



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

Complaint No. : **MLC-90/2025**

Date : **1.10.2026**

Coram : **Lalmalsawma**
Chairperson

Lalsanglura
Member

Joel Joseph Denga
Member (J)

ORDER

1. This case was registered on a complaint filed by Pu Vanlalruata Sailo, Zotui Veng, Leitan, Aizawl against the Finance Department, Government of Mizoram alleging illegality amounting to an offence under the Prevention of Corruption Act, 1988 in issuing Administrative Approval for 41 (forty-one) pieces of work estimated at Rs. 328.00 crores by Restricted Tenders on 22.10.2025, and also for 76 (seventy-six) other works estimated at Rs. 6.29 crores by Restricted Tenders earlier on 17.4.2025. The Complainant stated that Blanket Approval for Restricted Tenders for these works was issued in violation of standing Rules and Regulations including the CPWD Manual.
2. Vide Order dated 12.11.2025 the Inquiry Wing of Mizoram Lokayukta was directed under Section 19(2) of the Mizoram Lokayukta Act, 2014 to conduct a Preliminary Inquiry into the allegations, and vide a letter No. C13022/90/2025/ML-1W/1/21 dated 30.7.2026 the Inquiry Officer, Pu C. Lalenglina, submitted his report.
3. The following facts are gleaned from the pleadings filed by the Complainant and the report of the Preliminary Inquiry conducted by the Inquiry Wing:

- a) The Finance Department, Govt. of Mizoram had issued an Office Order No. G.21014/1/2025-FEC dated 22.10.2025 according Administrative Approval amounting to Rs. 328.00 crore for the implementation of works with funds received under the Special Assistance to States for Capital Investment (SASCI) Part-I. The Office Order stated that due to the urgency involved, all implementing departments were granted blanket approval to execute the projects through the Restricted Tender method. The stated justification for such approval was that the funds released under the scheme were to be fully utilized by 31.3.2026, and that all projects were to be completed by 31.8.2026. The Order further stated that the blanket approval had been issued with the approval of the Chief Minister.
- b) The Complainant submitted that his challenge to the grant of Blanket Approval for the use of the Restricted Tender process, shown as “urgency” by the Government, was because it was actually only to favour selected contractors, and the claim of “urgency” was only a pretext as the work could actually have been carried out more expeditiously through Open Tenders.
- c) The Complainant submitted that *mala fides* were manifest in so much that permission for Restricted Tenders ought to have been sought and considered separately on the circumstances surrounding each individual piece of work, but that was not done, and that granting approval for Restricted Tenders simultaneously for different pieces of work was inappropriate as they were not identical in nature.
- d) The Secretary to the Government of Mizoram, Finance Department, in his own statement, said that the primary objective of granting blanket approval for Restricted Tenders was to implement the projects or works under Special Assistance to States for Capital Investment (SASCI) faster, with the intention to complete them within the timeline fixed by Ministry of Finance, Government of India. For instance, the works for which blanket approval for Restricted Tenders was given on 17.4.2025 amounting to Rs. 629.17 crore, had 31.12.2025 as their completion deadline, i.e. a little more than eight months; similarly, the blanket approval given on 22.10.2025 for works with a total cost of Rs. 328.00 crore has a completion date fixed by the Ministry of Finance as 31.08.2026. A minimum of 21 (twenty-one) days was required for the Submission of Bids in the case of open tenders as per Rule 161(v) of General Financial Rules, 2017, whereas only 7 (seven) days was required for

Submission of Bids in the case of Restricted Tender as per Rule 16(ii)(g) of the Mizoram Public Procurement Rules, 2020. It was felt that the execution of works through Restricted Tenders could minimize the time required for completion of the projects. The completion date was fixed by the Ministry of Finance, Government of India, and the decision to give blanket approval for Restricted Tenders was purely to comply with the date fixed by them.

- e) The Finance Department, Government of Mizoram stated that no separate proposals for Administrative Approval for Restricted Tenders were received from line Departments for these SASCI works. The State Government's intention was to execute the works as soon as possible and to complete them within the timeline fixed by the Government of India. Administrative Approval was given in a blanket manner too, i.e., in a single order, as departments would have otherwise been required to submit applications for proceeding by the Restricted Tender process separately for individual pieces of work, which could delay the execution considerably.
 - f) The State Government stated that for projects sanctioned under Part - I of SASCI, 2025-26, the Government of India, Ministry of Finance, Department of Expenditure, in its letter no. 44 (1/PF-S/2025-26) (CAPEX) - Mizoram dated 7.10.2025, directed that amounts released by Union Government should be released to the implementing agencies of the State Government within 10 (ten) working days, and that delays beyond that period would make the State Government liable to pay interest to the Government of India on the amount released. As the State Government could not afford to pay penal interest, it tried to release the SASCI funds as soon as possible, and that granting blanket approval for Restricted Tenders appeared a good option.
4. The Inquiry Officer concluded as follows in his report:

"After evaluating all evidences available during the Preliminary Inquiry, the Inquiry may be summed up as under:

- (i) *It was stated that the primary objective of granting blanket approval for restricted tender was to facilitate the expeditious implementation of 41 projects and works under SASCI, with the intention of completing them within the timeline prescribed by the Ministry of Finance, Govt. of India.*

- (ii) *No separate proposals seeking Administrative Approval for the implementation of the projects through restricted tender were received by the government from the Line Departments. In view of the Government's intension of ensuring the expeditious execution and timely completion of the SASCI projects within the prescribed timeline, approval for implementation through restricted tender was accorded by way of a single blanket Government order.*
- (iii) *The urgency of the matter compelled the government to take immediate steps as permissible under the provision of sub-rule (2) of Rule 95 of the Mizoram Public Procurement (Amendment) Rules, 2024.*
- (iv) *The Ministry of Finance mandated that SASCI funds released by the Union Government be transferred to the implementing agencies within ten working days, failing which the State Government would be liable to pay interest on the delayed amount. In order to avoid such interest liability and to ensure the timely release of funds for the expeditious implementation of the approved projects, the Government considered it necessary to accord blanket approval for implementation of the projects through restricted tender.*
- (v) *There is no evidence whether direct or circumstantial to indicate that Blanket Approval was accorded with the objective of pre-determining the selection of contractors. Moreover, the Preliminary Inquiry did not reveal any practice of nepotism or corruption in the matter and manner of granting blanket approval for execution of the listed works through Restricted Tenders."*

5. The Preliminary Inquiry Report dated 30.7.2026 would indicate that no case was made out under the Prevention of Corruption Act, 1988. The parties were nevertheless summoned to appear on 20.8.2026 for a hearing under Section 19(3) of the Mizoram Lokayukta Act, 2014, and the Respondent-Secretary to the Government of Mizoram, Finance Department, represented by the Additional Secretary, was directed to furnish information pertaining to the list of contractors who were awarded contracts by Restricted Tenders and the status of the works. The Under Secretary to the Government of Mizoram, Finance Department (EC) submitted the requisite information vide letter

No. 20228/G/59/2026-EC-FD dated 2.9.2026, and Complainant filed a statement in response on 25.9.2026.

6. The Respondent having failed to appear on 25.9.2026, fixed for a further hearing on the Preliminary Inquiry report dated 30.7.2026, the case was decided on the matter on record in a meeting of the Full Bench convened by the Chairperson on 28.9.2026, as follows:

- (i) The State Government was under an imperative to accelerate the process of tendering and selection of contractors to meet the time schedule fixed by the Ministry of Finance, Government of India, and though there may have been minor departures, it appears that it was in substantial compliance with CVC guidelines, the requirements of the GFR, Rules notified by the State Government to ensure transparency and fairness, and with the CPWD Manual itself.
- (ii) Central Vigilance Commission (CVC) guidelines are in line with and complementary to the General Financial Rules (GFR), Rule 162 of which mandates that “the number of supplier firms in Limited Tender Enquiry should be more than three,” and this is consistent with Rule 16(2)(c) of the Mizoram Public Procurement Rules, 2020, which states,

“Rule 16(2)(c): The Limited/Restricted Quotation should be invited from more than three firms capable of supplying the required materials. Efforts should be made to identify a higher number of suppliers to obtain more responsive bids on competitive basis. However, if there is/are less than 4 (four) quotations, the decision to consider such quotation(s) shall be at the discretion of the Purchase Advisory Board provided that the bidding document is actually delivered to the invited firms.”

The record would, however, show that a number of contracts through the Restricted Tender process were awarded in this case after calling for quotations from fewer bidders than the minimum prescribed by law.

- (iii) Further, Rule 16(2)(h) of the Mizoram Public Procurement Rules, 2020 provides as a measure to promote transparency as follows:

“Rule 16(2)(h): When Limited Tender Enquiry (LTE) is followed, Notice Inviting Bids (NIB) shall be sent to all relevant empanelled firms.”

The requirement in Rule 16(2)(h) must be read as a mandate to give information of the Notice Inviting Bids (NIBs) to “*all relevant empanelled firms,*” even though they may not have been invited to participate in the bidding process; there could be no question of not sending NIBs to invited firms. This requirement is also stipulated in Rule 162 GFR, which provides that, “*Copies of the bidding document should be sent directly by speed post/registered post/courier/e-mail to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 above.*” (Rule 150 GFR relates to the registration of suppliers of goods and services that are specifically required by the establishment periodically.) It would call for a finding that there were departures from Rule 16(2)(c) and Rule 16(2)(h) of the Mizoram Public Procurement Rules, 2020 in the bidding process.

- (iv) Among the various criteria laid down in SOP No. 4/2 of the CPWD Works Manual, 2019 (Referencing Para 4.5.1 of the Manual) that would justify proceeding by the Restricted Tender process, is the requirement of urgency coupled with the inability of all contractors to mobilize capacity rapidly. In his complaint filed on 3.11.2025 and additional statement dated 25.9.2026, the Complainant stated that in practice the process for Restricted Tenders—which includes the selection of suitable firms by a Committee and approval of the list by the Government—generally takes longer than that for Open Tenders. Be that as it may, it would be reasonable for the Government to proceed according to the time frame laid down in the Rules: a minimum of 21 (twenty-one) days is required for the Submission of Bids in the case of open tenders as per Rule 161(v) of General Financial Rules, 2017, whereas only 7 (seven) days is required for Submission of Bids in the case of Restricted Tenders as per Rule 16(ii)(g) of the Mizoram Public Procurement Rules, 2020.
- (v) One of the primary reasons that Restricted Tenders with limited competition has a place in the statute books, sacrificing the possible cost and quality advantages increased competition in Open Tenders could afford, is to provide a mechanism

for speedier execution of works in cases where there are time constraints. The wording of Rule 16(2) of the Mizoram Public Procurement Rules, 2020 would show that the provisions envisage precluding delays:

Rule 16(2): Procedure of limited bidding: *The procedure of limited bidding/tendering shall include the following:*

(a) *the Procuring Authority shall obtain the approval of the next higher authority in the hierarchy for conducting Limited Tender Enquiry and on the list of restricted firms to be invited before issue of invitation to the firms;*

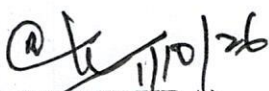
(b) *the Procuring Authority shall issue an invitation for bid by writing, and on the same day, to the firms who can supply the subject matter of procurement. Copies of the bidding document should be sent directly by speed post/registered/post/courier/e-mail to firms. There should be document(s) to prove that the bidding document is delivered/sent to the invited firms;*

- (vi) The approval mandated by the Rules is only from the “next higher authority in the hierarchy,” and while Notification No. G. 17018/1/02-FEC dated 11.6.2025 issued by the Finance Department (EC) directs that approval of the Chief Minister has to be sought through the Finance Department (Expenditure Control Branch) for adopting the Restricted Tenders route, this must be seen only as a measure of abundant caution to avoid misuse of the process, and no *mala fides* per se can be attributed to the direction. Further, the provisions require that bidding documents be furnished “on the same day” to eligible firms, and there is no reason to hold that obtaining the necessary approvals (including that from the CM) and sending out the bidding documents cannot be completed in the course of a single day. While the actual time taken to complete these steps may be longer due to official exigencies, that would not be grounds to state that the Restricted Tender process itself is inconsistent with the legislative objective of providing a mechanism to meet emergencies where work has to be completed within short deadlines.

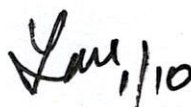
(vii) At any event, the decision to proceed by the Restricted Tenders process in the instant case must necessarily be regarded as a matter of policy, and it would be purely within the purview of the administrative authority that has the mandate to make such policy decisions. As concluded in the Preliminary Inquiry Report dated 30.7.2026, there is no evidence, whether direct or circumstantial, to indicate that the Blanket Approval accorded for Restricted Tenders in this case was with the object of pre-determining the selection of contractors. The Preliminary Inquiry did not reveal any practice of nepotism or corruption in the matter or manner of granting Blanket Approval for execution of the listed works through Restricted Tenders.

(viii) As stated above, while there was substantial compliance with the Mizoram Public Procurement Rules, 2020, it is necessary to enter a finding that there were departures from Rule 16(2)(c) and Rule 16(2)(h) of the Mizoram Public Procurement Rules, 2020 in the bidding process, in so much that for many works fewer bidders were invited than the minimum of four prescribed by law, and that NIBs were not sent to all relevant empaneled firms. As an advisory, it would be appropriate if these departures are rectified in the future. Further, it would be proper for the Department concerned to certify with greater clarity the reasons for the urgency which would justify the additional expenditure involved by not proceeding through advertised Open Tender enquiries, and why such advertising would not be in the public interest. Failing to certify urgency invalidates the use of Restricted Tenders instead of advertised Open Tenders, rendering the action irregular and open to audit objections.

7. It is therefore ordered that the case shall be closed. The Respondent-Secretary to the Government of Mizoram, Finance Department shall acknowledge receipt of this Order with its findings and advisory.


(LALSANGLURA)

Member


(LALMALSAWMA)

Chairperson


(JOEL JOSEPH DENG)

Member (Judicial)

Memo No. C.13017/90/2025-ML/ 85 : Dated Aizawl, the 1st October, 2026

Copy forwarded for information and necessary action to:

1. The P.S. to Hon'ble Chairperson, Mizoram Lokayukta.
2. The Sr. P.A. to Member & Member (Judicial), Mizoram Lokayukta.
3. The CIO, Mizoram Lokayukta.
4. Pu. C. Lalengliana, Inquiry Officer, Mizoram Lokayukta.
5. Petitioner/Complainant
6. Respondent/OP, Secretary to the Government of Mizoram, Finance Department.
7. Guard File.



(R. LALTHARLIANA)
Assistant Registrar
Mizoram Lokayukta