam event was submitted by the IIIC. As per the said statement, a total amount of Rs. 7,04,99,367/- (Rupees Seven Crores Four Lakhs Ninety-Nine Thousand Three Hundred and Sixty-Seven only) is shown as the overall expenditure. Out of the said amount, a sum of Rs.3,00,00,000/- (Rupees Three Crores only) has already been paid by way of advance. The balance amount claimed as receivable by IIIC is Rs.4,04,99,367/- (Rupees Four Crores Four Lakhs Ninety-Nine Thousand Three Hundred and Sixty-Seven only).

22. From the account statement of Dhanlaxmi Bank, produced before us by the learned Standing Counsel, we find that a sum of Rs.2,00,00,000/- (Rupees Two Crores only) was received as sponsorship from Dhanlaxmi Bank, a sum of Rs.1,00,00,000/- (Rupees One Crore only) from the Kerala State Cooperative Bank on 13.10.2025, and a sum of Rs.98,00,000/- (Rupees Ninety-Eight Lakhs only) from Adani Vizhinjam Port Pvt. Ltd.. Apart from the sponsorship amounts, a substantial sum of Rs.5,00,00,000/- (Rupees Five Crores only) was transferred to the account by the Devaswom Commissioner on 16.09.2025.

23. Having gone through the entire records placed before us, we reiterate that the financial discipline of the Travancore Devaswom Board leaves much to be desired. The records presently available indicate that substantial amounts have been committed and disbursed without vouchers and receipts and without sufficient clarity as to the financial approvals obtained. There is serious slackness in recording the basis on which the expenditure was sanctioned, and the safeguards adopted to ensure proper utilisation of funds. Such issues assume significance in the context of an institution entrusted with the administration of temple funds and contributions made by devotees. The magnitude of the amounts involved, the multiple sources from which funds were mobilised, and the manner in which advances appear to have been released without a transparent accounting framework, prima facie indicate a disturbing lack of financial prudence and internal financial control.

24. After having furnished the audited records before this Court, albeit after considerable delay, we find no justification on the part of the Board in seeking

further time to justify its actions. As noticed earlier, the expenses incurred for the Conclave appear to be substantially higher than the amounts received by way of sponsorship. It is therefore for the Travancore Devaswom Board to explain before this Court the apparent inconsistency in its conduct, particularly in the light of the statement made in the counter affidavit that the expenditure for the event would be met exclusively through sponsorship. If the expenditure has exceeded the sponsorship received, the Board shall place before this Court the circumstances under which such additional financial commitments were undertaken.

25. After interacting with the additional 8th respondent, the auditor of the Board, we find that the said audit concern has been auditing the records of the Travancore Devaswom Board for the past decade. In that view of the matter, we direct the auditing concern to file a statement detailing the anomalies, deficiencies and lapses noticed by him in the course of the audits conducted over the years. The auditor shall also indicate the procedural or financial safeguards that, in his view, may be necessary to improve financial management and accountability in the functioning of the Board so that appropriate directions can be issued.

Post on 01.04.2026.

Sd/-
RAJA VIJAYARAGHAVAN V,
JUDGE

Sd/-
K.V. JAYAKUMAR,
JUDGE

APM