



MIZORAM LOKAYUKTA
(Constituted under the Mizoram Lokayukta Act, 2014)

MLC No. 9/2019

ORDER

No.C.13017/9/2019-ML dt. 25.6.2020: A brief story of the case is that Mr. H. Laltanpuia, Electric Veng, Lunglei submitted FIR to the S.P, ACB, Mizoram on 9.10.2018 alleging that Zobawk Handloom & Handicraft Cooperative Society Limited received fund from the Central Government on 24.11.2015 before the Society was registered by the competent authority, hence it tantamount to misappropriation of fund by the Society and NERTPS (North Eastern Region Textile Promotion Scheme).The ACB sought Government permission as per clause 23 of ACB Manual 2012 to register a preliminary enquiry on 15th October, 2018. And on 29th October, 2018 the Government of Mizoram in the Vigilance Department conveyed Government approval to conduct preliminary enquiry into the matter. And by the order dated 2nd November, 2018, ACB Enquiry No.5/2018 dt.2.11.2018 was registered and Pu B. Lalnghakliana, Dy.SP of ACB was appointed as Enquiry Officer to conduct preliminary enquiry. And Pu B. Lalnghakliana submitted his enquiry report on 13.11.2019. Following this, the S.P, ACB submitted the said PE report along with his executive summary to the Chief Secretary cum CVO, Mizoram on 15th November, 2019 with a suggestion to close the case as there exist no ground to proceed further. Before decision was made by the Chief Secretary cum CVO, the PE report was handed over to Mizoram Lokayukta by Vigilance Department by Order dated 28th November, 2019 and the ACB vide Order dated 6th December, 2019 handed over related documents to the Mizoram Lokayukta on 17.12.2019. The same was registered as MLC-9/2019.

The P.E Report and Executive Summery are examined with all related documents. The PE appears to be reasonable except that it is silent as whether Zobawk Handloom & Handicrafts Cooperative Society Ltd. was entitled to legally receive fund from the Central Government before the Society was registered and whether the same violates the existing guidelines and practice prescribed by the Ministry of Textile, Government of India and whether the Society itselfviolated the provisions of existing laws and was criminally liable.

The PE report was summed up by the SP, ACB as under :

“The enquiry reveals that in the working of Zobawk Handloom and Handicraft Society in the Implementation of National Handloom Development Programme, no incriminating evidence was established against Pu H. Rohluna the then Industries Minister and Pu Joseph Lalhimpuia, the then Parliamentary Secretary and that no criminal act to cause wrongful loss to the Government or beneficiaries and wrongful gain by the two alleged persons are found during the course of conducting enquiry into the complaint. However, it can be seen that Zobawk Handloom and Handicraft Society received undue favour from the Government as the said Society was selected as implementing agency under National Handloom Development Programme prior to the grant of Society registration by the competent authority vide No.F.2/1/2015-DCH/WHDP/Mizoram/San/PI Dt.7.12.2015. The said Society was however registered on 7th Sept, 2016. Rs 63.11 lakhs sanctioned for first instalment was directly credited into the account of ZobawkHandloom and Handicraft Society. No evidence of misappropriation was established against the alleged persons, Pu H. Rohluna, the then Industries Minister and Pu Joseph Lalhimpuia, the then Parliamentary Secretary.

Calculation of sanctioned amount, expenditure and balance remaining as on 5.5.2019 is shown below (under Zobawk cluster):-

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| I. | 1) Total amount sanctioned vide No.F.2/1/2015-DCH/NHDP/Mizoram/San/PI dt.7.12.2015 | Rs. 63,11,375.00 |
| | 2) Total amount expended | Rs. 50,21,760.00 |
| | 3) Total amount remaining in bank | Rs. 12,89,615.00 |

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| II. | 1) Total amount sanctioned vide No.8/3/2014-DCH/NERTPS/CDP/Mizoram Project-I Dt. 6 th June, 2014 | Rs. 58,43,500.00 |
| | 2) Total amount expended | Rs. 50,13,940.00 |
| | 3) Total amount remaining in bank | Rs. 8,29,560.00 |

The enquiry also reveals that cluster of Ramthar, Lunglei was not initially included under North Eastern Textile Promotion Scheme in the sanctioned order. However, the meeting held on 10.6.2015 under the chairmanship of Pu H. Rohluna, the then Industries Minister made a decision to transfer Pehlawn cluster to Ramthar, Lunglei cluster where Pu Joseph Lalhimpua, Parliamentary Secretary also attended the meeting. On checking the expenditure incurred on the implementation of NERTPS in Ramthar cluster Lunglei, no incriminating evidence was found against alleged persons, Pu H. Rohluna, the then Industries Minister and Pu Joseph Lalhimpua, the then Parliamentary Secretary.

Since no evidence to establish a criminal act was found after conducting thorough enquiry into the points of allegation, there is no reason to proceed on into the case.

Considering the finding of the enquiry report discussed above, the enquiry is suggested to be closed as there exist no ground to proceed further.

This issue with the approval of Director, ACB”.

On scrutiny of the enquiry report, the Lokayukta requested the Director, Commerce & Industries, Government of Mizoram to furnish comments on certain points and the comments of Director Commerce & Industries (Handloom & Handicraft Wing) dated March 5, 2020 are reproduced below:

1.“Regarding utilization of fund under National Handloom Development Programme for Zobawk Handloom & Handicrafts Society Ltd :-

(a) Zobawk Handloom & Handicraft Society Ltd. received an amount of Rs. 3.13 lakh as part of 2nd Installment over and above the 1st Installment vide sanction

No.2/1/2015-DCH/NHDP/BLC-NER dated 22.3.2019. It may be added here that fund was directly transferred to the Implementing Agency's Account from Ministry of Textiles in Direct Benefit Transfer Mode (DBT)

- (b) The amount of expenditure incurred on account of administrative expenses is as follows:
- (i) Remuneration of Chairman – Rs. 3,50,000.00 @ Rs. 10,000/-
 - (ii) Wages of Cluster executive – Rs. 7,50,000.00 @ Rs. 25,000/- per month for 30 months
 - (iii) Salary of Assistant-cum-security – Rs. 3,60,000.00@Rs. 9000/- per month for 35 months
 - (iv) House rent – Rs. 3,40,000.00 @ Rs. 10000/- for 35 months.
- (c) The expenditure of Rs. 2,87,000/- for cluster opening day celebration was sanctioned by the Implementing Agency from the administrative cost.
- (d) There is no provision for state share whereas there is a provision for beneficiaries share.
- (e) The no. of beneficiaries assisted is 40. The value of assistance provided to each beneficiary is Rs. 36,100.00 (out of the first instalment received)
- (f) The beneficiaries covered under the project are loin loom weavers. In order to increase their earning, they were given skill upgradation training of Fly shuttle frame loom which is more productive and much more beneficial for the beneficiaries in raising their income.
2. Regarding Implementation of Cluster Development Project under North Eastern Region Textile Promotion Scheme (NERTPS) for Pehlawn/Ramthar Lunglei cluster:-
- (a) Pehlawn was replaced with Ramthar Lunglei as there is already one approved cluster in the nearby village i.e Sawleng, which is just 14 kms away from Pehlawn.
 - (b) The share of Mizoram Govt. was released and utilized for Pehlawn/Ramthar Lunglei cluster over and above the 2 instalments of Rs. 58,43,500/- received from the Govt. of India.

- (c) The amount of state share to be borne by the state government is Rs. 4.00 lakh (??) which is already released by the state government.
- (d) The no. of beneficiaries actually selected is 89. The value of assistance provided to each beneficiary is Rs. 44,500.00.
- (e) The beneficiaries covered under the project are loin loom weavers. In order to increase their earning, they were given skill upgradation training on Fly shuttle frame loom which is more productive and much more beneficial for the beneficiaries in raising their income”.

If performance audit were to be conducted in the implementations of these schemes, several defects, short-comings, avoidable expenses resulting in unfavourable cost-benefits outcome, favouritism, and malfeasants can be detected but here we are dealing with criminal proceedings of corruption. The ACB did not find criminality leading to corruption and recommended closure of the case.

Accordingly, the case stands closed.



(C. LALSAWTA)
Chairperson
Mizoram Lokayukta