

## CHAPTER VII

### OTHER TAX AND NON-TAX RECEIPTS

#### 7.1 Tax Administration

This chapter broadly discusses about the revenue realised from various departments as detailed in **Table 7.1**. The administration and levy of these taxes/fee are governed by respective Acts/ Rules<sup>205</sup>.

**Table 7.1**

Sl. No.	Department	Nature of Revenue
1	Mines & Geology	Dead rent/Royalties/ Seigniorage fee on Minor and Major Mining leases
2	Energy Department	Electricity duty from the consumers
3	Endowment Department	Endowment Administrative Fund and Audit Fee collected from all assessable Temples
4	Registration Department	Profession Tax from Chit fund Companies

#### 7.2 Results of Audit

Test check of the records of 11 offices of Mines and Geology Department and 24 offices/ units of Endowments Department conducted during the year 2017-18 revealed audit findings of under assessment of tax and other irregularities involving ₹ 97.47 lakh in 10 cases, as detailed in **Table 7.2**:

**Table 7.2**

(₹ in lakh)			
Sl No	Department	No. of audit observations	Amount
<b>REVENUE DEPARTMENT (ENDOWMENTS)</b>			
1	Detailed Compliance Audit on Management of Endowment Assets in Endowment Department	1	90.35
<b>INDUSTRIES AND COMMERCE DEPARTMENT (MINES AND GEOLOGY)</b>			
2	Non-collection of Duty on Lease Deeds	3	0.72
<b>REVENUE (REGISTRATION AND STAMPS) DEPARTMENT</b>			
3	Non-collection of Profession Tax	6	6.40
<b>Total</b>		<b>10</b>	<b>97.47</b>

During 2017-18, Endowments Department accepted audit observations amounting to ₹ 47.36 lakh.

<sup>205</sup> Mines and Minerals Department: Mines and Mineral Concession Rules 1966, Minor Minerals Development and Regulation Act, 1957; Energy Department: Telangana Electricity Duty Act, 1939 and Rules made there under; Endowment Department: Telangana Charitable and Hindu Religious Institutions Endowment Act, 1966 & Amendment Act, 1987; Registration Department: Telangana Tax on Profession, Trades, Callings and Employment Act, 1987.

There are two broad categories of audit observations of other tax and non-tax revenue. There may be similar irregularities, errors/ omissions in other units under the department but not covered in the test audit. Department may, therefore, examine all the units with a view to ensure that the taxes are levied as per provisions of the Act and Rules. The detailed compliance audit on 'Management of Endowment Assets' in Endowments Department conducted during 2017-18 and a few illustrative audit findings involving ₹ 90.35 lakh are discussed in the succeeding paragraphs.

## REVENUE DEPARTMENT (ENDOWMENTS)

### 7.3 Detailed Compliance Audit on 'Management of Endowment Assets'

#### 7.3.1 Introduction

Endowments in the State are managed under the provisions of Telangana State Charitable and Hindu Religious Institutions and Endowments Act (TSCHRIE Act), 1987<sup>206</sup> and Rules<sup>207</sup> there under. One of the main objectives<sup>208</sup> of the Act is to ensure better management of endowment properties and utilisation of funds. As of March 2018, there were 12,013 temples, 227 charitable institutions and 62 Mutts registered with



Endowments Department. Out of these registered institutions 622 temples and 24 Mutts are assessable<sup>209</sup> institutions which submit accounts for assessing the statutory contributions as discussed in paragraph 7.3.5.

The registered temples get administrative, financial and technical support from the Endowments Department and Government.

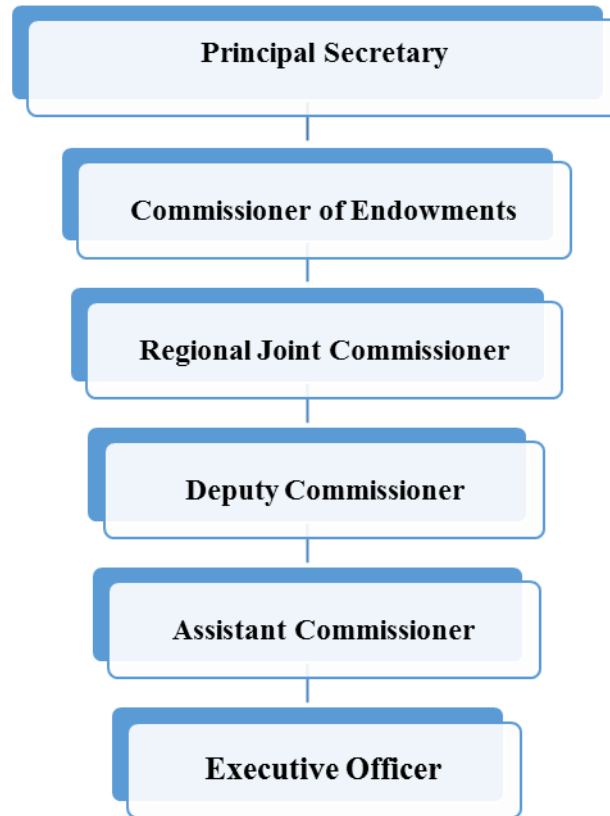
The Department is under the administrative control of Principal Secretary (Endowments), Revenue at Government level and details are as shown in the following Organogram:

<sup>206</sup> Prior to bifurcation of the State in 2014, temples were administered under Andhra Pradesh State Charitable and Hindu Religious Institutions and Endowments Act (APCHRIE Act), 1987. Consequent on bifurcation of the State in 2014 the Act was renamed as TSCHRIE Act, 1987).

<sup>207</sup> Depositing and Investment of Moneys Rules 1987, Money Lending or Borrowing Rules 1987, Dharmika Parishad Rules 2008, etc.

<sup>208</sup> The other objective is to abolish all hereditary rights of Archakas and other servants.

<sup>209</sup> Assessable institutions are those whose annual income is ₹ 0.50 lakh and above and are liable to contribute to Endowment Administration Fund (EAF), Audit Fee (AF) Common Good Fund (CGF) and Archaka Welfare Fund (AWF) (in case of temples having annual income in excess of ₹ 20 lakh).

**Organogram of the Endowments Department:****7.3.2 Audit Frame Work**

Audit was conducted between March and August 2018 to assess whether the provisions of the TSCHRIE Act were complied with for proper management of land and other assets including proper monitoring, supervision and financial management. Under the provisions of Section 6 of the TSCHRIE Act, 1987 temples are divided into three categories based on their annual income. The audit sample was drawn from across the categories, 14 temples under category 6(a), two temples under category 6(b) and three temples under category 6(c) were selected for test check (**Table 7.3**). In addition, records pertaining to the offices of Principal Secretary (Endowments), Revenue Department, Commissioner of Endowments (COE) and three Assistant Commissioners (ACs) were also covered for the period from April 2014 to March 2018. TSCHRIE Act was the main source of criteria.

**Table 7.3****Number of Temples & selected for audit under each category**

Category	Annual income (₹ in lakh)	Total	Selected in audit	Basis for selection
6(a)	>25	65	14	Annual income
6(b)	2-25	210	2	Extent of land under encroachment
6(c)	<2	347	3	Extent of land under encroachment
<b>Total</b>		<b>622</b>	<b>19<sup>210</sup></b>	

<sup>210</sup> 14 category 6(a) temples; two category 6(b) temples and three category 6(c) temples.

Reference is invited to an audit paragraph<sup>211</sup> titled ‘Monitoring and Administration by Endowments Department’ included in Comptroller and Auditor General’s Audit Report for the year ended March 2013. The findings of the audit and the status as reviewed during the current audit are detailed in **Appendix-7.1**. During the current audit, it was found that the deficiencies pointed out in the previous audit persisted in the test-checked offices of the Department managing the temples selected for audit. Current Audit findings are discussed in succeeding paragraphs.

### 7.3.3 Audit findings

#### 7.3.3.1 Management of Temple Land

##### Land Records

**Pattadar Pass Books for an extent of Acres 59,898.32 Guntas constituting 69 per cent of total Endowment land (Acres 87,235.39 Guntas) were not obtained by the Department. In respect of test checked temples, the percentage of PPBs not obtained was 48.41 (Acres 3,861.38 Guntas out of Acres 7,976.25 Guntas). Discrepancy in extent/ location of land was also noticed due to non-updation of endowment register, failure to conduct survey and take physical possession of endowment land.**

Section 14 of the TSCHRIE Act, 1987 stipulates that all properties belonging to or given or endowed to a charitable or religious institution or endowments shall, vest in the charitable or religious institution or endowment, as the case may be.

As per Rights in land and Pattadar Pass Book Act, 1971, every land owner shall have a Pattadar Pass Book (PPB) issued by Revenue Department. PPB is one of the main documents for clear title to land. The concerned Assistant Commissioner, within whose jurisdiction the temple is situated, is required to ensure that all the title deeds are available and verified with Revenue records.

The total land holdings of the registered temples in the State as of March, 2018 were Acres 87,235.39 Guntas<sup>212</sup> out of which the land held by the 19<sup>213</sup> temples test checked in audit was Acres 7,976.25 Guntas. Audit findings are detailed below:

- Out of Acres 87,235.39 Guntas of endowment land, PPBs were available only for an extent of Acres 21,339.02 Guntas. PPBs were not obtained by the Commissioner for Acres 59,898.32 Guntas which constitutes 69 per cent of the total extent of endowment land. For the balance Acres 5,998.05 Guntas the details of PPBs were not furnished by the Commissioner.

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<sup>211</sup> The Report was not discussed by PAC.

<sup>212</sup> 1 Acre (Ac) = 40 Guntas (Gts).

<sup>213</sup> 14 temples of 6(a) category – Acres 2,701.23 Guntas; two temples of 6(b) category – Acres 2,914.37 Guntas and three temples of 6(c) category – Acres 2,360.05 Guntas.

- In a sample of eight<sup>214</sup> out of 19 temples, PPBs were not available in respect of the agricultural endowments to an extent of Acres 3,861.38 Guntas representing 48.41 *per cent* of the endowment land in their possession. Absence of PPBs ranged from seven *per cent*<sup>215</sup> to 100 *per cent*<sup>216</sup>. The Executive Officers concerned did not take action to obtain the PPBs, though the land was in their possession. The Executive Officers replied that PPBs would be obtained.
- The temple authorities need to have correct entries in PPBs in respect of location, extent of land with reference to the endowment register. In case of any discrepancy the same was to be reconciled by them. On verification of endowment register with the PPBs, it was noticed that discrepancy to an extent totalling Acres 121.14 Guntas existed in three<sup>217</sup> out of 19 temples test checked.

### **Failure of the temples to take physical possession of land**

- Out of the total extent of Acres 1,347.11 Guntas land of one category 6(a) temple, Acres 3.26 Guntas was donated in 1948. The donated land was later surveyed and report was handed over to the temple authorities in the year 2000. The concerned Assistant Commissioner, however did not take physical possession of the land despite receipt of survey report from the Revenue Department. Further, PPBs to an extent of Acres 373.38 Guntas was not available in respect of the agricultural endowments.
- As regards one category 6(a) temple, Acres 7.09 Guntas was donated way back in 1983. *Panchanama*<sup>218</sup> was conducted in May 2007. The temple authorities however, neither took any action to get the land surveyed by the Revenue Department nor took physical possession of the land. The entire land of Acres 7.09 Guntas was encroached and under litigation.

### **7.3.3.2 Encroachment of Temple Land**

**Endowment land to an extent of Acres 6343.12 Guntas valuing ₹ 311 crore was encroached in nine out of 19 test checked temples.**

As per Section 83(1) of the TSCHRIE Act, 1987, any instances of encroachment of temple land, building etc., are to be reported by the Assistant Commissioners concerned to the Endowment Tribunal for issue of eviction orders. The Endowment Tribunal, upon receiving the complaint, issues notices to the encroacher and conducts enquiry. The Tribunal may, if the

<sup>214</sup> Four category 6(a) temples; One category 6(b) temple and Three category 6(c) temples.

<sup>215</sup> One category 6(a) temple – Acres 14.29 Guntas (Total Endowment land-Acres 218.19<sup>3/4</sup> Guntas).

<sup>216</sup> One category 6(b) temple – Acres 1,426.38 Guntas (Total Endowment land - Acres 1,426.38 Guntas) and two category 6(c) temples -Acres 640.01 Guntas (Total Endowment land-Acres 640.01 Guntas) and Acres 934.27 Guntas (Total Endowment land-Acres 934.27 Guntas).

<sup>217</sup> Two category 6(a) temples (Acres 55.14 Guntas, since 2006) and (5 Guntas since 2009) and one category 6(b) temple (Acres 65.35 Guntas since 2014).

<sup>218</sup> Record of what the panchs (witnesses) say during Panchanama. The main intention behind conducting panchanama is to get the case from unfair dealings on the part of the officers. This can be used as corroborative evidence.

encroachment is proved in the enquiry, issue eviction order. In the event of encroachers not vacating the temple land, the Assistant Commissioners may take police assistance to remove the encroachment and obtain the possession of such land.

- It was noticed from the records of Commissioner of Endowment that Acres 20,124.03 Guntas (23.07 per cent) out of Acres 87,235.39 Guntas of endowment land was under encroachment across the State. In nine<sup>219</sup> out of 19 test checked temples, encroachment was to the extent of Acres 6,343.12 Guntas as shown in the **Table 7.4**:

**Table 7.4**  
**Extent of land encroachment in test checked temples**

Category of temple	Total land of temples (in Acres)	Extent of land under encroachment in Acres (per cent of encroached land)
6(a)	2,701.23	1,162.17 (43.02)
6(b)	2,914.37	2,913.16 (99.96)
6(c)	2,360.05	2,267.19 (96.07)
<b>Total</b>	<b>7,976.25</b>	<b>6,343.12 (79.52)</b>

*Source: Records of Temples and information furnished by Assistant Commissioners*

It could be seen that the encroachment of land in all the categories of temples ranged from 43.02 per cent (Acres 1,162.17 Guntas) to 99.96 per cent (Acres 2,913.16 Guntas) of the land in the test checked temples. Basic value of the land under encroachment in respect of test checked temples worked out to a minimum of ₹ 311 crore.

**Absence of a proper mechanism to protect temple land increases the risk of further encroachments with attendant risk of increasing land disputes**

### Endowment Tribunal

**Assistant Commissioners filed cases with Tribunal for encroached land to an extent of only Acres 3,488.00 Guntas out of Acres 20,124.03 Guntas. In respect of 65 eviction orders issued by Tribunal involving Acres 649.35 Guntas, no land was reclaimed.**

It was further noticed in Audit that out of Acres 20,124.03 Guntas of endowment land encroached upon across the State, the Assistant Commissioners filed cases with Endowment Tribunal to an extent of only Acres 3,488.00 Guntas (17.33 per cent).

- The Commissioner of Endowments and three<sup>220</sup> test checked Assistant Commissioners had no information on the pendency of cases with the Tribunal or on the extent of land on which the Tribunal had adjudicated. Out of 826 eviction orders passed since 2008, 180 orders were reported to

<sup>219</sup> Four category 6(a) temples; two category 6 (b) temples, three category 6(c) temples.

<sup>220</sup> Hyderabad, Nalgonda and Rangareddy.

be implemented by the Department. In nine<sup>221</sup> out of 19 test checked temples, cases were filed in courts for encroached land of Acres 1,972.09 Guntas and 65 eviction orders were issued involving Acres 649.35 Guntas. It was however observed that, no land was reclaimed.

The Department stated that the orders could not be implemented due to lack of police assistance for evicting the encroachers. Contrary to the reply of the Department it was noted that the issue was not taken up with the higher authorities *viz.*, District Collector and Superintendent of Police for effecting eviction orders.

### Protection of land from encroachments

**Endowment land worth ₹71.44 crore was not exhibited in the list of prohibited properties by the Registration Department posing risk of endowment land being registered in the name of private persons/ organizations.**

The TSCHRIE Act, 1987 (Section 76) prohibits transfer of land granted for rendering service to an endowment by way of sale, gift etc. Such land comes under the category of prohibited properties. A Register of prohibited properties of Government, Endowments *etc.*, is also maintained in the offices of Registration and Stamps Department to prevent registration of these lands in the name of private persons/ organisations. The District Collector issues Gazette Notification of prohibited properties every year. As per Circular<sup>222</sup> read with Rule 5 of Endowment Statutory Rules (Part-IV), all the jurisdictional Assistant Commissioners concerned are required to visit the Sub-Registrar Offices once in a month to update the data in the Prohibited Properties Register.

Audit cross verified the records of Registration and Stamps Department with the records of COE and found that details of prohibited properties relating to certain temples were not reflected in the records of Registration and Stamps Department. These are detailed below:

- In two<sup>223</sup> Mandals of Medchal-Malkajgiri (erstwhile Rangareddy district) district, an extent of Acres 18.01 Guntas pertaining to two temples<sup>224</sup> were not reflected in the list of prohibited properties maintained by the Registration and Stamps Department. Even if the minimum value as per Basic Value<sup>225</sup> Register (2013) maintained by the Registration Department is reckoned the value of the land works out to ₹ 63.10 crore. Further, Acres 753.07 Guntas of land in one category 6(c) temple, valued ₹ 8.34 crore was not reflected in the list of prohibited properties maintained by the concerned Sub-Registrars. **Non-listing of the land in the list of prohibited properties was fraught with the risk of the Endowment land**

<sup>221</sup> Four category 6 (a) temples, two category 6 (b) temples and three category 6 (c) temples.

<sup>222</sup> Circular No. 13/85 (J1/16617/85) dated 03 May 1985.

<sup>223</sup> Balanagar and Uppal.

<sup>224</sup> Two category 6(c) temples (Acres 1.16 Guntas) and (Acres 16.25 Guntas).

<sup>225</sup> Basic value means minimum Value of the land as adopted by the Registration & Stamps Department for the purpose of registering properties.

**being registered in the name of private persons/ organisations.** These cases are only illustrative and Department may initiate action with the Registration and Stamps Department to include all Endowment land in the list of prohibited properties and visit the Sub-Registrar Offices as provided in the Rules, to update the data in the prohibited properties register.

### 7.3.3.3 Acquisition of land by other Authorities

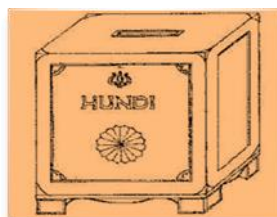
Under the provisions of Sections 4(6) and (11) of Land Acquisition Act 1894, the land acquisition officer can acquire any land including Government, two years from the date of publication of the requirement of the land.

It was noticed that land measuring Acres 423.22 Guntas belonging to seven temples/ mutts<sup>226</sup> was acquired (1993-2005) by Government authorities<sup>227</sup>. The compensation of ₹ 5.84 crore payable to the temple was still pending from these authorities as of March/ April 2018. Further, after the land was acquired by the Government, majority of the land (Acres 421.19 Guntas) valuing ₹ 5.04 crore was under un-authorized occupation and litigation.

### 7.3.3.4 Management of Cash and Jewels.

**Hundis were not installed, Cash Books and receipt books were also not maintained in one category 6(c) temple. In one category 6(a) temple, foreign currency received in Hundis was not deposited in banks.**

Under Section 29 of the TSCHRIE Act, 1987, Executive Officer shall deposit the money received by the temples in such bank or treasury as may be prescribed. Further certain Statutory Rules *viz.*, Collection of Income and Incurring of Expenditure etc. Rules 1987, Depositing and Investment of Moneys Rules 1987, Jewels and other valuables and Documents Maintenance Rules, 1987 etc. are also framed under the TSCHRIE Act, 1987. It was however noticed that no guidelines were issued either by Commissioner or Government on treatment of foreign currency offerings in temples. The main sources of revenue for the temples are collections through Hundis<sup>228</sup>, sale of tickets for prasadam<sup>229</sup>, darshan, sevas<sup>230</sup> rents from shops, choultries, kesakhandana,<sup>231</sup> donations given for specific programmes *viz.*, Annadanam, Saswathapujalu, *etc.*, and other offerings.



<sup>226</sup> One category 6 (a) temple, one category 6 (b) temple, three category 6 (c) temples and two category 6 (d) mutts.

<sup>227</sup> Greater Hyderabad Municipal Corporation, the Telangana State Industrial Infrastructure Corporation and Quli Qutub Shah Urban Development Authority.

<sup>228</sup> A box installed within the temple for dropping offerings by pilgrims.

<sup>229</sup> Food items offered to God.

<sup>230</sup> Services and Poojas to God.

<sup>231</sup> Hair cut/tonsuring in the temple premises.



In all the test checked temples (except two temples)<sup>232</sup>, the Hundial collections accounted for 17.89 per cent of the total income of all categories of the temples during 2014-18 as shown in **Table 7.5**:

**Table 7.5**  
**Sources of Income of Temples**

Source	Amount collected in test-checked temples in 2014-18 (₹ in crore)			
	6(a)	6(b)	6(c)	Total
Hundial collections	218.34	0.37	Nil	218.71
Sale of prasadam, darshans etc.,	251.31	0.20	Nil	251.51
Lease rent from properties	131.66	0.42	Nil	132.08
Interest from investments	45.29	0.90	0.04	46.23
Others <sup>233</sup>	572.96	0.78	Nil	573.74
<b>Total</b>	<b>1,219.56</b>	<b>2.67</b>	<b>0.04</b>	<b>1,222.27</b>
Percentage of Hundial collections to total income	17.90	13.86	0	<b>17.89</b>

Audit findings in this regard are detailed below:

- In one category 6(c) temple (test checked temple), Executive Officer neither installed Hundis nor maintained receipt books and Cash books. In the absence of Hundis, receipt books and cash books, the revenue of the temple could not be verified. Non maintenance of Hundis and receipt books is fraught with the risk of embezzlement of funds offered by the devotees. The Executive Officer assured (August 2018) compliance. It was noticed that the Commissioner was also not aware of this issue.
- In two<sup>234</sup> out of 19 test checked temples, foreign currency received was retained in the temples and not deposited in the Bank since February 2017 and 2013-14 respectively. Executive Officer, of one category 6(a) temple replied (June 2018) that the matter was being pursued with the Banks. Executive Officer, of one category 6(a) temple replied (April 2018) that the matter was already referred (January 2018) to the Commissioner.

### 7.3.3.5 Jewellery Appraisal

**The orders of Commissioner of Endowments to deposit Gold in excess of one kilo gram in Gold Deposit Bond Scheme was not implemented though exceeded the prescribed limit.**

Further, as per Section 32 of the TSCHRIE Act, Jewellery Verification Officer (JVO) was to be appointed by Government for valuation of gold and other ornaments placed in the Hundis. Commissioner directed (December 2009) the temples to deposit gold<sup>235</sup> in excess of one kilogram in State Bank of India's Gold Deposit Bond Scheme (GDBS). The mixed gold in any shape is accepted by the Bankers and thereafter it is minted by the Bankers and a Bond certificate is issued for the actual weight of the gold after minting.

<sup>232</sup> In one category 6(c) temple records were not furnished and in another category 6(c) temple no records were maintained.

<sup>233</sup> Donations, rents from cottages, locker rents, vehicle poojas, sale of books/carry bags, etc.,

<sup>234</sup> Two Category 6(a) temples.

<sup>235</sup> Except those used as deities' ornaments etc.,

The audit findings in this regard are detailed below:

- The Government appointed only one JVO for all the registered temples in the State. A Goldsmith, engaged locally by Executive Officer on the day of Hundi opening, certifies the Gold/ Silver/ Jewellery weight. The value of the Gold/ Silver/ Jewellery items is not shown as a part of income. It is treated as an asset of the temple and entered in the inventory. In seven test checked temples, the gold offerings could not be taken into inventory and were dropped back into the hundis due to non-availability of services of JVO/ Goldsmith for certain periods as detailed in **Table 7.6**:

**Table 7.6**  
**Period of non-accountal of gold offerings**

Sl.No	Category of Temple	Period for which Executive Officers did not take stock of gold items
1	Category 6(a) temple	April 2013 to October 2017
2	Category 6(a) temple	June 2016 to June 2018
3	Category 6(a) temple	December 2009 to April 2018
4	Category 6(a) temple	December 2009 to April 2018
5	Category 6(a) temple	December 2009 to May 2018
6	Category 6(a) temple	February 2010 to June 2018
7	Category 6(a) temple	May 2015 to May 2018

- In 10 out of the 14 category 6(a) temples, gold in stock exceeded the prescribed limit of one kilogram. The accumulated gold was 91.87 Kilogram (**Appendix 7.2**) ranging between more than two kilograms (category 6(a) temple) and 28.555 kilograms (category 6(a) temple). But none of the Executive Officers deposited the gold in GDBS for the reasons not on record. It was noticed that the Commissioner was not aware of this issue. When it was brought to his notice, Commissioner replied (July 2018) that necessary instructions would be issued in this regard.

### 7.3.3.6 Management of Investments

**Fixed Deposit Receipts were not renewed on maturity dates as a result of which interest of ₹ 47.36 lakh was forgone by the temples concerned.**

Under Section 134 of the TSCHRIE Act, 1987 read with Rule 2(f) of Money Lending or Borrowing Rules, 1987, cash may be invested in fixed deposits in a Nationalised or Scheduled Bank as defined in the Reserve Bank of India Act, 1934. The Executive Officer shall invest the funds judiciously and shall not in any manner act detrimental to the interests of the temples in management of such funds. The total investments (Fixed Deposit Receipts) in 17<sup>236</sup> out of 19 test checked temples was ₹ 245 crore.

In three<sup>237</sup> out of 19 test checked temples Fixed Deposit Receipts were invested in Regional Rural Banks where there is no auto renewal facility. As a

<sup>236</sup> 14 category 6 (a) temples, two category 6 (b) temples and one category 6 (c) temple.

<sup>237</sup> Two category 6(a) temples, one category 6(b) temple.

result, funds amounting to ₹13.72 crore were kept idle for periods ranging between 48 to 828 days on maturity of the Fixed Deposit Receipts. This resulted in loss of interest amounting to ₹47.36 lakh by reckoning the interest rate of 7.1 *per cent* to 9.5 *per cent* offered on these Fixed Deposits. The Executive Officer of one category 6(a) temple replied that due to rush of work and shortage of staff, Fixed Deposit Receipts could not be re-invested. Specific replies were awaited from other Executive Officers.

#### 7.3.4 Lease of immovable properties

**In one category 6(a) temple, lease rentals were not enhanced as instructed by the Government causing loss of revenue amounting to ₹ 42.99 lakh.**

Income from shop rentals, lease etc., account for 10.8 *per cent* of revenue of all test checked temples in the State. Renting and leasing out of temple properties are governed by the TSCHRIE's Immoveable Properties (Other than agricultural land) Leases and Licenses Rules, 2003 and Lease of Agricultural Land Rules, 2003.

As per Government instructions<sup>238</sup>(May 2010), extension of lease of shops located in the premises of temples with annual income of more than ₹ 25 lakh shall be allowed with 50 *per cent* enhancement of existing lease rents for a further period of three years. It was noticed that in respect of one category 6(a) temple, though annual income of the temple was in excess of ₹ 25 lakh, Executive Officer did not enhance the lease rent of 18 shops while renewing the leases, resulting in loss of revenue amounting to ₹ 42.99 lakh for the period from 2014-15 to 2017-18.

Executive Officer replied (May 2018) that the matter would be examined and detailed reply would be furnished in due course.

#### 7.3.5 Other Endowment Resources

According to provisions of TSCHRIE (Amendment) Act 2007, every temple/Hindu religious institution in the State shall contribute to the following funds as detailed in **Table 7.7**:

**Table 7.7**  
**Rates of Annual contributions**

Sl. No.	Name of the Fund	Section of the Act	Annual Contribution	Purpose
1	Endowment Administration Fund (EAF)	65 (1)	12 <i>per cent</i> of assessable income if annual income exceeded ₹ 50,000	Payment of salaries and other emoluments to all such office holders and servants of endowments and all the costs, charges and expenses incurred in connection with legal proceedings. This fund is kept under M.H.8010 Trusts and Endowments accounts.
2	Audit Fee (AF)	65 (4)	One and half <i>per cent</i> of the assessable income if annual income exceeded ₹ 50,000	Credited to State Audit.

<sup>238</sup> Govt Memo No. 20175/Endt.I(2)/2010-11, dated 18 May 2010.

Sl. No.	Name of the Fund	Section of the Act	Annual Contribution	Purpose
3	Common Good Fund (CGF)	70 (1)	Five <i>per cent</i> of assessable income if annual income exceeded ₹ 50,000	Establishment and maintenance of vedapathasalas and schools, construction of new temples kalyanamantapams etc. These funds are kept in CGF Trust. The available balance under CGF as on 31 <sup>st</sup> March 2018 was ₹ 95.37 lakh.
4	Archaka Welfare Fund (AWF)	161 (1)	Three <i>per cent</i> of assessable income if annual income exceeded ₹ 20,00,000	Loans and advances to Archakas. These funds are kept in AWF Trust. The available balance under AWF as on 31 <sup>st</sup> March 2018 was ₹ 1.68 crore.

The contributions received towards various funds and deficiencies amounting to ₹ 93.20 crore for the entire State were as detailed in **Table 7.8:**

**Table 7.8**  
**Shortfall in contributions**

(₹ in crore)

Year	Endowment Administrative Fund			Common Good Fund			Audit Fee			Archaka Welfare Fund		
	Due	Received	Short fall	Due	Received	Short fall	Due	Received	Short fall	Due	Received	Short-fall
2014-15	51.04	22.25	28.79	18.70	8.66	10.04	11.90	2.19	9.71	25.83	3.74	22.09
2015-16	59.13	27.02	32.11	22.66	11.72	10.94	13.52	2.24	11.28	28.93	4.45	24.48
2016-17	69.33	34.58	34.75	26.37	16.81	9.56	15.93	3.26	12.67	33.01	6.73	26.28
2017-18	68.64	28.39	40.25	24.44	13.16	11.28	17.16	3.03	14.13	34.56	7.02	27.54

Source: Records of the Commissioner of Endowments

- The arrears in receipt of contribution towards these funds, in 14<sup>239</sup> out of 19 temples test checked in audit, amounted to ₹ 14.10 crore. But the Assistant Commissioners concerned failed to collect the dues despite 13 temples having adequate funds (**Appendix 7.3**). Commissioner replied (July 2018) that instructions would be issued to Executive Officers for payment of dues.
- Commissioner sanctioned an amount of ₹ 1.46 crore towards loans and advances to Archakas and staff of temples<sup>240</sup> from the year 2008. An amount of ₹ 1.04 crore (71 *per cent*) was due for recovery as of 31<sup>st</sup> March 2018. It was, however, observed that, the Department recovered only ₹ 48.00 lakh as of March 2018. The Commissioner replied that strict instructions were being issued to the concerned Assistant Commissioners for recovery of overdue installment amounts of marriage loan and housing loans from the temple employees.

The observations were communicated to the Department and to the Government (September 2018); replies have not been received (February 2020).


<sup>239</sup> No arrears from three category 6(a) temples. One category 6(c) temple did not produce records pertaining to contributions. No records were maintained by one category 6(c) temple.

<sup>240</sup> From the Archaka Welfare Fund.

### 7.3.6 Conclusion

Pattadar Pass Books (PPBs) for 69 *per cent* of total endowment land was not obtained by the Department. In the test checked temples, endowment land Acres 6343.12 Guntas (80 *per cent*) valuing ₹ 311 crore was encroached. Endowment land worth ₹ 71.44 crore was not exhibited in the list of prohibited properties by the Registration department. Thus, lack of adequate attention towards periodical review of the Register of land, obtaining pattadar passbooks of agricultural land and reconciliation of land with the records of Department of Registration and Stamps increased the risk of encroachments of land. Excess Gold was not deposited in the Gold Deposit Bond Scheme as per the directions of the Department. Improper monitoring led to accumulation of dues towards statutory contributions from the temples.

Hyderabad  
The 20 July 2020

  
(SUDHA RAJAN)  
Accountant General (Audit)  
Telangana

Countersigned

New Delhi  
The 24 July 2020

  
(RAJIV MEHRISHI)  
Comptroller and Auditor General of India