

# Conclusion

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- The decision to open medical colleges was ill-planned and no due diligence was done by ESIC.
- There was no concept paper/feasibility study/project report to assess the viability of opening medical colleges vis-à-vis other alternatives to cope up with the shortages of medical/para-medical personnel in ESIC hospitals/dispensaries.
- The number of sites selected for opening of medical colleges was disproportionate to the requirement of medical personnel. Due diligence, if any, carried out to ascertain the number of colleges required to be opened to fulfill the future requirement of doctors and other paramedical staff was not available.
- The selection of sites was done arbitrarily by ESIC and sites that did not have any existing hospitals/dispensary with no apparent necessity for opening medical colleges as per ESIC norms were also selected.
- Architectural/construction work was awarded on nomination basis without any justification/reasoning.
- Due to non-uniformity in clauses in agreements with architectural consultants, ESIC was liable to pay extra consultancy fees of ₹ 24.68 crore.
- There were time and cost over-runs in majority of the medical education projects.
- Only 14 *per cent* of the PGI students passed out joined the ESIC hospitals which indicated that the strategy of opening medical colleges for filling the vacant posts failed.
- The decision to exit from this endeavour was only an exercise to limit the sunk losses and further liabilities.

ESIC should concentrate on its core activities and no projects involving such capital and recurring costs should be undertaken without detailed and in depth analysis.

**New Delhi**  
**Dated: 19 November 2015**



**(MUKESH PRASAD SINGH)**  
**Director General of Audit**  
**Central Expenditure**

**Countersigned**

**New Delhi**  
**Dated: 20 November 2015**



**(SHASHI KANT SHARMA)**  
**Comptroller and Auditor General of India**