



2026:KER:29250

WP (C) NO. 14277 OF 2020

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C.R.

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE P.M.MANOJ

FRIDAY, THE 27TH DAY OF MARCH 2026 / 6TH CHAITHRA, 1948

WP(C) NO. 14277 OF 2020

PETITIONER:

**KANNUR DISTRICT PANCHAYATH EMPLOYEES AND PENSIONERS
CO-OPERATIVE SOCIETY LTD.NO. 1829
THALAPP, KANNUR, REPRESENTED BY ITS SECRETARY
REMYA.K.V.**

**BY ADVS
SRI.SIVADASAN T
SRI.R.RAMADAS**

RESPONDENTS:

- 1 KANNUR DISTRICT PANCHAYATH
REPRESENTED BY ITS SECRETARY,
KANNUR,PIN-670 001**
- 2 PRESIDENT,
KANNUR DISTRICT PANCHAYATH, KANNUR,PIN-670 001**
- 3 VICE PRESIDENT,
KANNUR DISTRICT PANCHAYATH, KANNUR,PIN-670 001**

**BY ADVS.
SRI.C.KRISHNAN(KANNUR)
SMT.C.LEENA**

**THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION
ON 27.03.2026, THE COURT ON THE SAME DAY DELIVERED THE
FOLLOWING:**

**C . R .****JUDGMENT***Dated this the 27th day of March, 2026*

This writ petition is filed challenging the order passed by the Ombudsman in O.P. No.264/2016, on the ground that the same was rendered without exercising the jurisdiction and without duly invoking the functions and powers envisaged under Sections 271J, 271K, 271M, 271N and 271Q of the Kerala Panchayat Raj Act, 1994 (for short, 'the Act').

2. It is the case of the petitioner that the petitioner is a society registered under the Cooperative Societies Act. The 1st respondent, the District Panchayat, had allotted an area of 604 sq. ft. on the ground floor of a commercial building to the petitioner society on the basis of a resolution passed by the Finance Committee of the District Panchayat, as evidenced by Ext.P1. The said decision was later communicated by the Secretary of the 1st respondent through Ext.P2 letter.



3. It is further stated that an extent of 707 sq. ft. in the said building was allotted to the petitioner society at a rent of ₹60 per sq. ft., with a provision for revision once in every five years, and the petitioner was directed to enter into an agreement with the respondent Panchayat. Accordingly, Ext.P3 agreement was executed between the petitioner and the 1st respondent.

4. Subsequently, by Ext.P4, the 1st respondent informed the petitioner that, as per Resolution No.20/2016 of the District Panchayat dated 04.02.2016, it was decided not to allot the said premises to the petitioner. It was further intimated that the amount already deposited by the petitioner in the DPF A-1 account of the Panchayat, amounting to ₹1,08,720/-, would be refunded, and a cheque for the said amount was enclosed.

5. In such circumstances, the petitioner preferred Ext.P5 complaint before the Ombudsman for Local Self Government Institutions, as provided under Section 271G of the Act. It is specifically contended therein that, on



the basis of the agreement dated 01.10.2015, the petitioner had received the key of the allotted rooms and had taken possession of the same for the purpose of starting a DTP and photostat centre. For this purpose, the petitioner invited quotations for the purchase of computers and photostat machines and also paid advances. The petitioner further states that the premises required furnishing and, accordingly, an application was submitted before the Panchayat seeking permission for the same.

6. It is further contended that, from a publication in the newspaper dated 04.02.2016, the petitioner came to know that the agreement entered into with the 1st respondent had been cancelled. Upon reaching the premises, the petitioner realized that the lock installed by the petitioner had been removed and a new lock had been installed by the 1st respondent, thereby preventing the petitioner society from functioning in terms of the agreement. It is further contended by the petitioner that they had paid three months' advance rent to the 1st respondent. However, due to certain internal decisions, the



agreement was subsequently cancelled, whereby the rent that would have otherwise accrued to the District Panchayat was also lost. With these contentions, the petitioner approached the Ombudsman seeking compensation of ₹1,00,000/- towards the loss allegedly suffered, to set aside the resolution passed by the Finance Standing Committee, to realise the loss caused to the Panchayat on account of alleged maladministration and corruption on the part of the respondents, and also to award costs.

7. The respondents filed Ext.P6 objections to the complaint. It is stated therein that, although the Finance Standing Committee had considered the matter on 23.09.2015, no final decision was taken. However, presuming that the same would be approved by the Executive Committee, the Secretary proceeded to enter into an agreement with the petitioner. It is further contended that, being the last meeting of the then existing committee, there was a delay in preparing and signing the minutes. Additionally, due to the heavy workload associated with the half-yearly closing of accounts, the minutes could not be



prepared in time, which resulted in the alleged irregularity.

8. It is also contended that the Secretary acted in haste, allegedly at the instance of the petitioner, in executing the agreement. Upon the decision to cancel the agreement, the entire amount remitted by the petitioner was refunded, as evidenced by Ext.P4. The respondents further denied the allegation of removing the lock installed by the petitioner and replacing it by a new lock by the respondents. It is specifically contended that no decision had been taken by the Administrative Committee to lease out the premises to the petitioner in terms of Ext.P3 agreement.

9. The other allegations regarding political colour were denied by the respondents. Though the petitioner contended that it had taken possession of the premises by accepting the key, no amount towards rent was paid till March 2016. In response to the said contentions, the petitioner filed Ext.P7 reply. It is also denied that the 1st respondent had handed over the building or the key of the said premises alleged to have been rented out to the



petitioner.

10. Whereas the petitioner denies the contention of the respondents that the agreement is unenforceable for want of registration. It is further contended that the Secretary is duty-bound to sign the records and that, once the Secretary has signed, it can be presumed that such action was taken with the sanction of the Administrative Committee. It is further contended that other premises owned by the District Panchayat have been leased out to institutions such as the State Bank of India, Syndicate Bank, and Kannur District Co-operative Bank, and in those cases, the agreements were not registered.

11. The petitioner also contends that the decision to cancel the earlier resolution, as evidenced by Ext.P1, was taken pursuant to a conspiracy, and that the minutes were subsequently altered, which is evident from the draft minutes. According to the petitioner, such actions amount to corruption and reflect a nepotistic attitude on the part of the respondents.



12. On subsequent enquiry, it was revealed that the room which had initially been allotted to the petitioner was later assigned to a Fishermen Welfare Society at a lesser rent. It is further contended that such decision was taken based on a complaint allegedly made by a person; however, upon further enquiry, it was found that no such person existed.

13. The petitioner thereafter filed Ext.P8 proof affidavit seeking further enquiry into the matter and produced documents in support of the contentions raised. Relying on the said materials, the learned counsel for the petitioner submitted that the Ombudsman, who is bound to conduct an enquiry into such allegations, failed to make any effort in that regard. Instead, the Ombudsman relegated the matter to the Rent Control Court constituted under the Kerala Buildings (Lease and Rent Control) Act, 1965 and concluded that there was no maladministration or corruption, as alleged by the petitioner, without adducing any evidence or conducting an enquiry as contemplated under the provisions of the Act.



14. In response to the contentions, the learned counsel appearing for the respondent Panchayat submitted that Ext.P1 is only a recommendation and was never approved by the Executive Committee. It is contended that the petitioner cannot claim any right on the basis of Ext.P3 agreement, as the same is not a legally valid or genuine lease deed.

15. It is admitted that the petitioner had remitted an amount of ₹1,08,720/- towards security deposit. However, it is specifically contended that the petitioner did not pay any rent till March 2016, which itself indicates the absence of a bona fide lease and shows that the premises was never actually leased out to the petitioner pursuant to Ext.P3 agreement.

16. It is further contended that the petitioner's claim regarding the purchase of photostat machines and computers, as well as the invitation of quotations for interior works, is without authority, since possession of the premises



was never handed over to the petitioner. It is also contended that the petitioner had not approached the Panchayat for permission to carry out any interior works.

17. However, it is specifically contended that the allegation that the District Panchayat, in its meeting held on 04.02.2016, decided to cancel the allotment granted to the petitioner is incorrect. It is submitted that no final decision had ever been taken by the District Panchayat to lease out the building to the petitioner, and therefore, there was no necessity to cancel any such allotment. What was, in fact, done was only the rejection of the recommendation of the Finance Committee, as evidenced by Ext.P1, which had proposed leasing out the building to the petitioner.

18. It is further submitted that the decision of the District Panchayat taken on 04.02.2016, as per Resolution No. 20/2016, was communicated to the petitioner through Ext.P4, along with the refund of the amount deposited by the petitioner. The petitioner accepted the cheque and encashed the same without raising any



objection. Therefore, it is contended that the entire proceedings initiated thereafter are only an afterthought, and the allegations of corruption and maladministration are also a result of such an afterthought. It is further contended that there is no illegality or infirmity in the decision taken by the Ombudsman.

19. I have heard Sri. Sivadasan T, the learned counsel for the petitioner, and Smt. Leena, the learned counsel appearing for the respondent.

20. The primary question to be considered by this Court is whether the contention of the petitioner is correct that the Ombudsman failed to exercise the powers and functions vested under Sections 271J, 271K, and 271M of the Act. Section 271J contemplates the functions of the Ombudsman, which primarily include investigating into the allegations contained in a complaint and enquiring into any complaint wherein corruption or maladministration on the part of a public servant of a Local Self Government Institution is alleged. Upon such enquiry, if the Ombudsman



finds that there has been any irregularity resulting in loss or inconvenience to a citizen, the Ombudsman is empowered to pass appropriate orders, including directing the Local Self Government Institution to pay compensation and to realise the loss from the person responsible for such irregularity.

21. As per Section 271K of the Act, the Ombudsman is vested with powers akin to those of a Civil Court under the Code of Civil Procedure, 1908, for the purpose of conducting enquiries. These powers include summoning and enforcing the attendance of witnesses, examining them on oath, receiving evidence on affidavit, requisitioning any public record or copy thereof from any court or office, issuing commissions for the examination of witnesses, and exercising such other powers as may be prescribed.

22. It is further provided that, upon enquiry, if the Ombudsman finds that the allegations contained in the complaint are frivolous, vexatious, or without substance, it may direct the complainant to pay costs to the opposite party as specified in the order. On the other hand, where the



complaint relates to loss, waste, or misapplication of funds of a Local Self Government Institution, or loss or inconvenience caused to a citizen, the Ombudsman is empowered to collect evidence, determine the extent of such loss, and direct recovery of the amount from the person responsible.

23. Thus, Section 271K confers ample powers on the Ombudsman to conduct a proper and effective enquiry. However, on perusal of the order passed by the Ombudsman in the present case, it appears that, although the Ombudsman initially found prima facie substance in the allegations raised by the petitioner, the matter was ultimately relegated to the Rent Control Court under the provisions of the Kerala Buildings (Lease and Rent Control) Act, 1965 based on certain contentions raised by the respondents.

24. A reading of the impugned order indicates that the Ombudsman primarily relied on the documents produced by the respondents, particularly Ext. P1 Resolution



No. 68/2015 dated 14.09.2015, and concluded that there was no ground to sustain the allegations of maladministration against the respondents. In the light of the scheme and provisions of the Act, such an approach cannot be said to be a proper exercise of the powers vested in the Ombudsman. Since a specific complaint has been raised by the petitioner with respect to the loss sustained, as evident from Prayer 'C' in Ext.P5 complaint and the specific averments made in the proof affidavit filed by the petitioner, it is specifically stated that the Panchayat has suffered a loss of Rs.4,34,880/- due to the denial of premises on rent to the petitioner. Moreover, the premises was rented out to another association at a rate lower than that offered by the petitioner. This aspect has not been considered by the Ombudsman in its proper perspective, in accordance with the objective underlying the appointment of the Ombudsman.

25. In this regard, I have considered the contentions raised by the petitioner on the strength of the reported decision in **Mayor of Kochi v. Ombudsman for**

**Local Self Government Institutions** [2004 (2) KLT 621]

wherein this Court specifically held as follows:

“xxxx xxxx xxxx Chapter XXV B was introduced by Act 13 of 1999. It consists of Sections 271 F to 271 R. Section 271 G provides that "there shall be an authority for Local Self Government Institutions, at State level known as Ombudsman for making investigations and inquiries, in respect of charges on any action including corruption or maladministration or irregularities in the discharge of administrative functions, in accordance with the provisions of this Act by Local Self Government Institutions and public servants working under them and for disposal of such complaints in accordance with Section 271Q".”

26. Similarly in **Reghuvara Panicker R. v. Secretary, Maranallur Grama Panchayat** [2009(4) KHC 170], it is specifically held by this Court that the nature of powers of the Ombudsman and the methodology and procedure that could be adopted in the light of the available powers and jurisdiction, tend to indicate that what is ultimately aimed at, is the guarantee that relief is secured. Since the Secretary is a public servant, he cannot sleep over



his duties and responsibilities. if he does, he will also be adding himself on to the band wagon of those who eat from the State exchequer; which, essentially, belongs to the people. Therefore, even the allegation of inaction on the part of the Panchayat Secretary was a sufficient jurisdictional material for the Ombudsman to initiate action.

27. Further, in **Entheen Muhammed v. Manandavadi Grama Panchayat** [2022 (5) KLT 728], this Court held that “On a conjoint reading of the provisions, it is specific and clear that the Ombudsman is vested with ample powers to enquire into the allegations of loss sustained by the Grama Panchayat either on a reference made by the Government or on a complaint filed by any person or anything that has come to notice of the Ombudsman.”

28. From the above contentions, it appears that it is the duty of the Ombudsman to enquire into the complaints raised by the petitioner regarding maladministration and the alleged loss caused to the Panchayat. However, since the matter has not been



disposed of as contemplated under Section 271Q, I deem it appropriate to interfere with the order passed by the Ombudsman.

29. Accordingly, the order passed by the Ombudsman is set aside, as there is no material to show that the Ombudsman exercised jurisdiction in the manner contemplated under Sections 271J, 271K, 271M, 271N and 271Q. The matter is, therefore, remanded to the authority for fresh consideration. Both sides are at liberty to produce sufficient materials to substantiate their respective contentions. The entire exercise shall be completed within a period of six months from the date of receipt of a certified copy of this judgment.

With the above observations, this writ petition is disposed of.

Sd/-

P . M . MANOJ

JUDGE

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**APPENDIX OF WP(C) NO. 14277 OF 2020****PETITIONER EXHIBITS**

- EXHIBIT P1** TRUE COPY OF THE DECISION OF THE STANDING COMMITTEE FOR FINANCE DATED 14.09.2015 OF THE 1ST RESPONDENT PANCHAYATH IN THIS REGARD
- EXHIBIT P2** TRUE COPY OF LETTER DT 28.09.2015 ISSUED BY SECRETARY TO DISTRICT PANCHAYATH, KANNUR
- EXHIBIT P3** TRUE COPY OF THE AGREEMENT WITH THE 1ST RESPONDENT DATED 01.10.2015
- EXHIBIT P4** TRUE COPY OF THE COVERING LETTER DATED 21.03.2016
- EXHIBIT P5** TRUE COPY OF THE PETITION O.P.NO.264/2016 SUBMITTED BEFORE THE OMBUDSMAN FOR LOCAL SELF GOVERNMENT INSTITUTIONS
- EXHIBIT P6** TRUE COPY OF THE REPLY DATED 21.06.2016 SUBMITTED BY THE SECRETARY OF THE 1ST RESPONDENT PANCHAYATH
- EXHIBIT P7** TRUE COPY OF THE REPLICATION IN O.P.NO.264/2016
- EXHIBIT P8** TRUE COPY OF THE PROOF AFFIDAVIT IN O.P.NO.264/2016
- EXHIBIT P9** TRUE COPY OF THE ORDER DATED 11.02.2020 IN O.P.NO.264/2016
- EXHIBIT P10** TRUE COPY OF THE DECISION NO.122/2015(1) OBTAINED UNDER THE RIGHT TO INFORMATION ACT
- EXHIBIT P11** TRUE COPY OF THE ENDORSEMENT IN THE ENVELOP RETURNED BY THE POSTAL AUTHORITIES

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PA To Judge