



MIZORAM LOKAYUKTA

(Constituted under the Mizoram Lokayukta Act, 2014)

Case No. MLC- 52/2023

In the matter of:

1. **Pu Zoramchhana Sailo,**
Vice President,
ZPM Thalai Headquarters. : Petitioner/Complainant

Versus

1. **Pu Saitluanga,**
Director (12.5.2022-30.9.2023)
Tourism Department : Respondent/OP
2. **Pu K. Lalruatsanga,**
Assistant Engineer, Tourism Department. : Respondent/OP
3. **Pu V. Lalengmawia**
Addl. Secretary, Tourism Department. : Respondent/OP
4. **Pu T. Lalnunsanga,**
SE, MPWD Lunglei Circle : Respondent/OP
5. **Pi Zothansangi**
EE, MPWD : Respondent/OP
6. **Pu Lalsangpuia**
Managing Director, DJ Consultancy Services : Respondent/OP

Coram : **Lalmalsawma**
Chairperson
Lalsanglura
Member
Joel Joseph Denga
Member (Judicial)

ORDER

Date: 9.9.2024

A written complaint was submitted by Zoramchhana Sailo, Vice President, ZPM Thalai Headquarters to the Mizoram Lokayukta for alleged misappropriation of Rs. 680/- Lakhs from where Rs.560 Lakhs was awarded to DJ Consultancy Service, Peter Street, Sikulpuikawn through Restricted Tender for development of Reiek Tourist Resort during the year 2020-2022. On receipt of the complaint, Case No. MLC-52/2023 was registered. The Mizoram Lokayukta then directed the Anti-Corruption Bureau (ACB), Mizoram to conduct Preliminary Enquiry (PE) by passing Order dt.27.09.2023. Thus, ACB registered ACB PE No.9/2023 dt.13.11.2023 and appointed Pu Victor Zothansanga, Dy. SP, ACB as Enquiry Officer to conduct PE. ACB submitted PE Report to the Lokayukta on 08.07.2024.

2. Points of allegations:

It was alleged that during the year 2020 - 2022, for development of Reiek Tourist Resort, Rs.680 Lakhs was sanctioned. From the sanctioned amount of Rs.680 Lakhs, Rs. 560 Lakhs was awarded to DJ Consultancy Service, Peter Street, Sikulpuikawn through Restricted Tender. It is alleged that the works carried out does not commensurate with the amount sanctioned and that the allotted funds were misused and misappropriated.

3. Points of preliminary findings:

- i) During the Enquiry, the EO examined the Complainant and recorded his statement wherein he stated that for development of Reiek Tourist Resort, Rs.680 Lakhs was sanctioned during the year 2020-2022. Rs. 560 Lakhs was awarded to DJ Consultancy Service through Restricted Tender and it was broken up into 12 work components. Though the total Estimate Amount for DJ Consultancy Service was Rs. 560 Lakhs, it was shown as Rs. 447.22 Lakhs through RTI and no expenditure was shown for Rs.112.78 Lakhs. In the year 2022, for development of Reiek Tourist Resort, Rs.114.80 Lakhs was sanctioned for Tourism Department and Project Division -I, PWD. But the work done did not commensurate with the amount sanctioned.
- ii) During the course of enquiry, the EO visited office of Tourism Department, MINECO and Project Division -I, PWD and collected relevant documents from the office. He had also visited the place of occurrence i.e. Reiek Tourist Resort, Reiek and inspected the works which were carried out.
- iii) During the enquiry, officials of the concerned Departments i.e. Tourism Department, Project Division - I, PWD and the owner of DJ Consultancy Service were examined and their statements were recorded.
- iv) Pu Saitluanga, former Director, Tourism Department (12.05.2022 - 30.09.2023) stated that Restricted Tender for component I of Development of Immediately Required Infrastructure for Tourism Development at Reiek and Reiek Tlang where Rs. 5.6 Crore was sanctioned was given on 4th February, 2020 and the project was implemented by Mizoram Tourism Department Authority (MTDA) and he did not have any knowledge of it. With regard to the allegation where only Rs. 447.22 Lakhs was spent which was shown in the RTI due to clerical error as 2 work components were accidentally omitted. Regarding other allegation where the work done did not commensurate with the amount sanctioned, it may be specified by the Engineer of the department. In addition, many renovation works were carried out and new furnitures were purchased.
- v) Pu K. Lalruatsanga, Assistant Engineer, Tourism Department stated that estimate was made based on PWD SOR 2019. Regarding the answer given to the RTI, he also stated that though the original Project cost was Rs 560 lakhs but in the RTI the answer was given as Rs. 447.22 lakhs .This was due to a clerical error where 2 work components of Rs 62.58 lakhs and Rs 50.20 lakhs were accidentally omitted.

- vi) Pu V. Lalengmawia, former Member Secretary, MTDA stated that he conducted work inspection and was satisfied with the works done. But the progress of the work was hampered due to outbreak of Covid 19, so the project could not be completed within the stipulated time. He also stated that due to time constraint, Restricted Tender had to be called by the Government and that the DPR was approved by Ministry of Development of North Eastern Region, GOI. After the project was completed, documents were sent to DONER for scrutiny and after its approval, DONER forwarded Office Memorandum for the close of the project.
- vii) Pu T.Lalnunsanga, former EE, Project Division-I, PWD stated that the work ‘Repair and Renovation of Tourist Lodge at Reiek’ was carried out by Project Division -I, MPWD as Departmental work. The work was done in liaison with Tourism Department and estimate was made after conducting field verification. The work was carried out as a preparation for International Tourism Mart hosted by Government of Mizoram on 2nd – 4th November, 2022. He also stated that the Office of EE, PWD, Project Division - I gave Technical Sanction vide No. 4/EE/PWD/PD-1 of 2022-2023 Dt.13.09.2022. After it was approved, expenditure sanction of Rs 36,06,767.00 was accorded by GOM vide No.D1 1040/1/2022-PWD(T) Dt.21.10.2022. He further stated that as envisaged by CPWD Manual works Clause 10.2 regarding maintenance of works, Administrative Approval and Expenditure Sanction need not be taken.
- viii) Pi Zothansangi, who was posted as SDO-I, Project Division - 1, MPWD was also examined and her statement recorded. She stated that all the works assigned to Project Division- I, MPWD were overseen by her and she was very satisfied with the works done.
- ix) Pu Lalsangpuia, Managing Director, DJ Consultancy Services stated that DJ Consultancy Services was empanelled in 2019 through Finance Department, GOM for construction and making of DPR. After its empanelment, it carried out construction works of various Departments through Tender. He also stated that Development of infrastructure for Tourism Development at Reiek and Reiek Tlang under NESIDS was undertaken by them. But during their work period, there was an outbreak of Covid-19 which hampered the progress of their works as Lockdown had been imposed due to which they sought an extension of their work period to the Government. The Government granted them extension of their work period enabling them to complete their assigned works during the extended period. The work components given to them by Tourism Department were carried out satisfactorily. With regards to realignment of 4.1Km 11 KV line, installation of 1000 KV A DT S/S, Shifting of 1x250 KV A DT and construction of 0.355 Km New LT 3PH 5 Wire DINE at Reiek village for 62.58 Lakhs was included in their Work Order but as the work could not be undertaken by them, it was handed over to P&E Department, GOM through Tourism Department. During the ongoing works of the Project, they had carried out various works and renovations which were not included in the Project. He also affirmed that the project was based on PWD SOR 2019. He further stated that after completion of their works, certificate

was handed over to them by the Member Secretary, MTDA. He reiterated that the project was awarded to them by Tourism Department through Restricted Tender following the rules laid down and also stated that the project was estimated with 12% GST but on 18.07.2022, GST rate was hiked to 18% by the Central Government and an order was issued by the State Government where GST have to be given with hike from 12% to 18%. After this order was issued by the State Government, 18% GST was given for all their bills thereafter.

- x) The enquiry revealed that there are three projects, namely:
- a. Repair and Renovation of Reiek Tourist Lodge & Convention Hall amounting to Rs.81,68,815.00 which was executed by Tourism Department through Mizoram Tourism Development Authority (MTDA) which was completed on 20.12.2022.
 - b. Repair and Renovation of Reiek Tourist Lodge & Zokhua amounting to Rs.36,06,767.00 which was executed by Public Works Department (Departmental works).
 - c. Development of Immediately Required Infrastructure for Tourism Development at Reiek and Reiek Tlang under NESIDS amounting to Rs.560,00,000.00 which was executed by DJ Consultancy Services through Restricted Tender.

xi) The enquiry also revealed that Restricted Tender was called by the Government and thereafter there was an outbreak of COVID-19 resulting in the imposition of Lockdown causing extension of the Project work.

4. As per the provision of Section 19(3) of the Mizoram Lokayukta Act, 2014, the opportunity of being heard was afforded to the parties concerned on 25.7.2024 vide order and notice dated 12.7.2024. Accordingly, hearing was held on 25.7.2024 in Court Room No.1 of the Mizoram Lokayukta. The complainant was absent despite notice being given to him. All respondents were present. Enquiry Officer Pu Victor Zothansanga, ACB appeared on behalf of Anti-Corruption Bureau. The parties are heard.
5. The respondents stated that the allegations against them were false and were falsely implicated. They stated that the construction works were executed satisfactorily and many repairs have also been done. They also stated that the works was done as per estimate and in some part, the consultancy firm has done more than what was written in the DPR. Taking into consideration of the facts and circumstances of the case, Interlocutory Order dt. 26.07.2023 was passed where the respondents were granted time till 8th August, 2024 so as to enable them to prepare a detail reply in their defense and submit the written statement within the period granted to them. Accordingly, written statements were submitted to the Mizoram Lokayukta by respondent no. 2 - 6.
6. Respondent No. 2, K. Lalruatsanga, Assistant Engineer, Tourism Department, stated that the work was performed in accordance with the DPR and estimates and that all components specified in the DPR and estimates are evident on site. He has also stated that the bill was released only after taking measurements on-site and that the bill was issued only for the completed work. Therefore, the running bill of each account commensurate with the work completed. The work was tendered and awarded to a government-empanelled firm. The

contractor has full authority to hire laborers and set their wages at their discretion and that the department has no knowledge of these details.

In respect to the repair and renovation of Reiek Tourist Lodge and Convention Hall, the works were based on the Mizoram PWD SOR 2019. All specified tasks have been executed, and the work aligns with the estimate prepared according to SOR 2019.

K. Lalruatsanga stated that a measurement book was maintained for all civil works and quality test and multiple site inspections have been conducted. He also stated that the construction materials were used in accordance with the provided specifications and were procured solely from authorized suppliers.

7. Respondent No.3, V. Lalengmawia, Addl. Secretary, EF & CC/I & WR Department, stated that execution of works was done as per the DPR and estimates. Measurement was maintained in all civil works under the Department and that site inspections were done several times by officers. He also stated that procurement of furniture and furnishings matched the description specified in the invoice or receipt and that purchase/procurements were made within approved budget and authority under Rule 154 and Rule 155 of GFR 2017. In reply to how the tender amounts are similar by all the bidders, he stated that it was not known to him or Department why these 5 (five) firms quoted similar price bids for the project at the cost of Rs.560.00 lakhs respectively. These 5 (five) firms submitted their price bids to the Department on their own. Departmental Works Advisory Board under the chairmanship of the then Commissioner & Secretary with representatives of Finance Deptt. and Law & Judicial Department selected DJ Consultancy Services on 9th March 2020 and administrative approval was conveyed on 17th March 2020.

He stated that Ministry of DoNER closed the project on successful completion on 11th January, 2024.

8. Respondent No. 4, T. Lalnunsanga, SE, PWD and Respondent No.5, EE, PWD, jointly submitted Written Statement in which they stated that the execution of Repair & Renovation of Reiek Tourist Lodge under Project Division-1, PWD amounting to Rs.36.02 lakhs was done in consultation and necessity at site with client Department as per plan and estimate. They stated that the works done are commensurate with the amount released which is reflected in the Measurement Book. Quality tests of materials and site inspections were strictly conducted prior to use at site which ensures quality in construction.

They also stated that construction materials used for the repair and renovation works executed by PWD are as per specification provided in the approved estimates. The said materials are collected by placing indent to the suppliers as per approved rates of PWD. Only after satisfied with the quality of materials collected by the suppliers, works were executed and completed on time.

9. Respondent No. 6, Lalsangpuia, Managing Director, DJ Consultancy Services, also stated that the work was executed according to the plan and estimate detailed in the DPR. All elements specified in the DPR are present on-site. He stated the bill was claimed only for the completed work, and measurements were taken with the department engineer. Therefore, each running bill

corresponds to the work completed. He stated that the work was awarded to DJ Consultancy Services through tender as a government-empanelled firm, giving them full discretion over hiring laborers and setting their wages.

He stated that the construction materials were utilized as per the specifications provided and that no furnishings were procured for this project. In reply to how the tender amounts are similar by all the bidders, he stated that DJ Consultancy Services submitted their bid based on the sanctioned amount and did not have information about the bids from other bidders

10. On perusal of the statements submitted and documents available, it can be concluded that the work was performed in accordance with the DPR and estimates. Measurement book was maintained for all civil works, quality tests of materials were strictly conducted and multiple site inspections have also been conducted by the department. Based on the facts as stated above, it can be stated that the allotted funds were not misused or misappropriated as alleged. All the officials also stated that the work was commensurate successfully. The complainant has also requested to withdraw the case dt. 05.02.2024 & dt.09.08.2024 stating that the complaint had arisen due to mistake of facts. The complainant has acknowledged that the respondent has not committed any wrongdoings and that the allegations made were incorrect.

Accordingly, in terms of Section 19(3)(c) of the Mizoram Lokayukta Act, 2014, after considering all the facts and circumstances of the case and materials available on record and in the light of findings and conclusions, no further action is required, therefore, we hereby decide to close the case. Accordingly, the case stands closed.

Sd/-LALMALSAWMA
Chairperson

Sd/-LALSANGLURA
Member

Sd/-JOEL JOSEPH DENGA
Member (Judicial)

EXHIBITS

1. The complaint letter dt.18.7.2023 submitted by Pu Zoramchhana Sailo to the Mizoram Lokayukta.
2. Order dt.27.9.2023 issued to ACB to conduct Preliminary Enquiry.
3. A copy of Order dt.13.11.2023 of ACB PE registration.
4. Preliminary Enquiry Report dt.5.7.2024 submitted by ACB.
5. Order and Notice dt.12.7.2024 issued by the Mizoram Lokayukta for preliminary hearing.
6. Attendance of Hearing dt.25.7.2024.
7. Interlocutory Order and Notice dt.26.7.2024 issued by the Mizoram Lokayukta.
8. Reply to Interlocutory Order from Respondent/OP No.2 K. Lalruatsanga, Assistant Engineer, Tourism Department.
9. Reply to Interlocutory Order from Respondent/OP No.3 V. Lalengmawia, Additional Secretary, EF & CC/I & WR Department.
10. Reply to Interlocutory Order from Respondent/OP No.4 T. Lalnunsanga, Superintending Engineer, PWD, National Highway Circle-I and Respondent/OP No.5 Zothansangi, Executive Engineer, PWD, National Highway Circle-I.
11. Reply to Interlocutory Order from Respondent/OP No.6 Lalsangpuia, Managing Director, DJ Consultancy Services.
12. Letter dt.9.8.2024 from the complainant Pu Zoramchhana Sailo.