



WP(MD)No.24420 of 2019

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : 16.05.2025

CORAM:

THE HONOURABLE MR.JUSTICE **B.PUGALENDHI**

WP(MD)No.24420 of 2019

and

WMP(MD)Nos.21059 of 2019, 13206, 17289 of 2021

K.Paunraj

: Petitioner

Vs.

1.Tamil Nadu Local Bodies Ombudsman Tribunal,
Chennai – 600 032.

Rep. by its Secretary

2.Puliyangudi Municipality,
Rep. by its Commissioner,
Puliyangudi,
Tenkasi District.

3.Taxpayers Welfare Association,
Social Welfare Sangam Administrators,
No.17/2A, Chidambaram North Street,
Puliyangudi – 627 855,
Tenkasi District.

4.S.Sidtharthan

5.C.Chinnathurai

6.A.Sankar

: Respondents



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PRAYER: Petition filed under Article 226 of the Constitution of India seeking issuance of a Writ of Certiorari calling for the records relating to the impugned order passed by the first respondent in Complaint Petition Nos.14/19, 87/19, 91 and 131/19/Na/2019 dated 01.11.2019 and quash the same.

For Petitioner : Mr.J.Barathan
for Mr.AL.Kannan

For Respondents: Mr.D.Shanmuga Raja Sethupathy
for R.1

Mr.M.Rajarajan
for R.2

Mr.R.Alagumani
for R.3 to R.5

No appearance for R.6

ORDER

The petitioner, a Commissioner of Municipality, is facing several complaints before the Ombudsman established under the Tamil Nadu Local Bodies Ombudsman Act, 2014 [hereinafter referred to as 'the Act']. He

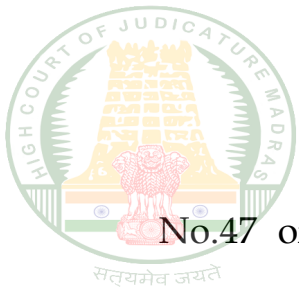


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has filed this writ petition as against the interim order passed by the Ombudsman in the complaints made as against him on 01.11.2019, referring the complaints to the Directorate of Vigilance and Anti Corruption, as per the provision available u/s.6(4) of the Act.

2.Learned Counsel for the petitioner submitted that the petitioner, as a Commissioner, has made certain efforts to collect the property tax from the taxpayers. The third respondent Society was having huge arrears of tax to the Puliyangudi Municipality and in order to evade the payment of tax, they intimidated the staff of the Municipality and also the petitioner by asking certain information under the RTI Act, prevented them from discharging the work.

3.He further submitted that on the complaint of the Divisional Engineer and his Assistant, a case in Crime No.13 of 2018 was registered as against the members of the third respondent Society. In fact, the fifth respondent has attacked the officials of the Municipality, for which, a criminal complaint was registered as against the fifth respondent in Crime



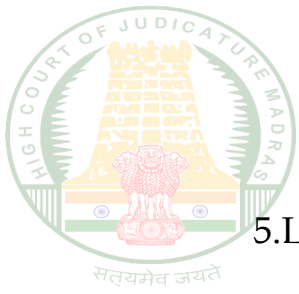
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No.47 of 2019 on the file of the Puliyangudi Police Station. The sixth

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respondent is a registered Contractor of the Puliyangudi Municipality and he made illegal demands for allocation of contract works. The petitioner did not agree for the same and therefore, the private respondents and the members of the third respondent, who are evading the property tax payment due to the Municipality, have lodged complaints before the Ombudsman in order to intimidate the petitioner and to prevent him from taking any further action for recovering the tax arrears.

4.Learned Counsel further submitted that the Ombudsman has issued a notice for enquiry and that was received by the petitioner on 22.05.2019. He appeared for the enquiry on 11.06.2019. He was furnished with the copy of the complaint of the third respondent alone and other complaint copies were not furnished to him. While so, without conducting any proper enquiry, as required u/s.8 of the Act, the impugned order has been passed recommending for a vigilance enquiry, without providing an opportunity to the petitioner. Therefore, he prayed for appropriate orders.



5.Learned Counsel for the second respondent / Puliyangudi Municipality, by referring to the counter affidavit, submitted that one Arunachalam, an Office Bearer of the third respondent Society, is having huge arrears of property tax to the Puliyangudi Municipality. Apart from that, the learned Counsel has confirmed the allegations made by the petitioner as against the private respondents herein.

6.Learned Counsel for the private respondents submitted that the petitioner has committed several irregularities, indulged in corrupt practice, acquired several properties disproportionate to his own income and has also targeted those, who are raising voices against him. Therefore, the third respondent Society has lodged a complaint before the Ombudsman as under:-

“(i) The petitioner has committed financial irregularities in laying road to the particular ward where a factory making paver block stone was being run by the petitioner's benami.

(ii) The petitioner involved in corruptive practice in providing water connection to the residents by obtaining illegal gratification to the tune of Rs.18,000/- to Rs.20,000/- per connection and thereby caused



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loss to the municipality to the tune of Rs.3.75 Crores.

(iii) The petitioner has closed the Gandhi Memorial Daily Market and thereby caused loss to the tune of Rs.40,00,000/- to the Puliyanakudi Municipality. Further, he has misappropriated the materials worth about Rs.50,00,000/- kept in the above daily market.

(iv) He has also committed financial irregularities and misappropriation in digging bore wells and constructing bus shelter.

(v) The petitioner has committed financial irregularities in allotting the shops constructed in the bus stand and also he has committed corruption in laying paver blocks in various roads within the jurisdiction of the above Puliyanakudi Municipality.

(vi) The petitioner has ingeniously split up a scheme into various schemes with malafide intention to bring the schemes / projects within the financial jurisdiction of the Municipal Commissioner and thereby committed financial irregularities."

7.The same was taken on file as Complaint No.14 of 2019 and tried along with the other complaints pending against the petitioner. He has also referred to the complaint of the fourth respondent in Complaint No.87 of 2019 that according to him, the shops constructed in the weekly market complex were allotted to various ineligible persons after obtaining illegal



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gratification. He also submitted that the petitioner is having a paver block factory in the name of his benami and was using the same for the execution of works in Puliyangudi Municipality and also in the adjacent Municipalities, by abusing his position as Commissioner of Municipality.

8.The fourth respondent has also made allegations as against the petitioner that this petitioner has amassed wealth worth about Rs.53 Lakh through his benamis, by registered documents dated 12.03.2018, 23.04.2018, 24.04.2018, 24.08.2018. He also referred to a document registered as Doc.No.319 of 2018 in the Sub Registrar Office, Puliyangudi, that this property worth about 10 Crore was purchased by the petitioner.

9.The fifth respondent has also lodged a complaint as against the petitioner making similar allegations of financial irregularity and the same was taken on file as Complaint No.91 of 2019 by the first respondent. The allegations made in the complaint are as under:-

“(i) The petitioner Mr.Paunraj has fraudulently obtained community certificate as if he belongs to scheduled caste community and



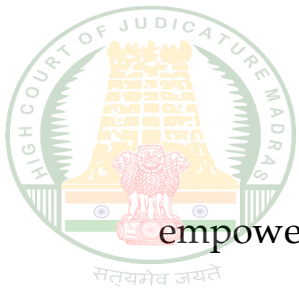
got public employment, while his own sister Mrs.Jeya was given community certificate as backward community.

(ii) The petitioner Mr.Paunraj has taken away the materials worth about Rs.90,00,000/- from the Gandhi Memorial Daily Market, in Puliyangudi Municipality by abusing his official position.

(iii) The petitioner has acquired properties and wealth disproportionate to his known source of income for more than Rs.10 Crores."

10.The sixth respondent has lodged another complaint that was treated as Complaint No.131 of 2019, wherein, it was alleged that the petitioner has caused loss to the Municipality to an extent of Rs.5.36 Crores and another indirect loss of Rs.47.70 Lakh to the Municipality. It is further alleged that for a work which has been executed in the month of December, 2018, receipt was provided only in the month of March, 2019. Therefore, according to the learned Counsel for the private respondents, these allegations cannot be ruled out without an enquiry.

11.The first respondent / Ombudsman cannot find out the truth by conducting an enquiry u/s.8 of the Act alone. Section 6(4) of the Act



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empowers the Ombudsman to avail the services of any officer or investigation agency of the Government for the purpose of the enquiry.

Therefore, the impugned order is well within the provision of Section 6(4) of the Act and there is no reason to interfere with the order of the Ombudsman.

12.Learned Counsel for the private respondents has also furnished the copy of an FIR registered as against the petitioner by the DCB, Coimbatore, in Crime No.14 of 2021, dated 10.04.2021 and the FIR registered by the Directorate of Vigilance and Anti Corruption, Tenkasi, in Crime No.1 of 2024, dated 03.01.2024.

13.He has also relied on the orders passed by this Court in WP(MD)Nos.9542, 9565 of 2021, dated 12.01.2022 and submitted that the petitioner has involved in corrupt practice and the Directorate of Vigilance and Anti Corruption has already taken cognizance on the issue. In fact, this Court has also taken cognizance of the fraud committed by the petitioner, when he acted as Commissioner, Valparai Municipality.



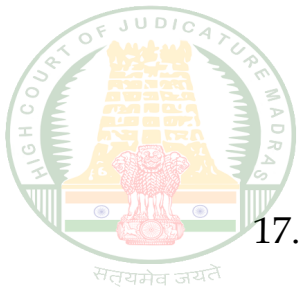
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14.He has also relied on the judgment of this Court in *AK.Viswanathan v. State of Tamil Nadu* [WP.No.9077 of 2010, dated 12.07.2010] and submitted that it is only a preliminary enquiry and interfering with the same at this point of time would definitely hamper the process. The petitioner would be having ample opportunity to defend his case during the adjudication before the first respondent. Therefore, it is not proper to interfere with the order and to stall the enquiry.

15.This Court considered the rival submissions made on either side and perused the materials placed on record.

16.The order impugned in this writ petition is an order passed by the Ombudsman u/s.6(4) of the Act. The Tamil Nadu Local Bodies Ombudsman Act was enacted in the year 2014 with an intention to address the complaints made as against the elected members of the local bodies and the officers and employees working under the local bodies in the State of Tamil Nadu.



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17.The Ombudsman is the authority for conducting enquiries in respect of charges on any action involving corruption or maladministration or irregularities in the discharge of administrative functions by the public servants working in the local bodies, as per Section 2(10) of the Act. The petitioner is the Commissioner of Puliyangudi Municipality and he would come under the purview of the Act.

18.The complaints lodged by the respondents 3 to 6 are pertaining to the affairs of the petitioner in discharge of his functions as the Commissioner of Puliyangudi Municipality. Certain major allegations have been made as against the petitioner, such as, corruption, amassing wealth, he obtained community certificate fraudulently as if he belongs to SC community and got public employment, etc. The fourth respondent has made a specific allegation as against this petitioner by referring to the documents dated 12.03.2018, 23.04.2018, 24.04.2018, 24.08.2018, that he has purchased properties worth about Rs.53 Lakh in his benami's name and that he purchased a property worth about Rs.1 Crore as Rs.10 Lakh vide Doc.No.319/2018 registered at the O/o.Sub Registrar, Puliyangudi.



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19.The respondents 3 to 6 have uniformly stated that the petitioner has amassed wealth disproportionate to his known source of income. They have also referred to some documents of purchase. If any public servant working in the local body is involved in corruption, favoritism, nepotism or lack of integrity or abused his position for any gain for himself or for other person, the Ombudsman shall entertain the complaint and decide the same as provided under the Act. Truth or otherwise of the complaint would emerge only on conclusion of the enquiry.

20.The Ombudsman shall perform all or any of the following functions as provided u/s.7 of the Act:-

“7. (i) enquire into any written complaint from the Government or that has come to the notice of the Ombudsman in which corruption or maladministration of a public servant or a local body is alleged;

(ii) pass an order on the proved allegation in the following manner, namely:-

(a) where the irregularity involves a criminal offence committed by a public servant, the matter shall be referred to the appropriate



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investigating agency for necessary action;

(b) where the irregularity involves loss of the fund of the local body, order recovery of such loss from those who are responsible for such irregularity;

(c) where the irregularity is due to wilful negligence or dereliction of duty of any officer or employee of the local body, recommend for departmental action by the appropriate authority under the relevant rules."

21.The Ombudsman was provided with a Secretary and other officers and employees to assist in the exercise of his powers and discharge of his functions under the Act as per Section 6. Without prejudice to the assistance provided under Section 6(1), Section 6(4) enables the Ombudsman to utilise the services of any officer or investigation agency of the Government or any other State agency for the purpose of conducting the enquiry under this Act.

22.The main contention of the petitioner is that Section 8 enables the Ombudsman to conduct an enquiry as that of a civil Court by issuing summons and enforcing the attendance of the complainant or witnesses



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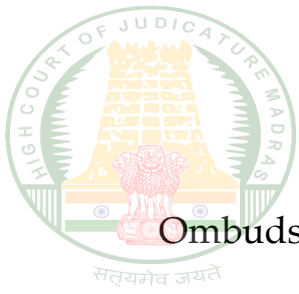
and examine them on oath, can require any public record from any Court or office, issue commission for the examination of witnesses and documents. In this case, the Ombudsman has issued notice of summon to the petitioner for enquiry on 22.05.2019 and also conducted an enquiry on 11.06.2019. While so, without conducting the enquiry as contemplated u/s. 8, the Ombudsman is not right in invoking the provision u/s.6(4).

23. Section 6(4) of the Act is extracted as under:-

"6(4) Without prejudice to the provisions of sub-section (1), the Ombudsman may, for the purpose of conducting enquiry under this Act, utilise the services of,

- (a) any officer or investigating agency of the Government; or*
- (b) any other State agency."*

24. This is an inherent power made available to the Ombudsman to utilise the services of the investigating agency of the Government or any other State agency for the purpose of conducting enquiry under the Act, apart from the other facilities provided under sub-section 1 of Section 6. Therefore, this Court cannot find fault with the order passed by the



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Ombudsman in the impugned order. As such, this Court is not inclined to entertain the plea of the petitioner.

25.It appears that pending these complaints, a criminal case was registered as against the petitioner in Crime No.14 of 2021 on the file of the DCB, Coimbatore, for the offence u/s.408, 420 IPC, 13(1)(c), 13(1)(d)(i), 13(1)(d)(ii), 13(1)(d)(iii), 13(1)(e) of the Prevention of Corruption Act. This case was registered on the complaint of the Regional Director of Municipal Administration and Regional Vigilance Officer of Tiruppur, with regard to the affairs of his work as Commissioner, Valparai Municipality, that the petitioner has misappropriated the public funds by separating a single civil work into 41 works and issued work orders on 26.02.2021, however, the works commenced after 26.02.2021 during the code of conduct. As per the complaint, the petitioner / Mr.K.Paunraj, then Commissioner of Valparai, has misappropriated the public money to the tune of Rs.15,62,00,000/-.

26.Yet another case was registered by the Directorate of Vigilance and Anti Corruption, Tenkasi in Crime No.1 of 2024, on 03.01.2024, for the



offence u/s.13(2) r/w 13(1)(e), 13(2) r/w 13(1)(b) of the Prevention of

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Corruption Act as against the petitioner. The crux of the complaint is that

he amassed wealth disproportionate to his known source of income to the

tune of Rs.1,98,01,586/-, during the check period between 01.04.2014 and

31.03.2021. The relevant paragraph of the FIR is extracted as under:-

"When enquired about the character and antecedents of the accused officer, it is revealed that he is a corrupt officer receiving bribes for filling the vacant posts of sewage workers, bill collectors, etc., and he independently posted them by getting money in lakhs together wherever he served.

Again he indulged in irregularities in the Govt contract works, earned plenty of money and amassed wealth. He also used to invest his ill gotten money in purchasing immovable properties like agricultural lands, house plots, cattle farms, chamber bricks factories, paver block factories and also invested and constructed a garments company at Tenkasi Mangamma Salai in the name of JSR Garments company. He also acquired and accumulated movable properties in the form of cars, mini lorries, earth movers, motor cycles nad also purchased the machineries which required for bricks manufacturing and paver blocks by using his illegal money. Thus he invested all his ill gotten money in the form of movable and immovable assets in his name and in the name of his mother Tmt.Mammathu."

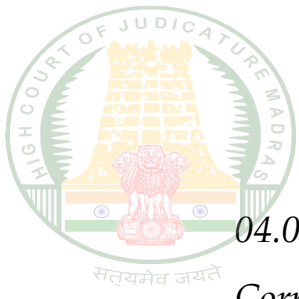


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27. This Court has also dealt with the affairs of the petitioner's work as Commissioner of Valparai Municipality, when his order of suspension was put under challenge in WP(MD)Nos.9542, 9565 of 2021. The suspension order was issued to this petitioner while he was working as Commissioner, Valparai Municipality, which falls under the jurisdiction of the Principal Seat of this Court. However, it was challenged before this Bench on the premise that the order of suspension has been served at Puliyangudi, in his native place. In fact, the order has been served at Puliyangudi, by playing fraud, in order to enable the petitioner to file that writ petition before this Bench. Having observed so, this Court, by order dated 12.01.2022, disposed of the writ petition as under:-

“14.Perusal of the record reveals that the petitioner, during the Model Code of Conduct is said to have commenced certain civil works from the local body funds and disbursed Rs.15 Crores of amount to the contractors. A criminal case has also been registered in Crime No.14 of 2021, on the file of the District Crime Branch, Coimbatore, for the offences punishable u/s.13(1)(c), 13(1)(d)(i), 13(1)(d)(ii), 13(1)(d)(iii) and 13(1)(c) of Prevention of Corruption Act. Pending the criminal case, the petitioner was also placed under suspension, by order dated



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04.05.2021. *The earlier order of relieving the petitioner from Municipal Corporation is only for smooth administration of Municipality at Valparai and therefore, there is no reason to interfere with the order and accordingly, these writ petitions are liable to be dismissed.*

15.*It is reported that a criminal case was also registered by the District Crime Branch, Coimbatore in Crime No.14 of 2021 on 10.04.2021 and the same has been transferred to the Vigilance and Anti Corruption, Coimbatore. Considering the gravity of the offence involved, this Court directs the Director of Vigilance and Anti Corruption, to entrust the investigation to an Officer holding of the rank of Deputy Superintendent of Police with a direction to file a final report as expeditiously as possible and shall monitor the investigation in Crime No.14 of 2021."*

28.Though this Court has issued a direction to the Director of Vigilance and Anti Corruption, in its order dated 12.01.2022, to nominate an Officer in the cadre of Deputy Superintendent of Police to conduct and conclude the investigation in Crime No.14 of 2021, dated 10.04.2021, as expeditiously as possible and also to be monitored, it appears that the final report in Crime No.14 of 2021 has not been filed till date.



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29. This Court reiterates the said direction and expects the Directorate of Vigilance and Anti Corruption to conclude the investigation and file the final report in Crime No.14 of 2021, as expeditiously as possible.

30. The Ombudsman Act has been enacted with an intention to ensure transparency in the affairs of the local bodies. Truth or otherwise of the complaints would emerge only on conclusion of the enquiry. The Act itself provides penalty for vexatious complaint. The Act is not only against the officers / officials of the local bodies, but also against the elected members. Therefore, the avenue of Ombudsman must be exhibited in all the offices of the local bodies, explicitly, enabling the public to avail the benefits which is available under the Act, by setting the law in motion. The Secretary to Government, Municipal Administration and Water Supply Department, Chennai, shall ensure that the availability of Ombudsman is exhibited explicitly in all the offices of the local bodies, in a prominent manner.



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Accordingly, this writ petition stands dismissed. There shall be no order as to costs. Consequently, connected miscellaneous petitions stand closed.

Internet : Yes
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16.05.2025

Note:

Mark a copy of this order to

- 1.The Director of Vigilance and Anti Corruption,
Chennai.
- 2.The Secretary to Government,
Municipal Administration and Water Supply Department,
Secretariat, Chennai.



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B.PUGALENDHI, J.

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