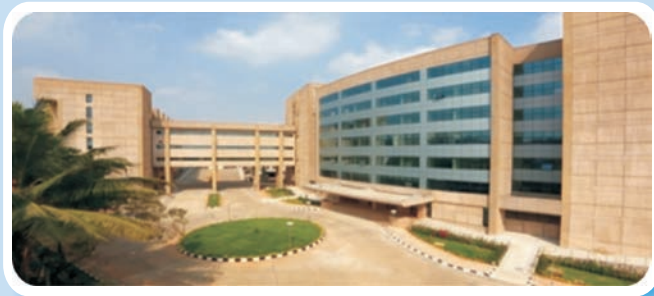




**Report of the
Comptroller and Auditor General of India
on
Performance Audit of
Pradhan Mantri Swasthya
Suraksha Yojana**



**Union Government (Civil)
Ministry of Health and Family Welfare
Report No. 10 of 2018
(Performance Audit)**

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Contents

	Description	Page No.
	Preface	iii
	Executive Summary	v-xi
Chapter-I	Introduction	1
Chapter-II	Planning	7
Chapter-III	Financial management	18
Chapter-IV	Setting up of new AIIMS	27
Chapter-V	Upgradation of Government Medical Institutions	49
Chapter-VI	Monitoring and Evaluation	63
Chapter-VII	Conclusion and Recommendations	71
	Annexes	75 - 90
	List of Abbreviations and Glossary of Terms	91 - 92

Preface

The Pradhan Mantri Swasthya Suraksha Yojana was announced in August 2003 with the objective of correcting imbalances in the availability of tertiary care hospitals/medical colleges providing super speciality services and improving the quality of medical education in India. A performance audit was conducted to assess how far the objectives of the Scheme were achieved and whether the available resources were utilised in an economic, efficient and effective manner.

The performance audit covers the period from 2003 to 2017 and examines various facets of the scheme such as planning, financial management, creation of physical infrastructure, availability of equipment and deployment of manpower. It also suggests ways to bring about improvement in programme delivery.

This report has been prepared for submission to the President of India under Article 151 of the Constitution of India.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Executive Summary

Key facts

Scheme details	<ul style="list-style-type: none"> The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was announced in August 2003 to correct imbalances in availability of tertiary care hospitals and improve medical education. The scheme has two components, viz., setting up of new AIIMS and upgradation of selected Government Medical College Institutions (GMCIs). Covers 20 new AIIMS and 71 GMCIs in six phases.
Financial management	<ul style="list-style-type: none"> New AIIMS -100 <i>per cent</i> funded by Centre. Upgradation of GMCIs: States to partly share cost. Total allocation and release upto 2016-17 were ₹ 14,970.70 crore and ₹ 9,207.18 crore respectively.
Scheme deliverables	<p>New AIIMS:</p> <ul style="list-style-type: none"> 960 hospital beds. Nine science and other departments and 33 super speciality/speciality departments in Medical College and Hospital. Medical and Nursing Colleges. <p>GMCIs:</p> <ul style="list-style-type: none"> Upgradation of facilities. Setting up of super speciality blocks and trauma centres.
Major findings	<p>In six new AIIMS:</p> <ul style="list-style-type: none"> Cost overrun of ₹ 2,928 crore. Time overrun of about four to five years in various packages of six New AIIMS. 1,318 equipment having estimated cost of ₹ 454 crore remained undelivered as on 31 March 2017 for periods upto 25 months from the due date of delivery. Shortage of faculty posts in different AIIMS ranged from 55 <i>per cent</i> to 83 <i>per cent</i>. Shortage of non-faculty posts ranged from 77 <i>per cent</i> to 97 <i>per cent</i>. In new AIIMS out of 42 departments, six to 14 speciality, super-speciality and other departments have not become functional. <p>In GMCIs:</p> <ul style="list-style-type: none"> Upgradation work in eight GMCIs of Phase-I and Phase-II was completed with delays ranging from eight to 84 months. In five GMCIs of Phase-I and Phase-II, work had not been completed even after delays ranging from three months to over five years.

	<ul style="list-style-type: none">• 408 equipment costing ₹ 71.25 crore were either not installed or installed with delay ranging from three to 90 months.• 977 equipment costing ₹ 34.99 crore were idle/non-functional in nine GMCIs.• Idling of funds of ₹ 63.85 crore.• Diversion of funds of ₹ 26.71 crore.
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The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was announced in August 2003 with the objective of correcting the imbalances in the availability of tertiary healthcare services and improving the quality of medical education in India. The scheme comprised setting up of AIIMS like institutions and upgradation of existing State Government Medical Colleges/Institutions (GMCIs). In its first phase, the scheme envisaged setting up six institutions like the All India Institute of Medical Sciences (AIIMS) and upgradation of 13 existing medical Colleges/Institutions. Over a period of time, the scheme has been expanded to cover 20 new AIIMS and 71 GMCIs in six phases. A total amount of ₹ 14,970.70 crore was allocated for the scheme during 2004-17 of which an amount of ₹ 9,207.18 crore had been released by the Ministry.

A performance audit of the implementation of the scheme covering the period from 2003-04 to 2016-17 brought out that inadequacies in planning and financial management coupled with poor contract management and execution of works as well as lack of synchronisation and coordination of activities resulting in undue delays as well as additional costs that frustrated achievement of the intended benefits and full achievement of the objectives of the scheme. Some of the main points brought out in the Report are summarised below:

(A) Planning

- (i) Ministry had not formulated any operational guidelines for PMSSY. Instead implementation was guided by instructions issued from time to time and decisions taken by the Project Management Committee (PMC) mostly on a case to case basis. This resulted in several *ad hoc* decisions being taken on various aspects.

(Para 2.2)

- (ii) There were shortcomings in planning of the scheme and approval was obtained in March 2006 based on a preliminary feasibility study instead of on the basis of a comprehensive assessment of scope of work. Audit noted that the area required in the initial proposal had been underestimated by approximately 37 per cent and green building norms and requirements in terms of Energy Conservation Building Code had not been catered for. Further, the requirement for equipment had also been underassessed. As a result, revised approval had to be obtained in March 2010 which held up commencement of work on many packages.

(Para 2.3)

- (iii) States selected were required to provide a minimum of 100 acres of developed land for the project. Land related issues were observed in four out of six AIIMS of Phase-I. During Phase-II of the scheme, land for the AIIMS Raebareli was provided by the State Government after four years of its approval. Further, land for the new AIIMS at Raiganj (West Bengal) was not provided by the State Government which led to the AIIMS project being shifted to Phase-IV.

(Para 2.4)

- (iv) There were no criteria for selecting GMCI's for upgradation and shortcomings were noted with respect to gap analysis undertaken for two GMCI's leading to duplication of facilities and equipment.

(Paras 2.6 and 2.7)

- (v) In the case of five GMCI's the concerned State Governments failed to provide a clear site in time leading to delay in the upgradation of these GMCI's.

(Para 2.8)

(B) Financial management

- (i) There was a large variation in estimated cost for each new AIIMS from the initially approved cost of ₹ 332 crore in March 2006 to ₹ 820 crore in March 2010. This was attributable to increase in cost indices, enhancement in area requirements, inclusion of additional items in the estimates and increase in the quantum of equipment required at each AIIMS.

(Para 3.3)

- (ii) The six new AIIMS were holding an unutilised balance of funds of ₹ 1,267.41 crore while ₹ 393.53 crore for civil works and ₹ 437.28 crore for procurement of equipment lying unspent with the executing agencies.

(Paras 3.4 and 3.5)

- (iii) Four GMCIIs (**BJMC–Ahmedabad, BMCRI-Bangalore, NIMS-Hyderabad, and RIMS-Ranchi**) diverted ₹ 26.71 crore for other purposes.

(Para 3.8)

- (iv) In seven GMCIIs, utilization certificates amounting to ₹ 234.98 crore were yet to be furnished to the Ministry raising the risk of further diversions and misutilisation of funds.

(Para 3.9)

(C) Setting up of new AIIMS

- (i) The scheduled dates of completion of six new AIIMS of Phase-I were between August 2011 and July 2013. Construction works were not completed by scheduled dates in any of the new AIIMS and there were delays of about four to five years.

(Para 4.2)

- (ii) In three new AIIMS (**Patna, Rishikesh and Raebareli**), there was deviation in actual quantities with respect to 127 items of work as

Performance Audit of Pradhan Mantri Swasthya Suraksha Yojana

compared to quantities given in the Bill of Quantities (BOQ) of the contract. The total monetary value of these deviations was ₹ 74.84 crore.

(Para 4.4.1)

- (iii) In four new AIIMS (**Bhopal, Jodhpur, Patna and Raipur**), there was excess payment of ₹ 19.62 crore to contractors due to adoption of higher rates in BOQ, price escalation in violation of contract and change in mode of contracting.

(Para 4.4.2)

- (iv) In three new AIIMS (**Bhubaneswar, Jodhpur and Raipur**), there was excess payment of mobilization advance of ₹ 16.91 crore to contractors.

{Para 4.4.3 (iii)}

- (v) In six new AIIMS (**Bhopal, Bhubaneswar, Jodhpur, Patna, Raipur and Rishikesh**) 1,318 equipment valued at ₹ 454 crore remained undelivered as on 31 March 2017 for period over two years from the due date of delivery.

(Para 4.5.2)

- (vi) In six new AIIMS (**Bhopal, Bhubaneswar, Jodhpur, Patna, Raipur and Rishikesh**), 195 equipment costing ₹ 72.04 crore, though received, were not installed due to reasons like pending civil work, non-availability of site, non-availability of skilled manpower etc. These equipment were lying uninstalled in the hospitals for the period ranging between three months and four years as of March 2017.

(Para 4.5.3)

- (vii) In four new AIIMS (**Bhopal, Bhubaneswar, Patna and Rishikesh**), there was delay ranging from 3 months to over three years in installation of 850 equipment costing to ₹ 76.40 crore.

(Para 4.5.4)

- (viii) In four new AIIMS (**Bhubaneswar, Patna, Raipur** and **Rishikesh**), 123 equipment costing ₹ 55.07 crore were installed but not functioning or remained unutilised/underutilised.

(Para 4.5.5)

- (ix) In six new AIIMS (**Bhopal, Bhubaneshwar, Jodhpur, Patna, Raipur** and **Rishikesh**) shortage of faculty posts ranged from 55 per cent to 83 per cent. Similarly, the shortage of non-faculty posts ranged from 77 per cent to 97 per cent.

(Para 4.6)

- (x) Though all six new AIIMS were stated to be functional, six to fourteen speciality, super-speciality and other departments have not become functional.

(Para 4.7.1)

- (xi) Only 152 to 546 beds were available against the requirement of 960 beds in each of the six new AIIMS.

(Para 4.7.2)

(D) Upgradation of GMCIs

- (i) The work of eight GMCIs of Phase-I and Phase-II was completed with delays ranging from eight months to about seven years. In five other GMCIs, work had not been completed even after delays which ranged from three months to over five years with respect to the scheduled completion dates. Further, none of the six GMCIs of Phase-III which were scheduled to be completed by March 2017 had been completed.

(Para 5.3)

- (ii) In ten GMCIs, 408 equipment costing ₹ 71.25 crore were either not installed or installed with delay ranging from three months to over seven years as on 31 March 2017.

(Para 5.6)

- (iii) In nine GMCIs, 977 equipment costing ₹ 34.99 crore were idle/non-functional as on 31 March 2017 due to lack of manpower, software problems, lack of supporting equipment/infrastructure and defects.

(Para 5.7)

- (iv) In the five GMCIs, where upgradation was stated to be completed, 19 out of 41 facilities had not been upgraded.

(Para 5.11)

(E) Monitoring and Evaluation

- (i) State Project Monitoring Committees (State PMCs) were not constituted for two new AIIMS at **Raipur** and **Rishikesh**. For the remaining four new AIIMS, though the State PMCs were constituted, the stipulated number of meetings was not held.

(Para 6.3.2)

- (ii) The State Level PMC under the chairmanship of Principal Secretary (Health/Medical Education) was required to meet on regular basis viz. at least once in a month, to review the progress of upgradation of GMCIs and share its views with the Ministry. It was, however, noted that State PMCs were not constituted in eight GMCIs. In BMCRI-Bangalore though a State PMC was constituted in March 2008, there were no records of its meetings.

(Para 6.4.1)

- (iii) Third Party Quality Assurance (TPQA) was not undertaken in 15 GMCIs. In three GMCIs viz. **GMC-Kota**, **DMCH-Darbhanga** and **SKMC-Muzaffarpur**, TPQA was established only in March 2017 but no activity for quality assurance was undertaken.

(Para 6.4.3)

CHAPTER-I: INTRODUCTION

1.1 Introduction

The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY/Scheme), a Central Sector Scheme, was announced in August 2003 with the objective of correcting imbalances in the availability of tertiary healthcare services and improving the quality of medical education in India.

In March 2006, the Government approved Phase-I of the PMSSY which comprised of (i) setting up of six AIIMS like institutions (later re-named as new AIIMS) and (ii) upgradation of 13 existing State Government Medical Colleges/Institutions (GMCIs). Upgradation of GMCIs envisaged improvement in health infrastructure through construction of Super Speciality Blocks/Trauma Centres and procurement of medical equipment for selected existing GMCIs. After a review of the coverage area of existing government institutions and planned institutions and on the recommendations of the Working Group for Tertiary Care Institutions for 12th Five Year Plan, the Government decided to increase the number of new AIIMS to be setup and the GMCIs to be upgraded in subsequent phases of the scheme. As of March 2017, twenty new AIIMS are to be set up and 71 GMCIs upgraded in six-phases as given in **Table-1.1:**

Table-1.1: Phase wise details of new AIIMS and upgradation of GMCIs

Particulars	Phase						Total
	I	II	III	IV	V	VI	
Setting up of new AIIMS							
Number of new AIIMS	6	1 ¹	Nil	4	7	2	20
Date of approval	March 2006	January 2009	NA	October 2015 and August 2016	Only one approved (July 2016)	Yet to be approved	12
Targeted date of completion	March 2009 ²	January 2012	NA	May 2020 and October 2020	July 2020	NA	NA

¹ Government approved two new AIIMS in Phase-II, however, one AIIMS in West Bengal was deferred to Phase-IV due to land issues.

² For Phase-I date of revised approval was March 2010 with scheduled completion by March 2013.

Particulars	Phase						Total
	I	II	III	IV	V	VI	
Upgradation of GMCIs							
Number of GMCIs	13	6	39	13	Nil	Nil	71
Date of approval	June 2006	February 2009	November 2013	August 2016	Nil	Nil	71
Targeted date of completion	June 2009	February 2012	March 2017	December 2018	NA	NA	NA

The scheme envisaged 100 *per cent* funding by the Centre for setting up of new AIIMS while funding for upgradation of GMCIs was to be on sharing basis between the Central and State Governments. A total amount of ₹ 14,970.70 crore was allocated for the scheme during 2004-17 of which ₹ 9,207.18 crore had been released by the Ministry.

1.2 Organisational structure in the Ministry and States

The Ministry of Health and Family Welfare, Government of India (Ministry), is responsible for the overall administration of the scheme with the PMSSY Division of the Ministry headed by a Joint Secretary being entrusted with its implementation and monitoring. At the State level, the scheme is being implemented by the Department of Health and Family Welfare headed by the Principal Secretary with the Directorate of Medical Education and Research acting as the nodal office. At level of the institutions, the Dean/Medical Superintendent/Principal of the concerned GMCI was responsible for implementation of the scheme.

1.3 Implementation framework of PMSSY

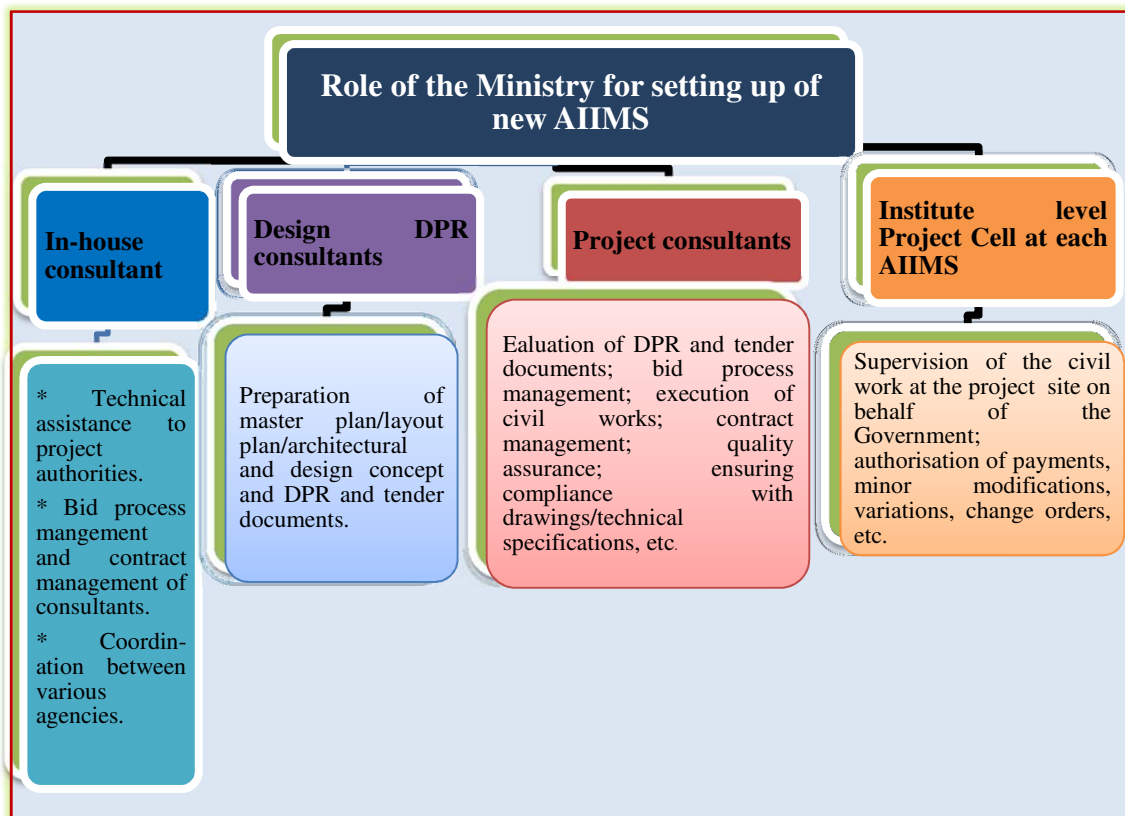
1.3.1 At the Central Government level

In March 2007, the Ministry engaged M/s HLL Life Care Ltd. (M/s HLL) as an in-house consultant for providing technical assistance for the six new AIIMS being set up during Phase-I. At each new AIIMS, a Design and Detailed Project Report Consultant (DDPRC) was engaged for preparation of master/layout plans, architectural and design concepts, Detailed Project Reports (DPR) and tender documents. In addition, a Project Consultant was engaged in each new AIIMS for evaluation of DPR and tender documents, management of bid process, execution of civil works and quality assurance. A Project cell headed by the Director

concerned of the new AIIMS and consisting of seven other members³ was set up for day-to-day supervision at the project level.

A broad framework for execution of the scheme and delegation of duties during the first Phase is as shown in **Chart-1.1**:

Chart-1.1: Role of Ministry and Central agencies for setting up of new AIIMS



In case of upgradation of GMCIs, M/s Hospital Services Consultancy Corporation (M/s HSCC), M/s HLL and CPWD were appointed as Project Consultants/nominated agencies for different GMCIs on nomination basis both for civil works and supply of equipment.

For establishing new AIIMS under Phase-II, the Ministry adopted a different approach and appointed one agency i.e. M/s HSCC in July 2013 for turnkey execution of the work instead of appointing different agencies and consultants for different services.

For procurement of equipment for new AIIMS under Phase-I, Ministry appointed M/s HLL as Procurement Support Agent (PSA) in March 2013. Procurement of

³ Medical Superintendent, Deputy Director (Administration), Financial Advisor, Superintending Engineer, Executive Engineer (Civil), Executive Engineer (Electrical) and Administrative Officer.

equipment for GMCIs was to be made both by the State Government/GMCI and the agency appointed by the Ministry⁴.

1.3.2 Role of the State Governments

The concerned State Government was responsible for providing land and other infrastructural facilities such as water and power for setting up of new AIIMS. For upgradation of GMCIs, the concerned State Government was required to provide State's share of funds, land (if required) and monitor project implementation. They were also to arrange manpower for the new facilities and ensure regular maintenance of the upgraded GMCI.

1.4 Audit Objectives

The performance audit of PMSSY was taken up with the objective of assessing whether:

- (i) the scheme was properly planned and covered all the requirements of tertiary healthcare services;
- (ii) financial management was adequate and effective;
- (iii) the implementation of the scheme was effective;
- (iv) availability of equipment was adequate;
- (v) availability of human resources was adequate;
- (vi) whether scheme deliverables were achieved; and
- (vii) effective mechanisms were in place both in the Ministry and State Governments for monitoring and evaluating scheme implementation.

1.5 Scope of audit

The performance audit covered the implementation of PMSSY during the period 2003-04 to 2016-17 and involved scrutiny of records and other evidence in the Ministry, its implementing agencies⁵ and at the level of implementing agencies in States.

⁴ High end common equipment by Ministry through nominated agency; low end uncommon equipment by State/GMCI.

⁵ Records of implementing agencies were examined in detail only with respect to works relating to residential complexes in two new AIIMS; civil works for three GMCIs and procurement with respect to two new AIIMS and one GMCI.

The performance audit covers seven out of the 20 new AIIMSs being setup and 19 out of the 71 GMCIs being upgraded under the scheme. Thus, a total of 26 projects⁶ were selected for the performance audit. This included all the seven new AIIMS approved in Phase I and II and 19 GMCIs pertaining to Phase-I to Phase-III of the scheme. The 19 GMCIs were selected based on quantum of funds released by the Ministry. Details of new AIIMS and GMCIs selected are given in **Annex-1.1**.

1.6 Audit criteria

The audit criteria/performance impact indicators were derived from the following:

- (a) AIIMS Act, 1956;
- (b) AIIMS (Amendment) Act, 2012;
- (c) Expenditure Finance Committee and Cabinet documents for establishment of new AIIMS and upgradation of existing GMCIs (Phase-I to Phase-III);
- (d) Financial rules and regulations; CPWD/PWD Manual; guidelines/circular/orders issued by Government; and
- (e) Contracts/MOUs signed with various agencies and State Governments.

1.7 Audit methodology

The performance audit commenced with an entry conference with the Ministry on 13 June 2017 where the audit objectives, scope and methodology were explained. Similar entry conferences were held in each State by the respective Principal Accountants General/Accountants General with the nodal departments involved in the implementation of the scheme. Records relating to the scheme were examined between April 2017 and August 2017. After completion of audit, an exit conference was held with the Ministry on 27 February 2018 to discuss the audit findings. Exit conferences were also held at the State levels where state specific findings were discussed. The Report has taken into account the replies furnished by the Ministry (February 2018) and States in addition to the points discussed in the exit conference.

⁶ 10 projects (100 per cent), where funds released was more than ₹ 100 crore; 8 projects (50 per cent of the total projects), where funds released was between ₹ 50 crore to ₹ 99 crore and 8 projects (20 per cent of the total projects), where funds released was between ₹ two crore to ₹ 50 crore. In respect of later two categories, the selection of projects was made using Simple Random Sampling without Replacement method.

1.8 Previous audit findings

The Audit Report of the CAG (Report No.19 of 2013 - Union Government-Civil) contained observations relating to irregularities in selection of project consultants, irregular expenditure on escalation charges amounting to ₹ 1.56 crore, incorrect release of mobilization advance amounting to ₹ 8.32 crore to contractors, excess payment of ₹ 25.20 lakh to in-house consultant and release of payment to PSU consultants based on estimated fund requirements instead of on actual progress of work. In reply to the audit comments, the Ministry had stated that the audit findings were noted for avoidance of such occurrence in future. However, irregularities of similar nature have been noticed during the current audit as mentioned in Paras 2.5, 3.11, 4.4.2 (b) and 4.4.3 (iii) of this Report.

CHAPTER-II: PLANNING

2.1 Introduction

Planning is critical for ensuring that available resources are deployed in the most optimal manner leading to achievement of the stated scheme objectives. In the context of PMSSY, the key planning task in the case of new AIIMS was the selection of States, finalising the locations and devising an appropriate framework for implementing and monitoring the setting up of the institutes. In the case of upgradation of GMCIs, planning involved selection of GMCIs for upgradation, identification of gaps in the existing infrastructure facilities and devising a framework for implementing and monitoring the task of upgradation in coordination with state authorities.

2.2 Non-existence of scheme guidelines

Operational Guidelines provide a reference tool for policy makers, stakeholders and implementing agencies to ensure consistent, rule based and time bound implementation and monitoring of schemes. These guidelines also act as an overall framework for scheme implementation as it lays down roles and responsibilities of various stakeholders and agencies and the expected deliverables at different stages of scheme implementation.

Audit observed that the Ministry had not formulated any operational guidelines for PMSSY. Instead, implementation was being guided by instructions issued from time to time and decisions taken by the Project Management Committee (PMC) mostly on a case to case basis. This resulted in several *ad hoc* decisions being taken with respect to fund management, selection of consultants, assignments of project tasks, award of contracts and in the management of contracts which have been discussed separately in this Report.

Ministry, while accepting that no scheme guidelines had been formulated, stated (February 2018) that the contours of the scheme had emerged in the initial stages itself in the process of approving the projects.

(A) Setting up of new AIIMS

2.3 Shortcomings in planning of six new AIIMS

Planning Commission gave 'in-principle' approval for PMSSY including establishment of six AIIMS in Bihar, Chhattisgarh, Madhya Pradesh, Odisha, Rajasthan and Uttarakhand in December 2003. These States were chosen based on an analysis of social indices and availability of health infrastructure. In January 2004, a Project Management Committee (PMC) was constituted which decided that pending appointment of a Project Consultant, M/s HSCC would function as an in-house consultant for framing requirements for the institutes and floating tenders for appointment of a Project Consultant and an architectural design consultant.

Audit noted that though an Expression of Interest (EoI) was floated in February 2004 for selection of a single project consultant and for an architectural design agency, no further action was taken by the Ministry till approval of the Scheme in March 2006. Instead, the Ministry moved a proposal for setting up of the six new AIIMS in July 2004 based only on a feasibility report prepared by M/s HSCC. The Expenditure Finance Committee cleared this proposal in November 2004 subject to project parameters and scope of activities being firmed up before obtaining approval of the Competent Financial Authority (CFA).

The proposal for the six new AIIMS (**Bhopal, Bhubaneswar, Jodhpur, Patna, Raipur and Rishikesh**) was approved by the CFA in March 2006 with a total capital cost of ₹ 1,992 crore i.e. at the rate of ₹ 332 crore for each new AIIMS. After obtaining approval of the CFA, the Ministry resumed the process for selection of a project consultant and a design consultant. It issued Requests for Proposals (RFPs) to firms already shortlisted during its earlier exercise even though more than two years had since elapsed. As a result, the RFPs remained non-responsive even after extension was given for submission. In November 2006, the Ministry changed its approach and instead of appointing a single consultant, it decided to have separate consultancy arrangements for each new AIIMS. It also decided to delink construction of residential complex from the medical college and hospital complex at each new AIIMS. Based on this approach, separate Design and Detailed Project Report (DDPR) Consultants and Project Consultants were appointed in December 2007 and June 2008 respectively and DPRs for these works were finalised in March 2009.

The DPRs showed a large variation in estimated cost for each new AIIMS from the approved cost due to increase in cost indices, enhancement in area requirements, inclusion of additional items in the estimates and increase in the quantum of equipment required at each AIIMS. Audit noted that the area required in the initial proposal had been under-estimated by approximately 37 per cent and green building norms and requirements in terms of Energy Conservation Building Code (ECBC) had not been catered for. Further, the requirement for equipment had also been under-assessed. The revised capital cost for each new AIIMS was estimated at ₹ 820 crore as against the approved cost of ₹ 332 crore. Approval of the CFA for the revised cost was subsequently obtained in March 2010 i.e. after four years of the initial approval. During this period, the commencement of all works remained held up except for the residential complexes even though these were to be completed within three years of CFA approval granted in March 2006.

The delay and the increase in costs was attributable to delay in appointment of project consultant and architectural design consultant which led to shortcomings in the planning of the scheme and obtaining approval based on a preliminary feasibility study rather than on a comprehensive assessment of scope of work, failure to firm up project parameters and scope of activities before seeking CFA approval and adoption of *ad-hoc* approach in terms of project planning.

2.4 Availability of land for setting up new AIIMS

States selected for establishing new AIIMS were required to provide a minimum of 100 acres of developed land for the project. Delay in providing suitable and encumbrance free land led to delay in establishment of the AIIMS as given in **Table-2.1**:

Table-2.1: Availability of land for new AIIMS

Sl. No.	Name of the new AIIMS	Audit observation
1.	Jodhpur (Rajasthan)	Two 132 KV High Tension electrical lines were passing through the land provided for AIIMS. Re-routing/removal of the lines was delayed due to disagreement on granting right of way. As a result, an area of approximately 20,000 sq.m. could not be put to use and planned construction on this land of administrative block and super speciality blocks has remained on hold. Ministry stated (February 2018) that measures were being taken to remove these impediments.

Sl. No.	Name of the new AIIMS	Audit observation
2.	Bhopal (Madhya Pradesh)	The State Government allotted 154 acres for the Institute out of which the Institute could take possession of only 138.42 acres of land as the remaining area was under encroachment.
3.	Bhubaneswar (Odisha)	Though there was a requirement of providing 100 acres or more of land, the Ministry had conveyed a requirement of 200 acres of land. Against this, land provided by the State was only 92.11 acres. The Institute had been demanding an additional 50 acres of land required for establishment of Cardiac Centre, Mental Health Centre and Neurosciences Centre but the State was able to commit an additional area of only 21 acres (2013) which was also yet to be provided. Consequently, expansion of the Institute in critical areas was held up.
4.	Raipur (Chhattisgarh)	The Institute did not obtain clear title over the land provided by the State Government for construction of residential complex and some Departments and Centres of the Institute. This left the Institute open to future land disputes and encroachments.
5.	Raebareli (Uttar Pradesh)	Though the CFA had approved setting up of new AIIMS in February 2009, the State Government provided land for the Institute only in July 2013. As a result, work with regard to the Institute has been considerably delayed and work on the Hospital and Medical College is yet to commence.
6.	Raiganj (West Bengal)	Approval of CFA was granted in February 2009 for setting up of a new AIIMS at Raiganj in North Dinajpur. As the State Government could not provide required land, the project has been deferred to the 4 th Phase of the Scheme and the location has been changed to Kalyani in the Southern part of West Bengal even though the project had been approved in view of deficient health services in the Northern region of West Bengal.

2.5 Consultancy arrangements

Consultancy arrangements are a critical part of the planning process for any project and its component packages. It is therefore essential that arrangements are put in place for proper, professional and stable planning, execution and monitoring of works.

2.5.1 Appointment of Consultants on nomination basis

The GFRs stipulate that procurement of services valued at over ₹ 25 lakhs should generally be through invitation of open bids. However, Rule 176 of

GFRs read with the section 1.5.3 of the “Manual of Policies and Procedures of Employment of Consultants” provides that selection by direct negotiations/nomination is permissible under exceptional circumstances such as (a) for tasks that represent a natural continuation of previous work carried out by the firm (b) in case of emergency situation, situation arising after natural disasters, situations where timely completion of the assignment is of utmost importance (c) situations where the execution of assignment may involve use of proprietary techniques or only one consultant has the required expertise. However, such selection is normally to be restricted to a financial ceiling of ₹ 10 lakh.

Audit observed that the Ministry engaged various Public Sector Undertakings (PSUs) viz. M/s HSCC and M/s HLL as consultants on nomination basis for establishing seven new AIIMS sanctioned in Phase-I and Phase-II of PMSSY having estimated cost of services of more than ₹ 10 lakh in each case as given in **Table-2.2:**

Table-2.2: Selection of PSUs for consultancy services on nomination basis

Name of the PSU	Nature of Consultancy Services	New AIIMS	Date of agreement	Amount of Consultancy (₹ in crore)
M/s HSCC	In-house consultant	Construction works for all six AIIMS of Phase-I (2004-07)	06.01.2004	1.00
	Residential and Hostel,	AIIMS-Bhubaneswar	11.06. 2008	3.50
		AIIMS- Raipur	11.06. 2008	1.50
	Project Management and Supervision Consultant	AIIMS-Raebareli	23.07.2013	14.15
M/s HLL	In-house consultant	Construction works for six AIIMS of Phase-I, (2007-16)	04.08.2008	27.76
	Residential and Hostel,	AIIMS-Rishikesh	16.05.2008	3.50
		AIIMS- Patna	23.05.2008	1.50
	Procurement Support Agent	Equipment for six new AIIMS	28.03.2013	4.00

The award of work on nomination basis was not in conformity with the above-cited provisions of the GFRs as the consultancy fees exceeded the ceiling of ₹ 10 lakh and the cases did not fall under any of the special/exceptional circumstances stipulated in the above provisions. Further, the award of consultancy work to PSUs on nomination basis gave no assurance that the agencies selected as consultants had the required professional and technical credentials for undertaking the task.

Ministry stated (February 2018) that the decisions were taken in terms of GFR 176 which allowed consultancy by nomination under some special circumstances. The reply of the Ministry is not tenable as the works were new works and not “natural continuation of previous work carried on by the same firm” neither did they involve proprietary techniques nor was there any emergency situation in terms of para 1.5.3 of Manual of the Policies and Procedures of Employment of Consultants referred to above.

2.5.2 Award of consultancy at extra cost

In June 2008, Ministry appointed Project Consultants for the Medical College and Hospital complexes at each new AIIMS. The work assigned to the project consultants extended from vetting of DPRs to monitoring of the execution of the contract. However, the project consultants either abandoned the works or did not perform in terms of their contracts and subsequently left the site between December 2013 and July 2015. Thereafter in April 2016, the Ministry made alternate arrangements by appointing M/s HLL and M/s HSCC as project consultants for the remaining civil and electrical works on nomination basis at a consultancy fee of five *per cent* of the value of balance work. Audit noted that the consultancy fee fixed was on the higher side as the effective rate of consultancy fee that was being paid to project consultants initially engaged by the Ministry was in the range of 0.57 *per cent* to 1.26 *per cent* of the total awarded value of works. The financial implication of allowing higher consultancy fees works out to ₹ 24.75 crore. Further, no formal agreement was signed with the nominated PSUs and hence there was no legal framework for exercising control and monitoring of the work of these PSUs.

Ministry stated (February 2018), that PSUs were given this work as it was felt that no other agency would be willing to undertake the works which were nearing completion and that the fee at the rate of five *per cent* was based on the prevalent norms followed by the Ministry.

Audit observed that no action in accordance with the contractual terms had been finalised against the defaulting project consultants for abandoning the contracts or for not adhering to its terms. This in itself reflects poorly on the selection process of the project consultants. Further, the norms for consultancy fees cited by the Ministry states that consultancy for civil construction may be restricted to five *per cent*. It does not automatically imply that this maximum of five *per cent* has to be allowed in every case. It was thus incumbent upon the Ministry to take into account the fees being paid previously and the nature

and quantum of the left over work while deciding the quantum of consultancy fees to be allowed to the PSUs.

(B) Upgradation of GMCIs

2.6 Arbitrary selection of GMCIs

Audit observed that the Ministry had not formulated any criteria or procedure for selection of GMCIs for upgradation as brought out below:

- (i) In **Bihar**, two GMCIs¹ were selected for upgradation under PMSSY Phase-III by the Ministry without consulting the Government of Bihar;
- (ii) Three GMCIs² in **Madhya Pradesh** were approved for upgradation in Phase-III without obtaining any preliminary project report from the State Government. GRMC-Gwalior stated that the Ministry had approved upgradation of GMC as per their norms;
- (iii) In **Maharashtra**, selection of six³ GMCIs was done based on proposals submitted by their respective Deans and not on the basis of any state level study;
- (iv) In **Rajasthan**, no record was available with the State Authorities of any request /proposal for upgradation of GMCIs under PMSSY; and
- (v) Ministry selected **BJMC-Ahmedabad** and **PDUMC-Rajkot** for upgradation under the scheme in first and third phase respectively without any proposal from the Government of Gujarat.

2.7 Gap Analysis for upgradation of GMCIs

According to guidelines for gap analysis issued by the Ministry in September 2014 in respect of Phase-III, gaps in services in medical departments, human resources, equipment and services were to be analysed by the respective State Governments and a gap analysis report was to be submitted to the Ministry. Audit noted the following shortcomings in the gap analysis report of two GMCIs as below:

¹ SKMC-Muzaffarpur and DMCH-Darbhanga.

² SSMC, Rewa; NSCBMC, Jabalpur and GRMC, Gwalior.

³ Akola; Aurangabad; Latur, Mumbai, Nagpur and Yavatmal.

2.7.1 GMC Kota

2.7.1.1 Inclusion of Neurology Department in new Super Speciality Block

Medical Council of India (MCI) had suggested that super speciality services may be set up in a manner that the maximum number of super speciality services is provided in a particular State. A Department of Neurology already existed in the Maharav Bheem Singh Hospital attached to **GMC-Kota** which fulfilled the norms of MCI for education in the super speciality course in neurology. However, a Department of Neurology was included in the newly created Super Speciality Block (SSB). Hence, the creation of a facility that was already available in the newly proposed SSB lacked justification and the resources could have been deployed for setting up some other Department.

2.7.1.2 Improper gap analysis for equipment

Audit also noted that equipment costing ₹ 12.86 crore⁴ which were procured/being procured from State funds had also been included in the list of equipment for procurement under PMSSY. Thus, there was duplication in the plan for procurement of equipment. At the same time, requirement for various equipment of five departments of GMC-Kota were not included in the gap analysis report.

The Institute stated (August 2017) that revised requirement for equipment will be submitted and the equipment already procured/under process for procurement will be removed from the list of equipment to be procured from the funds under PMSSY.

2.7.2 BJMC-Ahmedabad

The Ministry approved (February 2009) procurement of 294 equipment at an estimated cost of ₹ 37.69 crore for **BJMC-Ahmedabad**. Subsequently in August 2013, BJMC-Ahmedabad was asked to review its equipment list as it contained items not directly connected with tertiary healthcare viz. CCTV, lift, ramps, laundry machine, etc. The Institute submitted a revised list of equipment to the Ministry (October 2013) including three new equipment costing ₹ 9.58 crore. The three new equipment were not accepted by the Ministry (January 2014) on the ground that these items had not been included

⁴ Establishment of Cath lab (₹ 8.30 crore) and eight equipment for Neurology, Neurosurgery, Cardiology and Urology Departments (₹ 4.56 crore).

in the gap analysis. Thus, the Institute could not obtain funds for equipment required by it due to improper gap analysis.

2.8 Non-handing over of clear site for civil construction

As per MoU between State Governments and the Ministry for upgradation of GMCIs during Phase-III of the scheme, the State Governments had to ensure availability of encumbrance free land for construction of the Super Speciality Blocks (SSB) of the GMCI within 30 days of approval of the DPR. However, in five instances detailed in **Table-2.3**, the concerned State Governments failed to provide a clear site in time leading to delay in the upgradation of these GMCIs.

Table-2.3: Cases of delayed handing over of clear site

Sl. No.	Name of the GMCI	Remarks
1.	GMC-Kota	The State Government handed over a site for construction of SSB in May 2016 but an existing parking shed and adjacent medical shops was not removed/dismantled from the site. As a result, external development works valued ₹ 1.87 crore could not be taken up. GMC-Kota stated (May 2017) that the matter had been taken up with PWD authorities but action was yet to be taken (August 2017).
2.	DMCH-Darbhanga	Due to delay in providing a clear site by the State Government, work of demolition of existing structures was undertaken using Ministry funds. This also resulted in the project being delayed by more than a year.
3.	GRMC-Gwalior	As the site provided was encroached the upgradation project was delayed by more than a year. GRMC stated that removal of encroachments had been delayed due to the administrative processes involved.
4.	PDUMC-Rajkot	The project was delayed due to change in site, revision in DPR and delay in obtaining permission for dismantling the old wards constructed through donations.
5.	PMCH-Dhanbad,	Unencumbered land was to be made available by Government of Jharkhand within 30 days from the date of approval of DPR i.e. by December 2015. However, construction of Super speciality building could be started only from November 2016 due to encroachment of land. Therefore, the construction work was delayed more than 10 months.

2.9 Arbitrary selection and distribution of work amongst Consultancy Agencies

The PMC decided (May 2006) that for upgradation of GMCIs there was no need to appoint separate Project Consultant for each Institute for upgradation of GMCIs. It was instead decided to engage CPWD, M/s HSCC or any other

PSU already engaged in the Health sector as consultant to assist the Ministry in effective implementation of the upgradation projects. Accordingly, upgradation projects were allotted to the CPWD, M/s HSCC and M/s HLL/M/s HITES Ltd. as detailed in **Table-2.4**:

Table-2.4: Distribution of work among the nominated agencies

Sl. No.	Phase of the PMSSY	Number of GMCIs approved	Number of GMCIs allotted		
			M/s HSCC	M/s HLL/HITES	CPWD
1.	Phase-I	13	6	3	4
2.	Phase-II	6	2	4	Nil
3.	Phase-III	39	19	12	8

Audit observed that the distribution of GMCIs among the three identified agencies was done on nomination basis without any identifiable criteria for allocation of work. While Phase-I projects where civil work was predominant were allotted to CPWD, all GMCIs in the Southern region were allotted to M/s HLL without any detailed assessment of their capacities for undertaking works assigned to them. Likewise in Phase-II, four⁵ out of six GMCIs were allotted to M/s HLL only on the basis of direction of the Minister in Charge. The remaining two⁶ GMCIs were allotted to M/s HSCC with allotment of GMC-Amritsar being justified on the grounds that M/s HSCC was already assisting Government of Punjab in preparation of the project report whereas no reasons were available on record for allotting the work of Dr. RPGMC-Tanda to the company. In the case of Phase-III projects, allocations were made on the recommendations of a Technical Committee which met and made recommendations for allocation on the basis of past performance on the same day that it was formed i.e. on 14 February 2014. However, the assessment of the past performance of the three agencies was not on record. Audit noted that while works entrusted to these agencies in Phase-I and II suffered delays ranging from three months to seven years, none of the works of Phase-III had been completed. Further, as there was no competitive bidding, the basis on which consultancy fees⁷ was fixed was not on record.

Ministry stated (February 2018) that there were no delays in works executed through M/s HSCC and M/s HLL and their capability, reach and willingness had been considered. It added that there was no need to evaluate performances for each phase as the PSUs were always under the scrutiny in the Ministry.

⁵ GMC-Madurai, GMC-Nagpur, Pt. BDS, PGIMS-Rohtak and JNMC-Aligarh.

⁶ GMC-Amritsar and RPGMC-Tanda.

⁷ For civil works: seven *per cent* in Phase-I and II and five *per cent* in phase-III.

The reply of the Ministry is not acceptable as there is no record of any assessment of the capabilities of the agencies before allocation of the work. Further, the fact that all the GMCIs entrusted to these agencies had faced significant delays in implementation undermines Ministry's claim of proper assessment of the capabilities of the agencies while allocating the work.

2.10 Lack of MoUs with the State Governments

The Ministry had given an undertaking to the Planning Commission at the scheme appraisal stage that it would sign a MoU with State Governments for the running of the upgraded GMCIs and for ensuring that funds were being utilised. A commitment was to be obtained from the State Governments for providing staff as per Medical Council of India requirements and for taking up regular maintenance of the upgraded facilities. However, the Ministry did not enter into any MoU with the concerned State Governments in respect of the GMCIs upgraded during Phase-I and Phase-II. In the absence of such a MoU, in several cases, State Governments did not provide required manpower for operation and maintenance of the upgraded facilities which have been reported in detail in Para 5.9, 5.10 and Para 5.12.1 of the Report. Further, several cases of diversion of funds came to light during the audit of upgraded GMCIs which have been reported in Para 3.8 of this Report.

Audit Summation

The Ministry had not formulated any operational guidelines for PMSSY which resulted in several *ad hoc* decisions being taken with respect to several key aspects of the scheme. In the case of new AIIMS, initial approval in Phase-I was not based on a comprehensive assessment of scope of work which led to subsequent delays and increase in costs. At several locations State Governments were not able to provide developed land resulting in delay in commencement of works. Engaging of Public Sector Undertakings as consultants on nomination basis and allocation of work for upgradation of GMCIs was not in conformity with the GFRs and extant rules and provided no assurance that the agencies selected had the required professional and technical credentials. In the case of GMCIs, criteria for selection were not formulated resulting in arbitrary selection. Deficiencies were also noticed in the gap analysis done in case of two of the GMCIs resulting in duplication of facilities to be upgraded and procurement of equipment. Poor planning and coordination contributed to delays in setting up of new AIIMS and upgradation of GMCIs.

CHAPTER-III: FINANCIAL MANAGEMENT

3.1 Introduction

In November 2004, the Ministry estimated the capital cost of six new AIIMS under Phase-I of PMSSY to be ₹ 1,707 crore (₹ 284.50 crore for each AIIMS) with a recurring cost of ₹ 1,780.86 crore (2005-13) along with upgradation of seven GMCIs at a total estimated cost of ₹ 780 crore¹. The total estimated cost of the scheme was ₹ 4,267 crore. Subsequently in March 2006, the Government approved a revised capital cost of ₹ 332 crore for each new AIIMS and added four more GMCIs to be upgraded. Accordingly, the total cost of Phase-I of the scheme was approved for ₹ 3,776 crore (capital cost ₹ 3,067.15 and recurring cost of ₹ 708.84 crore). In March 2010, the capital cost of each of the six new AIIMS was further revised along with capital cost of 13 GMCIs of ₹ 1,290 crore and recurring cost of ₹ 3,097.62 crore upto 2016-17 and the total outlay on Phase-I was approved for ₹ 9,307.62 crore. In the case of Phase-II of the Scheme, only one new AIIMS was taken up at a capital cost and recurring cost of ₹ 823 crore and ₹ 515.75 crore (upto 2016-17) respectively. Along with the central share for upgradation of six GMCIs in this phase of ₹ 750 crore (₹ 125 crore for each GMCI), the total outlay on Phase-II was ₹ 2,088.75 crore. Phase-III of the scheme consisting of upgradation of 39 GMCIs was approved at a total capital cost of ₹ 4,680 crore. Hence the total approved cost of first three phases of the scheme was ₹ 16,076.37 crore of which capital costs were ₹ 12,463 crore.

3.2 Budget estimates and release of funds

The budget estimates and fund released by the Ministry for setting up of new AIIMS and upgradation of GMCIs for the period 2004-17 are given in **Table-3.1**:

¹ ₹ 120 crore each for six GMCIs and ₹ 60 crore for one GMCI.

Table-3.1: Year wise Budget Estimates and Releases

(*₹in crore*)

Year	Budget Estimate	Fund Release	Saving	Saving %
2004 - 05	60.00	6.16	53.84	89.73
2005 - 06	250.00	2.52	247.48	98.99
2006 -07	75.00	6.27	68.73	91.64
2007 - 08	150.00	87.49	62.51	41.67
2008 - 09	490.00	484.00	6.00	1.22
2009 - 10	1,447.92	474.48	973.44	67.23
2010 - 11	750.00	653.84	96.16	12.82
2011 - 12	1,616.57	877.10	739.47	45.74
2012 - 13	1,544.21	989.06	555.15	35.95
2013 - 14	1,975.00	1,273.24	701.76	35.53
2014 - 15	1,956.00	822.03	1133.97	57.97
2015 - 16	2,206.00	1,577.83	628.17	28.48
2016 - 17	2450.00	1,953.16	496.84	20.28
Total	14,970.70	9,207.18	5,763.52	38.49

(Source: Ministry)

Savings in the initial period from 2004-08 ranged from 42 to 99 *per cent* which was mainly due to delay in obtaining approval of CFA and other delays at the planning stage as discussed in Para 2.3 of the report. Savings during 2009-2017 ranged between 13 to 67 *per cent* and were attributable to delays in tendering, slow progress of capital works, slow pace of procurement of equipment, non-finalisation of sites for AIIMS and non-filling up of posts.

The Ministry accepted (February 2018) that savings had resulted as the targeted goals for construction could not be met and stated that the trend with regard to savings had reversed since 2011-12. However, the fact remains that savings with respect to Budget Estimates continued to be significant in all the years and this was indicative of delays at all stages.

Further, the Ministry could not provide figures of actual expenditure on the scheme stating that amount of funds released are treated as actual expenditure. However, it was noted in audit that unspent funds amounting to ₹ 2,098.22 crore was available with the new AIIMS and the nominated agencies as of March 2017². The existence of unspent balances indicated that financial progress was being over-stated by treating funds released as actual expenditure on the scheme.

² In respect of six new AIIMS and GMCIs of Phase-I to Phase-III.

It was also noted that Ministry was not compiling or monitoring expenditure being incurred by new AIIMS/agencies against releases made by it. Thus, no mechanism was in place for monitoring and tracking actual expenditure leading to accumulation of unspent funds with the new AIIMS and the agencies.

3.3 Increase in capital cost of new AIIMS in Phase-I

The capital cost of each new AIIMS in Phase-I was initially approved in March 2006 as ₹ 332 crore. However in March 2010, the Ministry obtained revised approval for capital cost of the six new AIIMS at the rate of ₹ 820 crore per new AIIMS³. This represented a 145 *per cent* increase in capital costs. The increase in cost of civil works due to change in price index between September 2003 to October 2008 was 46.4 *per cent* of the original cost and the balance was due to increase in area, provision for additional items⁴ and inclusion of Works Contract Tax etc. Further, cost of equipment increased by 91.3 *per cent*. The increase in capital costs is thus attributable both to delay in progressing the project after the same was announced in 2003 and shortcomings in planning and assessment of requirements for establishing an AIIMS like institute.

3.4 Utilisation of funds by new AIIMS

Out of the total fund of ₹ 3,285.03 crore (Grant-in-aid) made available to the six⁵ new AIIMS during 2011-17, ₹ 2,017.62 crore was utilised leaving an unspent balance of ₹ 1,267.41 crore as of March 2017 as depicted in **Table-3.2**:

Table-3.2: Funds available and expenditure during 2011-17

(₹ in crore)

Name of new AIIMS	Total funds available	Expenditure	Unutilised	Percentage of unutilised fund
Bhopal	533.10	258.09	275.01	51.59
Bhubaneswar	505.69	375.20	130.49	25.80
Jodhpur	535.50	373.19	162.31	30.31
Patna	496.95	338.03	158.92	31.98
Raipur	597.79	360.06	237.73	39.77
Rishikesh	616.00	313.05	302.95	49.18
Total	3,285.03	2,017.62	1,267.41	

³ Total cost escalated ₹ 2,928 crore (₹ 820 crore - ₹ 332 crore X 6 AIIMS)

⁴ Includes items on a count of green building norms, items not included at EFC stage in November 2004,

⁵ Out of seven AIIMS selected for the Performance Audit, GIA was released to six new AIIMS where as no GIA was released to AIIMS-Raebareli as it was not functional as of March 2017.

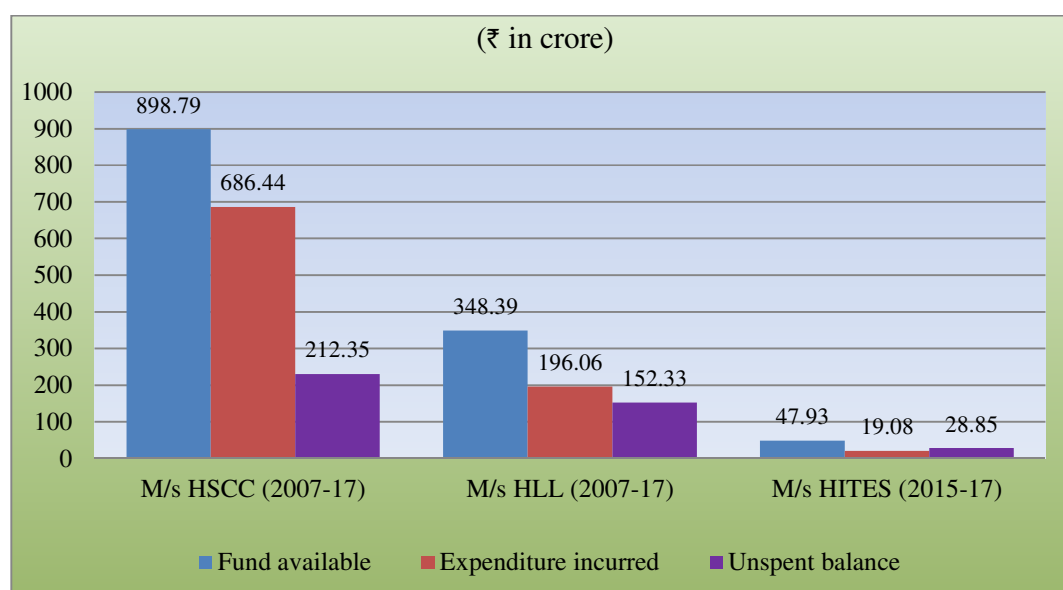
The main reasons for unspent funds were slow progress of construction work and failure on the part of the institutes to factor in available funds while submitting requirement of funds to the Ministry and delays in filling up of vacancies.

The Ministry attributed the unspent balances to non-filling up of posts and delay in implementation of the Seventh Pay Commission scales.

3.5 Non-utilisation of funds of ₹ 830.81 crore by the nominated agencies

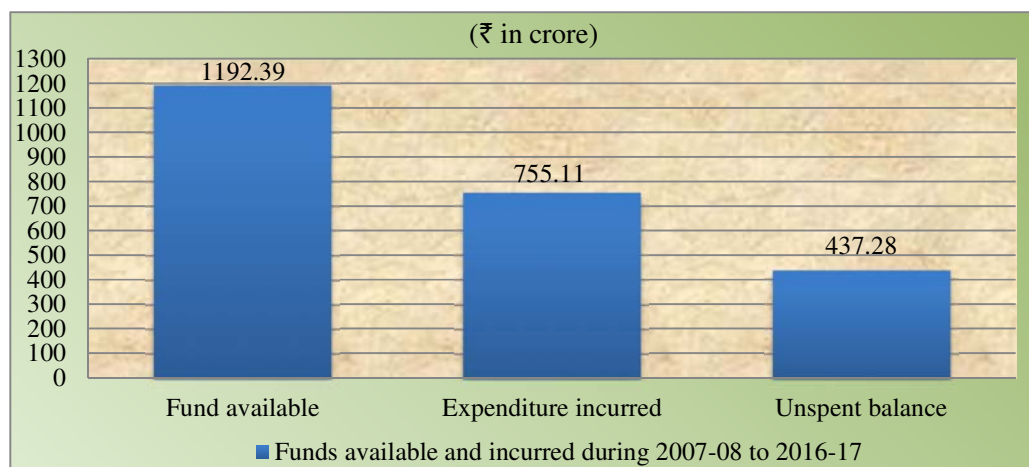
Ministry released funds to nominated agencies i.e. M/s HLL, HITES and HSCC for civil works relating to GMCIs and residential complexes of new AIIMS and for procurement of medical equipment. These agencies could not fully utilize these funds and were holding substantial unspent funds as of March 2017. An amount of ₹ 393.53 crore provided by the Ministry/Institutes for civil works and ₹ 437.28 crore for procurement of equipment were lying unspent with these agencies as depicted in **Charts-3.1** and **3.2**:

Chart-3.1: Unspent balance available with Nominated Agency (Civil Works)



(Source: M/s HSCC, M/s HLL and M/s HITES)

Chart-3.2: Unspent balance with Nominated Agency (Procurement of Equipment)



(Source: M/s HLL)

Audit noted that the reasons for the funds remaining unspent were non-finalisation of bills, delay in finalising proposals for procurement of equipment and non-provision of contractual manpower.

The Ministry stated (February 2018) that the contract required to maintain a balance of funds of 10 *per cent* of tendered cost for civil works. It added that these amounts will be refunded along with interest during final settlement of accounts by the nominated agencies.

The reply of the Ministry is not tenable as the agreements only provided for payment of an initial deposit of 10 *per cent* and there was no requirement to maintain this throughout the contract period. Further, reasons like delay in finalising procurement proposals and lack of synchronization with provision of requisite manpower pointed to deficiencies in management and coordination that resulted in funds totalling ₹ 830.81 crore remaining unutilised with the institutions and the PSUs.

3.6 Idling of funds with GMCIs amounting to ₹ 63.85 crore

In five GMCIs (**JNMC-Aligarh**, **NIMS-Hyderabad**, **RIMS-Ranchi**, **RPGMC-Tanda** and **IMS-Varanasi**) funds amounting to ₹ 63.85 crore, received for civil works and procurement of equipment, remained idle for periods ranging from two to five years. Details are given in **Annex-3.1**. Idling of funds was indicative of the failure of the Ministry to monitor proper and timely utilisation of funds.

3.7 Non-inclusion of interest clause in the contract agreement

The Ministry generally included a provision in the contract with M/S HLL for adding the interest earned on funds received/advances drawn to the balances of deposits/advances for civil work and procurement of equipment for upgradation of GMCIs under Phase-I and in the contracts for provision of pre-clinical equipment. However, a clause to this effect was not included by the Ministry in the agreement entered into in August 2013 with the agency for procurement of clinical equipment for the six new AIIMS. As a result, an amount of ₹ 30.45 crore earned as interest as on 31 March 2017 by M/s HLL on amounts advanced to the company for procurement of equipment had not been added to the deposit received/advance drawn by the company.

The Ministry informed (February 2018) that M/s HLL had agreed to return unused project funds along with interest after finalization of accounts of the project.

3.8 Diversion of funds amounting to ₹ 26.71 crore

Clause 10 of the MoU states that the GMCIs/State Government shall not divert the grants for any other purpose and unutilized grants shall be refunded to the Ministry. Audit noticed that four GMCIs (**BJMC-Ahmedabad, BMCRI-Bangalore, NIMS-Hyderabad and RIMS-Ranchi**) diverted funds amounting to ₹ 26.71 crore for other purposes as detailed in **Annex-3.2**. For example, funds for procurement were diverted to meet cost escalation of civil works and installation of gas manifold system, comprehensive maintenance contract and purchase of consumables items. Similarly, funds for computerisation were diverted for centralised air conditioning and minor civil works.

Ministry stated (February 2018) that the cases relate to GMCIs which were within the jurisdiction of the Institutes and State Governments. The fact remains that such diversion of funds was against the provisions of the MoU and the Ministry cannot be absolved of its responsibility to ensure that funds released are utilized for the intended purpose.

3.9 Outstanding Utilization Certificates amounting to ₹ 234.98 crore

According to clauses 12 and 13 of the MoU between the Ministry and GMCIs, advances/subsequent release shall be made by the Ministry on the satisfaction that the beneficiary institution had furnished necessary statement of expenditure and utilisation certificate. Audit noticed that utilization certificates in seven GMCIs amounting to ₹ 234.98 crore were not furnished to the Ministry as shown in **Annex-3.3**. In the absence of proper utilisation certificates, there was no assurance that funds were used for the purpose for which these had been provided and not diverted or parked. In some cases, balance funds required for civil works and purchase of equipment were not released by the Ministry for want of UCs thereby holding up procurement.

The Ministry intimated (February 2018) that this issue will be taken up with the concerned State Government/Institutes.

3.10 Delay in adjustment of advances

As per clause 10.4 of the MoU signed between the nominated agencies i.e. (M/s HLL and M/s HSCC) and the Ministry, the consultant/contractor had to submit adjustment bills on 30 days'-cycle basis. Ministry had released funds to different nominated agencies in Phase-I and Phase-II of PMSSY for setting up of new AIIMS and upgradation of GMCIs. Audit noted that though the assigned work was completed by the concerned nominated agencies in some cases, advances amounting to ₹ 254.15 crore were not settled as of March 2017 even though periods upto seven years had elapsed since completion of work as given in **Table-3.3**.

Ministry stated (February 2018) that it was taking steps for formal closure of the activities.

Table-3.3: Non-adjustment of advances to Nominated Agencies

(₹ in crore)

Sl. No.	Phase	Name of the new AIIMS/GMCI	Name of the nominated agency (M/s)	Funds released including interest	Unspent balance as on March 2017	Date of start of work	Date of completion of work
1.	II	AIIMS-Raipur	HSCC	32.91	2.28	June 2008	February 2011
2.	I	RPGMC-Tanda	HSCC	45.94	6.51	November 2011	February 2014
3.	II	NIMS-Hyderabad	HSCC	93.53	22.81	March 2008	July 2010
4.	II	JNMC-Aligarh	HLL	81.77	13.75	November 2011	March 2016
Total				254.15	45.35		

Further, in **BMRCI-Bangalore** and **GMKMC-Salem**, though civil works were completed in October 2010 and July 2010 respectively, the nominated agency (M/s HLL) refunded the unspent amount along with interest earned thereon, only after a lapse of more than three years as given in **Table-3.4**:

Table-3.4: Delay adjustment of advances to Nominated Agencies

(₹ in crore)

Name of GMCI	Funds available	Expenditure incurred	Balance fund	Date of completion of work	Date of final adjustment	Period of fund retained
BMCRI-Bangalore	54.35	53.50	0.85	July 2010	September 2013	Three years & two months
GMKMC-Salem	87.72	83.24	4.48	October 2010	June 2014	Three years & eight months
Total	142.07	136.74	5.33			

3.11 Avoidable/excess payment amounting to ₹ 14.74 crore

Avoidable/excess payment to the tune of ₹ 14.74 crore was made by the seven new AIIMS (**Bhopal, Bhubaneswar, Jodhpur, Patna, Raipur, Rishikesh** and **Raebareli**) and two GMCI (**BJMC-Ahmedabad** and **IMS-Varanasi**). It included avoidable or excess payment of ₹ 12.47 crore on account of excess demand charges due to poor assessment of power requirements, payment of customs duty due to failure to apply for customs duty exemption certificate, unnecessary payment of service tax and excess payment of consultancy fees. In addition, the new AIIMS paid ₹ 2.27 crore to faculty members and officers irregularly, on account of “Learning Resource Allowance” despite specific instructions of the Ministry that such payments should be stopped immediately. The details have been brought out in **Annex-3.4**.

The Ministry stated (February 2018) that the institute had sought expert opinion on the issues raised.

3.12 Short deduction/non-deduction of Taxes amounting to ₹ 8.84 crore

An amount of ₹ 8.84 crore of statutory dues such as royalty, tax deducted at source and value added tax was found to have been either not deducted or short deducted by five new AIIMS (**Bhopal, Jodhpur, Raipur, Rishikesh and Raebareli**) as given in **Annex-3.5**.

Audit Summation

The total approved cost of the first three phases of PMSSY was ₹ 16,076.37 crore of which ₹ 12,463 crore constituted capital costs. The Ministry had released ₹ 9,207.18 crore during the period 2004-05 to 2016-17 under the Scheme for setting up of new AIIMS and upgradation of GMCIs. However, a significant portion of the funds remained under-utilised due to delays in obtaining approval, delays at the planning stage, delays in execution of works, slow pace of procurement of equipment and non-filling up of posts. Lack of effective monitoring and tracking of actual utilisation led to ₹ 830.81 crore lying unutilised with the nominated agencies as on March 2017 as well as diversion of funds amounting to ₹ 26.71 crore. Deficient financial management is also evidenced by outstanding utilisation certificates of ₹ 234.98 crore and non-settlement of advances ₹ 259.48 crore which increases the risk of diversion and idling of funds.

CHAPTER-IV: SETTING UP OF NEW AIIMS

4.1 Introduction

Projects for new AIIMS has three principal components viz. (a) construction works, (b) procurement of equipment and furniture and (c) recruitment of manpower. Construction works and procurement of equipment and furniture were divided into six packages. In addition, construction of residential complex was also taken up in each AIIMS.

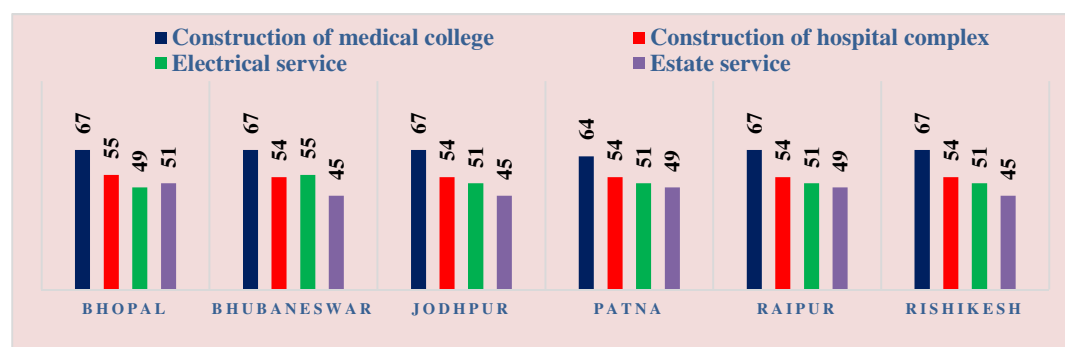
(A) Execution of works

4.2 Delay in implementation of Hospital, Medical College, Estate and Electrical Packages

Initial approval for the six new AIIMS was granted by the Government in March 2006 for completion within three years i.e. by March 2009. However, none of the works except those relating to residential complexes had even commenced within this period.

While approving revised estimates for the six new AIIMS in March 2010, it had been stipulated that the new AIIMS be set up within three years from the date of approval i.e. by March 2013¹. The scheduled dates for start of work under various packages were between May 2010 and July 2012 and the scheduled dates of completion were between August 2011 and July 2013. However, the target dates were not achieved in any of the new AIIMS and there were delays of about four to five years as depicted in **Chart-4.1**:

Chart-4.1: Delay in construction of new AIIMS (in months) as on 31 March 2017



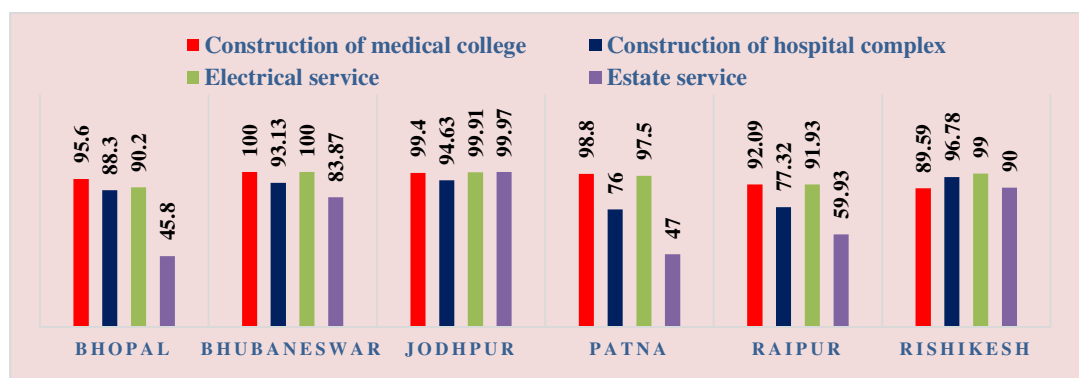
¹ CCEA had approved the revised proposal in March 2010.

New AIIMS in Raebareli

The CFA approved the setting up of a new AIIMS at Raebareli, under Phase-II of the PMSSY on 5 February 2009. According to the approval, the project was to be completed by the end of February 2012. However, no work on the new AIIMS except the work of housing complex had been started as on March 2017. The work of Residential and Hostel Blocks which was started in November 2013 and was scheduled for completion by February 2015, was still in progress.

Only two out of 24² packages i.e. construction of medical college complex and electrical works for **AIIMS-Bhubaneswar** had been completed. The physical progress of other packages ranged from 45.8 per cent to 99.97 per cent as shown in **Chart-4.2**:

Chart-4.2: Physical Progress of new AIIMS (Per cent)



The main reasons for the delays were preparation of erroneous Bills of Quantities, delays in issue of drawings by design consultants, delays in providing work sites, delays in clearance of deviations, extra items and substituted items, cash flow problems of agencies due to withheld payments due to delays in granting clearances, slow progress of work by contractors, vacancies in engineering positions in the Project Cell of the new AIIMS and abandonment of works by Project Consultants and delay in making alternate arrangements. These reasons were indicative of deficient project and contract management, administrative laxity and weak monitoring. It was incumbent upon the departments to take effective steps where necessary to mitigate the delays, remove bottlenecks and expedite the progress.

² 24 packages (four package each of six new AIIMS (i) Construction of medical college, (ii) Construction of hospital complex, (iii) Electrical service and (iv) Estate service.

Ministry attributed (February 2018) the delays to site-specific issues such as poor performance on the part of the consultants and failure of contractors to perform at desired levels. The reply of the Ministry is not acceptable as it was the responsibility of the Ministry to select competent consultants and ensure time bound completion of projects through better management and monitoring.

Effluent Treatment and Sewage Treatment Plants

A provision for Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) was included under package-IV for each new AIIMS. Audit noted that works for package-IV were awarded only between February 2012 and July 2012. Further, construction of ETP and STP was delayed by more than four years and had not been completed at new AIIMS at **Bhopal, Raipur and Patna**. The ETP and STP at AIIMS **Bhubaneswar** though completed was not functional. Failure of the project authorities in these cases to synchronise construction and operationalization of ETPs and STPs exposed the Institutes to the risk of pollution and contamination from hospital effluents and posed a health hazard to patients as well as the visiting public.

4.3 Works relating to Residential Complexes

The Project Management Committee (PMC) had decided to delink work with regard to residential complexes at the six new AIIMS from the work of other packages and had commenced planning for the same in 2007 itself. It had initially proposed to undertake these works on “Engineering, Procurement and Construction” (EPC) basis. However, it could select an agency for undertaking work on this basis only in the case of new AIIMS Jodhpur. As a result, M/s HLL and M/s HSCC were nominated as consultants for two sites each and the consultants entrusted with the main packages were assigned this work at the remaining site. Construction agencies were selected at these five sites in July/August 2008 and the work commenced in September 2008 at four locations and in November 2008 at one location with scheduled completion within 18 months. Work has been completed at four AIIMS with delays ranging from five months to nearly three years. At the remaining site i.e. Bhubaneswar, one phase of the work is still to be completed. The main reasons for delay in completion of work relating to residential complexes were

disputes relating to land, site related hindrances, late commencement of work and slow pace of work by contractors.

4.4 Deficiencies in execution of works

While undertaking construction projects, it is vital that project costs are estimated based on applicable scales, schedule of rates/assessed market rates, prevailing site conditions and special requirements, if any, taking into account the nature of the project. It is also important that projects are thereafter implemented in terms of GFRs, manuals, guidelines and the contract so that costs and time lines are not exceeded. Audit noticed several deficiencies in execution of the projects with a total financial implication of ₹ 140.28 crore as detailed in succeeding paragraphs.

4.4.1 Improper estimation of quantities of items

Section 2.5 of the CPWD Works Manual states that a technical sanction amounts to a guarantee that the works proposals are technically sound and that the estimates are accurately prepared and are based on adequate data. In the case of three new AIIMS projects (**Patna, Rishikesh and Raebareli**), it was noted that there were deviations upto 150 times in the original quantities in actual quantities with respect to 127 items of work as compared to quantities given in the Bill of Quantities (BOQ) of the contract. The total monetary value of these deviations was ₹ 74.84 crore as detailed in **Table-4.1**:

Table-4.1: Deviation of items

(₹ in crore)

Sl. No.	Name of new AIIMS	Description of work	Number of items	Deviation in per cent	Amount incurred due to deviation
1.	AIIMS-Patna	Construction of medical college building and Hospital Complex (Package-I and Package-II)	1	158 to 173	41.68
2.	AIIMS-Rishikesh	Construction of hospital complex building (Package-II)	70	133 to 15,000	5.94
		Construction of hospital complex building (Package-II)	13	133 to 400	7.64
		Civil work, internal PH works and internal electrical work (Package-I)	30	132 to 900	6.62
		Construction of medical college building (Package-I)	1	195	10.78
		Construction of Hospital Complex, Estate Service (Package-IV)	4	109 to 2016	0.54
		Construction of Hospital complex (Package-II)	2	114 to 135	0.03

Sl. No.	Name of new AIIMS	Description of work	Number of items	Deviation in per cent	Amount incurred due to deviation
3.	AIIMS-Raebareli	Construction of Housing Complex including external development and service (Package-I)	6	134 to 853	1.61
Total			127		74.84

Avoidable expenditure of ₹ 3.75 crore on deviated items

Clause 12 of GCC applicable to contracts for works provides that deviation in quantity upto 30 per cent beyond plinth/foundation level and 100 per cent upto plinth/foundation level was permissible and beyond this limit payment was to be made at market rates.

In Package-II of **AIIMS-Jodhpur**, several items of work were executed beyond permissible limit and an additional amount of ₹ 1.76 crore was paid to contractors at prevailing market rates. The Institute admitted (June 2017) mismatch in quantity executed and the quantity in BOQ and attributed it to incorrect survey by the Design and DPR Consultants (DDPRC). Similarly, in Package-I and II of **AIIMS-Patna**, the quantity given in BOQ was not as per drawings which resulted in excess consumption of 6,855.40 MT of TMT Bars leading to an additional expenditure of ₹ 1.99 crore.

The extent of variation indicated inadequate technical scrutiny at the time of grant of technical sanctions as the quantities of items of work mentioned in the detailed estimates had not apparently been realistically estimated nor were based on field survey and site conditions. This led to payment of higher market rates to contractors than what was otherwise admissible under the contracts.

Ministry stated (February 2018) that actual execution of quantities always deviates from estimate as it is not possible to cater for all future circumstances. The reply of the Ministry is not tenable as such large deviations indicate unrealistic estimation of quantities and inadequate technical assessment and improper site surveys.

4.4.2 Excess payment to contractors

(a) Adoption of higher rates

As per Notice Inviting Tender (NIT), bids for construction of Medical College, Hospital Complex and Estate Services (Package I, II and IV) in four new AIIMS (**Bhopal, Jodhpur, Patna and Raipur**) were invited on percentage basis. The BOQ was prepared on the basis of Delhi Schedule of Rates (DSR) 2007 considering cost index at the rate of 13 *per cent* over DSR rates. The bids were processed between December 2009 and March 2012. CPWD had reduced the rate of some DSR items by issuing correction slips³ during the period March 2007 to November 2009. However, the corrected rates of some of the DSR items were not incorporated while preparing the BOQ resulting in excess payment of ₹ 9.28 crore to the contractors as given in **Table-4.2:**

Table-4.2: Excess payment due to adoption of higher rates in BOQ

(₹ in crore)

Sl. No.	Name of new AIIMS	Description of work	Excess payment to contractor
1.	Bhopal	Package-I, II and IV	2.08
2.	Jodhpur	Package-I, II and IV	1.35
3.	Patna	Package-I, II and IV	3.31
4.	Raipur	Package-I, II and IV	2.54
		Total	9.28

Further, scrutiny of records related to construction work of hospital complex (Package-II) at new AIIMS Raipur revealed that bids were invited on percentage rate basis. The Institute had however not taken price index for steel and cement for the period from May 2013 to August 2013 issued by CPWD into consideration. This resulted in excess payment of ₹ 1.84 crore⁴ to the contractor.

Ministry stated (February 2018) that as the NIT was called on percentage rate system, bidders quote their percentage after analysing their rates and costs. The reply of the Ministry is not acceptable as basic rate given in the NIT itself was inflated leading to rates quoted as a percentage of base rates being inflated.

³ Correction slips No. 1 of March 2007, No. 2 of November 2008 and No. 5 of November 2009.

⁴ ₹ 1.72 crore for steel and ₹ 0.12 crore for cement.

(b) Price escalation in violation of contract

An amount of ₹ 8.50 crore was paid to contractors due to excess payment of price escalation in new AIIMS at **Jodhpur** and **Patna** as discussed below:

AIIMS Jodhpur

- (i) Clause 10 CC of the agreement relating to Hospital complex (Package-II) stipulated that price escalation for civil component/electrical component shall be paid as worked out on the basis of All India Wholesale Price Index (WPI) for Individual Commodities/Group Items for the period under consideration. Further, price escalation for HVAC, lifts and internal electrical work was to be paid on the basis of WPI issued for air conditioners, lifts and electrical accessories. Audit observed that the price escalation paid to the contractor was not calculated as per the above provisions as indices for all commodities had been taken into account instead of indices for Individual Commodities/Group Items. This resulted in an excess payment of ₹ 5.03 crore.

The Institute stated that it was difficult or impractical to take into account indices for individual commodities. The reply patently untenable is it was incumbent upon the Institute to calculate the payments due to the contractor strictly as per the terms of the contract.

AIIMS Patna

- (i) As per the agreement with respect to Package II, payment for excess quantity upto 30 *per cent* was to be made as per agreement rates while payment for quantity beyond this was to be made as per market rate. Audit noted that though payment for excess quantity of TMT bars beyond 30 *per cent* was made at market rates which included escalation, an escalation of ₹ 1.15 crore was also allowed on this quantity of TMT bars. Payment of price escalation when payments were made on market rate was not correct as the market rate already had an in built element of escalation and this resulted in excess payment of ₹ 1.15 crore to the contractor.

Ministry stated (February 2018) that payment at market rates for excess quantity beyond 30 *per cent* was as per the Agreement. The reply is not

tenable, as audit has not questioned payment of market rate but the allowance of price escalation.

- (ii) As per contract entered into between Ministry and contractor for various works for AIIMS Patna, escalation clause was not applicable for heating ventilation and air-conditioning (HVAC) works. The work was to be executed on turnkey basis. The contractor in turn entered into a MoU with an air conditioning firm at an agreement value of ₹ 37.87 crore. Audit observed that the Institute paid price escalation of ₹ 2.32 crore in contravention of the agreement. Despite the excess payment, the work remained incomplete as of March 2017.

Ministry stated (February 2018) that the Empowered Review Committee of AIIMS Patna had changed the nature of work from turnkey to item rate work. Audit, however, observed that there had been no change in the contract terms and as such the payment has to be regulated as per the terms of the existing contract.

4.4.3 Poor contract management

(i) Repeated grant of time extension

The General Conditions of Contract (GCC) stipulates that time allowed for execution of works as specified in the contract shall be the essence of the contract and the contractor shall submit a time and progress chart for each milestone and get the same approved by the Department. Clause 5.3 of the GCC also stipulates that the contractor may request in writing for re-scheduling of milestones and extension of time (EoT). The Engineer-in-Charge (EIC) may give extension of time and re-schedule the milestones for completion of work. Repeated grant of extensions of time without due justification or without reference to any pre-determined milestones reflects a lack of concern for adherence to time lines and the need for early completion of works. Audit noticed the following:

- (a) Neither time nor progress charts had been submitted by contractors (Package-I, III, IV) in **AIIMS-Jodhpur** nor were any milestones fixed. Moreover, EIC/Ministry repeatedly granted provisional EoTs without any written request from contractors and without re-scheduling of milestones. The Institute stated (June and July 2017) that the competent authority could grant fair and reasonable EoT in terms of the GCC even if the contractor failed to apply for the same to keep the contract alive. The reply is not tenable as grant

of EoT appeared to be contractor driven though without any request from the contractor and non-submission of time and progress chart or milestones was reflective of the lack of effort on the part of the Institute in ensuring due adherence to time lines and clearly resulted in delay in project completion.

(b) Similarly, in the case of contract for Estate Services relating to new **AIIMS-Bhopal**, Clause 2 of the agreement provided that a penalty of nine *per cent* will be levied if the contractor failed to maintain required progress as per the terms of the contract and there were delays of work of six months. The contract was awarded to the contractor in February 2012 with due date of completion as 1 February 2013. The contractor did not complete the work within the stipulated time and was granted EoT eight times upto 30 June 2016. As the work still remained incomplete, the Institute rescinded the work in August 2016. The Institute stated that EoT case is being prepared by the project consultant and will be placed before the Empowered Review Committee for a decision on recovery of compensation.

(ii) Release of payments despite poor workmanship

In Package-I and Package-II of **AIIMS-Jodhpur**, contractors executed work of vitrified tile flooring as provided in BOQ at a cost of ₹ 11.61 crore. The contractors stated (June/July 2012) that they were not able to fix the tiles securely and sought approval for use of adhesive as per manufacturer's recommendations. The DDPR Consultant, however, attributed (March 2014) the matter to poor workmanship which was endorsed by the project engineers in February 2014 and November 2015. Audit noted that though the project authorities were aware of the problem since June/July 2012, they continued to release payments (July 2012 to November 2016) for the sub-standard work and had paid the full amount of ₹ 11.61 crore to the contractors. The Ministry stated (February 2018) that the contractors had re-fixed the tiles whenever required from time to time. However, on verification it was seen that while one of the contractors had re-fixed the tiles at its own cost, the other contractor which had been paid ₹ 5.72 crore for the work had intimated that it would raise a bill for the re-work done.

(iii) Excess release of Mobilization advance

Section 32.5(i) of the CPWD Works Manual stipulates that mobilization advance upto ten *per cent* of the tendered amount with a simple rate of interest of ten *per cent* can be sanctioned to contractor on specific request. This

provision is also included in the GCC applicable to contracts/agreements relating to new AIIMS. C&AG's Report No.19 of 2013 had highlighted (Para 6.2.3.3) incorrect release of mobilization advances to contractors in contracts for construction of residential complexes at new AIIMS at Bhubaneswar, Bhopal and Patna. Contract records for other works related to new AIIMS Bhubaneswar, Jodhpur and Raipur revealed excess payment of mobilization advances of ₹ 16.91 crore to four contractors as given in **Table-4.3:**

Table-4.3: Excess release of mobilization advance

(₹ in crore)

Sl. No.	Name of work	Contract value	10 per cent of contract value	Mobilization advance paid	Excess mobilization advance paid
AIIMS Bhubaneswar					
1.	Construction of Medical college	67.37	6.74	10.11	3.37
AIIMS Jodhpur					
2.	Construction of Medical college	66.39	6.64	9.96	3.32
AIIMS Raipur					
3.	Construction of Medical college	115.21	11.52	15.02	3.50
4.	Construction of Hospital complex	262.40	26.24	32.96	6.72
Total					16.91

Ministry stated (February 2018) that excess mobilization advance was paid due to financial crunch being faced by the contractors.

The reply is unacceptable as payment of mobilization advance have to be guided by the provisions of the CPWD works manual and the GCC and it is not for the department to extend financial assistance to contractors. Further, the justification given by the Ministry also raises doubts as to the efficacy of the assessment of capability including financial viability of contractors for execution of such works.

(iv) Excess payment of secured advance

As per the GCC, the contractor shall be entitled to secured advance up to 90 per cent of the assessed value of materials brought on the site during execution of the work. **AIIMS-Patna** paid secured advance of ₹ 3.79 crore to a contractor for excess quantity of TMT bars and cement at site in the construction of hospital complex (Package-II) which resulted in excess payment of secured advance of ₹ 1.49 crore as detailed in **Table-4.4:**

Table-4.4: Details of excess payment of Secured Advance

RA Bill No.	Qty. B/F from previous bill (MT)	Fresh Qty. brought since previous bill (MT)	Consumed in this bill (MT)	Balance outstanding qty at site (MT)	Difference as excess in OB in 24 RA Bill	Rate/MT given in 24 RA Bill (in ₹)	Excess payment as secured advance (₹ in lakh)
TMT bars							
23	457.519	313.096	373.37	397.245	282.955	31,244	88.40
24	680.2	146.99	0	827.19			
Cement							
23	501.85	569.9	246.75	825	1316.15	4,568	60.12
24	2,141.15	1,470.45	954	2,657.6			
Total							148.52

(v) Non-renewal of Bank Guarantee

Clause-I of the GCC stipulates that a performance guarantee will be submitted by the contractor. This guarantee will initially be valid upto the stipulated date of completion of work plus 60 days beyond that and shall get further extended upto the extended date of completion of work, if any. Audit noticed the following:

(a) Non-renewal of Bank Guarantee: In three works of **AIIMS-Jodhpur**, it was noticed that the Institute was not prompt in getting bank guarantees (BG) amounting to ₹ 15.62 crore furnished as performance guarantees renewed. As a result, these BGs expired though the work was still in progress as detailed in **Table-4.5:**

Table-4.5: Bank guarantee not renewed

Sl. No.	Name of work	BG Amount (₹ in lakh)	Stipulated date of work completion	Actual date of work completion	Date of validity of BG	Remarks
1	Hospital Complex (Package-II)	1,085.53	15-09-2012	In progress	30-04-2017	BG lapsed
2	Electrical services (Package-III)	216.91	18-12-2012	-DO-	31-12-2016	BG lapsed
3	Estate services (Package-IV)	259.22	03-07-2013	-DO-	30-09-2016	BG lapsed
Total		1,561.66				

Lack of bank guarantees undermines the ability of the Institute to enforce due compliance of contractual terms by the contractor in case of defects in work or poor performance.

(b) In **AIIMS-Bhubaneswar**, the work of DDPR Consultant was awarded to firm-A for ₹ 6.5 crore and Project Consultancy was awarded to the firm-B

Performance Audit of Pradhan Mantri Swasthya Suraksha Yojana

for ₹ 2.46 crore. In terms of the agreement, both the consultants were required to furnish bank guarantees amounting to five *per cent* of the estimated contract value. As per the GCC (Clause 5.19.1), if the agency failed to complete items of work under the contract by the stipulated period, it was required to pay compensation of a maximum of five *per cent* of the billed amount on account of such default. Clause 5.20 of the GCC further stipulated that the client also had the right to encash the performance security in the event of breach of agreement by the consultant agency. Both the firms abandoned their work during June 2015 after being paid ₹ 2.15 crore and ₹ 5.59 crore respectively. However, while records relating to BG submitted by firm-A was not available, the BG submitted by firm-B had lapsed in March 2015. In the absence of valid BGs, AIIMS-Bhubaneswar failed to enforce penal action in terms of clauses *ibid* of the agreement leading to a loss of ₹ 38.70 lakh i.e. five *per cent* of billed amount of ₹ 7.74 crore.

(vi) Avoidable/extra contractual payments

In **AIIMS-Jodhpur** avoidable and extra payments in violation of contract provisions were made in respect of works relating to Package I as discussed below:

(a) Clause 12.2 of GCC stipulated that in case of extra item(s), the Engineer-in-charge shall determine the rates for the same on the basis of a market analysis. In works relating to Package-I, substituted and extra items costing ₹ 1.31 crore were paid to the contractor (May 2017) without determining rates of these items on the basis of a market analysis and without the approval of competent authority.

(b) In the same package, the BOQ provided for fixing structural steel frame for dry cladding with cement concrete. However, during execution, this item was substituted by cement blocks without steel frame work. The Ministry directed (April 2013) recovery of ₹ 62.95 lakh from the contractor for the cladding without steel framework as substitution of the item constituted undue benefit to the contractor. This amount is yet to be recovered from the contractor as of March 2017.

(B) Installation and operationalization of equipment in New AIIMS**4.5 Overall status of procurement and installation of equipment**

Ministry appointed M/s. Hindustan Life Care Limited (M/s HLL) as Procurement Support Agent (PSA) for procurement of equipment for the six new AIIMS being established during Phase-I. The total estimated cost of equipment to be purchased was ₹ 1,200 crore (₹ 200 crore for each of the six new AIIMS) out of which ₹ 763.24 crore was released to M/s HLL (March 2017). The amount allocated for procurement of equipment, orders placed and the cost of equipment delivered as on March 2017 are shown in **Chart-4.3**:

Chart-4.3: Allocation of funds and value of equipment ordered*(₹ in crore)*

As per Ministry's order (July 2013), all procurement processes viz. procurement, inspection, quality assurance, delivery and installation were to be completed in three months for domestic items and in five months for global items. Further, equipment and machinery received in hospitals were to be installed and commissioned as per the time schedule prescribed in the purchase contract.

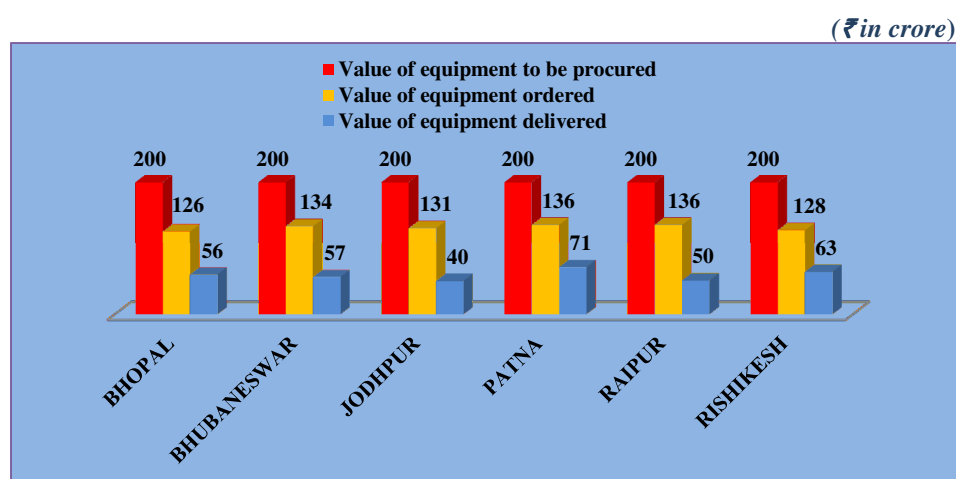
4.5.1 Inadequate assessment of requirement

AIIMS-Patna, procured 15 items such as hospital beds, hostel cots and Monitors costing ₹ 2.84 crore during January 2015 and September 2016 in excess of requirement. As a result, these items were lying unused for periods ranging from eight months to over three years.

4.5.2 Non-supply of equipment

The value of the equipment ordered and delivered against the allocation, institute-wise, as on March 2017 is depicted in the **Chart-4.4**:

Chart-4.4: Value of equipment ordered and delivered



Against procurement orders for 5,834 items of equipment (March 2017) costing ₹ 791 crore, 4,516 items equipment costing ₹ 337 crore had been received by the Institutions. Thus, 1,318 items of equipment (22.59 per cent) with estimated cost of ₹ 454 crore (57.39 per cent) remained undelivered as on 31 March 2017 for periods upto 25 months from the due date of delivery. It was evident that major items of equipment were yet to be delivered. The main reasons for delays were non-readiness of site, non-acceptance of equipment by the Institutes, reluctance on the part of vendors to make supplies due to delay in issue of delivery receipts/installation certificate for earlier supplies and delays in submission of invoices. Audit observed that such delays could be mitigated by prompt and timely administrative action and effective monitoring.

Delayed Supplies

In **AIIMS Raipur**, 58 items of equipment such as ICU ventilator, CT 128 slice, orthopaedic operation theatre and MRI machine valuing ₹ 44.46 crore were supplied with delays ranging between three and 23 months from the stipulated date of delivery.

4.5.3 Non-installation of equipment

A total of 195 equipment such as Heart-Lung machines, digital mammography, cardiac monitors, Bi-Plane DSA, CT 128 Slice etc. costing ₹ 72.04 crore that were delivered were not installed due to pending civil work, non-availability of site, non-availability of adequate space in the concerned department and non-availability of skilled manpower. These equipment were

consequently lying un-installed in the hospitals for periods ranging between three months and four years as on March 2017 as detailed in **Table-4.6:**

Table-4.6: Non-installation of equipment

Sl. No.	Name of new AIIMS	Number of equipment	Cost of equipment (₹ in crore)	Months for which equipment remained un installed
1.	Bhopal	9	10.38	13 to 42
2.	Bhubaneswar	12	3.41	03 to 42
3.	Jodhpur	58	3.56	07 to 27
4.	Patna	62	7.77	04 to 42
5.	Raipur	42	33.80	04 to 41
6.	Rishikesh	12	13.12	12 to 48
	Total	195	72.04	

Non-installation of equipment had resulted in delays in operationalization of the critical healthcare facilities and deprived patients of diagnostic/therapeutic benefits.

Ministry stated (February 2018) that the issues were being sorted out with the suppliers.

4.5.4 Delay in installation of equipment

There were delays ranging from three months to over three years in installation of 850 equipment costing ₹ 76.40 crore in four new AIIMS (**Bhopal, Bhubaneswar, Patna and Rishikesh**) as detailed in **Table-4.7:**

Table-4.7: Delay in installation of equipment

Sl. No.	Name of new AIIMS	No. of equipment	Cost of the equipment	Delay in installation of equipment (in months)
1.	Bhopal	4	0.30	15 to 26
2.	Bhubaneswar	284	25.28	3 to 42
3.	Patna	486	22.41	6 to 37
4.	Rishikesh	76	28.41	3 to 29
	Total	850	76.40	

Thus, the Institutes procured equipment without ascertaining the availability of space, manpower and infrastructure required for installation. Due to non-installation/delayed installation of medical equipment, patients were deprived of the benefits from medical equipment procured at a high cost. Further operationalization of key diagnostic and in-patient facilities would also have been adversely affected.

Ministry stated (February 2018) that procurement orders have been synchronized with construction and manpower recruitment and orders are now being placed centrally since 2016 to avoid such situations.

4.5.5 Non-functioning/non-utilization/under-utilization of equipment

Audit noted that 123 equipment costing ₹ 55.07 crore procured during July 2013 to December 2016 in four new AIIMS (**Bhubaneswar**⁵, **Patna**⁶, **Raipur**⁷ and **Rishikesh**⁸) were not functional or remained unutilised/underutilized as on March 2017 though installed.

Audit noted that the reasons for non-functioning non-utilization/under-utilization of the equipment were poor after sales service, equipment being defective at the time of installation, breakdowns and absence of required manpower for operating the equipment.

4.5.6 Deficiency in procurement of equipment

Rule 160 of GFR stipulates that all government purchases should be made in a transparent, competitive and fair manner to secure best value for money. Para (xiv) of Rule 160 of GFR further stipulates that contracts should ordinarily be awarded to the lowest evaluated bidder except where the lowest bidder is not in a position to supply the full quantity required. In that event, the remaining quantity may be ordered from the next higher bidder at the rates offered by the lowest bidder. Audit noted the following deviations from these stipulations:

(a) **AIIMS Patna**, purchased chairs at the rate of ₹ 4,767/unit from a firm even though another firm had quoted a lower rate of ₹ 2,919.75/unit. The firm quoting the lowest rate was excluded from financial evaluation by the Financial Bid Committee although it was technically qualified by the Technical Evaluation Committee (TEC). This resulted in excess payment of ₹ 16.62 lakh.

(b) In **AIIMS Rishikesh**, a tender was floated for procurement of 260 Fowler beds in December 2014. Ten bidders were found to be technically qualified for opening of their financial bids. Audit, however, noted that though the financial bids for all the qualified bidders were opened, comparative statement was prepared only for three firms while the remaining seven firms

⁵ 29 equipment costing ₹ 13.48 crore

⁶ 14 equipment costing ₹ 37.09 crore

⁷ 76 equipment costing ₹ 3.85 crore

⁸ Four equipment costing ₹ 0.65 crore

were not considered for financial comparison without assigning any reason. Based on the lowest rates from amongst the three bidders, a supply order for supply of beds was placed at the rate of ₹ 22,050 per unit in October 2015 on a Firm treating it as L1. The total value of the order was ₹ 57.33 lakh. Audit observed that another firm that had been technically qualified had quoted a lower rate of ₹ 12,450 per unit. Due to non-consideration of the bid given by this firm, AIIMS Rishikesh incurred an extra expenditure of ₹ 24.96 lakh on the procurement. Further, payments were made for the beds supplied even though the Inspection Committee of the Institute had found these beds to be not as per specifications.

Payment for substandard equipment

Rules 187 (1) and (2) of GFR stipulates that a technical inspection by a Technical Inspector or agency approved for the purpose before goods and materials are received and accepted to ensure that the quantities and specifications conform to that stipulated in the contract. Audit observed that **AIIMS Patna** procured 4D Color Doppler Ultrasound Machine worth ₹ 72 lakh in March 2014 from a firm. In June 2015, the Head of the Radiology Department pointed out that the machine procured was not as per the tender specifications as it did not have the facility of quantitative electrography and only recorded semi-quantitative measurements. The Institute thereafter asked the firm to upgrade the machine as per the stipulated technical specifications. The firm however, did not upgrade the equipment (July 2017). Thus, acceptance of substandard equipment by the Institute without proper technical inspection resulted in acquisition of an equipment worth ₹ 72 lakh that did not fully meet its requirements.

(C) Availability of Human Resources in new AIIMS

4.6 Shortage of Manpower

The Ministry sanctioned 305 faculty posts and 3,776 non-faculty posts for each of the six AIIMS. The position of sanctioned strength vis-à-vis person-in-position of faculty and non-faculty posts as of March 2017 in new AIIMS was as given in **Charts-4.5** and **4.6**:

Chart-4.5: Shortage of faculty posts

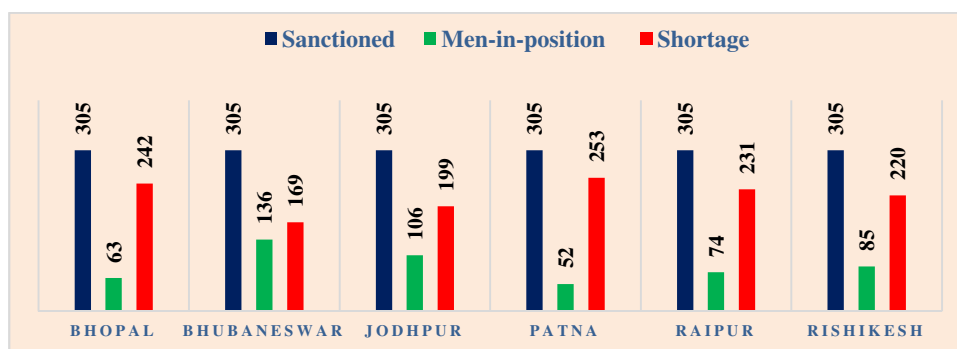
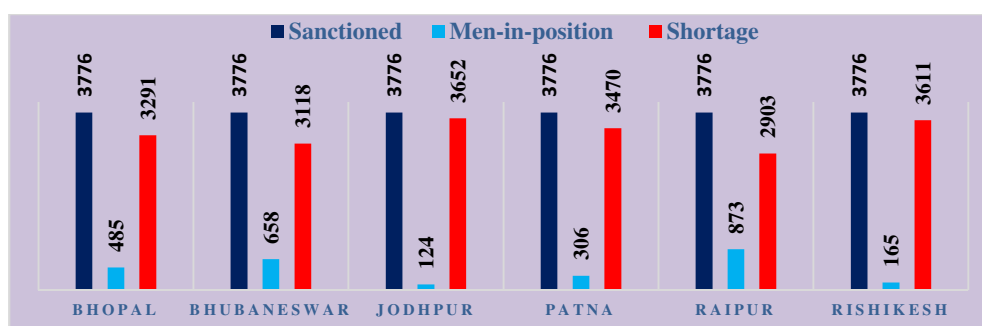


Chart-4.6: Shortage of non-faculty posts



The shortage against various faculty and non-faculty posts in different AIIMS ranged from 55 per cent to 83 per cent and 77 per cent to 97 per cent respectively. The shortages restricted the functioning of several departments and led to reliance on outsourced employees, additional load on doctors during OPD and for carrying out tests and ultimately failure to provide treatment of required quality to patients. The delay in filling up of posts were attributed to delay in finalizing recruitment rules, court cases, non-availability of eligible candidates and lack of synchronization of recruitment with development of infrastructure.

4.6.1 Outsourcing of staff without tendering

As per Rule 181 (b) of General Financial Rules, an advertised tender enquiry is required to be issued for award of any work or service valued at above ₹ 10 lakh. However, **AIIMS-Bhopal** engaged an agency for provision of manpower without tendering as stipulated in the GFRs. The Institute had paid ₹ 5.13 crore upto March 2015 to the agency in addition to service charges @ 1.96 per cent. The engaging of an agency for providing staff without following the GFR provisions for procurement of services was irregular and also deprived the Institute the benefit of competitive pricing.

4.6.2 Recruitment of staff and faculty without essential qualification

(i) **AIIMS-Jodhpur**, hired technical staff on contract basis from November 2013 to March 2017. As on 31 March 2017, a total of 228 technical staff were working in different departments on outsourced basis. It was observed that 37 of these personnel did not fulfil the essential technical qualification or experience as per terms and conditions of the contract but were providing technical services in laboratories. The Institute stated (August 2017) that it was very difficult to find technical staff due to the location of Jodhpur. The reply is not acceptable as unqualified staff providing services in medical establishments pose a risk to patients.

(ii) Scrutiny of 84 cases of recruitment of faculty in **AIIMS Bhubaneswar**, brought out that seven Assistant Professors and one Associate Professor were appointed though they did not have the prescribed teaching experience or academic qualification.

(D) Achievement against envisaged deliverables

4.7 Functioning of Hospital

Hospital facilities at all the six new AIIMS planned in Phase-I of PMSSY have commenced functioning from 2012-13. The data provided by the Ministry on OPD and IPD patient attendance in these new AIIMS during the period 2012-13 to 2016-17 is given in the **Table-4.8**:

Table-4.8: OPD and IPD attendance in new AIIMS since the start of their functioning

Name of the new AIIMS	Average OPD patient attendance per day					IPD patient attendance Annual				
	2012-13	2013-14	2014-15	2015-16	2016-17	2012-13	2013-14	2014-15	2015-16	2016-17
Bhopal	68	188	795	906	963	NA	NA	773	2,330	3,137
Bhubaneswar	223	456	856	928	1,242	9	626	5,204	8,252	NA
Jodhpur	-	148	582	837	1,214	-	-	2,316	6,298	9,950
Patna	-	203	613	931	1,018	-	-	2,043	3,458	4,501
Rishikesh	-	234	524	781	1,100	-	126	2,004	3,571	7,073
Raipur	NA	234	724	771	791	NA	105	1,875	4,281	6,050

Audit observed that the patient load in both OPD and IPD was increasing every year in each of the six new AIIMS. Thus, deficiencies in equipment and delay in opening of facilities and services would increasingly impact the delivery of required medical services to the patients.

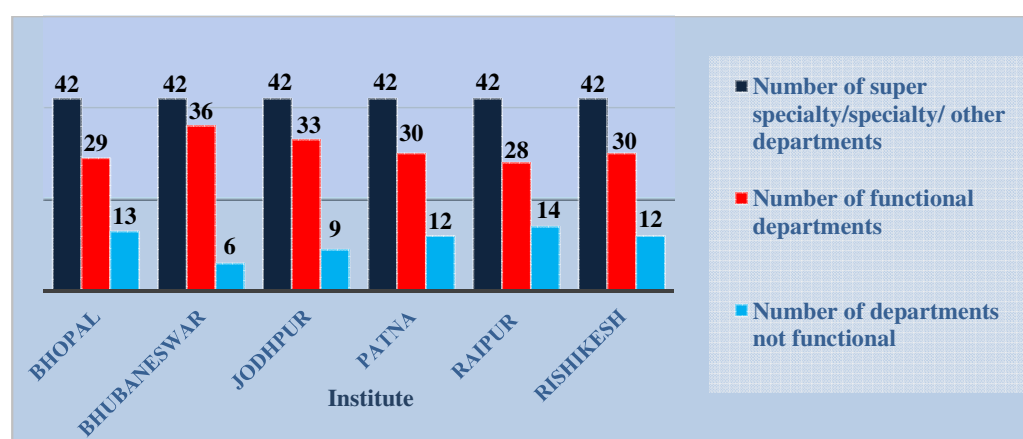
Non-functional OPD in AIIMS-Raebareli

In November 2013, the Ministry decided to start a temporary OPD at **AIIMS-Raebareli**. The construction work of the temporary OPD was completed in February 2014 at a cost of ₹ 4.71 crore. In March 2014, the Ministry sanctioned an advance of ₹ five crore to M/s HSCC for outsourcing required manpower and procurement of equipment to make the temporary OPD functional. However, as M/s HSCC neither procured equipment nor deployed any manpower, the OPD could not be made operational as of August 2017.

4.7.1 Non-functional departments

The scheme envisaged creation of 42 Speciality/Super-speciality/other departments in each new AIIMS. The position of actual creation of Departments as against the numbers planned is depicted in the **Chart-4.7**:

Chart-4.7: Number of functional departments



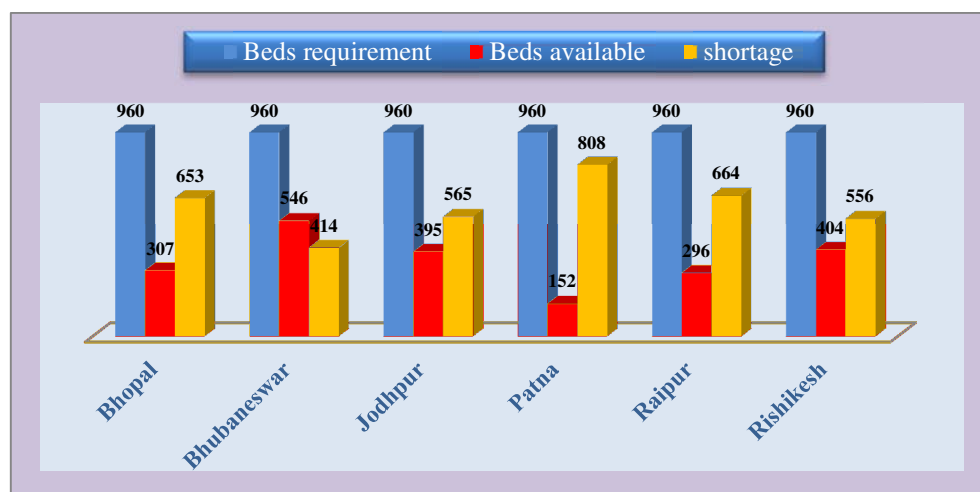
Thus, though all six new AIIMS were functional, six to fourteen speciality, super-speciality and other departments such as nephrology, cardio-thoracic & vascular surgery, gastroenterology, surgical gastroenterology and pediatric surgery in the new AIIMS have not become functional as a result of delays in construction work, shortage of manpower and shortfalls with regard to provision of equipment.

4.7.2 Shortfall with respect to availability of beds

A basic requirement for proper service delivery and quality patient care/treatment was the provision of adequate number of beds for patients. The

scheme envisaged that each new AIIMS would have a 960 bedded hospital⁹ and the scheduled dates of completion were between August 2011 and July 2013. However, only 152 to 546 beds were available as on March 2017 in these Institutes as depicted in the **Chart-4.8**:

Chart-4.8: Availability of beds in six new AIIMS



Thus, the shortage of beds in the new AIIMS ranged from 43 per cent to 84 per cent.

Ministry stated (February 2018) that the shortage of beds was due to the delay in construction of hospital complexes and due to shortage of faculty.

- In **AIIMS-Rishikesh**, AYUSH and Physical Medicine & Rehabilitation Departments were functioning without any bed whereas in the non-functional Oncology Department 12 beds were available.
- As per Medical Council of India norms, a teaching hospital was required to have a 500 bed capacity for 100 undergraduate students. However, **AIIMS-Patna** which takes 100 undergraduate students each year had only 152 beds in the hospital.

Audit Summation

Though all the six new AIIMS taken up in Phase-I had become functional, there had been delays ranging from about four to five years in setting up the new AIIMS that were attributable to deficient project and contract management, administrative laxity and weak monitoring. Certain residual

⁹ 500 beds for medical college hospital, 300 beds for Speciality/super speciality, 100 beds for ICU/Accident trauma, 30 beds for Physical medicine & rehabilitation and 30 beds for AYUSH).

works were yet to be completed. Deficiencies in execution of works including improper estimation of scope and quantities, extra payment to contractors and poor contract management had a financial implication of ₹ 140.28 crore including ₹ 39.96 crore as excess or extra payments to contractors. Several departments out of 42 sanctioned had not become functional in the new AIIMS and there were shortages of beds in the Institute hospitals ranging between 43 *per cent* and 84 *per cent*. The delays in procurement of equipment arose mainly from poor contract management as well as engagement of staff who lacked the requisite qualifications undermined the quality of medical services that were being delivered by these premier institutes that were expected to adhere to the highest standards of medical education and patient care.

CHAPTER-V: UPGRADATION OF GOVERNMENT MEDICAL INSTITUTIONS

5.1 Introduction

The programme for upgradation of Government Medical Colleges Institutions (GMCIs) broadly envisaged construction of Super Speciality Blocks (SSB) and Trauma Block along with procurement of medical equipment for both existing and new facilities.

(A) Execution of works

The work of upgradation has been completed in 13 out of 58 GMCIs approved for upgradation in the three phases of PMSSY as on 31 March 2017. The full status of upgradation of GMCIs is given in **Table-5.1**:

Table-5.1: Status of upgradation of GMCIs in PMSSY

Phase	Number of GMCIs	Status		
		Completed	Work in progress	Works not started
I	13	10	3	-
II	6	3	3	-
III	39	-	33 ¹	6 ²
Total	58	13	39	6

5.2 Delay in commencement of projects

Approval for Phases-I, II and III of work relating to upgradation of GMCIs was given in June 2006, February 2009 and November 2013 respectively with stipulated period of completion being three years from approval for Phases-I and II and 43 months for Phase-III³. Works for Phase-I sites selected for detailed audit could, however, be awarded only during the period from January 2007 to April 2011. In the case of Phase-II and Phase-III sites selected for audit, the works were awarded during the period from January 2011 to June 2016 to May 2016 and December 2016 respectively. As such there were considerable delays in planning and commencement of works in all three phases.

1 Two to 58 per cent work completed.

2 Work not started due to non-availability of land (two cases); location change (one case); revision in scope (two cases) and reason not known (one case).

3 Completion of Phase-III was to be phased within 43 months.

5.3 Delays in completion of works

Audit noted inordinate delays in completion of construction work of GMCIs after award of work in the first three phases of PMSSY. Phase-wise completion status of the GMCIs selected for detailed examination as on March 2017 has been given in the **Table-5.2**:

Table-5.2 Phase-wise status of selected Gmci Projects

Phase	Number of GMCIs	Completed GMCIs		Incomplete GMCIs		
		Number	Delay in completion ⁴ (in months)	Number	Delay (in months)	Status of completion
I	8	6	19 to 84	2	62	95 per cent
II	5	2	8 to 32	3	3 to 37	70 to 80 per cent
III	6	0	-	6	10 (upto January 2018)	9 to 32 per cent
Total	19	8	-	11	-	-

Details of project wise status of work has been given in **Annex-5.1**.

Audit observed that the work of eight GMCIs of Phase-I and Phase-II was completed with delays ranging from eight months to seven years. In five other GMCIs, work had not been completed even after delays which ranged from three months to over five years with respect to the scheduled completion dates. Further, none of the six GMCIs of Phase-III which were scheduled to be completed by March 2017 had been completed and the works for these GMCIs had commenced only during the period from May 2016 to December 2016.

The delay in completion of works were mainly due to non-availability of encumbrance free land, delays in getting clearances for excavation and tree cutting and other site related conditions, changes made in the scope and quantum of work, post contract changes in drawings and quantities, delays in providing drawings, delay in release of mobilisation advance and payments to contractor and delay in provision of services. The slow progress both at the stage of planning and contracting stage indicates that both planning of works and contract management were inadequate which finally adversely impacted delivery of services as brought out in Para 5.12 of the Report.

⁴ Delay from the scheduled completion date as per work order.

5.4 Construction works for upgradation of GMCIs

5.4.1 Non-Compliance with Codal and contract provisions

(i) BMCRI-Bangalore

Construction of Trauma Block at this institute was undertaken by the Public Works Department of the Government of Karnataka. The Karnataka Public Works Code prescribes soil testing before preparation of estimates and designs. Audit observed that the estimates for construction of the Trauma Block at BMCRI-Bangalore were prepared without conducting soil tests. These tests were conducted only at the time of commencement of construction which brought out the requirement for providing pile foundation. Consequently, the planned height of the Trauma Block had to be reduced from eight floors to six floors along with changes in the scope of work. This resulted in delays of upto seven years and cost increase from ₹ 12.35 crore to ₹ 17.20 crore.

(ii) IMS -Varanasi

As per para 2.5 of the CPWD Works Manual, technical sanction of works is required to ensure that proposals are technically sound and that estimates are accurately prepared and are based on adequate data. Further, Para 2.5.2 of the Manual provides that the value of works executed can exceed the technical sanction only up to 10 *per cent* beyond which revised technical sanction would be necessary.

In the work relating to construction of Trauma Centre at IMS Varanasi, the actual consumption of TMT steel bars was 2,615.28 MT against the requirement of 2,052.50 MT included in the BOQ. There was thus an additional requirement of TMT steel bars of 27 *per cent* costing ₹ 3.49 crore as against the provision made in BOQ. Evidently, technical sanctions had been accorded without ensuring accuracy of the detailed estimates. It was further observed in audit that while the technical sanction had been accorded for ₹ 44.40 crore, an amount of ₹ 53.56 crore was paid to construction agency which was 21 *per cent* higher than the amount of technical sanction. However, revised technical sanction was not obtained before making the payment to the construction agency. In the absence of a revised technical sanction there was no assurance that the revision in cost had been examined for technical soundness and accuracy.

(iii) BJMC-Ahmedabad

The work of construction of Nursing School in BJMC-Ahmedabad was awarded to Firm 'A' at a tendered cost of ₹ 14.96 crore. The work order was issued in February 2010 with scheduled completion by April 2011. On the request of the agency, the Chief Engineer, Project Implementation Unit (PIU), approved extension of time limit for 57 days in August 2011. However, the agency again sought extension and the same was approved by the Chief Engineer for 351 days with the condition that no price variation would be paid to the agency. The work was completed in June 2012 i.e. after delay of 14 months. However, contrary to the orders of the Chief Engineer, the agency was paid a price variation of ₹ 36 lakh for work done during the extended time limit⁵.

(iv) GRMC-Gwalior

The work of construction of Super Speciality Block at GRMC-Gwalior was awarded in June 2016. Audit examination revealed that though the agreement with the contractor did not provide for payment of secured advance on high-risk materials such as ordinary glass, sand, petrol and diesel, a secured advance of ₹ 12.64⁶ lakh was paid to the contractor on such items. The payment of secured advance on such items was irregular.

5.4.2 Delay in completion of works

(i) GMC-Mumbai

Codal provisions require that all necessary statutory clearances should be obtained before award and commencement of works. Sixteen construction works with estimated cost of ₹ 20 crore were approved by the Ministry for upgradation of GMC Mumbai. This included the work of construction of Administrative Building with an estimated cost of ₹ 10 crore. This work was taken up for execution by the State PWD who applied for necessary No Objection Certificate (NOC) from the Municipal Corporation of Greater Mumbai (MCGM) on 16 May 2009. However, without waiting for grant of the NOC, the State PWD issued a work order on 31 August 2009 with a stipulated completion period of 30 months on grounds of urgency viz. by April 2012. The NOC from MCGM was received in June 2010 mandating changes in

⁵ Total Price variation- ₹ 53.72 lakh; price variation during original time limit i.e. upto April, 2011 (₹ 17.72 lakh) and from May to completion of work (₹ 36 lakh).

⁶ 1st running account bill ₹ 4.24 lakh and 3rd running account bill ₹ 8.40 lakh.

plans, height of the building, elevation designs, etc. This work is yet to be completed as of March 2017. GMC Mumbai stated (May 2017) that the work was delayed due to change of plans and drawing as recommended by Heritage Committee and due to changes in orientation of building as per site condition.

Thus, commencement of work on grounds of urgency without receipt of mandatory clearances or ensuring that the building designs conformed to the relevant municipal and heritage restrictions/regulations had the opposite effect of delaying the work by over five years as the contractor did not initiate work till after the NOC was received. It was further noticed that an expenditure of ₹ 17.73 crore had been incurred on the above work and the remaining upgradation works with an estimated cost of ₹ 11.15 crore have not been executed by GMC Mumbai due to non-availability of funds. These balance works included construction of emergency trauma ward, ICCUs, renovation of OPDs and nursing institute which were critical for provision of upgraded health care facilities.

(ii) RPGMC-Tanda

The Himachal Pradesh Government accorded (March 2013) administrative approval of ₹ 12.16 crore and ₹ 14.57 crore for construction of First year MBBS Students' Hostel and Post Graduate Students' Hostel respectively in RPGMC-Tanda in December 2012 with a period of completion of two years.

Funds amounting to ₹ 2.30 crore were deposited (March 2014) with HPPWD for the works. Subsequently in June 2014, the State Government awarded these works on basis of the originally approved estimates to M/s HSCC and released ₹ 8.86 crore to the company in March 2015. M/s HSCC submitted fresh estimates of ₹ 23.22 crore for the construction of only the First year MBBS Students' Hostel. Thereafter, the State Government once again changed its decision and entrusted this work to HPPWD in January 2016. The work was commenced in June 2016 and was still to be completed even though an expenditure of ₹ 3.30 crore was incurred till June 2017. The work of the Post Graduate Students Hostel was later once again awarded to M/s HSCC in May 2017 with the direction that ₹ 8.86 crore paid to it in advance in March 2015 be used for this work. However, audit observed that this work had not been started as of September 2017.

Thus, inability of the project authorities to decide and select the appropriate agency to execute the work taking into account the available funds and

realistic costs resulted in non-realisation of the hostels even five years after grant of administrative approval.

(iii) GMC-Amritsar

An agreement was entered between GMC- Amritsar with M/s HSCC in March 2015 for supply, installation, testing and commissioning of Manifold Gas Management System (MGMS). The Ministry released ₹ 1.46 crore to the GMC for this work in March 2016 with a direction to complete the work within five months i.e. by August 2016. GMC, however, did not release these funds to M/s HSCC as a result of which the work remained held up. GMC attributed the delay to M/s HSCC stating that it had sought funds without furnishing the complete proposal. The fact, however, remains that a critical facility for which full funds were provided and which was scheduled for completion by August 2016 had been delayed (September 2017) due to lack of coordination between agencies.

5.4.3 Award of works at higher cost

In NIMS-Hyderabad, tender for construction of SSB and the Accident Trauma Hospital was awarded at a cost of ₹ 125.91 crore which was 22.37 *per cent* above the approved cost and 12.9 *per cent* above the justified market rate. Though a Technical Committee which had examined the rates had not recommended acceptance of a cost more than five *per cent* higher than the justified cost, the PMC accepted the higher tender cost to avoid delays on the assurance of the representative of the State Government that the progress of the work will be closely monitored. As per the agreement, the scheduled date of completion of the work was 6 June 2009. However, the building was handed over to the Institute only in May 2012 i.e. after delay of three years from the scheduled date of completion. Thus, the stated justification for accepting the tendered at a rate 12.9 *per cent* above the justified market rate for construction stood negated. The additional expenditure on account of acceptance of the higher rates worked out to ₹ 8.82 crore.

(B) Procurement and installation of equipment

5.5 Non availability of equipment

Procurement of equipment for GMCI was to be made by the agencies appointed by the Ministry or the State Government/GMCI⁷. Against the

⁷ High end common equipment by the agency and low end uncommon equipment by State/GMCI.

procurement orders for 818 equipment costing ₹ 482.21 crore for eleven GMCIs, 151 equipment costing ₹ 51.72 crore were yet to become available as detailed in **Table-5.3**:

Table-5.3: Non-availability of equipment

Sl. No.	Name of the GMCIs	Equipment ordered		Non-availability of equipment	
		Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
1.	BJMC-Ahmadabad	110	58.48	12	5.23
2.	Pt. BDS, PGIMS-Rohtak	37	39.18	9	6.28
3.	RPMC-Tanda	18	38.3	4	24.47
4.	RIMS-Ranchi	77	26.54	1	0.86
5.	GMC-Mumbai	140	67.26	10	1.36
6.	JNMC-Aligarh	21	22.21	7	6.1
7.	IMS-Varanasi	24	25.34	1	0.34
8.	JMC-Jammu	64	33.25	0	0
9.	GMC-Amritsar	7	21.1	0	0
10.	BMCRI-Bangalore	32	39.02	0	0
11.	GMC-Nagpur	288	111.53	107	7.08
Total		818	482.21	151	51.72

The reasons for the equipment not becoming available included delays in placement of orders, change in the model of the equipment and lack of follow up by Institutes with the nominated PSA after placement of orders. In the absence of the equipment, upgraded services could not be delivered.

5.6 Non-installation/Delay in installation of equipment

In ten GMCIs⁸, 408 equipment costing ₹ 71.25 crore were either not installed or installed with delay ranging from three months to over seven years as on 31 March 2017. The reasons for non-installation or delayed installation were again improper procurement planning, pending civil and electrical works, non-availability of skilled manpower, etc. as given in **Annex-5.2**.

5.7 Idle/non-functional equipment

In nine GMCIs⁹, 977 equipment costing ₹ 34.99 crore were idle/non-functional as on 31 March 2017 due to lack of manpower, software problems,

⁸ BJMC Ahmedabad, Pt. B D Sharma PGIMS Rohtak, IMS-Varanasi, GMC Jammu, GMC-Nagpur, GMC-Mumbai, BMCRI-Bangalore, GMC-Amritsar, GMKMC-Salem and RPGMC-Tanda.

⁹ RIMS-Ranchi, BMCRI-Bangalore, GMC-Mumbai, GMC-Nagpur, RPGMC-Tanda, BJMC- Ahmedabad, GMKMC-Salem, JMC-Jammu and Pt.BDS, PGIMS-Rohtak.

lack of supporting equipment/infrastructure, defects etc. as given in **Annex-5.3**.

5.8 Deficiencies in procurement of equipment

(i) As per the procurement guidelines and provisions of the MoU signed between GMCIs and the Ministry, GMCIs had to ensure that no alterations and additions were made to the list of equipment and specifications firmed up by the medical experts. In **RIMS-Ranchi, JNMC-Aligarh, BMCRI-Bangalore, IMS-Varanasi, GMC-Mumbai** and **GMC-Nagpur** 293 medical equipment costing ₹ 19.86 crore were procured for installation in the upgraded facilities. Audit noted that these equipment did not fall in the approved list of medical equipment of the Ministry (**Annex-5.4**).

(ii) **BMCRI-Bangalore** procured ten numbers of equipment¹⁰ on single bid at rates which were 125 to 766 *per cent* higher than the estimated rates provided by the Project Consultant Technical Committee without recording reasons for the same. The additional cost involved at accepting the higher rates worked out to ₹ 1.66 crore.

(iii) Rule 102 of Himachal Pradesh Financial Rules 2009 provides that procurement of goods valuing ₹ 10 lakh and above shall be made by adopting advertised tender system. Further, as per extant¹¹ instructions of the State Government, procurement of computers and other office automation equipment should be done through a competitive system and HP State Electronics Development Corporation (HPSEDC) should be directed to participate in the tendering process. Audit noted that **RPGMC-Tanda** had procured 30 computers and peripherals costing ₹ 16.70 lakh (March 2013) through HPSEDC without adopting any tendering process thus depriving the Institute from obtaining the benefit of competitive rates.

¹⁰ O.T Table, Paediatric Laparoscopic set with accessories, Endoscopic plastic instruments etc.

¹¹ Decision-1 under appendix 10 of Himachal Pradesh Financial Rules, 2009.
Performance Audit of Pradhan Mantri Swasthya Suraksha Yojana

Case Study 5.1: Discrepancies in records relating to receipt and supply of medical equipment costing ₹ 3.26 crore

Audit noted that 75 equipment stated to have been supplied and installed by M/s HLL at a cost of ₹ 3.26 crore in three GMCIs viz. **BMCRI-Bangalore**, **RIMS-Ranchi** and **JMC-Jammu** were either not received by the Institutes or were not traceable in the records /premises of the institutes as given in the **Table-5.4**:

Table-5.4: Non-traceable equipment in GMCIs

Name of the GMCI	Number of equipment	Cost (Amount in ₹ crore)
JMC-Jammu	61	2.77
RIMS-Ranchi	4	0.36
BMCRI-Bangalore	10	0.13
Total	75	3.26

5.9 Maintenance of medical equipment

As per the extant instructions, the equipment cost was to include the cost of warranty and the Institutions were to enter into Comprehensive Maintenance Contracts (CMC) at the cost of the State Government before expiry of warranty period.

Audit noted that the warranty period of 147 medical equipment costing ₹ 27.90 crore in **GMKMC-Salem**, **IMS-Varanasi** and **GMC-Amritsar** had expired three months to three years ago. However, the concerned GMCIs had not entered into CMCs for the equipment. Out of these, 24 equipment were not working for want of repair and maintenance (**Annex-5.5**).

Further, in **JMC-Jammu**, there was no system of maintenance for various important installation like air conditioning and fire-fighting/alarm systems; sub-stations, lifts and water heating systems. As a result, the fire alarm and fire fighting systems were found not to have worked in operation theatres and in rooms housing the main UPS system and the UPS system for the CT scan room during fire incidents.

(C) Availability of Human Resources in GMCIs

5.10 Shortage of Human Resources in upgraded GMCIs

As brought in Para 1.3.2 of the Report, the concerned State Governments were to provide the necessary manpower for running the Super Speciality Block (SSB) and Trauma Care Centre established as part of upgradation of GMCIs. Audit noticed shortages in manpower deployed in the GMCIs which adversely impacted service delivery resulting in non-achievement of objectives of the scheme. The shortage of human resources in various GMCIs has been discussed in **Table-5.5**:

Table-5.5: Shortage of Human Resources in GMCIs

Sl. No	Audit Observations
1.	<p>BJMC-Ahmedabad</p> <p>State Government had sanctioned 62 medical and 329 para-medical staff in April 2007 but the institution had failed to fill up 60 per cent staff 43 medical and 193 para-medical staff.</p> <p>Further 22 medical officers, out of 25 sanctioned post of medical officers were vacant in Trauma and Emergency Medicine Departments.</p>
2.	<p>JMC-Jammu</p> <ul style="list-style-type: none"> ➤ Only 407, out of 821 sanctioned posts for the super specialty facilities were filled up. During the period 2013-14 to 2016-17, only 46 per cent to 52 per cent of the sanctioned staff was in position. ➤ The short fall of Specialist Doctors together with Assistant Surgeons ranged between 22 per cent and 100 per cent during 2014-15 to 2016-17.
3.	<p>RIMS-Ranchi</p> <ul style="list-style-type: none"> ➤ 79 new posts required in different departments at the SSB were yet to be created even though the SSB was started in October 2013. ➤ 107 posts of staff nurses and 44 posts of para medical personnel for SSB were yet to be sanctioned by the State Government. ➤ 20, out of 34 departments were without Professor/Associate Professor/ Assistant Professor. Due to this, the work of five vital departments' viz. ICU (Medicine), ICCU (Medicine), Neurology, Nephrology and Burn ward was affected.
4.	<p>BMCRI-Bangalore</p> <ul style="list-style-type: none"> ➤ The upgraded facilities were commenced in August 2012. However, it was noticed that there was no dedicated medical, paramedical and support staff. The SSB was managed by medical staff drawn from other hospitals under the control of the BMCRI. ➤ 324 posts were created for SSB, however, sanction of posts for Trauma Care Block was pending. ➤ 66 per cent posts in the teaching cadre of the Nursing College were vacant. ➤ The SSB was functioning without any sanctioned posts of pharmacist though prescribed six pharmacist as per Public Health Standards for 200 bedded hospital.

Sl. No	Audit Observations
5.	NIMS-Hyderabad
	<ul style="list-style-type: none"> ➤ No separate appointment of staff was made after commencement of SSB. ➤ Only 155 out of 247 sanctioned posts of Assistant Professors and Associate Professors were filled up as of March 2017.
6.	IMS-Varanasi
	Out of 473, there was shortage of 69 medical and para medical staff.
7.	RPGMC-Tanda
	There was 88 <i>per cent</i> shortage of medical and other staff in the SSB. The SSB had 209 beds and seven ¹² super-speciality departments. No sanctioned posts of Senior Residents and other paramedical/support staff were created despite requirement sent by the Institution to the State Government in March 2013.
8.	GMC-Amritsar
	<ul style="list-style-type: none"> ➤ Shortage of staff in different cadres ranged between 22 <i>per cent</i> and 49 <i>per cent</i>. ➤ Administrative Department in SGTB block was not functional due to non-recruitment of new staff.
9.	JNMC-Aligarh
	In December 2014, UGC approved 477 non-teaching posts (325 regular and 152 on outsource basis) of Trauma Centre under XII plan against which 77 posts were vacant.

(D) Achievement against envisaged deliverables

5.11 Non-upgradation of facilities

Audit noted that though the upgradation of five GMCI (three GMCI of Phase-I and two GMCI of Phase-II) had been completed, 19 out of the 41 facilities envisaged for upgradation were yet to be upgraded as depicted in **Table-5.6:**

Table-5.6: Details of non-upgraded facilities in GMCI

Sl. No.	Phase	Name of the GMCI	Facilities to be upgraded	Facilities not upgraded
1.	I	BMCRI-Bangalore	6	1
2.	I	JMC-Jammu	15	9
3.	I	RIMS-Ranchi	5	3
4.	II	GMC-Amritsar	7	4
5.	II	JNMC-Aligarh	8	2
		Total	41	19

¹² Cardiology, Nephrology, Cardio-Thoracic and Vascular Surgery, Neurology, Neurosurgery, Gastroenterology and Oncology-Radiotherapy.

The reasons for the shortfall were works not being handed over to the Institutes even after completion; shortfalls in procurement of equipment and shortage of manpower.

5.12 Functioning of Super Speciality facilities

In seven GMCIs (**GMKMC-Salem, GMC-Amritsar, RPGMC-Tanda, JNMC-Aligarh, BJMC-Ahmedabad, Pt. BDS, PGIMS, Rohtak and RIMS-Ranchi**) super speciality facilities created were either not functional or functioning at sub-optimal levels as discussed below:

5.12.1 Non-functioning of facilities due to shortage of staff

(i) GMKMC-Salem

The Nephrology department obtained permission (March 2015) to conduct kidney transplantation from Directorate of Medical and Rural Health Services. However, the kidney transplantation operations were not conducted even after obtaining permission and many cases were being referred to other Institutions due to manpower shortages.

(ii) GMC-Amritsar

Though construction of the Diagnostic and SSB was completed in May 2015, GMC did not take over the building as of July 2017 due to shortage of funds and lack of requisite staff. As a result several Super Specialty departments¹³ could not be made functional.

(iii) RPGMC-Tanda

Out of seven Super-Specialist departments, two departments i.e. Cardio-Thoracic and Vascular Surgery (CTVS) and Nephrology were not functional due to absence of staff. As a result, patients in need of these services were being referred elsewhere and equipment installed in CTVS department was lying idle. Further, the Indoor Patient Department in the SSB remained only partially functional due to non-availability of staff and only day-care services were being provided with patients in need of indoor care having to make alternate arrangements.

¹³ Gastro-enterology, Neurosurgery, Endocrinology and metabolic diseases, Paediatric surgery etc.

5.12.2 Non-functional facilities due to lack of equipment

(i) **RPGMC-Tanda**

The Institute took possession of the SSB in May 2016. However, against the requirement of two diesel generator sets and 10,000 litres diesel tank, only one diesel generator set and diesel tank with capacity of 1,000 litres had been provided which affected supply of uninterrupted power. As a result, four modular operation theatres and three normal operation theatres remained non-functional as of May 2017.

(ii) **JNMC-Aligarh**

The construction of Trauma Centre was completed in March 2016 and taken over in February 2017 but emergency services were not functional due to shortage of doctors and delay in procurement of essential equipment like CT scan.

(iii) **BJMC-Ahmedabad**

The Institute did not take action for procurement of 80 numbers of equipment despite availability of funds of ₹ 6.80 crore which affected upgradation of Departments such as Burns & Plastic Surgery Department, CSSD, Neuro Surgery Department and research lab.

(iv) **Pt. BDS, PGIMS-Rohtak**

Out of 428 equipment for 23 departments, 230 equipment only were provided in 11 departments. As a result, only three departments were fully upgraded, eight were partially upgraded and 12 departments were not upgraded.

(v) **RIMS-Ranchi**

CPWD handed over the constructed SSB to the Institute on 28 October 2013. However, the Paediatric Surgery, Cardiology (CTVS) and Urology departments were not functional due to lack of amenities such as central air conditioning system, water supply and hand scrub station.

Audit Summation

Upgradation of GMCIs was delayed in many cases with only eight out of the 19 GMCIs selected for audit were completed. In cases where construction work had been completed, some super speciality departments could not be made functional primarily due to shortage of equipment and staff. Execution of works was marked by delays in completion of works and deficiencies in planning and award of works as well as non-adherence to codal and contract provisions resulting in additional or extra expenditure of ₹ 17.65 crore. In addition, lack of synchronization and coordination of activities resulted in serious gaps in provision of equipment which was critical for operationalizing the super specialty blocks and provision of improved health care. The Institutes also faced shortage of manpower required to run the new facilities and Departments. Consequently, 19 out of 41 facilities had not been upgraded and super speciality facilities were not functional. Thus, inadequate project management and related delays impacted the delivery of envisaged benefits in terms of improvement in health infrastructure.

CHAPTER-VI: MONITORING AND EVALUATION

6.1 Introduction

Successful implementation of a scheme depends on effective monitoring at all levels to ensure that the scheme is being planned and managed efficiently in accordance with scheme guidelines, rules and regulations and instructions of the Government. Evaluation studies should also be undertaken by the Government to identify gaps in planning and implementation of schemes and for assessing the scheme's effectiveness and outcomes with a view to draw lessons and undertake corrections.

In the absence of effective monitoring, there would be inadequate assurance that the scheme was being planned and implemented economically and efficiently in accordance with instructions, rules, regulations, approvals and agreement provisions. Lack of evaluation studies especially where the scheme is being implemented in phases over a long time frame would limit the avenues of identifying scheme weaknesses and drawing lessons for improving planning and implementation strategies with respect to subsequent phases of the Scheme.

The PMSSY Division of the Ministry of Health and Family Welfare (Ministry) was entrusted with the overall task of implementation and monitoring of PMSSY. Committees at Central, State and Institute levels had also been formed for monitoring the implementation of the scheme.

6.2 Monitoring through Project Management Committee

The Ministry constituted a Project Management Committee (PMC) under the Chairmanship of the Secretary (Health) in January 2004 with representatives from the Ministry of Finance, Prime Minister Office, Planning Commission, Airport Authority of India and AIIMS Delhi. The PMC was the apex steering body and was responsible for guiding and monitoring activities relating to establishment of new AIIMS and for upgradation of GMCIs in the States.

Audit noted that though the PMC conducted 42 meetings upto August 2017, there were significant time intervals between its meetings. While 30 meetings of the

PMC were held during the initial period from January 2004 to August 2009, only five meetings were held during March 2012 to March 2017 indicating a slackening in the monitoring of the scheme during this period at the apex level.

The Ministry stated (February 2018) that high level co-ordination with State Governments and other stakeholders was required during the early stage of the projects to sort out problems/hindrances like availability of encumbrance free land, various approvals/clearances before starting of construction. By the year 2010, critical issues of the above nature had been resolved and construction activities had also started. Once the project work got initiated, there was a drop in the number of PMC meetings i.e. five meetings from March 2012 to March 2017 as PMC level meetings were not needed at that stages.

Audit observed that apex level monitoring remained necessary in the context of pervasive shortfalls with respect to targets on all fronts and the expanding scope of the scheme in later phases.

6.3 Monitoring of the new AIIMS

6.3.1 Monitoring by Project Cell

Dedicated Project Cells¹ were envisaged at each of the new AIIMS and tasked with test check of work done, verification of bills of the contractor and monitoring the progress of all works including that of the residential complexes. It was noted that key project cell posts in the new AIIMS had not been filled up as given in **Table-6.1:**

Table-6.1: Position of Project Cell posts

Name of new AIIMS	Posts sanctioned	Members-in-position	Details of members not in position
Bhopal	8	3	Director, Medical Superintendent, Executive Engineer (Civil), Executive Engineer (Electrical) and Administrative Officer (5)
Bhubaneswar	8	4	Medical Superintendent, Executive Engineer (Civil), Executive Engineer (Electrical) and Administrative Officer (4)
Jodhpur	8	3	Financial Advisor, Medical Superintendent, Executive Engineer (Civil), Executive Engineer(Electrical) and Administrative Officer (5)

¹ Comprising of Director (AIIMS), Medical Superintendent, Deputy Director (Administration), Financial Advisor, Superintending Engineer, Executive Engineer (Civil), Executive Engineer (Electrical) and Administrative Officer.

Name of new AIIMS	Posts sanctioned	Members-in-position	Details of members not in position
Patna	8	2	Deputy Director (Admn.), Superintending Engineer, Medical Superintendent, Executive Engineer (Civil), Executive Engineer(Electrical) and Administrative Officer (6)
Raipur	8	3	Financial Advisor, Medical Superintendent, Executive Engineer (Civil), Executive Engineer (Electrical) and Administrative Officer (5)
Rishikesh	8	3	Financial Advisor, Medical Superintendent, Executive Engineer (Civil), Executive Engineer (Electrical) and Administrative Officer (5)

The absence of Executive Engineer (Civil) and Executive Engineer (Electrical) in all the Project Cells when construction of various packages were under way was a significant shortcoming in the Institute level monitoring set up.

The weaknesses in the Institute level monitoring mechanism led to inadequate supervision of agencies including both consultants and contractors which led to significant time overruns and complaints of poor performance on the part of agencies. The Cell also did not efficiently manage contracts leading to delayed decisions and several instances of irregular payments to contractors.

6.3.2 State level Project Monitoring Committee

In May 2008, the Committee of Secretaries suggested constitution of State Project Monitoring Committee (State PMC) under the chairmanship of State Chief Secretary² to monitor progress of new AIIMS being established in the State. The Committee was required to meet at least once in a quarter to review progress and communicate its views on issues requiring direct intervention of the Government of India. Each State PMC was therefore required to hold 35 meetings upto March 2017. It was observed in audit that State PMCs were not constituted for the two new AIIMS at **Raipur** and **Rishikesh**. For the remaining four new AIIMS, though the State PMCs were constituted, the stipulated number of meetings was not held. It is evident that the mechanism for monitoring at the State level was inadequate.

² Comprising of Secretary (Health/Medical Education), representatives of local bodies/municipal authorities, civil works/forest departments, District collector/Police Superintendent, Director of the concerned new AIIMS etc. The Project Consultants, Design DPR Consultants, in-house Consultants, and representatives of the Ministry were to be the special invitees to the committee.

The fact that several of the new AIIMS faced problems with regard to provision of encumbrance free land could have been effectively resolved had this mechanism worked as intended.

Ministry stated (February 2018) that it is not possible at this point of time to underline the exact reasons for not constituting State Level Project Monitoring Committee due to non-availability of information.

6.3.3 Third Party Quality Assurance in new AIIMS

Section 53.1 (2) of the CPWD works manual provides for a system wherein the quality of work is achieved during the construction stage itself rather than through post-construction 'quality control'. Section 53.11 (2) (ii) *ibid* provides for a minimum of three to four quality assurance inspections for all major works. The in-house consultant and the project consultant were required to provide assistance in arranging Third Party Quality Assurance (TPQA). Audit noted no TPQA was undertaken during the construction stage in any of the six new AIIMS.

6.4 Monitoring of works of upgradation of GMCIs

6.4.1 Project Monitoring Committee at State Level

In November 2007, the Ministry asked the State Governments to set up State Project Monitoring Committees (State PMCs) headed by the Principal Secretary (Health)/Medical Education of the respective State Government³ for monitoring the upgradation of GMCIs. The Monitoring committee was required to meet at least once in a month to review the progress of work. Audit noted that State PMCs were not constituted in eight GMCIs⁴. Though a State PMC was constituted in BMCRI-Bangalore in March 2008, there were no records of its meetings.

6.4.2 Monitoring through State level steering committee

As per the MoU signed between the Ministry and the State Governments for upgradation of GMCIs during Phase-III, a State level steering committee under

³ The other members of the PMC were from the local bodies, Civil Works Departments, in addition to Project Consultants, Architects and the Head of the GMCI being upgraded.

⁴ Pt. BDS, PGIMS-Rohtak, GMC-Nagpur, GMC-Mumbai, GMC-Amritsar, RIMS-Ranchi, RPGMC-Tanda, NIMS-Hyderabad and BJMC-Ahmedabad.

the chairmanship of Chief Secretary was to be constituted for expediting project completion. A representative of PMSSY Division of the Ministry was to be a member of this Committee which was required to meet each quarter. The Ministry, however, had no record on the status of constitution of these committees by the State Governments. Audit noted that these Committees were either not constituted or if constituted, were not active. The status of the constitution of the State Level Steering Committees is given in **Table-6.2**:

Table-6.2: Constitution of Steering Committees by State Governments

Sl. No.	Name of the GMCI	Audit observation
1.	DMCH-Darbhanga and SKMC-Muzaffarpur	The Steering Committee was constituted by the Govt. of Bihar in May 2014. However, no review meetings were conducted upto March 2017.
2.	PDUMC-Rajkot	The Steering Committee was not constituted
3.	PMCH-Dhanbad	No monitoring mechanism was functional in the state.
4.	GRMC-Gwalior	The Steering Committee was not constituted. Mechanism to monitor the implementation of PMSSY was not established. HSCC did not provide physical and financial progress to the department. DME stated that the committee was not constituted at the state level as the construction agency was a Central Government Enterprise.
5.	GMC-Kota	The Steering Committee was constituted in May 2014 but information on meetings were not available.

Ministry stated (February 2018) that the issues with GMCI/State Governments were resolved in various PMC meetings held frequently between 2004 and 2009.

6.4.3 Third Party Quality Assurance Audit in GMCI

Ministry had requested the State Governments (November 2007) to put in place a system of TPQA but this was not done. Audit noted that TPQA was not undertaken in 15 GMCI⁵. In three GMCI

In **GMC-Amritsar**, a quality control consultant was appointed during the construction work and the quality of works was also regularly monitored by the Technical Advisor and the State Vigilance-cum- Quality Control Cell, Punjab.

⁵ NIMS-Hyderabad, GRMC-Gwalior, RIMS-Ranchi, PMCH-Dhanbad, GMC-Nagpur, GMC-Mumbai, Pt. BDS, PGIMS-Rohtak, BJMC-Ahmedabad, PDUGMC-Rajkot, RPMC-Tanda, GMKMC-Salem, BMCRI-Bangalore, IMS-Varanasi, JNMC-Aligarh and JMC-Jammu.

viz. **GMC-Kota; DMCH-Darbhanga** and **SKMC-Muzaffarpur**, TPQA was established only in March 2017 but no activity for quality assurance was undertaken.

6.4.4 Other observations on monitoring of GMCIs

Other audit observations on the absence of monitoring in GMCIs are given in the **Table-6.3:**

Table-6.3: Observations on monitoring of GMCIs

Sl. No.	Audit observation
1.	Pt. BDS, PGIMS-Rohtak The Director General, Medical Education and Research being regulatory body was responsible for monitoring the implementation of the project. However, no periodical reports were prescribed for monitoring the scheme implementation.
2.	GMC-Amritsar The Ministry inter-alia released funds for Hospital Management Information System (HMIS). GMC-Amritsar conducted a feasibility study for the same in 2011 but thereafter no steps were taken to make the system operational.
3.	GMC-Mumbai and GMC-Nagpur (i) The Ministry had directed (April 2008) that GMCIs should submit fortnightly progress report on procurement of equipment and works. However, these progress reports were not being submitted by the two GMCIs. (ii) It was envisaged (May 2008) that Chief Controller of Accounts of the Ministry would carry out periodic internal Audit from time to time. However, no inspections were conducted by the Chief Controller of Accounts. (iii) State level data such as funds received from the Ministry, funds released and expenditure incurred by GMCIs, physical and financial progress of construction activities and equipment procurement were not maintained by Medical Education and Drug Department/Department of Medical Education and Research of the State Government.
4.	RPGMC-Tanda Although meetings had been held by the State Government to assess progress of work, this was done on an <i>ad-hoc</i> basis and no formal review committee with representation of various stakeholders had been created.

Sl. No.	Audit observation
5.	<p>GMKMC-Salem</p> <p>The State Government did not produce any records in support of formation of the state level Monitoring Committee. However, six meetings were held by the Principal Secretary with the Director of Medical Education and Dean of GMC, Salem during 2008 to 2011 to monitor the progress. Despite these meetings, audit noticed that electrical equipment were kept idle in the absence of AMC, essential equipment were not purchased despite funds and staff were not recruited which indicated inadequate monitoring.</p>
6.	<p>GMC-Kota</p> <p>A Committee was constituted (October 2016) by Principal and Controller of Medical College, Kota to watch the quality and progress of the work. This committee was required to submit fortnightly reports to Principal and Controller of Medical College, Kota. However, no such fortnightly report was found in the records of the GMCI.</p>

The Ministry stated (February 2018) that constitution of committees for monitoring was primarily the responsibility of the concerned State Government/ GMCI. However, issues were being resolved in various PMC meetings. In Phase-III and later Phases, Project Monitoring Group meetings in the respective States are being held to review progress.

6.5 Evaluation

Department of Expenditure, Ministry of Finance had prescribed guidelines in the matter of continuation of ongoing schemes from XI Plan to XII Plan. These stipulated that before continuation of the scheme in the XII Plan, the scheme was to be subjected to evaluation with regard to performance in the XI Plan.

PMSSY was started in the X Plan and it continued till XII Plan. The Planning Commission had advised for evaluation of the scheme before its continuation in the XII Plan to sort out lacunae in the slow implementation process despite of adequate availability of funds. It was, however, noted that no evaluation of the performance of the PMSSY has been done as of August 2017. In the absence of any evaluation study, the Ministry was unable to identify scheme weaknesses and draw lessons in a structured manner for taking remedial action in subsequent phases.

The Ministry stated (February 2018) that an evaluation study of the PMSSY has been recently assigned to the Indian Institute of Public Administration, Delhi.

Audit Summation

Audit examination revealed lack of effective monitoring mechanisms. Monitoring committees constituted at apex, State and Institution levels for the new AIIMS remained ineffective or inoperative in the later years while upgradation of GMCIs was left entirely to the concerned Institutions with neither the Ministry nor the State Governments playing any significant role in monitoring the planning and implementation of the projects. The lack of effective monitoring mechanisms was reflected in the shortfalls with regard to both planning and implementation which has delayed achievement of envisaged Scheme deliverables even in completed and functional institutes. The absence of an evaluation study to identify gaps in planning and implementation and to draw lessons before implementing subsequent phases provided no assurance that subsequent phases would avoid the constraints and pitfalls witnessed in the first three phases of the scheme.

CHAPTER-VII: CONCLUSION AND RECOMMENDATIONS

The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was announced in August 2003 with the objective of correcting the imbalances in the availability of tertiary healthcare services and improving the quality of medical education in India. The scheme comprised setting up of AIIMS like Institutions and upgradation of existing State Government Medical Colleges/Institutions (GMCIs). In its first phase, the scheme envisaged setting up six Institutions like the All India Institute of Medical Sciences (AIIMS) and upgradation of 13 existing medical Institutions. Over a period of time, the scheme has been expanded to cover 20 new AIIMS and 71 GMCIs in six phases.

A total amount of ₹ 14,970.70 crore was allocated for the scheme during 2004-17 of which an amount of ₹ 9,207.18 crore had been released by the Ministry. However, a significant portion of the funds remained under-utilised due to delays in obtaining approval, delays at the planning stage, delays in execution of works, slow pace of procurement of equipment and non-filling up of posts. Lack of effective monitoring and tracking of actual utilisation led to ₹ 830.81 crore lying unutilised with the nominated agencies as on March 2017 as well as diversion of funds amounting to ₹ 26.71 crore. Out of the total orders for equipment of ₹ 1,273 crore for the six new AIIMS and GMCIs, the value of equipment actually put to operational use was only ₹ 599 crore i.e. 47 *per cent*, which likely impair the capacity of the institutions to provide the envisaged levels of health care and medical education despite significant outlay on the institutions.

The capital cost for the six new AIIMS for Phase-I was initially approved in March 2006 for ₹ 1,992 crore with the estimated capital cost for each new AIIMS being ₹ 332 crore. In March 2010, the Ministry obtained revised approval for capital cost of the six new AIIMS for ₹ 4,920 crore i.e. at the rate of ₹ 820 crore per new AIIMS. This represented 145 *per cent* increase in capital costs. In case of civil works, 46.4 *per cent* of the additional cost was due to increase in cost index between September 2003 to October 2008 and

the balance was due to changes in scope, provision for additional items¹ and inclusion of Works Contract Tax. The increase in capital costs was thus largely attributable both to delay in taking up the project after the same was announced in 2003 and shortcomings in planning and assessment of requirements for new AIIMS.

Efficient and cost effective implementation of the scheme was undermined by lack of any operational guidelines which resulted in several *ad hoc* decisions being taken with respect to several key aspects of the scheme. In the case of new AIIMS, initial approval in Phase-I was not based on a comprehensive assessment of scope of work which led to subsequent delays and increase in costs. Engaging of Public Sector Undertakings as consultants on nomination basis and allocation of work for upgradation of GMCIs was not in conformity with the GFRs and extant rules and provided no assurance that the agencies selected had the required professional and technical credentials. In the case of GMCIs, criteria for selection were not formulated resulting in arbitrary selection.

Though all the six new AIIMS taken up in Phase-I had become functional, there were delays ranging from about four to five years in setting up the new AIIMS that were attributable to deficient project and contract management, administrative laxity and weak monitoring. Deficiencies in execution of works including improper estimation of scope and quantities, extra payment to contractors and poor contract management had a financial implication of ₹ 140.28 crores including ₹ 39.96 crore of excess or extra payments to contractors. Several departments out of 42 sanctioned had not become functional in the new AIIMS and there were shortages of beds in the Institute/ hospitals ranging between 43 *per cent* and 84 *per cent*. There were delays in installation of equipment ranging from three months to 42 months and equipment with estimated cost of ₹ 454 crore remained undelivered for periods over two years. The delays in procurement of equipment arose mainly from poor contract management as well as engagement of staff who lacked the requisite qualifications that undermined the quality of medical services that were being delivered by these premier institutes that were expected to adhere to the highest standards of medical education and patient care. The position was worsened by shortage of faculty posts and non-faculty posts in the new

¹ Includes items on account of green building norms and items not included at EFC stage in November 2004.

AIIMS which ranged from 55 *per cent* to 83 *per cent* and 77 *per cent* to 97 *per cent* respectively.

Upgradation of GMCIs was similarly delayed in many cases with only eight out of the 19 GMCIs selected for audit were completed. In cases where construction work had been completed, some super speciality departments could not be made functional primarily due to shortage of equipment and staff. Deficiencies in planning and award of works as well as non-adherence to codal and contract provisions resulted in additional or extra expenditure of ₹ 17.65 crore. In addition, lack of synchronization and coordination of activities resulted in serious gaps in provision of equipment which was critical for operationalizing the super specialty blocks and provision of improved health care. The Institutes also faced shortage of manpower required to run the new facilities and Departments. Further, 19 out of 41 facilities had not been upgraded.

Lastly, monitoring committees constituted at National, State and Institute levels to review project implementation remained ineffective. Monitoring of upgradation of GMCIs were found to be left entirely with the concerned Institutions and both the Ministry and the State Governments were not adequately involved in monitoring the implementation of the projects. This adversely affected the progress of project works at all locations.


Thus, the envisaged deliverables from these institutions were yet to fully materialise even though a period of almost 15 years has elapsed since the scheme was announced.

Recommendations:

- ☛ Ministry should frame operational guidelines that would guide and regulate implementation of the scheme across the States.
- ☛ Ministry may take steps to expedite the completion of leftover work by better monitoring of the projects.
- ☛ Timely receipt, installation and proper functioning of equipment in new AIIMS and GMCIs should be ensured so that the equipment are utilised properly for the purpose for which they were procured.

- ☛ Ministry may take effective steps to minimise the shortage of faculty, non-faculty and technical manpower in new AIIMS and GMCIs so that the intended benefit to the beneficiaries be made available.
- ☛ The Ministry should ensure effective monitoring by the committees at State and Institution level so as to ensure necessary synchronisation and coordination of activities related to completion of works, procurement and installation of equipment and provision of manpower.
- ☛ Ministry should ensure adherence to codal and contract provisions in execution of works and provision of services. Accountability should be fixed where there is extra or additional expenditure without adequate justification.
- ☛ Evaluation studies may be taken up concurrently for status check and to identify weaknesses in planning and implementation of the scheme. The findings from the evaluation studies on lessons learned should be incorporated in the planning and implementation strategy for subsequent phases.

New Delhi
Dated: 02 April 2018


(MAMTA KUNDRA)
Director General of Audit
Central Expenditure

Countersigned

New Delhi
Dated: 03 April 2018


(RAJIV MEHRISHI)
Comptroller and Auditor General of India

Annexes

Annex-1.1

(Refer to paragraph 1.5)

State-wise list of new AIIMS and Government Medical Colleges/Institutions covered under this Performance Audit

Sl. No.	Name of the State	PMSSY Phase	AIIMS/ GMCI	Name of the new AIIMS/GMCIs
1.	Bihar	I	AIIMS	AIIMS, Patna, Bihar.
		III	GMCI	Government Medical College, Darbhanga, Bihar.
		III	GMCI	Sri Krishna Medical College, Muzaffarpur, Bihar.
2.	Chhattisgarh	I	AIIMS	AIIMS, Raipur, Chhattisgarh.
3.	Gujarat	I	GMCI	BJMC, Ahmedabad, Gujarat.
		III	GMCI	PDU Government Medical College, Rajkot, Gujarat
4.	Haryana	II	GMCI	Rohtak Medical College, Rohtak, Haryana
5.	Himachal Pradesh	II	GMCI	RPMC, Tanda, Himachal Pradesh.
6.	Jammu and Kashmir	I	GMCI	JMC, Jammu; Jammu and Kashmir.
7.	Jharkhand	I	GMCI	RIMS, Ranchi, Jharkhand.
		III	GMCI	Patliputra Medical College, Dhanbad, Jharkhand.
8.	Karnataka	I	GMCI	BMC, Bangalore, Karnataka.
9.	Madhya Pradesh	I	AIIMS	AIIMS, Bhopal, Madhya Pradesh.
		III	GMCI	Gajra Raja Medical College, Gwalior, Madhya Pradesh.
10.	Maharashtra	II	GMCI	GMC, Nagpur, Maharashtra.
		I	GMCI	GMC, Mumbai, Maharashtra.
11.	Odisha	I	AIIMS	AIIMS, Bhubaneswar, Orissa.
12.	Punjab	II	GMCI	GMC, Amritsar, Punjab.
13.	Rajasthan	I	AIIMS	AIIMS, Jodhpur, Rajasthan.
		III	GMCI	Government Medical College, Kota, Rajasthan.
14.	Tamil Nadu	I	GMCI	GMC, Salem, Tamil Nadu.
15.	Telangana	I	GMCI	NIMS, Hyderabad, Telangana.
16.	Uttar Pradesh	II	AIIMS	AIIMS, Rae Bareli, Uttar Pradesh.
		II	GMCI	AMU, Aligarh, Uttar Pradesh.
		I	GMCI	IMS, Varanasi, Uttar Pradesh.
17.	Uttarakhand	I	AIIMS	AIIMS, Rishikesh, Uttarakhand.
	Total	26	7-AIIMS; 19-GMCIs	

Annex-3.1

(Refer to paragraph 3.6)

Idling of funds

(₹ in crore)

Sl. No.	Name of new AIIMS/GMCI	Audit observation	Amount
1.	JNMC-Aligarh	MoHRD transferred (October 2012) ₹ 25.00 crore to JNMC as one-time additional grant. During 2012-17, JNMC incurred an expenditure of ₹ 12.35 crore and the balance of ₹ 12.65 crore remained unutilized in bank.	12.65
2.	NIMS-Hyderabad	Due to non-finalisation of bills to the executive agency and non-procurement of equipment proposed in gap analysis/DPR an amount of ₹ 12.83 crore was available with NIMS.	12.81
3.	RIMS-Ranchi	In the accounts of RIMS-Ranchi, ₹ 8.51 crore was lying unutilized for the period February 2009 to October 2012.	8.51
4.	RPGMC-Tanda	The Ministry in August 2013, transferred an amount of ₹ 10 crore to RPGMC-Tanda for execution of civil works, but the Institution was unaware of the money having been deposited till January 2015. This resulted in blockade of funds between August 2013 to January 2015. RPGMC-Tanda, in its reply (June 2017) stated that no letter regarding transfer of funds was received from Ministry. Reply of the Institution indicated that regular reconciliation with the bank was not being done.	10.00
5.	IMS-Varanasi	MoHRD released (February 2007) ₹ 20.00 crore to IMS-Varanasi for upgradation. Out of which the Institution transferred ₹ 18.70 crore to M/s HLL for procurement of equipment during 2012-14. Thus, ₹ 18.70 crore remained idle during 2007-12.	18.70
		Ministry released (December 2008) ₹ 1.18 crore to the Institute for procurement of equipment. However, the funds were kept idle in current account of the Institution till July 2014. It was stated that the grant was meant for HDR Brachytherapy of Department of Radiology and remained untraced for more than five years.	1.18
Total			63.85

Annex-3.2

(Refer to paragraph 3.8)

Diversion of funds

(₹ in crore)

Sl. No.	Name of the new AIIMS/GMCI	Details	Amount
1.	BJMC-Ahmedabad	The Ministry released ₹ 18.68 crore to BJMC Ahmedabad for procurement of equipment. Out of which an amount of ₹ 3.59 crore was utilised for Comprehensive Maintenance Contract and purchase of consumable items by the Civil Hospital of BJMC.	3.59
2.	BMCRI-Bangalore	<ul style="list-style-type: none"> Funds amounting to ₹ 4.84 crore meant for procurement was diverted towards civil works. Funds amounting to ₹ 3.07 crore meant for computerisation was diverted for Centralised Air Conditioning. Funds amounting to ₹ 0.91 crore meant for computerisation of Institute was diverted for minor civil works. A Comprehensive Hospital Management System was proposed at an estimated cost of ₹ 5 crore. However, ₹ 3.98 crore was diverted for Centralised Air Conditioning and additional minor works. 	4.84 3.07 0.91 3.98
3.	NIMS-Hyderabad	Ministry had released an amount of ₹ 7.68 crore for procurement of equipment indicated in gap analysis approved by JIPMER. But, NIMS utilised this amount for installation of Gas Manifold system at a cost of ₹ 8.58 crore including State Government funds of ₹ 90 lakh.	7.68
4.	RIMS-Ranchi	M/s HLL had procured and supplied 56 equipment like ICU Ventilator, ABG Machine, Colour Doppler etc. costing ₹ 2.64 crore for installation in nine different upgraded departments of RIMS, Ranchi. It was, however, noted that these equipment were diverted for use in the other departments.	2.64
Total			26.71

Annex-3.3

(Refer to paragraph 3.9)

Outstanding Utilization Certificates

(*₹ in crore*)

Sl. No.	Name of the GMCI	Details	Amount
1.	JNMC-Aligarh	MHRD released ₹ 25.00 crore (October 2012) for JNMC-Aligarh against which the expenditure of ₹ 12.35 crore was incurred during 2012-17. It was noticed that UCs for ₹ 12.35 crore were not submitted by the JNMC-Aligarh to MHRD as of March 2017.	12.35
2.	BMCRI-Bangalore	The Institute had not submitted utilisation certificate (UC) for the amounts released by the State Government under the PMSSY scheme to the tune of ₹ 6.79 crore.	6.79
3.	NIMS-Hyderabad	Out of ₹ 60.20 crore released by State Government and utilised by NIMS-Hyderabad, UC submitted for ₹ 31.18 crore, resulting in non-submission of UC for ₹ 29.02 crore to the end of July 2017.	29.02
4.	Pt. BDS, PGIMS-Rohtak	Out of the total release of ₹ 42.75 crore, an expenditure of ₹ 21.01 crore was made. However, the UC for the same were not submitted.	21.01
5.	GMKMC-Salem	Ministry released (March 2011) ₹ 4.27 crore to the GMKMC-Salem which deposited (July 2011) the amount with TNMSC for procurement and supply of equipment. TNMSC supplied and installed (April 2010 to November 2014) the equipment. GMC did not send UC to the Ministry, which resulted in non-receipt of balance fund of ₹ 3.65 crore under the head 'equipment'.	4.27
6.	RPGMC-Tanda	Funds amounting to ₹ 42.50 crore were received by Dr. RPGMC from Ministry between November 2011 and November 2014. These funds were further released to the executing agencies between March 2013 and March 2015. Audit noticed that the UCs/Completion Certificates were not obtained by the Institute as on June 2017. Non-submission of UCs resulted in non-release of ₹ 10.00 crore by the Ministry which were meant for civil works.	42.50
7.	IMS-Varanasi	(i) In IMS, Varanasi an expenditure of ₹ 86.23 crore was incurred (March 2017) by CPWD on civil and electrical works. However, CPWD furnished UC for ₹ 1.59 crore only up to 2016-17 and the UC for balance amount of ₹ 84.64 crore was not furnished so for (March 2017).	84.64
		(ii) During scrutiny of records, it was observed that, in spite of an expenditure of ₹ 21.20 crore and ₹ 13.20 crore incurred by HLL for procurement of Medical equipment for IMS-Varanasi and JNMC-Aligarh respectively, UCs were not submitted by the Executive Agency to the Ministry.	34.40
Total			234.98

Annex-3.4
(Refer to paragraph 3.11)

Avoidable/Irregular/Excess payment made by new AIIMS/GMCIs

(₹ in crore)

S. No.	Name of new AIIMS/GMCI	Observation	Amount
1.	AIIMS-Bhopal	Avoidable payment of electricity demand charges The Institute incurred an avoidable expenditure of ₹ 1.61 crore on accounts of electricity bills due to injudicious assessment of power consumption and non-maintenance of required power factor.	1.61
		Irregular payment of Service Tax As per Notification No 25/2012 - service tax dated 20 th June, 2012 (Point No. 9) of the Government of India, Ministry of Finance, Department of Revenue; services provided to or by an educational institution in respect of auxiliary educational services ¹ , were exempted from payment of service tax from 1 st July 2012. AIIMS, Bhopal, made payment of ₹ 41 lakh towards service tax in respect of services provided by different agencies for security, cleaning and house-keeping services during the period of January 2013 to October 2015 thus incurring an irregular expenditure of ₹ 41 lakh. The Institute stated (June 2017) that they had stopped the payment of service tax since October 2015. However, the facts remain that the Institute has not initiated any action for recovery/refund of irregularly paid service tax from the service provider.	0.41
2.	AIIMS-Bhubaneswar	Avoidable payment of electricity demand charges Against the contracted demand of 1,000 KVA, the actual consumption of electricity ranged between 13 <i>per cent</i> to 87 <i>per cent</i> during January 2014 to March 2015, attracting power factor penalty. Therefore, an amount of ₹ 26.33 lakh had to be paid as penalty to CESU on this account.	0.26
3.	AIIMS-Patna	Avoidable payment of electricity demand charges As per South Bihar Power Distribution Company Limited tariff policy for high tension lines, the billing demand will be the maximum demand recorded during the month or 85 <i>per cent</i> of the contracted demand, whichever is higher. In AIIMS-Patna, against the contracted demand of 1400 KVA for hospital campus (since April 2013), actual consumption of electricity by the Institute ranged between 120 KVA to 905 KVA, but the Institute had to pay for 1,190 KVA (85 <i>per cent</i> of contract load of 1400 KVA). In November 2014, Institute decided to increase contracted load from 1400 KVA to 6,667 KVA as two floors of Trauma Centre with three new Operation Theatres along with hostel of nursing college were to be functional soon. In January 2015, Institute was allotted the proposed contract load of 6,667 KVA. During January 2015 to March 2017, the maximum demand of institute ranged between 296 KVA to 1,240 KVA against the contracted load of 6,667 KVA, but the institute had to pay charges for 5,666.95 KVA (85 <i>per cent</i> of 6,667 KVA). This resulted in avoidable expenditure of ₹ 3.77 crore during the period December 2013 to March 2017 towards excess demand charges.	3.77

¹ The auxiliary educational services meant any services relating to imparting any skill, knowledge, education or development of course content or any other knowledge enhancement activity.

S. No.	Name of new AIIMS/GMCI	Observation	Amount																																
4.	AIIMS-Raipur	<p>Avoidable payment of electricity demand charges</p> <p>An agreement was executed between AIIMS-Raipur and Chhattisgarh State Power Distribution Company Ltd. (CSPDCL), Raipur in January 2013 for supply of 1500 KVA electricity. This was subsequently raised to 2,500 KVA w.e.f. September 2013 and 5,000 KVA w.e.f. 1 August 2014. However, considering the low consumption of power, the Institute requested (August 2014) the CSPDCL to reduce contract demand. Accordingly, an agreement (February 2015) was executed with CSPDCL, Raipur for supply of 2,500 KVA against existing 5,000 KVA. It was noticed from the electricity bills that the electric consumption of the Institute ranged between 82 to 1,496 KVA against the contract demand between February 2013 and March 2017. Thus, due to inadequate assessment of requirement of electricity, the Institute incurred avoidable expenditure of ₹ 1.71crore on account of less consumption than contract demand. The Institute stated (July 2017) that required information and documents were not available.</p>	1.71																																
5.	AIIMS-Bhopal, Bhubaneswar, Jodhpur, Raipur and Rishikesh	<p>Irregular grant of Learning Resource Allowance</p> <p>The Ministry vide Circular No.28016/103/2013-SSH dated 8.8.2014 instructed all AIIMS that the “Learning Resource Allowance” (LRA) be stopped immediately and instead Faculty Members/Group ‘A’ Officers in AIIMS may be allowed to send requisitions to the Library/Administration for purchasing books/journals etc. relating to their work. However, an amount of ₹ 2.27 crore was paid by the Institutes as LRA as detailed below:</p> <p>Payment of LRA by new AIIMS</p> <p style="text-align: right;">(₹ in crore)</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Name of new AIIMS</th> <th>Period</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Bhopal</td> <td>2013-14 to 2015-16</td> <td>0.47</td> </tr> <tr> <td>2.</td> <td>Bhubaneswar</td> <td>2013-14 to 2016-17</td> <td>0.70</td> </tr> <tr> <td>3.</td> <td>Jodhpur</td> <td>2012-13 to 2013-14</td> <td>0.44</td> </tr> <tr> <td>4.</td> <td>Raipur</td> <td>2014-15 to 2016-17</td> <td>0.43</td> </tr> <tr> <td>5.</td> <td>Rishikesh</td> <td>2012-13 to 2016-17</td> <td>0.21</td> </tr> <tr> <td>6.</td> <td>Patna</td> <td>2014-15 to 2016-17</td> <td>0.02</td> </tr> <tr> <td colspan="3" style="text-align: center;">Total</td> <td>2.27</td> </tr> </tbody> </table>	S. No.	Name of new AIIMS	Period	Amount	1.	Bhopal	2013-14 to 2015-16	0.47	2.	Bhubaneswar	2013-14 to 2016-17	0.70	3.	Jodhpur	2012-13 to 2013-14	0.44	4.	Raipur	2014-15 to 2016-17	0.43	5.	Rishikesh	2012-13 to 2016-17	0.21	6.	Patna	2014-15 to 2016-17	0.02	Total			2.27	2.27
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6.	Patna	2014-15 to 2016-17	0.02																																
Total			2.27																																
6.	AIIMS-Raebareli	<p>Excess payment of Consultancy fee</p> <p>As per the agreement, the Ministry had to pay the Consultancy fee of ₹ 14.15 crore to M/s HSCC. However, an excess payment of consultancy fee amounting to ₹ 2.88 crore was made to the consultant.</p>	2.88																																
7.	IMS- Varanasi	<p>Excess payment of Consultancy fee</p> <p>As per the MoU between Ministry and M/s HLL on February 2007, consultancy fees was payable @ seven <i>per cent</i> on the construction cost component and @ two <i>per cent</i> on medical equipment cost component. IMS-Varanasi entered a MoU with M/s HLL in April 2012 for consultancy services for the construction of certain facilities for which funds of ₹ 20 crore was provided by MoHRD. Of this amount the component for civil works was only ₹ 1.85 crore. However, instead of restricting consultancy fee of seven percent to the cost of works component seven <i>per cent</i> consultancy fee was paid to M/s HLL on the whole project cost. This led to an excess payment of ₹ 91 lakh (five <i>per cent</i> of ₹ 18.15 crore) towards consultancy fees for procurement of equipment.</p>	0.91																																

S. No.	Name of new AIIMS/GMCI	Observation	Amount
8.	BJMC- Ahmedabad	<p>Avoidable payment of custom duty</p> <p>As per circular No. 50/99-CUS (TU) dated 10-08-1999 read with Government of India, Ministry of Finance letter F. No. 354/28/99-TRU dated 18 March 1999, hospitals run or controlled by State Government can get customs duty exemption certificate from the concerned State Government towards purchase of imported medical equipment and furnish the same to Customs Department for getting exemption from payment of customs duty. BJMC, Ahmedabad had made a payment of ₹ 92.40 lakh towards customs duty for 36 equipment as the institute did not arrange to get the Custom duty exemption certificate from the State Government. The Medical Superintendent stated that necessary action would be taken to obtain Custom duty exemption certificate.</p>	0.92
Total			14.74

Annex-3.5
(Refer to paragraph 3.12)

Short deduction/non-deduction of Taxes by new AIIMS

(₹ in crore)

Sl. No.	Name of new AIIMS	Details	Amount																								
1.	AIIMS-Bhopal	<p>Short deduction of tax at source</p> <p>Any professional/technical fees paid to any resident exceeding ₹ 30,000/- during the financial year is subject to tax deduction at source (TDS) @ 10 per cent as provided under section 40(a) (ia) of the Income Tax Act. However, the Institute deducted TDS @ two per cent on payments made to two consultants. for rendering consultancy services. This had resulted in short deduction of ₹ 52.00 lakh as given in Table below:</p> <p align="center">Short deduction of TDS</p> <p align="right">(₹ in lakh)</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Amount paid</th> <th>Tax to be deducted @ 10%</th> <th>Tax deducted @ 2%</th> <th>Short deduction of TDS</th> </tr> </thead> <tbody> <tr> <td>M/s Enarch Consultant Pvt. Ltd.</td> <td>630.15</td> <td>63.01</td> <td>12.60</td> <td>50.41</td> </tr> <tr> <td>M/s PremChaudhary& Associates Pvt. Ltd.</td> <td>17.25</td> <td>1.73</td> <td>0.35</td> <td>1.38</td> </tr> <tr> <td>Total</td> <td>647.40</td> <td>64.74</td> <td>12.95</td> <td>51.79</td> </tr> </tbody> </table> <p>The Institute stated (July 2017) that the case relating to M/s Enarch Consultancy was under arbitration and short deduction, if any, would be made at the time of final settlement and in case of M/s Prem Chaudhary, one bill amounting to ₹ 9.80 lakh was still pending and short deduction, if any, would be made from the same..</p>	Name	Amount paid	Tax to be deducted @ 10%	Tax deducted @ 2%	Short deduction of TDS	M/s Enarch Consultant Pvt. Ltd.	630.15	63.01	12.60	50.41	M/s PremChaudhary& Associates Pvt. Ltd.	17.25	1.73	0.35	1.38	Total	647.40	64.74	12.95	51.79	0.52				
Name	Amount paid	Tax to be deducted @ 10%	Tax deducted @ 2%	Short deduction of TDS																							
M/s Enarch Consultant Pvt. Ltd.	630.15	63.01	12.60	50.41																							
M/s PremChaudhary& Associates Pvt. Ltd.	17.25	1.73	0.35	1.38																							
Total	647.40	64.74	12.95	51.79																							
2.	AIIMS-Raebareli	<p>Non-deduction of TDS from the Consultancy fees</p> <p>M/s HSCC had debited its consultancy fee of ₹ 8.67 crore up to July 2015 from the Project funds. The expenditure on consultancy fee was to be booked under 'Professional Services' as revenue expenditure, however, due to drawing of the consultancy fees from the Project funds, the amount got booked under the Capital Head. This had also resulted in non-deduction of TDS amounting to ₹ 86.70 lakh (@ 10 per cent of the consultancy fees) in terms of the provision under 194 (J) of Income Tax Act.</p>	0.87																								
3.	AIIMS-Raipur, Jodhpur, Rishikesh and Raebareli	<p>Statutory Recoveries</p> <p>Statutory dues viz. royalty, TDS and Value Added Tax etc amounting to ₹ 7.97 crore were not deducted or deducted at lower rates as per details given in the Table below. Ministry stated (February 2018) that royalty would be deducted from final bill which is not acceptable as such dues cannot be allowed to accumulate.</p> <p align="center">Details of statutory recoveries not made</p> <p align="right">(₹ in crore)</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Name of the new AIIMS</th> <th>Details of Taxes not recovered/short deducted</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Raipur</td> <td>➤ Royalty ➤ Short deduction of TDS</td> <td>1.84 0.32</td> </tr> <tr> <td>2.</td> <td>Jodhpur</td> <td>➤ Royalty ➤ Short deduction of VAT (Package-I) ➤ Short deduction of VAT (Package-II) ➤ Service tax</td> <td>3.35 0.34 0.29 0.16</td> </tr> <tr> <td>3.</td> <td>Rishikesh</td> <td>Royalty (Package-II & IV).</td> <td>0.57</td> </tr> <tr> <td>4.</td> <td>Raebareli</td> <td>Royalty (Package-I)</td> <td>0.58</td> </tr> <tr> <td></td> <td></td> <td align="center">Total</td> <td>7.45</td> </tr> </tbody> </table>	Sl. No.	Name of the new AIIMS	Details of Taxes not recovered/short deducted	Amount	1.	Raipur	➤ Royalty ➤ Short deduction of TDS	1.84 0.32	2.	Jodhpur	➤ Royalty ➤ Short deduction of VAT (Package-I) ➤ Short deduction of VAT (Package-II) ➤ Service tax	3.35 0.34 0.29 0.16	3.	Rishikesh	Royalty (Package-II & IV).	0.57	4.	Raebareli	Royalty (Package-I)	0.58			Total	7.45	7.45
Sl. No.	Name of the new AIIMS	Details of Taxes not recovered/short deducted	Amount																								
1.	Raipur	➤ Royalty ➤ Short deduction of TDS	1.84 0.32																								
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		Total	7.45																								
Total			8.84																								

Annex-5.1
(Refer to paragraph 5.3)

Project wise status of GMCIs under PMSSY

Sl. No.	Phase	Name of the GMCI	Name of works	Work started in	Time for completion (in months)	Time taken for completion (in months)	Delay in months	Status as on March 2017
1.	I	JMC-Jammu	Super Specialty Block Building works	February 2008	15	47	32	Completed
2.	I	RIMS-Ranchi	Construction of Super speciality, Oncology & service Block	October 2009	20	42	22	Completed
3.	I	BMCRI-Bangalore	Construction of Trauma Block	January 2007	12	96	84	Completed
			Construction of Victoria Tower Block		12	36	24	
4.	I	GMKMC-Salem	Construction of Super Speciality Block & Trauma Care Centre	January 2008	12	48	36	Completed
5.	I	NIMS-Hyderabad	Construction of Speciality Hospital	March 2008	15	34	19	Completed
6.	I	BJMC-Ahmadabad	Construction of Nursing School and College	July 2010	14	28	14	Procurement of equipment in progress.
7.	I	GMC-Mumbai	Construction of Administrative Building	April 2011	30	92	62	Under progress (95 per cent completed)
8.	I	IMS-Varanasi	Trauma Block including electrical installation and sanitary work	October 2008	20	58	38	Completed
9.	II	GMC-Amritsar	Construction of Babe Nanki Centre for Mother & Child Care	August 2011	18	31	13	Completed
			Service Block	August 2011	18	31	13	
			Diagnostic & Super Speciality Block	January 2012	18	41	23	Handing over still in progress
10.	II	Pt. BDS, PGIMS-Rohtak	Up gradation of GMC	November 2012	18	55	37	Under progress (86 per cent completed)
11.	II	RPMC-Tanda	Construction of Super speciality Block	November 2011	18	26	8	Completed
			Works for	December	4	4	--	

Performance Audit of Pradhan Mantri Swasthya Suraksha Yojana

Sl. No.	Phase	Name of the GMCI	Name of works	Work started in	Time for completion (in months)	Time taken for completion (in months)	Delay in months	Status as on March 2017
			Modular and normal OTs	2014				
			Medical Gas Pipeline System	December 2014	7	7	--	
			Anatomy block, lecture Theatres and Examination halls	Jun-11	24	24	--	
			1st year MBBS hostel	Jun-16	24	In progress	--	Under progress
12.	II	GMC-Nagpur	Construction of new wards	August 2014	12	15	3	Under progress (Construction of 3 ICCU: 70 per cent completed)
			Construction of ICCU	May 2016	15	15	--	
			Construction of Trauma Care Centre	August 2012	18	22	4	
			Construction of wards in wing A at Super Speciality hospital	December 2016	15	15	--	
			Construction of compound wall and services road	November 2015	6	6	--	
13.	II	JNMC-Aligarh	Construction work	January 2011	21	53	32	Completed but procurement of equipment in progress
14.	III	DMCH-Darbhanga	Up gradation of GMC	December 2016	18	In progress	-	8.50 per cent completed
15.	III	SKMC-Muzaffarpur	Up gradation of GMC	December 2016	18	In progress	-	9.25 per cent completed
16.	III	PDUMC-Rajkot	Up gradation of GMC	June 2016	-	In progress	--	Construction work initiated in May 2017
17.	III	PMCH-Dhanbad	Up gradation of GMC	November 2016	16	In progress	-	30 per cent completed
18.	III	GRMC-Gwalior	Super Speciality Block	July 2016	16	In progress	-	18 per cent completed
19.	III	GMC-Kota	Construction of Super specialty Block	May 2016	16	In progress	-	32 per cent completed

Annex-5.2
(Refer to paragraph 5.6)

Non installation/Delay in installation of equipment

Sl. No.	Name of the GMCI	Number of equipment	Cost of equipment	Months for which equipment were not installed	Reason of non-installation/Delay in installation
1.	BJMC-Ahmadabad	4	1.08	10 to 19	Equipment of the Biochemistry Department and Pathology Department i.e. Elisa Test System, Stem Cell Lab and Automated Immunisation were received by the Civil Hospital Ahmadabad on August 2015 and May 2016. However, the equipment could not be installed till date due to inadequate efforts made by BJMC. The Medical Superintendent stated that necessary action would be taken for the installation of equipment.
		152	5.40	3 to 13	Delay in installation was mainly due to late visit of engineer or time taken for necessary arrangement (electric or civil) for installation.
2.	Pt.BDS, PGIMS-Rohtak	12	2.18	3 to 7	➤ Digital Radiography, Multipurpose monitors were issued to concerned departments on 18 September 2016 and 9 January 2017 respectively but were not installed as of April 2017.
		67	5.39	4 to 25	Delay in installation of equipment i.e. Color Doppler portable, anesthesia work station, power drill system etc. affected the service delivery to patients. The Director stated during the exit conference that due to certain complex technical issues raised by the concerned departments, installation of machinery and equipment was delayed.
3.	IMS-Varanasi,	1	1.65	13	Digital Radiography costing ₹1.65 crore received in March 2016 could not be installed till March 2017 due to supply of defective X-ray table.
		34	12.02	6 to 23	➤ The equipment "Flat Pansinel Digital Cardiac Cath Lab single mono plane" procured and delivered by HLL in October 2009 but installed in April 2011. ➤ Ministry released ₹ 21.62 crore to HLL upto March 2017 out of which HLL procured medical equipment of ₹ 16.12 crore. However, Medical equipment costing ₹ 7.65 crore were installed with delay of 6 to 23 months resulting in non-operation of Trauma Centre. Further, equipment costing ₹ 5.78 crore (48 per cent) had not been installed so far (March 2017).
4.	JMC-Jammu	65	5.24	48 to 84	Equipment procured during 2009-13 were not installed as on March 2017.
5.	GMC-Nagpur	1	0.56	90	Five equipment could not be installed for want of required civil and electrical works and other statutory permissions.
6.	GMC-Mumbai	4	0.42	7 to 24	
7.	BMCRI-Bangalore	16	16.65	7 to 39	Delay in installation for a long period has inherent risk of obsolescence of equipment as the warranty remained valid for 24 months from the date of installation and

Report No. 10 of 2018

					commissioning followed by a Comprehensive Maintenance Contract for a period of 5 years.
8.	GMC- Amritsar	2	6.51	12 to 14	Equipment received between July 2016 and September 2016 could not be made functional even after a period of up to 8 month from their receipt due to non-fixation of fittings/fixtures and non-availability of requisite manpower.
9.	GMKMC- Salem	12	2.26	26 to 41	<ul style="list-style-type: none"> ➤ The SSB and Trauma Care Centre were opened for out-patients care services only during February 2011 and July 2011 respectively. High end equipment were installed after a period of three years from opening of the services. ➤ The failure to post Specialist and Technicians to oversee the installation of equipment resulted in delay in starting of services in Nephrology and Cardiothoracic department.
10.	RPGMC- Tanda	38	11.89	3 to 20	The tenders/supply orders had a clause of imposition of penalty in case of delay in supply of equipment, no penalty was imposed against the suppliers. The institute had not obtained any performance bank guarantee from the suppliers which were in contravention of the Himachal Pradesh Financial Rules 2009.
Total		408	71.25		

Annex-5.3
(Refer to paragraph 5.7)

Idle/non-functional equipment

(₹ in crore)

Sl. No.	Name of the GMCI	Number of equipment	Cost of equipment	Date of receipt of equipment	Period of idling of equipment	Reason of non-utilisation
1.	RIMS-Ranchi	67	10.93	-	2009 to 2016	Equipment installed between 2009 and 2016 not being utilised due to breakdown, department not functional, lack of manpower etc.
		18	1.78	Nov. 2013 to June 2014	Dec. 2013 & June 2014	
2.	BMCRI-Bangalore	6	2.22	Nov. 2008 to October 2013	2011 to 2017	<ul style="list-style-type: none"> ➤ Equipment costing ₹ 17 lakh was not commissioned by the supplier till May 2017. Further, due to lack of technical expertise the equipment was not utilised till date. ➤ Six equipment costing ₹ 2.05 crore received during 2011-13 remained idle for want of repairs.
3.	GMC-Mumbai	17	4.31	2010	2010 to 2017	<ul style="list-style-type: none"> ➤ Equipment were non-functional owing to software problems, lack of supporting equipment/infrastructure, occurrence of defects. ➤ In 21 cases, GMCIs did not provide date of receipt, installation and reason for non-functioning.
4.	GMC-Nagpur	11	3.72	2012 to 2015	2012 to 2017	
5.	RPGMC-Tanda,	2	1.56	May 2016	November 2016	Machines procured through M/s HLL, were lying idle since installation (November 2016). One machine was shifted to Indira Gandhi Medical College (IGMC) Shimla, in March 2017.
		821 ²	3.94	August-September 2015	June 2017.	An amount of ₹ 3.94 crore had been spent on procurement of 985 items (desktop computers, tablets, and other peripherals)

² Desktop computers: 133; Workstations: 8; Network Printer: 44; Laserjet Printers: 122; HP Tablets: 231; VoIP Smart Video set: 113; VoIP Audio set: 170.

Sl. No.	Name of the GMCI	Number of equipment	Cost of equipment	Date of receipt of equipment	Period of idling of equipment	Reason of non-utilisation
						received in August-September 2015, but 821 of these items remained unutilised as of June 2017. The Institution stated (June 2017) that the machine was not being used due to deputation of the specialist doctor to IGMC, Shimla (March 2016) and that one machine had been shifted to IGMC Shimla in compliance with the directions of the State Government (February 2017).
6.	BJMC-Ahmedabad	25	3.22	February 2017	-	21 ventilators procured (February 2010) at the cost of ₹ 2.35 crore, three Ethylene Oxide Sterilizers procured at the cost of ₹ 0.58 crore and one Generator Set procured at the cost of ₹ 0.29 crore were found uninstalled due to incomplete civil work.
7.	GMKMC-Salem	7	1.41	April 2010 to May 2010	May 2010 to January 2011	Seven equipment in five departments costing ₹ 1.41 crore were not working due to repair and non-maintenance for a period varying from five to 76 months.
8.	JMC-Jammu	2	1.58	August 2012 and March 2013	August 2013 and July 2015	CSSD equipment were out of order and could not be maintained due to non-availability of AMC contract. Further, 32 CCTV cameras were installed but not functioning.
9	Pt.BDS, PGIMS-Rohtak	1	0.32	June 2006	5 months	Fully automated ELISA reader installed in Microbiology Department was non-functional due to non-availability of specified micro tips which were required for making the machine functional.
Total		977	34.99			

Annex-5.4

(Refer to paragraph 5.8)

Procurement of equipment outside approved list

(₹ in crore)

Sl. No.	Name of the GMCI	Number of equipment	Cost of equipment (₹ in crore)	Remarks
1.	RIMS-Ranchi	96	2.36	Out of 167 multipara monitors, 71 were delivered by HLL and 96 purchased by RIMS. However, 96 multipara monitors purchased by RIMS, Ranchi were not in the approved list of medical equipment.
		2	0.18	Two Diathermy machines valuing ₹ 18 lakh were purchased, despite the machines not being in the approved list of medical equipment of the Ministry.
2.	JNMC-Aligarh	30	0.63	M/s HLL has procured 45 patient monitors (5 parameter) costing ₹ 95.24 lakh, against the approval of 15 monitor, which resulted in excess procurement of 30 monitor costing ₹ 63.49 lakh. JNMC stated that equipment will be utilised as soon as Trauma Centre starts.
3.	BMCRI-Bangalore	4	0.45	Equipment were procured which was not included in the approved list vetted by the Ministry
4.	IMS-Varanasi	6	6.66	Out of MoHRD fund, C-Arm with Image Intensifier, Flash Sterilizer, Arthroscopy System complete, Battery operated Drill & Saw System etc. amounting to ₹ 6.66 crore procured without assessing the requirement and not part of the DPR approved by the Ministry.
5.	GMC-Mumbai	70	3.34	Ventilators, computers radiography system, steriliser etc. were procured, despite the machines not being in the approved list of medical equipment of the Ministry.
6.	GMC-Nagpur	85	6.24	Video endoscope, ICU Monitoring System, colour Doppler eco & ultrasound machines etc. were procured, despite the machines not being in the approved list of medical equipment of the Ministry.
Total		293	19.86	

Annex-5.5

(Refer to paragraph 5.9)

Comprehensive Maintenance Contract of medical equipment

(₹ in crore)

Sl. No.	Name of the GMCI	Number of equipment	Cost of the equipment	Equipment not working due to non-maintenance		Remarks
				Number	Period in months	
1.	GMC-Amritsar	8	0.87	8	4 to 22	Two equipment costing ₹ 0.75 crore lying unused due to want of repair for 12 months.
2.	IMS-Varanasi	13	9.68	13	--	Equipment procured and installed from firm A in May 2013 with warranty period of five years from the date of acceptance but supplier refused to resolve the problem free of cost and demanded extra charge.
3.	GMKMC-Salem	126	17.35	16	2 to 36	<ul style="list-style-type: none"> ➤ Out of 136 equipment, the Institution entered into CMC contract for 10 equipment. Remaining 126 equipment costing ₹ 17.35 crore, the GMC, Salem, did not enter into CMC contract. ➤ Sixteen equipment purchased at a cost of ₹ 1.85 crore which were under repair for a period ranging from two to 36 months could not be replaced/repared and put to use, as they were not covered under CMC.
Total		147	27.90	37		

**List of Abbreviations
and
Glossary of Terms**

List of Abbreviations and Glossary of Terms

Term	Full form
AIIMS	All India Institute of Medical Sciences
AMC	Annual Maintenance Contract
BHU	Banaras Hindu University
BJMC	Byramjee Jeejeebhoy Medical College
BMCRI	Bangalore Medical College and Research Institute
BOQ	Bill of Quantities
CCEA	Cabinet Committee on Economic Affairs
COS	Committee of Secretaries
CMC	Comprehensive Maintenance Contract
CPWD	Central Public Works Department
CSPDCL	Chhattisgarh State Power Distribution Company Limited
CSSD	Central Sterile Supply Department
CTVS	Cardio-Thoracic and Vascular Surgery
DDPR	Design and Detailed Project Report
DME	Directorate of Medical Education
EFC	Expenditure Finance Committee
EOT	Extension of Time
EPC	Engineering Procurement and Construction
ERC	Empowered Review Committee
ETP	Effluent Treatment Plant
FAC	Final Acceptance Certificate
GCC	General Conditions of Contract
GFC	Good for Construction
GIA	Grant-in-aid
GMC	Government Medical College
GMCI	Government Medical College Institution
HIS	Hospital Information System
HITES	HLL Infra Tech Service Ltd.
HLL	HLL Lifecare Limited
HMCPL	Hospitech Management Consultant Pvt. Ltd
HPPWD	Himachal Pradesh Public Works Department
HSCC	Hospital Services Consultancy Corporation
HVAC	Heating, Ventilation and Air Conditioning
IGMC	Indira Gandhi Medical College
IMS	Institute of Medical Sciences
IPD	Indoor/In-Patient Department
JIPMER	Jawaharlal Institute of Postgraduate Medical Education and Research
JNMC	Jawaharlal Nehru Medical College

LRA	Learning Resource Allowance
MBBS	Bachelor of Medicine and Bachelor of Surgery
MCI	Medical Council of India
MHRD	Ministry of Human Resource Development
MoU	Memorandum of Understanding
MTNL	Mahanagar Telephone Nigam Limited
NCCL	Nagarjuna Construction Company Limited
INC	Indian Nursing Council
NIMS	Nizam's Institute of Medical Sciences
NIT	Notice Inviting Tenders
NOA	Notification of Award
NRHM	National Rural Health Mission
OPD	Out Patient Department
PDUMC	Pandit Deendayal Upadhyay Medical College
PIU	Project Implementation Unit
PMC	Project Monitoring Committee
PMCH	Patliputra Medical College and Hospital
PMNRF	Prime Minister's National Relief Fund
PMSC	Project Management and Supervision Consultant
PMSSY	Pradhan Mantri Swasthya Suraksha Yojana
PSA	Procurement Support Agent
RIMS	Rajendra Institute of Medical Science
ROW	Right of Way
RPGMC	Rajendra Prasad Government Medical College
RTGS	Real Time Gross Settlement
RRVNL	Rajasthan Rajya Vidhut Prasaran Nigam Limited
SBPDCL	South Bihar Power Distribution Company Limited
SKMC	Sri Krishna Medical College
SPWD	State Public Works Department
SSB	Super Speciality Block
SSH	Super Speciality Hospital
TEC	Technical Evaluation Committee
TNMSC	Tamil Nadu Medical Services Corporation Limited
UGC	University Grants Commission
VAT	Value Added Tax
WPI	Wholesale Price Index

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