S.No.98

00955

सत्यमेव जयते

Performance Audit of Employees' State Insurance Corporation (Ministry of Labour and Employment)

Report of the
Comptroller and Auditor General of India
for the year ended March 2013

Union Government (Civil)
(Autonomous Bodies)
Report No. 30 of 2014
(Performance Audit)

Performance Audit of
Employees' State Insurance Corporation
(Ministry of Labour and Employment)

Report of the
Comptroller and Auditor General of India
for the year ended March 2013

Union Government (Civil)
(Autonomous Bodies)
Report No. 30 of 2014
(Performance Audit)

Contents

PREFACE

This Report for the year ended March 2013 has been prepared for submission to the President under Article 151 of the Constitution of India.

This Report contains the result of Performance audit of Employees' State Insurance Corporation (ESIC) for the period 2008-09 to 2012-13

The Instances mentioned in this report are those, which came to notice in the course of test audit conducted during the period 2013-14 as well as those which came to notice in earlier years, but could not be reported in previous Audit Reports; matters relating to the period subsequent to 2012-13 have also been included, wherever necessary.

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

Audit wishes to acknowledge the cooperation received from ESIC at each stage of the audit process.

Executive Summary

The Government of India has been enacting a number of legislations in the area of social security. Employees State Insurance Act, 1948 is an important Act in this regard. The Act provides certain benefits to employees in case of sickness, maternity and employment injury in factories or establishments employing minimum number of workers as determined by the Government. The Government of India, Ministry of Labour and Employment administers the Act through Employees' State Insurance Corporation (ESIC).

Important findings of the Performance Audit Report are given below:

- Outstanding dues on account of contribution from covered establishments amounted to ₹1655.42 crore as of March 2013, of which ₹1001.82 crore was not recoverable.

(Para 2.1.2)

- Non-initiation of timely action to determine the dues resulted in cases becoming time-barred and consequent loss of revenue amounting to ₹ 48.31 crore. Advances of ₹ 20.31 crore given to hospitals as of March 2013 were lying unadjusted in eight States.

(Para 2.1.3 and para 2.8)

- Substantial difference of ₹ 556.59 crore was observed between challans generated towards contribution to be paid by the employers and actual receipts.

(Para 2.4)

- Approximately 12000 ESIC employees had been irregularly availing medical benefits from ESIC dispensaries/hospitals without paying though the facilities were meant for only insured persons paying contributions.

(Para 2.7)

- There were shortfalls in meetings of Standing Committee, Medical Benefit Council, Regional Boards and Hospital Development Committees. Regional Boards were not reconstituted in nine states though their tenure expired during 2004 to 2011.

(Para 2.10 and 2.11)

- Shortfalls in conducting surveys/inspections/test inspections led to ineffective coverage of the scheme.

(Para 3.2)

- Two Intensive Care Units (ICUs) and one Coronary Care Unit (CCU) at ESIC hospital, Noida, Uttar Pradesh could not be made operational even after a lapse of more than two years of hospital's functioning, as a result of which equipment worth ₹ 8.16 crore remained unutilised.

(Para 4.2.5)

- Due to non-availability of super speciality treatment (SST) in ESIC hospitals, the expenditure of ESIC on the SST from empanelled hospitals for its IPs increased significantly from ₹ 5.79 crore in 2008-09 to ₹ 334.54 crore in 2012-13.

(Para 4.2.6)

- Non-provision of facilities for CT scan and MRI, which were required as per norms in two hospitals in Delhi and Noida, Uttar Pradesh resulted in patients being referred to empanelled diagnostic centres. This led to avoidable expenditure of ₹ 4.32 crore during 2011-12 and 2012-13.

(Para 4.2.8)

- 142 medical equipments valuing ₹9.43 crore in various ESIC hospitals/dispensaries were lying idle as of March 2013.

(Para 4.2.9)

- Despite existence of Rate Contract, hospitals purchased dressing items and medicines from local market resulting in avoidable payment of ₹ 2.25 crore.

(Para 4.3.2)

- Sample testing policy for quality check of drugs procured by the ESIC was not being complied with, resulting in distribution of sub-standard drugs to insured persons posing serious health hazard.

(Para 4.3.6)

- Shortage of doctors and specialists ranged between 19 and 44 *per cent* had adverse impact on effective service delivery to insured persons.

(Para 4.4.1)

- While opening two 500 bed hospitals at Gulbarga and Mandi, the norms for existence of minimum number of insured persons were not followed and the locations were incorrectly selected.

(Para 5.1.2)

Summary of Recommendations

- ESIC may take effective steps to recover the arrears of contribution, interest and damages and also ensure prompt action against defaulters. ESIC may also investigate and determine accountability in time barred cases.
- The ESIC may frame the budget estimate with due care. The Ministry may scrutinize the budget proposals carefully before according sanction.
- It is recommended to hold meetings of various committees as prescribed and Regional Boards may be constituted on time for effective governance.
- ESIC may procure its medicines through rate contracts to effect economy and minimise procurement through local purchase.
- ESIC may strengthen its project monitoring mechanism.

Chapter – 1 : Introduction

Employees' State Insurance Scheme (ESIS) is an integrated social security scheme mandated to provide protection to workers and their dependants in the organized sector in contingencies such as sickness, maternity and death or disablement due to employment injury or occupational disease. Towards this objective, the scheme provides full medical facilities to insured persons and their dependants and cash compensation for any loss of wages or earning capacity of insured persons. The scheme is operated by Employees State Insurance Corporation (ESIC) established under the Employees' State Insurance Act, 1948 (the Act). With a view to improve the quality of services, the Act was amended in May, 2010 to provide for the establishment of medical colleges, nursing colleges and training institutes.

ESIC is under administrative control of Ministry of Labour and Employment, Government of India.

1.1 Objective, coverage and benefits under the Act

The objective of the Act is to provide certain benefits to employees in case of sickness, maternity and employment injury. ESIS provides full medical facilities to insured persons and their dependants, as well as cash compensation for any loss of wages or earning capacity of an insured person.

ESIS, initially introduced in February 1952 in two areas i.e. Delhi and Kanpur, is now implemented in the entire country (except Manipur, Sikkim, Arunachal Pradesh and Mizoram) covering shops, hotels, restaurants, cinemas, motor transport undertakings, newspaper establishments, educational and medical institutions employing 20 or more persons. Twenty one states have reduced the threshold of coverage to 10 persons.

Broadly, the benefits provided by the ESIS to insured persons and their dependants are given in **Table 1.1**:-

Table 1.1: Benefits of ESIS

Sl. No.	Benefit	Description
1.	Medical Benefit	Medical care for self and dependents through a network of panel clinics, ESI dispensaries and hospitals.
2.	Sickness Benefit	Sickness Benefit is payable in cash, in the event of any sickness resulting in loss of wages due to absence from work which is duly certified by an authorized medical officer/practitioner.
3.	Maternity Benefit	Maternity Benefit is payable to insured women in case of confinement or miscarriage or sickness related thereto.
4.	Disablement Benefit	Disablement Benefit is payable to insured employees, suffering from physical disablement due to employment injury or occupational diseases.
5.	Dependent's Benefit	Periodical payment to dependants of employee in case of death of employee due to employment injury.
6.	Funeral expenses	Recoupment of funeral expenses on death of employee.
7.	Rehabilitation Allowance	Payment of 50 *per cent* of average daily wages for maximum of 12 months, in case of loss of job due to closure of the establishment, under Rajiv Gandhi Shramik Kalyan Yojna (RGSKY).

1.2 Organisation, Implementation and Governance structure

ESIC has its corporate office at New Delhi and has 23 Regional Offices (RO), 31 Sub Regional Offices (SRO) and 6 Divisional Offices (DO) as its field formations. Union Minister and Secretary of the Ministry of Labour and Employment are Chairman and Vice-Chairman of ESIC respectively. Director General is the Chief Executive Officer of the Corporation. The Organisational Chart of ESIC is given in **Annex-I**.

ESIC provides health and medical care through a network of dispensaries, panel clinics (private clinics/diagnostic centers), hospitals including model hospitals and annexes, Zonal Occupational Disease Research Centers, etc. It also has tie up with other hospitals for super speciality treatments.

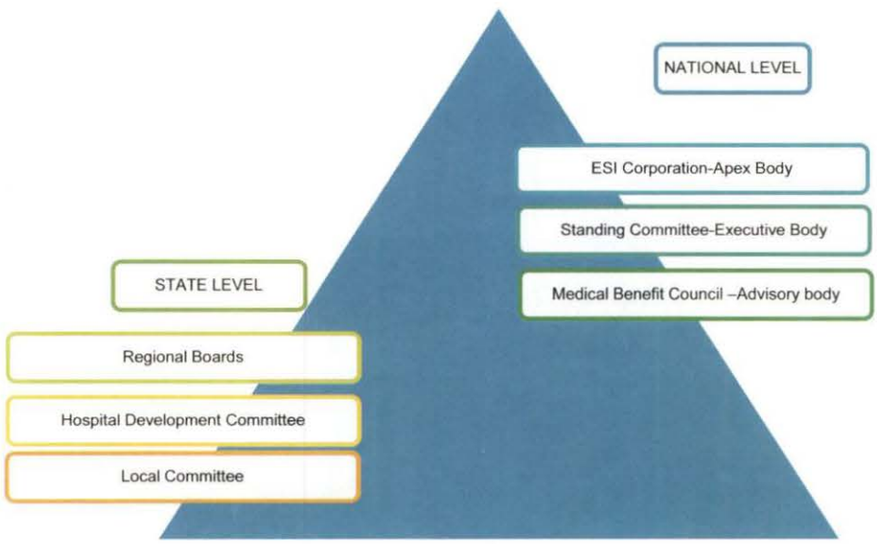
Table 1.2: Implementation Infrastructure

(As on March 2013)

Sl. No.	Type	Numbers
1.	ESI Dispensaries	1384
2.	ESI Annexes[1]	42
3.	ESI Hospitals	151
	Run by State Governments	117
	Run by ESIC	34
4.	Panel clinics	1224
5.	Implementing Centers[2]	810

In all, ESIC have 22,600 beds in ESI hospitals including annexes. In compliance with Section 59B of the Act, ESIC has established eight medical colleges during 2010 to 2013.

The activities of the ESIC are overseen through a number of committees at central and state level as shown in the following diagram:-



[1] Annex: Hospital with less than 50 beds is called Annex.

[2] Implementing centre: All administrative units of ESIC like RO/SRO/DO/BO including local pay offices, etc. are covered here.

For governance, there are three bodies at national level namely (i) ESI Corporation, (ii) Standing Committee and (iii) Medical Benefit Council. At State level also there are three bodies namely (i) Regional Board, (ii) Hospital Development Committee and (iii) Local Committee. Their roles are discussed in Chapter 2.

1.3 Beneficiaries and coverage

The details of number of employers, employees, insured persons and beneficiaries during 2008-09 to 2012-13 are shown below:-

Table 1.3: Number of Employers, Insured Persons and Beneficiaries

(In lakh)

Category	As on 31.03.2009	As on 31.03.2010	As on 31.03.2011	As on 31.03.2012	As on 31.03.2013
Employers	3.94	4.06	4.43	5.80	6.66
Employees[3]	126	139	154	163	165
Insured Persons[4]	129	143	155	171	186
Beneficiaries[5]	502	555	603	664	721

Out of the total work force of about 4590 lakh[6] in India, 275.40 lakh workers are in organized sector (176.70 lakh in public sector and 98.70 lakh in private sector) and the rest are in unorganized sector. The Act covers workers in organized sector only. At present about 186 lakh Insured Persons (IPs) i.e. 67 *per cent* of organized sector are covered under Act, which represents only about 4 *per cent* of the total work force of the country.

---

[3] Employee means any person employed for wages in or in connection with the work of the factory or establishment to which the Act applies.

[4] Insured Person means a person who is or was an employee in respect of whom contributions are or were payable under this Act and who is by reason thereof, entitled to any of the benefits provided in this Act {Section 2(14)}. Thus, insured person includes current employee, retired and permanently disabled employee. (Rule 60 and 61 of ESIC (Central) Rules, 1950)

[5] Beneficiaries: It includes insured persons along with their dependent family members.

[6] As per Standard Note on ESIS as on 1 January 2013

1.4 Audit Mandate

The performance audit of ESIC was conducted under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with the Section 34 of the Employees' State Insurance Act, 1948.

1.5 Audit objectives

The performance audit of the ESIC was conducted to assess whether:

- financial management and governance was efficient;
- mechanism for coverage of new establishments was effective;
- implementation of scheme, including procurement of medicines/ equipment was efficient and effective; benefits provided to the insured persons/beneficiaries were as per norms; and
- infrastructure development was effective and as per norms.

1.6 Audit Criteria

Various activities of ESIC were evaluated with reference to criteria derived from following:

- The Employees' State Insurance Act, 1948 as amended from time to time.
- The Employees' State Insurance (Central) Rules, 1950.
- The Employees' State Insurance (General) Regulations, 1950.
- Citizen's Charter, Standard Note on ESIS and instructions issued by ESIC.
- Instructions/orders issued by the Ministry of Labour and Employment, Government of India and General Financial Rules, 2005.
- Norms and standards of Staff and Equipment for ESI Hospitals and Dispensaries.
- Inspection Policy of ESIC.
- Revenue Manual of ESIC.

1.7 Scope of audit

The performance audit covered related activities of ESIC at its Headquarters, Regional Offices, Sub-Regional Offices (along with two Branch offices), Divisional Offices, Hospitals and Dispensaries. Activities at selected Medical/Dental/Nursing Colleges and Directorate (Medical) Delhi were also examined. Period covered under performance audit was 2008-09 to 2012-2013. Sample selection for audit was as under:

Table 1.4: Sample Selection

Name of Units	Total Units	Covered in Audit	Criteria
ROs/ SROs/ DOs	60	56	All ROs/SROs (including Divisional Office, if any) in 22 States and two Union Territories.
ESIC run Hospitals	34	29	Two ESIC run hospitals in every state subject to existence, selected using SRSWOR[7].
Dispensaries	1384	92	Four in each State subject to existence, selected using SRSWOR.
Medical Colleges	8	5	One in each State subject to existence, selected using SRSWOR.

Related records at the Ministry of Labour and Employment were also test checked. The details of units covered in audit are given in **Annex-II.**

The Performance Audit did not cover states of Meghalaya, Nagaland and Tripura as very few establishments were covered under ESIC in these states.

1.8 Audit Methodology

The Performance Audit commenced with Entry Conference with Director General, ESIC on 31 July 2013, wherein the audit objectives, scope, methodology and audit criteria were explained. Records of ESIC were examined during August 2013 to December 2013. Draft

[7] SRSWOR: Statistical Random Sampling Without Replacement

performance audit report was issued to ESIC and the Ministry on 18 March 2014. Exit Conference with Director General, ESIC and Joint Secretary (Ministry of Labour and Employment) was held on 9 May 2014 wherein important audit findings along with recommendations were discussed. Response to the draft report which was received on 20 May 2014 has suitably been considered and incorporated in the report.

1.9 Previous Performance Audit of ESIC

Previous performance audit of ESIC covering 1999-2000 to 2003-04 was conducted and the results reported in Comptroller and Auditor General's Report No. 2 of 2006.

The major shortcomings pointed out in the report were:

- Shortfall in number of meetings of the Standing Committee and Medical Benefit Council.
- Consistent increase in outstanding arrears of contribution from employers.
- Shortfall in coverage of eligible employees working in establishments coverable in new areas.
- Misuse of cash benefits due to deficient internal controls.
- Land acquired by ESIC from State Governments for construction of hospitals, dispensaries and staff quarters not utilized for periods ranging from two to thirty seven years.
- Deficiencies in management of hospitals and dispensaries- under utilization of beds, idling of equipment, injudicious purchase of medicines and procurement of sub-standard drugs.
- Improper implementation of the project on prevention and control of HIV/AIDS resulted in under utilization of aid from the World Bank.

In its Action Taken Note the Ministry replied (August 2010) that necessary remedial action would be taken on the shortcomings. This performance audit however, revealed that most of the shortcomings were still persisting.

1.10 Rationale for selection of this topic

Efficient working of ESIC affects large number of workers. Further the Act was amended in 2010 to include establishment of medical colleges, nursing colleges and training institutes. Since previous performance audit of ESIC was reported in 2006 i.e. eight years ago, it was considered necessary to take up the performance audit of ESIC.

1.11 Structure of Audit Report

The layout of report is as under:-

Chapter 1 introduces the subject and defines audit methodology adopted.

Chapter 2 is about financial management and governance, highlighting issues about mechanism to collect contribution, budget preparation and allotment of funds, recovery of arrears and the status of meetings held by various Central and State level committees.

Chapter 3 is about coverage of establishments under the scheme and shortfalls in including new areas, methods used for coverage i.e. inspections, surveys and test inspections.

Chapter 4 is on implementation of ESIS, benefits available to insured persons and beneficiaries, quality of services provided to beneficiaries in various hospitals/dispensaries, procurement practices, issues related to human resources.

In Chapter 5, issues on infrastructure development and computerization in ESIC have been reported.

1.12 Acknowledgement

Audit wishes to acknowledge cooperation extended by ESIC, including its ROs and SROs, hospitals and dispensaries and the Ministry of Labour and Employment, during the audit process.

Chapter - 2: Financial Management and Governance

One of the objectives of the performance audit was to examine whether mechanism to collect contributions, recovery of arrears was effective and financial management including budgetary controls were efficient. For this Audit examined income and expenditure statements, collection of contributions, recovery of arrears, un-reconciled challans, non-reconciliation of bank account statements, non-recovery of interest on delayed credits by bank and budgetary processes. Audit also examined whether existing governance structure at Central and State level, were effective. Significant issues arising from results of audit examination are as follows:

2.1 Income and expenditure

As per Rule 51 of ESI (Central) Rules 1950, the contribution is to be collected at rate of 1.75 *per cent* of wages from employee and 4.75 *per cent* of wages from employer. It was the main source of income to the ESIC and contributed 76 to 84 *per cent* of its total income. In addition, the other sources of income were interest on investments (14 to 22 *per cent*) and rent/rate/taxes (0.60 *per cent* to 1.48 *per cent*) of the buildings constructed by ESIC and handed over to state governments to run the scheme, etc.

Expenditure of ESIC was mainly towards providing medical benefits (54 to 64 *per cent* of total expenditure), cash benefits (11 to 18 *per cent*), administrative expenses (12 to 20 *per cent*), etc. The income and expenditure details of ESIC during 2008-09 to 2012-13 are as given in **Table 2.1**:-

Table 2.1: Income and Expenditure

Figures in bracket indicate per cent share *(₹ in crore)*

Sl. No.	Item	2008-09	2009-10	2010-11	2011-12	2012-13
INCOME						
(A)	Contribution	3698.53 (83.07)	3896.00 (76.61)	5748.77 (82.35)	7070.11 (84.23)	8111.45 (80.01)
(B)	Interest & Compensation	664.03 (14.91)	1110.36 (21.84)	1132.43 (16.22)	1188.02 (14.15)	1914.49 (18.88)
(C)	Rent, Rates & Taxes	65.86 (1.48)	61.40 (1.21)	65.66 (0.94)	60.64 (0.72)	60.93 (0.60)

(D)	Fees, Fines & Forfeitures	9.37 (0.21)	10.14 (0.20)	7.99 (0.11)	25.43 (0.30)	15.57 (0.15)
(E)	State Government Share	7.59 (0.17)	0.00	9.64 (0.14)	20.00 (0.24)	0.00
(F)	Miscellaneous	7.07 (0.16)	7.27 (0.14)	16.13 (0.23)	29.35 (0.35)	36.19 (0.36)
TOTAL		**4452.45**	**5085.17**	**6980.62**	**8393.55**	**10138.63**
EXPENDITURE						
(A)	Administration	412.76 (19.95)	504.36 (18.60)	524.21 (15.75)	647.06 (15.18)	823.26 (12.43)
(B)	Medical Benefits	1123.22 (54.29)	1626.93 (59.99)	2123.67 (63.82)	2689.62 (63.11)	3931.91 (59.38)
(C)	Cash Benefits	383.23 (18.52)	428.85 (15.81)	496.55 (14.92)	685.07 (16.08)	763.78 (11.54)
(D)	Civil Construction	36.99 (1.79)	38.96 (1.44)	57.49 (1.73)	70.70 (1.66)	81.11 (1.23)
(E)	Repairs and Maintenance and Municipal Taxes	112.63 (5.44)	112.72 (4.16)	125.68 (3.78)	169.25 (3.97)	129.08 (1.95)
(F)	Contingency Reserve Fund/ Prior period adjustment[8]	0.00	0.00	0.00	0.00	892.00 (13.47)
	Total	**2068.83**	**2711.82**	**3327.60**	**4261.70**	**6621.16**
Excess of Income Over Expenditure		2383.62	2373.35	3653.02	4131.85	3517.47
Transfer to capital construction reserve fund (CCRF)		-	5000.00	-	-	3000.00
Accumulated surplus		13481.40	10854.75	14507.77	18639.62	19157.09

(Source: Annual accounts of ESIC)

Analysis of data of income and expenditure indicated following:-

- Contribution was the main source of income to the ESIC and was 76 to 84 *per cent* of total income during 2008-09 to 2012-13.
- ESIC had investments of ₹ 31638.58 crore as of March 2013 and interest on such investments contributed to 14 to 22 *per cent* of income.
- Medical Benefit contributed towards 54 to 64 *per cent* of Expenditure. Similarly Cash Benefits were 11 to 18 *per cent* of the outgo. These two components which were for direct service to IPs contributed to approximately 80 *per cent* of its expenditure.
- Administrative expenditure for running of the scheme was 12 to 20 *per cent* of total expenditure which appeared to be on the higher side. However, it was within statutory limit of 15 *per cent*

[8] New expenditure head added during 2012-13

of total revenue as defined under Rule 31 of ESI (Central) Rules, 1950 under Section 28A of the Act.

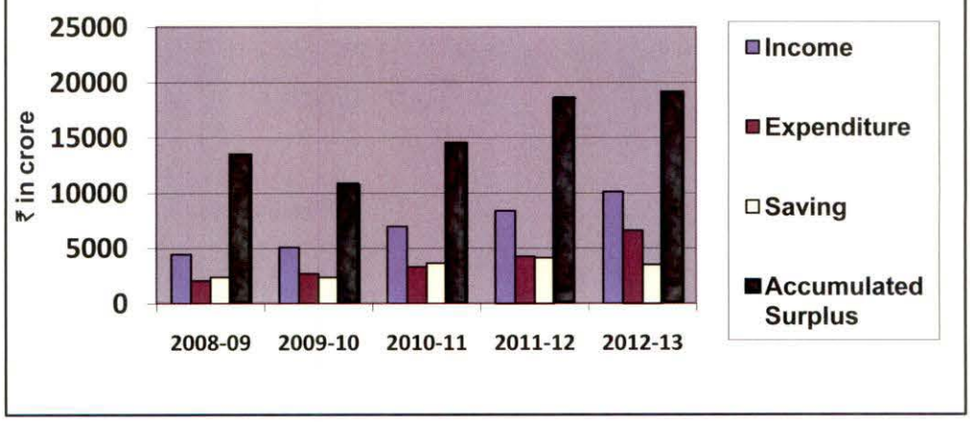
- Expenditure towards medical and cash benefit was between 33 and 46 *per cent* of total income indicating that the expenditure on the main activity was not in proportion to collection of contributions. It also indicated that the rates of contribution from employee and employers were higher than present level of services being provided.

2.1.1 Accumulated surplus

The ESIC was created to provide social security for IPs, however as seen from its income and expenditure figures, its collections were consistently and significantly higher than its level of expenditure on services, with the result that it has been accumulating surplus over the years. During 2009-10 and 2012-13 ESIC transferred ₹ 5000 crore and ₹ 3000 crore respectively from 'Surplus' to 'Capital Construction Reserve Fund' (CRRF). Yet the accumulated surplus increased from ₹ 13481.40 crore in 2008-09 to ₹ 19157.09 crore in 2012-13.

The pattern of accumulated surplus during 2008-09 to 2012-13 is highlighted in the **Graph 2.1**:-

Graph:2.1 Income and expenditure and accumulated surplus



Spending less on providing core services (medical benefits and cash benefits) for which ESIC was created and using accumulated surplus for medical education (construction of medical colleges) is an issue of concern.

2.1.2 Arrears of contributions

As per Regulation 31 of ESI (General) Regulations 1950, all employers of covered establishments are required to deposit both employees' and employer's contribution within the stipulated period i.e. latest by 21st of next month. In case employer fails to do so, contribution along with interest will fall under arrears for which ESIC is empowered to take recovery action as arrears of land revenue under Section 45-B to 45-I of the Act.

The position of arrears and its recovery for last five years is given below:-

Table 2.2: Arrears of Contribution

(₹ in crore)

Year	Arrears to be recovered from			Arrears not recoverable at present[9]
	Private[10]	Public[11]	Total	
2008-09	1060.73	206.59	1267.32	912.26 (71.98 *per cent*)
2009-10	1037.27	272.72	1309.99	1009.01 (77.02 *per cent*)
2010-11	1060.60	307.76	1368.36	962.92 (70.88 *per cent*)
2011-12	1123.98	348.74	1472.72	1031.19 (70.02 *per cent*)
2012-13	1303.99	351.43	1655.42	1001.82 (60.51 *per cent*)

Analysis of arrears indicated that:

- Out of total arrears of ₹ 1655.42 crore as of March 2013, ₹ 1001.82 crore were classified as not recoverable, ₹ 124.32 crore as dues from sick industries and ₹ 529.28 crore as pending for recovery with Recovery Officers.
- A significant portion of total arrears was classified as 'not recoverable arrears' indicating weaknesses in recovery mechanism.
- Total arrears were about 20 to 34 *per cent* of annual contributions during 2008-09 to 2012-13.
- Arrears recoverable as on 31 March 2013 i.e. ₹ 1655.42 crore,

[9] ESIC classifies these arrears as irrecoverable at present due to court case, whereabouts not known, factory closed, etc.

[10] Public- Employers from public sector.

[11] Private- Employers from private sector.

constituted 20.4 *per cent* of the total contributions collected during 2012-13.

- The amount of outstanding arrears increased by about 30 *per cent* from 2008-09 to 2012-13.

ESIC stated (May 2014) that the main reason for the outstanding arrears was continuing default and all regions were being advised to ensure timely recovery action in respect of defaulter units.

2.1.3. Loss of Revenue by time barring

Section 45 A of the Act, which empowered ESIC to determine the amount of contribution payable by the employer, was amended in June 2010 by prescribing a time limit of five years for determination of contributions, with a view that such cases were determined within maximum period of five years. Consequent to the amendment, ESIC directed (June 2010) all ROs/SROs, to assess all the pending cases on priority to finalize the assessment of contribution by passing appropriate orders before expiry of five years. However, it was seen that a number of cases could not be decided within this time limit; resultantly the recoveries of ₹ 48.31 crore became time barred.

Summary of cases where arrears became time barred and hence unrecoverable is as follows:

Table 2.3: Time-barred cases

Sl. No.	Name of RO/SRO/State	No. of Cases	Amount (₹ in crore)
1.	SRO Ernakulam, Kerala	42	0.60
2.	RO Thrissur, Kerala	21	0.12
3.	RO Chennai, Tamil Nadu	1096	39.48
4.	SRO Salem, Tamil Nadu	NA	4.74
5.	RO Puducherry	94	1.84
6.	RO/SRO Karnataka	53	1.53
	Total	**1306**	**48.31**

Thus, non-initiation of action by the ESIC even in five years period to determine the dues resulted in loss of revenue of ₹ 48.31 crore.

Recommendation: ESIC may take effective steps to recover the arrears of contribution, interest and damages and also ensure prompt action against defaulters. ESIC may also investigate and determine accountability in time barred cases.

ESIC stated (May 2014) that action for determining responsibility for violation of instructions was being looked into.

2.1.4 Non Recovery of Arrears of ₹785.10 crore from Delhi Government

Administration of ESIS was transferred from Delhi Government to ESIC in 1962, with the condition for reimbursement of 1/8th share of expenditure by Delhi Government. Delhi Government had been making payment regularly till 1989-90, but subsequently payments became irregular. A total of ₹ 785.10 crore was outstanding from Government of Delhi as on 31 March 2013. ESIC also did not take up the matter with the Ministry to pursue with Delhi State Government for recovery of arrears.

ESIC stated (May 2014) that the matter was being constantly pursued with Delhi State Government.

2.2 Budget

According to Section 26 of the ESI Act, all contributions paid under this Act and all other moneys received on behalf of the ESIC are paid into a fund called the Employees' State Insurance Fund, which is held and administered by the ESIC. The Act further provides that the Corporation shall frame a budget, showing probable receipts and expenditure and submit a copy of the budget for the approval of the Central Government (Section 32). Rule 48(2), Appendix 2 of General Financial Rules (GFRs) provide guidance on preparation of budget and states that the budget should be prepared with due care. The details of budget estimates and actual expenditure of ESIC and its Excess (+) or Saving (-) during 2008-2009 to 2012-2013 are given in **Table 2.4**:-

Table 2.4: Budgeted vis-a-vis Actual Expenditure during last five years

(₹ in crore)

Year	Budget Estimates (BE)	Actual expenditure	Excess(+)/ Saving(-) *per cent w.r.t. B.E.*	
			Amount	*per cent*
2008-09	2130.71	2068.83	-61.88	-2.90
2009-10	3399.05	2711.82	-687.23	-20.22
2010-11	3890.71	3327.60	-563.11	-14.47
2011-12	5079.70	4261.70	-818.00	-16.10
2012-13	5749.63	6621.15	871.52	15.16

Thus, while actual expenditure was close to budget figures in 2008-09, during 2009-10 to 2011-12 savings of 14.47 *per cent* to 20.22 *per cent* were observed.

Scrutiny of process of approval of budget in the Ministry revealed that the Ministry approved the budget proposal as submitted by the ESIC i.e. without exercising any oversight role during all five years.

This indicated weaknesses in the budgeting process.

Audit also analysed budgeting for ESIC field offices and significant deviations are indicated as under:

Table 2.5: Details of deviations in budget

Sl. No.	Name of Unit/State	Period	Excess/ Saving	*Per cent* of Excess/ Saving
1.	SRO Okhla, Delhi	2009-10 to 2012-13	Excess	22 to 89
2.	ESIC Hospital Vapi, Gujarat	2011-12 to 2012-13	Saving	45 to 55
3.	RO Bangalore, Karnataka	2010-11 to 2012-13	Excess	20.4 to 49.57
4.	SRO Bomasandra, Karnataka	2010-11	Excess	70
5.	SRO Peenya, Karnataka	2010-11	Excess	40
6.	SRO Coimbatore, Tamil Nadu	2008-09 to 2012-13	Excess	41 to 196
7.	RO Dehradun, Uttarakhand	2008-09 to 2012-13	Saving	40.5 to 63.4
8.	SSH Santhnagar, Hyderabad	2011-12 & 2012-13	Saving	20.45 to 65.05
9.	SRO Kollam, Kerala	2011-12	Saving	68.56

These variations indicated weak budgeting and lack of adequate oversight on the part of ESIC.

Recommendation: The ESIC may frame the budget estimates with due care. The Ministry may scrutinize the budget proposals carefully before according sanction.

The Ministry/ESIC accepted the recommendation.

2.3 Payments to states without audit certificates

As per Section 58(3) of the Act, the ESIC entered into an agreement with the State Governments to provide a uniform scale of medical care to IPs and expenditure on medical care is to be shared between ESIC and State Governments in a ratio of 7:1. As per prescribed procedure, ESIC makes provision for on account payment up to 90 *per cent* of its 7/8th share of expenditure based on the ceiling fixed and pays the balance 10 *per cent* subsequently on receipt of audit certificate from the concerned State Accountants General (AsG). Audit observed that during 2008-09 to 2011-12, (**Annex-III**) the ESIC paid ₹ 2280.29 crore to 21 states as 90 *per cent* advance payment but the expenditures were not certified from the respective AsG even after a lapse of more than four years. Audit also observed that ESIC released funds to Andhra Pradesh, Gujarat, Haryana, Punjab, Rajasthan and Tamil Nadu in excess of expenditure certified by the AsG. The basis of making excess payments to States was not on records.

ESIC stated (May 2014) that the payment of ₹ 2280.29 crore to 21 States referred to the payment of 90 *per cent* of 7/8th share, which was to be made in advance without audit certificates. The reply is not acceptable as the funds had been released to the states consecutively for four years i.e. 2008-09 to 2011-12 and expenditure figures were not certified during these years.

2.4 Un-reconciled challans

After the computerization of ESIC, all contributions are to be paid by the employer through online challan. Each month, each employer needs to generate online challan for contribution to be paid. Payment is to be made in State Bank of India for that challan. After getting

scroll from the bank, ESIC reconciles the challans generated vis-à-vis those paid in bank. The challans generated but not paid are treated as un-reconciled challans.

Audit observed that subsequent to the completion of process of significant online challan generations, a number of un-reconciled challans were found in the system.

Audit noted a difference of ₹ 556.59 crore between generated challans and actual receipts as per details given below:-

Table 2.6: Difference in generated challans and actual receipts

Sl. No.	Name of State	Amount of difference (₹in crore)	Period
1.	Himachal Pradesh	10.38	2011-12 and 2012-13
2.	Haryana	146.03	2008-09 to 2012-13
3.	Karnataka	380.42	October 2011 to March 2013
4.	Uttarakhand	19.76	2011-12 and 2012-13
	Total	**556.59**	

ESIC stated (May 2014) that such types of challans were lying unpaid in the Insurance Module and it was decided that all the challans lying unpaid for more than six months would be automatically deleted from the system. However, this system was not introduced because it was not clear whether these challans were unpaid challans or un-reconciled challans.

2.5 Issues arising out of Non Reconciliation

2.5.1 Disbursal of pension of ₹ 1.17 crore remained outside cash book in RO, Delhi

Bank reconciliation statement of RO, Delhi (as on 31 March 2013) had shown an amount of ₹ 1.17 crore against 'pension scroll debited by bank but not booked in the cash book for want of pension scroll from bank'. This included amount of ₹ 1.04 crore pertaining to the period between August 2004 and August 2011. By not showing this amount in the cash book, the RO Delhi had understated its expenditure in the respective years. This was also fraught with the risk of overpayment to pensioners during the related period.

ESIC stated (May 2014) that out of ₹ 1.17 crore an amount of ₹ 86.00 lakh has been adjusted by obtaining the details of pension scroll from the bank. The matter was under correspondence with the bank to furnish the details of pension scroll for the remaining amount of ₹ 30.43 lakh to carry out the adjustment in cash book of RO, Delhi.

2.5.2 Debit of ₹ 2.86 crore given by bank not included in accounts

Similarly, Bank Reconciliation Statement of RO Raipur of March 2013 revealed that an amount of ₹ 2.86 crore was debited between October 2006 and December 2012 by the bank but not included in ESI accounts.

ESIC stated (May 2014) that RO Raipur had not received exact details of ₹ 2.86 crore from the bank. The matter was being pursued with the bank for furnishing the details.

2.6 Non-recovery of interest on delayed credits by State Bank of India (SBI)

As per the agreement between the SBI and ESIC effective from 1 April 2005, the bank will pay interest on delayed credits of contribution to ESI fund beyond 14 days from the base branch to link branch and link branch to nodal account at New Delhi at a rate of 2 *per cent* above savings bank rate.

Audit observed that an amount of ₹ 58.94 lakh was outstanding as interest on delay in credit of contributions from SBI as on March 2013. (RO Ahmedabad- ₹ 24.34 lakh, SRO Vadodara- ₹ 17.85 lakh and SRO Surat - ₹ 12.40 lakh, SRO Bhubaneshwar - ₹ 2.77 lakh and RO Guwahati - ₹ 1.58 lakh).

ESIC stated (May 2014) that the matter was being pursued with bank authorities for the credit of interest on delayed credits of contributions to ESI fund by the respective accounting units.

2.7 Availing medical facilities by ESIC employees without Contribution

As per Rule 51 of ESI (Central) Rules 1950, facilities of ESIC hospitals/ dispensaries and other benefits are available for eligible category of workers/employees on payment of contribution by employee and

employer both. However, audit observed that all employees of ESIC were availing medical facilities without payment of any contribution.

Availing medical facilities free of cost by the employees from ESIC dispensaries/hospitals was, therefore, irregular. Prior to 1995, employees of ESIC were availing CGHS facilities at prevailing CGHS rates. As per decision of 135th Standing Committee meeting held on 29 August 1996, the employees posted in ROs, Delhi and HQrs office, Delhi who were availing medical benefits through CGHS, were to be provided medical facilities through ESI dispensaries/hospitals with effect from 1 April 1995. Thus, ESIC employees switched over from CGHS to ESI medical facilities without paying any contribution.

As per the prevailing subscription rates for CGHS w.e.f. 1 June 2009, an amount of ₹ 61.53 lakh was recoverable from the salary of 648 ESIC employees posted at ESIC HQrs for the period June 2009 to March 2013. There are approximately 12000 employees in ESIC availing medical facilities without any contribution.

ESIC stated (May 2014) that decision could not be taken in 135th Standing Committee meeting with regard to recovery of subscription from the employees availing medical facilities from ESI hospitals. A final view in the matter has not yet been taken. The matter would be placed before the competent authority for decision.

2.8 Non-adjustment of medical advances given to hospitals

Senior State Medical Commissioners (SSMCs)/State Medical Commissioners (SMCs)/Directorate Medical Delhi (DMD)[12] were authorized to make tie up arrangements with reputed government/semi government/private hospitals/institutions for getting super speciality treatment by IPs. As per the instructions issued by ESIC (July 2008) for super speciality treatments, the IPs were not required to make any payment and would get cashless treatment from such super speciality hospitals. In exceptional circumstances or in emergencies, advances can be paid to tied up hospitals by ESIC. The tied up hospitals will submit

[12] Authorities in ESIC, responsible for tie up arrangements with super speciality hospitals.

the bills along with necessary supporting documents to respective ESI hospitals by 7th of the next month.

Audit observed that advances of ₹ 20.31 crore given to such hospitals, as on March 2013, were lying unadjusted in eight states as detailed below:-

Table 2.7: Unadjusted advances

(₹ in lakh)

Sl. No.	Name of State	Unadjusted Advances
1.	Himachal Pradesh	186.76
2.	Haryana	68.75
3.	Chandigarh	84.58
4.	Madhya Pradesh	388.00
5.	Gujarat	585.57
6.	Rajasthan	20.56
7.	Kerala	630.21
8.	Chhattisgarh	67.03
Total		**2031.46**

Of the above, advances of ₹ 156.71 lakh were unadjusted for more than five years.

ESIC stated (May 2014) that the matter was being followed vigorously with the concerned hospitals for adjustment of advances.

2.9 Governance of ESIC through Committees

As per Section 3 of the Act, the ESIS is administered by a duly constituted corporate body called the 'Employees' State Insurance Corporation (ESIC)'. Under Section 8 of the Act, a Standing Committee of the Corporation shall be constituted from among its members appointed by/representing Central Government, State Governments, employers, employees, medical profession and Director General of ESIC (ex-officio). Similarly, under Section 10 of the Act, a Medical Benefit Council shall be constituted by the Central Government consisting of Director General of ESIC, Director General Health Services, Medical Commissioner of Corporation and other members representing State Governments, medical profession with at least one lady member.

Under Section 25 of the Act, Corporation may appoint Regional Boards, Local Committees and Regional/Local Medical Benefit Councils in such manner as provided by Regulations. Accordingly, three bodies namely (i) Regional Board, (ii) Hospital Development Committee (HDC) and (iii) Local Committee are appointed for State level.

2.10 Committee meetings

The activities and functioning of the ESIC are governed by the ESI Act, 1948. As per Section 20 of the Act, the Corporation, the Standing Committee and the Medical Benefit Council shall meet at such times as may be specified in the Regulations made in this behalf. Under Rule 6 of ESI (Central) Rules 1950, minimum number of meeting of ESIC, Standing Committee and Medical Benefit Council to be held in a year are prescribed. Meeting for Regional Board and HDC were prescribed by ESIC through circulars/handbook. For meetings of local committee no minimum criterion was prescribed.

Comparison of prescribed and actual number of meetings of these committees held during 2008-09 to 2012-13 indicated shortfalls as detailed in **Table 2.8**:-

State wise status of conduct of meetings of Regional Boards and

Table 2.8: Shortfalls in meetings of Committees

Name of Committee	Main functions of the Committee	Prescribed Frequency of meetings	Actual number of meetings held during 2008-09 to 2012-13	Shortfall
National Level Committees				
ESI Corporation	Primary body for administration of the scheme, it may also promote measures for the improvement of the health and welfare of insured person and rehabilitation and re-employment of the insured persons who have been disabled or injured. (Section 3 and 19 of the Act)	At least twice each year Total : 10	4(2008-09) 3(2009-10) 3(2010-11) 4(2011-12) 2(2012-13) **Total : 16**	NIL

Standing Committee	Subject to general superintendence and control of the Corporation, it administers the affairs of the Corporation. (Section 18 of the Act)	At least 4 times each year Total : 20	4(2008-09) 3(2009-10) 3(2010-11) 3(2011-12) 3(2012-13) **Total : 16**	4
Medical Benefit Council	It advises the Corporation and the Standing Committee on matters relating to administration of medical benefit. It also investigates complaints against medical practitioners in relation to medical services (Section 22 of the Act)	At least twice each year Total : 10	1(2008-09) 0(2009-10) 1(2010-11) 1(2011-12) 2(2012-13) **Total : 05**	5
State Level Committees				
Regional Board	Extension of ESIS to new areas, improvement in benefits, provision of indoor medical treatment, arrangement of rehabilitation of permanently disabled IPs, review the working of the scheme in the state. (Regulation 10(14))	At least 4 times in a year for 24 Regional boards Total : 456	17(2008-09) 20(2009-10) 28(2010-11) 16(2011-12) 21(2012-13) **Total : 102**	354
Hospital Development Committee	Improvement in day to day functioning, repair and maintenance of the hospital, obtaining ISO certification and to handle general grievances, complaints and difficulties of IPs, to review up-gradation of medical care facilities. (Handbook on Hospital Development Committee of ESI Hospitals).	At least 6 times in a year Total : 703	25(2008-09) 43(2009-10) 41(2010-11) 41(2011-12) 63(2012-13) **Total : 213**	490

HDCs is given in **Annex-IV**. Audit observed that in 15 states (Assam, Chhattisgarh, Delhi, Goa, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, Uttar Pradesh and Uttarakhand) the shortfall in holding Regional Board meetings was 75 *per cent* or more. Infrequent meetings by committees was not consistent with good governance practices and would have an adverse impact on implementation of the ESIS.

2.11 Delay in re-constitution of Regional Boards

As on March, 2013 there were 24 Regional Boards. The tenure of Regional Boards is for three years. Out of these 24 Regional Boards, tenure of nine boards namely Maharashtra, Puducherry, Punjab, Assam, Uttar Pradesh, Uttarakhand, Kerala, Tamil Nadu and Delhi expired during 2004 to 2011. These were not reconstituted (July 2013). Proposal for constitution of Regional Boards of three states (Assam, Chhattisgarh and Jharkhand) was reportedly pending with the Ministry. Regional Board of Gujarat was reconstituted in 2012 with delay of 10 years after expiry of previous Regional Board tenure in 2002.

The instances of delay in constitution of Regional Boards would lead to denial of appropriate forum to the stakeholders.

Recommendation: It is recommended to hold meetings of various committees as prescribed and Regional Boards may be constituted on time for effective governance.

ESIC stated (May 2014) that the Regional Boards of Jharkhand, Assam and Chhattisgarh were reconstituted in July-August, 2013 and rest of recommendations of the Audit were noted for future guidance.

Chapter - 3: Coverage of the Scheme

One of the objectives of the performance audit was to examine effectiveness of mechanism for coverage of new establishments. For this, Audit examined the process for inclusion of new areas/ establishments under ESIS so as to deliver its benefits to the insured persons. Audit also looked for evidences whether eligible establishments were left out from the ambit of ESIS' coverage. Significant issues from Audit examination are as follows.

3.1 Planning for coverage

The State Governments are empowered to extend the provisions of the ESI Act to various classes of establishments, industrial, commercial, agricultural or otherwise in nature. Under these provisions, most of the State Governments have extended the Act to classes of establishments such as, shops, hotels, restaurants, cinemas, theatres, medical and educational institutions, motor transport undertakings, newspaper and advertising establishments, etc. employing 10 or more persons. The ESIS has so far been implemented in 24 States and three Union Territories[13].

The ceiling on monthly wages for coverage was ₹10000 with effect from 1 January 2006 to 30 April 2010 and ₹15000 with effect from 1 May 2010. Ceiling for physically challenged employees was ₹25000. Thus, employee comes out of the social security net of ESIC on crossing the wage ceiling limits.

As discussed earlier in paragraph 1.3, at present ESI covers only about four *per cent* of the total work force and 67 *per cent* of organized workforce.

ESIC stated (May 2014) that at present the ESI Act covers only organized sector, although threshold limit of coverage of establishments has been reduced to 10 employees by many states.

[13] ESIS is yet not implemented in Mizoram, Manipur, Arunachal Pradesh and Sikkim.

3.2 Surveys, Inspections and Test Inspections

ESIC does surveys, inspections and test inspections for effective coverage of the ESIS, which are described as under:

Surveys: The Social Security Officer (SSO) is expected to keep constant vigil over uncovered establishments in his/her area and recommend coverage as soon as the Act becomes applicable to them. Surveys are conducted by SSO to assess coverage potential of new establishments.

Inspections: While surveys are carried out for possibility of coverage of new establishments, inspections are done for already covered establishments to ensure that all coverable employees are covered and to ascertain whether all components of wages are taken into account for payment of contribution. Under Section 45 of the Act, the SSOs have been vested with duties, functions and powers for examination of records, books and documents relating to employment of persons and wages maintained at any office, establishment, or factory and exercise such other powers.

Test Inspections: The Regional Director/Joint Director cross-checks a sample of inspection which is called test inspection.

The Inspection Policy framed in 2008, prescribed target of 20 inspections and 20 surveys per month for each SSO. Audit examined compliance to this stipulation and found shortfalls as under:

3.2.1 Surveys: Test check of records of the following states revealed substantial shortfalls in conducting surveys as detailed below:-

Table 3.1: Details of Survey conducted during 2008-09 to 2012-13

Sl. No	Name of the state	Period	Target for Surveys	Actually conducted	Shortfall *(per cent)*
1.	Delhi	2008-13	37770	11515	69.51
2.	Assam	2008-13	4800	1071	77.69
3.	West Bengal	January 2013 and February 2013	2010	810	59.70

ESIC stated (May 2014) that shortfalls were due to acute shortage of SSOs and the field offices had been advised to conduct surveys as per the Inspection Policy.

3.2.2 Inspections of Establishments

As already stated, under the Inspection Policy of ESIC (June 2008), each SSO has to conduct 20 inspections per month. Further, it was mandatory to conduct inspection of units employing more than 250 employees (major units) once in two years and units with lesser number of employees once in three years. Details of inspections conducted in various States vis-à-vis target is given below:-

Table 3.2: Details of inspections conducted

Sl No.	Name of the State	Number of Inspections to be conducted as per norms during 2008-09 to 2012-13	Number of inspections actually conducted during 2008-09 to 2012-13	Percentage of Shortfall
1.	Andhra Pradesh	16340	6520	60.10
2.	Assam	4800	1071	77.69
3.	Bihar	1988	979	50.75
4.	Chandigarh (UT)	7897	2452	68.95
5.	Chhattisgarh	1889	617	67.34
6.	Delhi	26900	4293	84.04
7.	Goa	5396	770	85.73
8.	Gujarat	20243	8126	59.86
9.	Haryana	12915	8193	36.56
10.	Himachal Pradesh	2873	2778	3.31
11.	Jammu & Kashmir	3360	393	88.30
12.	Karnataka	28257	6999	75.23
13.	Kerala	24170	5312	78.02
14.	Maharashtra	106704	26693	74.98
15.	Madhya Pradesh	18871	1291	93.16
16.	Odisha	13188	4932	62.60
17.	Puducherry (UT)	5160	1845	64.24
18.	Punjab	10192	5270	48.29
19.	Rajasthan	34514	8298	75.96
20.	Tamil Nadu	124264	27305	78.03
21.	Uttar Pradesh	8292	6263	24.47
22.	West Bengal	33464	5830	82.58
	Total	**511677**	**136230**	**72.14**

It would be evident that there were substantial shortfalls in conducting inspections ranging from 22.68 to 93.16 *per cent* (except Himachal Pradesh). Audit observed that the shortfall had a direct bearing on the recoverable amounts as the outstanding arrears from defaulters had increased by 30.62 *per cent* from ₹1267.32 crore (March 2009) to 1655.42 crore (March 2013).

ESIC accepted (May 2014) the observations and stated that reasons for shortfalls were shortage of SSOs, non-production of records on fixed date of inspection, closure of units fixed for inspections, etc. It further stated that efforts were being made to sensitize the SSOs for showing outputs as per new inspection policy. The recruitment process of SSOs was also in progress to meet the shortage of SSOs.

3.3 Non-coverage of new areas/establishments

As per Section 1(5) of the Act, respective State Governments may, in consultation with the ESIC and with the approval of the Central Government, extend the provisions of this Act to any establishment. Regulation 10(14) (c) also provides that the Regional Board of the state shall decide on extension of the scheme to new areas. For implementation of the ESIS, the ESIC may enter into an agreement with the State Government (Section 58(3) of the Act). Audit examination revealed many coverable areas in different states were left uncovered under the scheme.

a) Gujarat: ESIC Headquarters issued instructions (June 2003 and May 2005) to extend the ESIS to educational institutions and medical institutions and requested the State Government to issue notification to extend the benefit of the ESIS after seeking approval of the Central Government.

Audit, however, observed that even after a lapse of 10 years, no intention notification was issued by the State Government. As a result the ESIS could not be implemented in 420 educational and medical institutions[14] having approximately 22000 employees.

[14] As per survey in November, 2006

b) West Bengal: The benefits of the ESIS could not be extended to more than 25000 employees in nine centers due to non-issuing of no-objection to ESIC by the State Government for setting up of medical facilities. ESIC did not cover 3880 employees in three centers (Darjeeling, Kurseong and Kalimpong) though State Government had issued no-objection to ESIC in July 2012 for setting up of medical facilities in these centers.

c) Tamil Nadu: The ESIS was yet to be implemented in 25 areas covering 49023 employees identified during 2008-09 to 2012-13 due to non availability of survey reports, proposal pending with State Government, non-issuance of notification, non-identification of rented building to house the dispensaries, etc.

d) Karnataka: Though 77 specified areas under Bruhat Bangalore Mahanagara Palika were notified in January 2007, the ESIS could not be implemented due to delay in pre-implementation survey, etc. thereby denying the benefits to 44000 employees working in these areas.

ESIC stated (May 2014) that the matter was being pursued with the State Governments.

3.4 Exempted Establishments

Establishments, wherein benefits being provided are substantially similar or superior to those under the Act, can be exempted from applicability of the Act. As per Section 87 of the Act, the appropriate Government may, by notification in the official Gazette and subject to such conditions as may be specified in the notification, exempt any factory or establishment or class of factories or establishments in any specified area from the operation of the Act for a period not exceeding one year and may from time to time by like notification renew such exemptions for periods not exceeding one year at a time.

Audit observed that:

a) Gujarat: In 27 establishments the exemption granted by the State Government had expired between 1970 and 2010. Period since expiry of exemption ranged between three years and 33 years. Thus, employees of these 27 units remained outside the purview of ESIC for such periods.

ESIC stated (May 2014) that the matter would be taken up with the State Government.

b) **Kerala**: As per notifications dated 6 September 2007 and 8 October 2007, State Government extended the provisions of Act and ESIS to all private medical institutions and unaided educational institutions.

Audit observed that M/s Mata Amrithanandamayi Math, a Charitable Trust, had control of 29 educational and medical institutions located at different places which were coverable under the provisions of the Act. However, on the basis of representation of the Trust, State Government granted exemption through notification dated 6 January 2010. Since the Trust was granted exemption only from 6 January 2010, ESI dues for uncovered period were recoverable.

ESIC stated (May 2014) that the regions were being advised to take up the matter with State Government and to enforce recovery wherever exemption was not there.

Chapter - 4: Implementation of the ESIS

One of the objectives of performance audit was to examine whether the ESIC extended adequate medical, sickness, maternity, disablement, dependents and other cash benefits to the insured persons/ beneficiaries and whether quality of services delivered by various hospitals/ dispensaries was satisfactory. Audit also sought answers to the issue whether procurement of medicines and equipment was economic and effective. For this Audit examined the process of timely settlement of cash benefit claims, bed occupancy, services provided in various hospitals, system of procurement of medicines and equipment, availability of adequate human resource, etc. Significant issues emerging from audit examination are as follows :

4.1 Cash/Medical Benefits

4.1.1 Delays in settlement of claims of cash benefits

As per Citizen's Charter of ESIC, maximum time limit for payment of cash benefits after submission of claim under various categories is seven days for sickness benefit, 14 days for maternity benefit, one month for disablement benefit, three months for dependant benefit, one month for unemployment allowance and same day for funeral expenses.

Test check of related records for settlement of claims revealed instances of delays with respect to those declared in the citizen's charter. These delays were as given below:-

Table 4.1: Delays in settlement of claims

Sl. No.	State	Type of claim	No. of cases	Delays
1.	Andhra Pradesh	RGSKY	6	Up to 3 months
2.	Assam	Maternity benefit	17	3 to 108 days
	Assam	Sickness benefit	172	1 to 220 days
	Assam	Temporary disablement cases	11	2 to 374 days
3.	Chattisgarh	Sickness benefit	96	12 to 268 days

4.	Delhi	Disablement benefit	48	1 to 36 months
	Delhi	Funeral expenses	61	1 to 199 days
5.	Jharkhand	Dependant benefit	4	5 to 15 months
6.	Karnataka	Dependant benefit	120	1 to 10 months
	Karnataka	Permanent disablement benefit	190	5 days to 7 months
7.	West Bengal	Sickness benefit	35971	Up to 556 days
	West Bengal	Maternity benefit	61	Up to 249 days
	West Bengal	Temporary disablement benefit	4029	Up to 363 days
Total			**40786**	

ESIC replied (May 2014) that in some cases, the claims were settled late due to incomplete documents submitted with the claims. It further stated that respective Regional Directors had since been advised to ensure timely payment to the IPs.

4.1.2 Excess payment in cash benefit claims

Various Cash benefits like sickness benefit, extended sickness benefit, maternity benefit, disablement benefit etc. are given to IPs. Instances of cash benefits more than permissible amounts were found in Andhra Pradesh (excess payment of ₹ 1.89 lakh in 1791 cases) and in Odisha (excess payment of ₹ 5.93 lakh in 791 cases, out of which ₹ 3.67 lakh was recovered subsequently).

ESIC stated (May 2014) that excess payment of benefit occurred due to wrong calculation of days or rate. It further stated that it was making efforts to recover excess payment from IPs.

4.2 Hospital Management

4.2.1 Bed occupancy

ESIC provides medical care to its IPs through a network of ESI hospitals, ESI dispensaries and diagnostic centers. The summarized position of bed occupancy[15] for 140 hospitals[16] during 2012-13 (**Annex-V)** is given in **Table 4.2**:-

[15] Averaged for a year during 2012-13

[16] Bed occupancy of 11 hospitals was not available

Table 4.2: Bed occupancy in ESI hospitals during 2012-13

Hospitals with number of beds commissioned	Number of hospitals under different levels of bed occupancy					
	<20 *per cent*	20 *per cent* to 40 *per cent*	40 *per cent* to 60 *per cent*	60 *per cent* to 80 *per cent*	Above 80 *per cent*	Total number of hospitals
Less Than 100	12	15	16	10	7	60
100 to 250	6	13	14	15	10	58
250 to 500	1	3	2	5	8	19
more than 500			2		1	3
Total	**19**	**31**	**34**	**30**	**26**	**140**

Audit observed that two out of three hospitals with more than 500 beds were having bed-occupancy less than 60 *per cent.* Similarly, 6 out of 19 hospitals with 250-500 beds, 33 out of 58 hospitals with 100-250 beds and 43 out of 60 hospitals with less than 100 beds were under-utilised i.e. operated with less than 60 *per cent* bed occupancy. About 35 *per cent* of the hospitals were having bed occupancy levels of less than 40 *per cent* and were thus underutilized.

ESIC stated (May 2014) that reason for low occupancy was shortage of manpower and the quality of health care services being rendered. The matter was regularly taken up with the State Governments to improve the health care services.

4.2.2 Availability of beds

As per the norms prescribed for setting up of new hospitals by ESIC, the benchmark for opening a 100 bed new hospital is 25000 IPs i.e. 250 IPs per bed. The ESIC also projects requirement of beds based on ratio of one bed for 250 IPs in its Financial Estimates and Performance Budget every year. The data for number of IPs, number of beds required as per ESIC norms and actual availability and shortage of beds during 2008-09 to 2012-13 is given in **Table 4.3**:-

Table 4.3: Shortage of Beds

As on	31 March 2009	31 March 2010	31 March 2011	31 March 2012	31 March 2013
No. of IP Covered (in lakh)	129.38	143.00	155.30	171.01	185.82
No. of beds required as per norms (1 bed per 250 IPs)	51752	57200	62120	68404	74328
No. of beds available	23088	22030	22335	22823	22600
Shortage of beds	28664	35170	39785	45581	51728
***Per cent* shortage of beds**	55.39	61.49	64.05	66.63	69.59
No. of IP per Bed as per availability	560	649	695	749	822

From above, it may be seen that while the number of IPs increased by 56.44 lakh (44 *per cent*), the number of beds actually decreased by 488 (2.11 *per cent*) from 2008-09 to 2012-13. Further, although the capital expenditure on construction of hospitals, dispensaries, medical/ para-medical/nursing college, etc. had increased from ₹ 213.80 crore to ₹ 1671.44 crore (7.82 times) during 2008-09 to 2012-13, shortage of beds against the requirement increased from 55.39 *per cent* in 2008-09 to approximately 70 *per cent* in 2012-13.

ESIC stated (May 2014) that the above calculation was not based on factual norms. The demand for new hospitals was promptly considered and approved depending on the hospitals' qualifying the eligibility criteria for opening of new hospital and actual workload.Further, many new hospitals were approved and were at various stages of completion.

The reply of ESIC is not acceptable as the shortage had been calculated based on the figures of beds required and available as given in Financial Estimates and Performance Budget for respective years.

4.2.3 Multiple admissions per bed in ESI hospitals

4.2.3.1 Medical safety and care demands that not more than one patient is admitted against one bed. Scrutiny of occupancy register of various wards of ESI hospital at Noida, Uttar Pradesh for year 2012-13 revealed that as number of beds were not sufficient to cater to

the requirement of IPs, there were multiple admissions on one bed resulting in bed occupancy of more than 100 *per cent* during 2012-13.

Table 4.4: Bed occupancy in various wards (2012-13)

Name of ward	Number of beds	Bed occupancy (In *per cent*)
Gynecology Ward	42	155.11
Pediatrics and NIC	42	129.54
Male Medicine Ward	42	157.92
Female Medicine Ward	42	159.32

4.2.3.2 In ESI hospital Okhla also in-patient facilities in various wards were not of desirable standards as two or three patients were being admitted on single bed. During 2012-13, bed occupancy in various wards ranged between 61 to 205 *per cent*. In maternity ward, audit observed multiple cases of fresh delivery on a single bed posing health hazard to the infant and the mother.

Photo 4.1: Maternity ward of ESIC Hospital, Okhla

4.2.3.3 Similar situation was also noticed in ESI hospital Joka, West Bengal as shown in pictures.

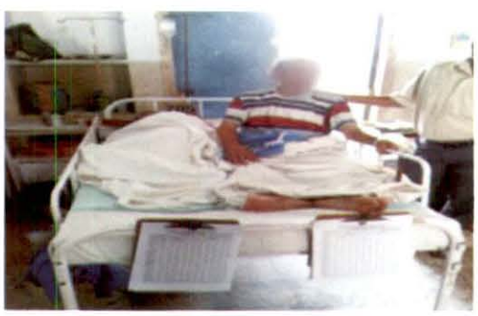


Photo 4.2 and 4.3: ESI Hospital, Joka, West Bengal

ESIC stated (May 2014) that as the growth of industrial development in Noida, Uttar Pradesh was very fast, number of beds fell short of requirement. The feasibility of enhancing the bed strength/setting up of new hospital was being examined.

4.2.4 Deficiencies in functioning of dispensaries

ESIC provides medical care to its IPs through a network of ESI hospitals, ESI dispensaries, panel clinics and diagnostic centres. Medical care is largely administered through the respective state governments except in Delhi and Noida and model hospitals in states which are run directly by the ESIC.

Audit observed various deficiencies in infrastructural facilities in dispensaries as given in **Table 4.5**:-

Table 4.5: Deficiencies in dispensaries

Name of the State/ UT	Name of Dispensary	Area of concern
Chandigarh	Sector 23	Inadequate space
Chandigarh	Sector 29	Non-availability of x-ray facility for dental patients.
Rajasthan	Udaipur	The dispensary building was in poor condition with defective electric wires.
Rajasthan	Banswara	The dispensary building was in poor condition with broken boundary wall, doors and windows.
Rajasthan	Bhilwara	The dispensary building was in poor condition with problems in electrical wiring. As a result computers were not operational.
Rajasthan	Madri	The dispensary building was in poor condition with electrical problems, etc.

ESIC stated (May 2014) that the respective state governments were being constantly pursued to improve primary medical care in their states.

4.2.5 Deficiencies in the functioning of ESIC Hospital, Noida

Although the 300 bed hospital at NOIDA was working since May 2011, two Incentive Care Units (ICUs) and one Critical Care Unit (CCU) were not operational in the hospital as of March 2013. As a result 216 equipment such as ICU ventilators, Patient Controlled Analgesia (PCA) pumps, etc. worth ₹ 8.16 crore purchased for ICUs/CCU between April and September 2011 were not utilized. Out of 216 equipment, 120 equipment were transferred to other ESIC hospitals[17]. The hospital authorities stated (October 2013) that ICUs/CCU could not be made operational due to shortage of staff in the hospital and the CCU was now being used for casualty services temporarily.

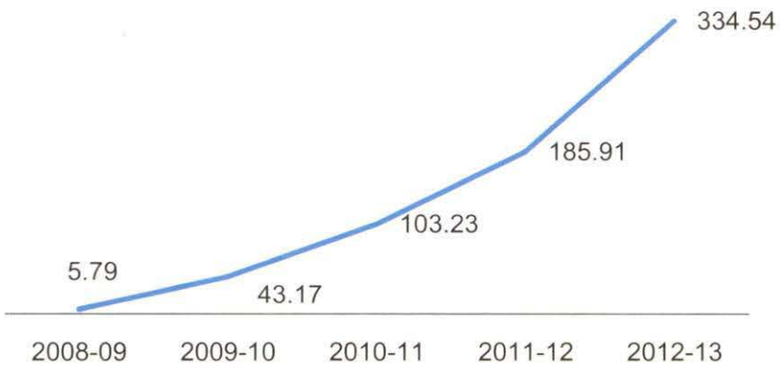
ESIC stated (May 2014) that the hospital authorities were in the process of establishing ICU.

4.2.6 Increase in expenditure on referral cases for non-availability of super speciality treatment (SST)

ESIC issued guidelines (July 2008) for referring its IPs for getting super speciality treatment by tying up with reputed government/semi government/private hospitals/institutions which provide cashless and hassle free treatment to IPs and their dependents. The services to be covered under SST were cardiology and cardiothoracic vascular surgery, neurology and neurology surgery, pediatric surgery, oncology and oncology surgery, urology and urology surgery, gastroenterology, endocrinology, burns and plastic surgery, reconstruction surgery and any treatment rendered to the patients by a super specialist. Audit observed that the expenditure on the super speciality treatment from empanelled hospitals had been consistently increasing over the years. The position of expenditure on SST in nine states test checked (details in **Annex-VI)** is given in **Graph 4.1**:-

[17] ESIC Hospital, Basaidarapur, ESIC Hospital, Rohini, New Delhi and ESIC Hospital, Ludhiana, Punjab

Graph: 4.1 Expenditure on SST (₹ in Crore)



As would be seen, the expenditure on referral cases on SST had increased from ₹ 5.79 crore in 2008-09 to ₹ 334.54 crore in 2012-13 (about 57 times).

Such substantial increase in referral expenditure could be because of non-availability of SST services with ESIC hospitals or lack of confidence in medical services being provided by ESIC. For example, as against sanctioned strength of 21 cardiologists and 17 neurologists, the ESIC had only two cardiologists and one neurologist across the country.

ESIC replied (May 2014) that steps were being initiated to make SST more effective and efficient. Possibility to provide SST through in house facility or PPP model would also be examined.

4.2.7 References of IPs in spite of existence of Dental College

Although ESIC Dental College, Rohini was established in March 2010, it was observed that three ESIC hospitals at Okhla, Noida and Jhilmil were referring their patients for dental treatments like removal of denture, capping of teeth, bridge work, etc., to empanelled private dental clinics. The details of IPs referred and expenditure incurred on these referral cases during 2010-11 to 2012-13 are given in **Table 4.6**:-

Table 4.6: Dental Cases referred and expenditure incurred by three hospitals

(₹ in lakh)

Name of Hospital	2010-11		2011-12		2012-13	
	No. of cases	Expenditure	No. of cases	Expenditure	No. of cases	Expenditure
ESI Hospital, Okhla	689	8.01	949	10.34	663	7.71
ESI Hospital, Noida	292	4.50	353	7.26	318	9.03
ESI Hospital, Jhilmil	179	9.39	540	13.07	707	17.42
Total	**1160**	**21.90**	**1842**	**30.67**	**1688**	**34.16**

The practice of referring its IPs to empanelled private dental clinics was imprudent given the fact that ESIC's Rohini Dental Hospital had such facilities.

ESIC stated (May 2014), that instructions had been issued to all the hospitals in Delhi that they should refer all the dental patients to Dental College, Rohini as far as possible.

4.2.8 Referral cases because of non-availability of CT Scan and MRI facility in three ESI Hospitals (Delhi/Noida)

'Norms and standards of Staff and Equipment for ESI Hospital and Dispensaries', provides for CT Scan and MRI facility in a 250 or 500 bed hospital. Audit observed that the ESI hospital, Jhilmil (300 beds) and ESI hospital, Noida, (300 beds) did not have these facilities and patients were being referred to ESIC approved empanelled diagnostic centers for these services. Details of patients referred for CT scan and MRI during 2011-12 and 2012-13 are detailed in **Table 4.7**:-

Table 4.7: Details of referral cases

(₹ in lakh)

Name of Hospital	Year	CT Scan		MRI	
		Number of IPs referred	Expenditure	Number of IPs referred	Expenditure
ESI Hospital, Jhilmil	2011-12	2053	46.63	1778	43.84
	2012-13	2802	66.71	4542	61.17
ESI Hospital, Noida	2011-12	1257	33.47	1706	47.75
	2012-13	4005	100.93	1166	31.05
Total		**10117**	**247.74**	**9192**	**183.81**

Hence as these hospitals did not have these facilities which were required as per norms, a significant number of cases were being referred with attendant expenditure. This expenditure of ₹ 4.32 crore could have been avoided if these hospitals had got these facilities installed.

ESIC stated (May 2014) that specific cases of disproportionate increase of referral were being looked into.

4.2.9 Equipment lying idle

Medical Superintendent of the hospital is responsible for making purchases and timely installation of procured equipment. Audit observed that 142 medical equipment worth ₹ 9.43 crore (cost of nine equipment was not available) were lying idle in various hospitals/dispensaries as on March 2013 (details in **Annex-VII**). As a result, the medical benefit/ care from these equipment could not be derived by IPs and significant expenditure incurred on these equipment was rendered unfruitful.

It was also observed that 156 equipment in ESI hospital Joka, West Bengal (**Annex-VIII**) were installed after delays ranging from 92 to 876 days.

ESIC replied (May 2014) that audit observation has been noted for expeditious follow up.

4.3 Procurement of medicines and surgical items

Procurement of medicines and surgical items are normally done through rate contracts, while medicines/surgical items which are not covered under rate contract or are covered under rate contract but are not available, can be purchased locally from the empanelled chemists. Rate contracts for medicines are concluded by ESIC for all States centrally, and for surgical items these are done by Directorate (Medical) Delhi i.e. DMD (for Delhi and NCR) and by Senior State Medical Commissioners (SSMC) in respective states. DMD also empanels local chemists for purchase of medicines in Delhi/NCR, while for states, SSMC are responsible for the empanelment of local chemists. Normally rates of medicines and surgical items are higher when procured under local purchase as compared to those under rate contract.

4.3.1 Local purchase of medicines

Data of 19 hospitals and four dispensaries test checked indicated that the expenditure on local purchase in these cases increased from ₹ 6.15 crore (during 2008-09) to ₹ 16.61 crore (during 2012-13) i.e. by 169.89 *per cent*. Unit wise details of local purchases are given in **Annex-IX.** Large increase in quantum of medicines purchased locally bypassing the rate contract procedure was financially imprudent, besides indicating weaknesses in its contracting process. These are discussed as under:

4.3.2 Excess payment on procurement of Drugs and Dressing

ESIC entered into rate contracts for the supply of three items viz. bandage cloth, gauze than and cotton roll throughout India, with nine firms from 17 December 2009 to 16 December 2011 (extended to April 2012) and subsequent rate contracts were valid from 11 April 2012 to 30 April 2014.

Audit observed that ESIC hospitals at Rohini, Jhilmil and Noida had purchased only 24.16 *per cent* (bandage cloth), 28.16 *per cent* (gauze than) and 13.47 *per cent* (cotton roll) of the total purchase made for 2011-12 and 2012-13 under rate contract and procured remaining

stocks of these items from empanelled local chemists. The rates of local purchases were higher by 108.28 to 443.65 *per cent* for these three items as compared to the rates of rate contract. Procurement at higher rates resulted in avoidable payment of ₹ 44.77 lakh on these dressing items.

Similarly, ESIC hospitals incurred extra expenditure of ₹ 1.80 crore on purchase of medicines from local chemists despite existence of rate contract as below:-

Table: 4.8: Details of extra expenditure on medicines

Sl. No.	Name of Hospital	Amount of extra expenditure (₹ in lakh)	Period of purchase
1.	ESIC Hospital Noida	104.99	2011-12 and 2012-13
2.	ESIC Hospital Jhilmil, Delhi	26.77	2011-12 and 2012-13
3.	ESIC Hospital Joka, West Bengal	10.59	2008-09 to 2012-13
4.	ESIC Hospital Naccha Ram, Hyderabad	18.06	2008-09 to 2012-13
5.	ESIC Hospital Beltole, Assam	15.24	2011-12 and 2012-13
6.	ESIC Hospital Ezhukone, Kerala	4.19	2010-11 to 2012-13
	Total	**179.84**	

Thus, the hospitals incurred extra expenditure of ₹ 2.25 crore on purchase of medicines and dressing material which could have been procured through rate contracts.

ESIC replied (May 2014) that the prices increased significantly in a short span of time due to which suppliers failed to supply the medicines on the existing rates. In such cases, the local purchases were made from approved local chemist.

The reply is not acceptable as the suppliers were bound to supply the medicines in accordance with the terms of rate contract till their validity. In case of non-supply, the extra expenditure involved in procuring supplies from elsewhere was liable to be recovered from the supplier. However, no such recovery of extra expenditure was found on records, which indicates that the provisions of the rate contract were not being enforced.

Recommendation: ESIC may procure its medicines through rate contracts to effect economy and minimize procurement through local purchase.

ESIC stated (May 2014) that constant efforts were being made to maintain the local purchase to minimum and orders had been issued in this regard.

4.3.3 Purchase of same surgical item at different rates by ESI hospitals

Test check of stock register of surgical items at ESIC hospital, Jhilmil for the period 2012-13 revealed that during the same period ESIC Jhilmil had purchased the following items either by conducting limited tender enquiry or through direct purchase from local chemist. The rates were much lower than the rates at which purchases were being made by the ESIC hospital, Noida. The comparative rates of Jhilmil and Noida hospitals for various items are as below:-

Table 4.9: Difference in rates in two hospitals

Sl. No.	Name of surgical item	Rate of items purchased from Local chemist by ESIC, Noida (₹ per item)	Rate of items purchased from local market by the ESIC Jhilmil (₹ per item)
1.	Oxygen Face Mask (Paed.)	47.50 and 52.50	36.75
2.	I V Canula 20 nos.	35.70	5.53
3.	I V Canula 24 nos.	52.50	15.23
4.	Dynaplast/plastic adhesive bandage	440	429
5.	Ryle's tube 14,16,18	Between 27.20 and 31.20	10.50
6.	I V Canula 22 nos.	35.70	7.49
7.	E.T. tube cuffed 8.5 no.	144.30	73.50

Similarly ESIC hospital, Noida locally purchased the surgical gloves at rates between ₹ 18.62 and ₹ 20.58 plus five *per cent* VAT during the year 2012-13 while the same were purchased at ESIC Jhilmil hospital at a rate of ₹ 10.83 per pair plus five *per cent* VAT.

Coordinated action during procurement process even for local purchase could have resulted in better economy.

ESIC stated (May 2014) that the audit observation had been viewed seriously and necessary action would be taken.

4.3.4 Under-assessment of reorder level

DMD places supply orders for drugs/medicines when the stock reaches below the Re-order Level[18] (ROL). The ROL as per the DMD norms works out as three months stock or 1/4th of the annual recommended quantity. However, the ROL maintained in ESIC was 1/8th of annual quantity i.e. 1.5 months stock during 2012-13. Examination of the Re-Order Level report generated on 25 March 2013 revealed that the lower ROL resulted in medicines being out of stock as under:

1. In case of SET A medicines (Tablets), out of 239 drugs below ROL, 83 were not available in stock with DMD.
2. In case of SET B medicines (Injections), out of 152 drugs below ROL, 75 were not available in stock with DMD.
3. In case of SET C medicines (Syrups), out of 68 drugs below the ROL, 14 were not available in stock with DMD.
4. In the cases of 39 drugs, orders placed on three or more than three occasions were pending with pendency ranging from two to 36 months.

DMD while admitting the fact that the ROL was maintained at a lower level due to the space constraint, increased the ROL to the level of 1/6th i.e. two months with effect from April 2013.

[18] Re-order level = Daily average usage x Lead time in days + Safety stock, Daily average usage = Total annual quantity recommended /365 days, Lead time = six weeks or 42 days (As per terms and conditions of DG, ESIC rate contract) and Safety stock = five weeks extension time + one week processing time = six weeks (if the item is under extension /stock out position.

ESIC stated (May 2014) that attempts were being made to maintain the ROL to 1/4th of the total annual requirement by pooling space in DMD and other hospitals in NCR.

4.3.5 Non-compliance of Policy for shelf life

As per the instructions on quality control of drugs issued (August 1999) by Directorate Medical Delhi (DMD), drugs which had passed their one sixth of shelf life should not be accepted. Audit observed that medicines worth ₹ 2.34 crore were purchased in four locations i.e. Directorate (Medical) Delhi, ESIC model hospital, Rourkela, Odisha, ESIC hospital, Nacharam, Andhra Pradesh and ESIC hospital, Joka, West Bengal, and in all these cases the required shelf life had lapsed leading to non compliance of policy regarding shelf life of medicines.

ESIC stated (May 2014) that instructions for shelf life were being followed at DMD. The reply was not tenable as the DMD itself purchased medicines of ₹ 2.14 crore during 2009-10 to 2012-13 wherein one sixth shelf life was over before delivery.

4.3.6 Inefficient Medicine Testing Procedure

As per instruction (no. 4) contained in the rate contract for procurement of drugs and dressings, sample testing of drugs supplied would be conducted through government/government approved labs and no medicine would be distributed before receipt of test report. Audit observed that in 76 cases in four states[19], medicines were distributed by the hospitals/dispensaries before receipt of test report. The test reports received from labs after a delay of 40 days to 296 days, confirmed that the medicines were of sub-standard quality. Further, in ESIC hospital, Chennai, samples of injections, ointments, syrups were not sent for testing during 2008-09 to 2012-13.

The failure of hospitals in securing compliance with the required provisions led to supply of sub standard drugs to IPs posing serious health hazard.

[19] Gujarat, Karnataka, Kerala, West Bengal

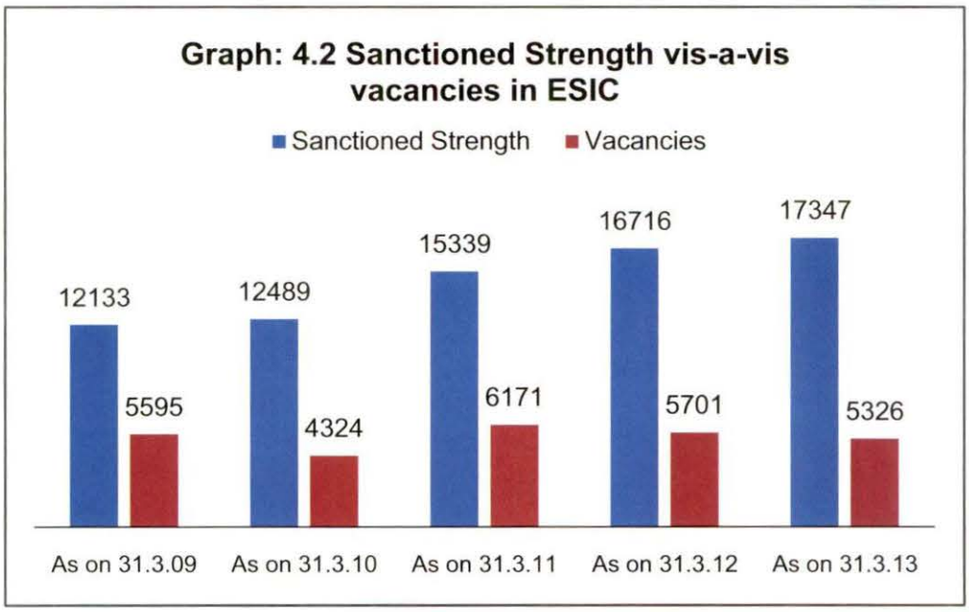
ESIC stated (May 2014) that the Chennai Industrial Laboratory refused to carry out the testing of injections and syrups. It also stated that matter had been taken up with the Director of Drug Controller, Tamil Nadu.

4.4 Human Resource Management

As ESIC provides service to IPs, sufficiency and quality of human resources is important for its service delivery. In this regard, audit observations are as under:

4.4.1 Shortage of staff

Analysis of the data relating to the availability of staff revealed that the services of ESIC were adversely affected with large number of vacancies (Ministerial staff, Medical staff) in all cadres throughout audit period i.e. from 2008-09 to 2012-13. Overall position of the vacancies across the ESIC vis-à-vis sanctioned strength is given in **Graph 4.2**:



The vacancy status of medical personnel, as of 31st March 2013 is detailed in **Table 4.10**:-

Table 4.10: Sanctioned post and men-in-position for medical posts

Post	Sanctioned	Men-in-position	Vacant (*per cent* of the sanctioned)
Specialists	824	489	335 (41)
GDMO[20]	1859	1445	414 (22)
Medical Officers (Ayurveda, Dental, Homeopathy)	101	82	19 (19)

Source: Reply to parliamentary question 463 dated 5/08/2013

Thus, the ESIC run hospitals were facing significant shortage of doctors. The shortage of 41 *per cent* of the specialists had an adverse impact on the specialists' services of the ESIC hospitals, leading to an increase in the quantum of referral cases.

ESIC stated (May 2014) that Recruitment Regulations were under revision in consultation with the Ministry and the recruitment would be undertaken thereafter.

4.4.2 Non retention of trained PG students

ESIC decided (2009-10) to establish a Post Graduate Institute of Medical Science and Research (PGIMSR) at Rajajinagar, Bangalore in the same premises where the 500 bed model hospital was already operational.

As per conditions stipulated in bond filled by the students before admission, students after completing PG courses should serve in the ESI hospitals for a period of five years and execute a bond for ₹ 7.5 lakh with interest @15 *per cent* per annum in case of violation of the above terms. Audit found that only two out of ten students who became Post Graduates during 2012-13 were serving in the ESI hospitals. Thus, ESIC could not utilize the services of its PG students despite taking service bond of five years.

ESIC replied (May 2014) that issues related to bond and its enforcement were being reviewed.

[20] General Duty Medical Officer

Chapter - 5: Infrastructure Development

One of the objectives of the Performance Audit was to see whether infrastructure development and construction of medical colleges and hospitals, etc. was efficient, economic and effective. Results of audit are as under.

5.1 Property Management Division and different projects

A central division named Property Management Division (PMD) was set-up for management of the construction projects all over India. During 2008-09 to 2012-13 total 82 projects were undertaken, out of which 19 were completed during 2008-09 to 2012-13 while other 63 projects for construction/renovation of hospitals, medical colleges, dental college, nursing colleges, dispensaries and office buildings were under execution as on 31 March 2013. As per amendment in ESIC Act, 1948 in 2010, under Section 59B, ESIC may establish medical colleges, nursing colleges and training institutes.

Audit analysis of the status of 63 ongoing projects as on 30 June 2013 (**Annex-X**) showed that out of 63 projects in 16 states, 53 projects (85 *per cent*) were behind schedule, although extensions ranging from eight to 45 months were granted to these projects.

Audit selected eight projects[21] out of 63 for detailed scrutiny, results of which are as under:

5.1.1 Delays and cost escalation in construction projects

Delays in execution in six projects are described in **Table 5.1**:

[21] ESIC Hospital, Ayanavaram, Chennai, ESIC Medical College, Faridabad, ESI Hospital, Bibvewadi, Pune, ESI Hospital, Kolhapur, ESIC Dispensary-cum-diagnostic centre, Faridabad, ESI Hospital, Okhla, Delhi, Medical college and 500 bedded hospital at Gulbarga, Medical college and 500 bedded hospital at Mandi

Table 5.1: Delays in commissioning of projects

(₹ in crore)

Sl. No.	Name of Project	Cost of project	Date of sanction	Executing agency	Date of commencement	Period of completion	Audit observation
1.	ESIC Hospital, Ayanavaram, Chennai	257.08	1.2.2010	NBCC Ltd.	20.2.2010	2 years	ESIC asked architect in February 2011, after more than a year, to obtain permission from local authority and permission was obtained in October 2011.
2.	ESIC Medical College, Faridabad	544.70	July 2009	UPRNN Ltd.	16.8.2009	2 years (extended upto 31.8.2012)	Project was not completed as of March 2013.
3.	ESI Hospital, Bibvewadi, Pune	3.84	-	UPRNN Ltd.	October 1993	2 years	95 *per cent* of work was completed in July 1997. Hospital handed over to Maharashtra Government in February 2002 but was yet to be fully commissioned.
4.	ESI Hospital, Kolhapur	3.42	-	UPRNN Ltd.	1992	1996	Hospital was yet to be commissioned (March 2013) as building was not made functional by completing all essential services. Occupation and completion certificates were not yet issued by statutory authorities.
5.	ESIC Dispensary-cum-diagnostic centre, Faridabad	0.85	-	NBCC Ltd.	-	-	The agency had completed the work on 30 November 2011. It could not obtain the completion certificate from local authority. Hence, ESIC could not get possession of building.
6.	ESI Hospital, Okhla	155.31	-	TCIL	November 2009	December 2014	A part of the building was handed over to the construction agency for renovation between June 2010 and February 2012 but the work could not be started as of August 2013.

Escalation in cost estimate of five medical colleges/hospitals because of delays was as in **Table 5.2**.

Table 5.2: Increase in cost of estimates

(₹ in crore)

Sl. No.	Name of unit	Original estimate	Revised cost
1.	Medical college and 500 bedded hospital at Gulbarga	768.98	897.73
2.	Medical college and 500 bedded hospital at Mandi	500.00	730.00
3.	Medical College, Faridabad	544.70	571.54
4.	ESI Hospital, Kolhapur	3.96	7.26
5.	ESI Hospital, Bibvewadi, Pune	2.94	3.84

ESIC stated (May 2014) that the projects were entrusted to specialized government construction agencies on turnkey contract agreement on Project Management Consultancy (PMC) basis. Execution including intensive supervision of works ensuring quality assurance and quality control in the works as per the Government standards were the responsibilities of these government construction agencies which were entrusted with the role of PMC as departmental charges were being paid to them.

The reply is not acceptable as despite payment of departmental charges to agencies, the projects had not been completed in time.

5.1.2 Incorrect selection of places for opening of hospitals

As per ESIC norms, minimum 400000 IPs are required for establishing a 500 bed hospital. Audit observed that, the number of IPs in Gulbarga (Karnataka) and Mandi (Himachal Pradesh) were only 40700 and 207100 respectively (as on 31 March 2013). Thus, decision to establish hospitals at these two places was imprudent as these did not fulfill minimum required norms.

ESIC stated (May 2014) that a sub-committee of the Corporation was currently examining the norms for setting up of Medical Colleges.

5.1.3 Irregular expenditure on hospitals

Section 28 of the Act defines purposes on which funds may be expended which include those for medical benefits, fees and allowance, salaries, establishment and maintenance of hospitals, contributions to State Government, audit fees, etc. Any other expenditure not covered in the Act, needs approval of the Ministry (Section 28(xii)).

Audit observed that in following cases, expenditure incurred was neither covered under clauses of Section 28 nor approved by the Ministry and was therefore, irregular.

5.1.3.1 Expenditure on district hospital at Gulbarga

The ESIC entered into MOU with the State Government of Karnataka on 22 September 2012 to tie up its medical college with the Government District Hospital, Gulbarga for functioning as a teaching hospital to fulfill the MCI norms.[22] ESIC also agreed to incur the expenditure on the District Hospital to make it MCI compliant. However, approval for the expenditure on district hospital, Gulbarga to make it MCI compliant was not taken from the Ministry. Thus, the ESIC incurred irregular expenditure of ₹ 22.72 lakh per month (recurring since January 2013) on staff and equipment and ₹ 18.11 lakh (one time) for renovation, etc., in the district hospital, Gulbarga which is open for general public and not specifically for the IPs.

5.1.3.2 Expenditure on district hospital, Mandi

ESIC Medical College, Mandi entered into MOU with State Government of Himachal Pradesh in September 2013 to tie up its medical college with the Netaji Subhash Chandra Bose Zonal Hospital (NSCBZH), Mandi as a teaching hospital to fulfill MCI norms. As per MOU (clause no. 2 under part B), ESIC agreed to incur capital expenditure on NSCBZH for seminar room/demonstration room, etc. without the Ministry's approval.

[22] As per MCI norms for 100 seats medical college, teaching hospital with 300 beds is required.

5.2 Inadequate space for OPD facilities

ESIC, Noida Hospital was operating from its newly constructed 300 bedded hospital building but all 11 OPDs were still operating from remaining portion of the old building. A significant part of old building was demolished in 2012 for renovation. Audit observed that :

1. The new building's design did not have provision for OPD.
2. There was overcrowding and congestion in OPDs being operated from remaining portion of old building.

ESIC stated (May 2014) that the delay occurred in the renovation and rehabilitation work of the old hospital block due to changes required in retrofitting work to ensure structural safety and seismic resilience, as old structure had further deteriorated due to passage of time.

The reply is not acceptable as pre-demolition activities like obtaining technical advice to ascertain the possibility of either renovating the old building or reconstructing it as new building based on its strength were to be carried out at initial stage which was not done. Further, the ESIC did not make any alternative arrangement for operating OPDs before its commencement of renovation work.

5.3 Non adjustment of advances given for Construction works

Advances worth ₹11.10 crore (details in Table) given for various construction, repair and maintenance works were not adjusted as on 31 March 2013 after their completion.

Table 5.3 : Details of advances

Sl. No.	Name of State	Amount outstanding (₹ in lakh)	Period since outstanding
1.	Gujarat	290.95	2009-10 to 2011-12
2.	Kerala	368.55	
3.	Rajasthan	12.20	1973-74 to 1998-99
4.	Tamil Nadu	266.00 (PWD) 172.00 (NBCC)	1986-87 to 2004-05 2008-09
Total		**1109.70**	

Non-adjustment of advances indicated weak internal control mechanism in the ESIC.

ESIC stated (May 2014) that the corporation had been impressing upon the field units to take adequate action through internal control mechanism for adjustment of advances given to construction agencies.

5.4 Interest free mobilization advance

As per CVC guidelines (April 2007), mobilization advance should essentially be need based. The guidelines discourage grant of interest free mobilization advance to the contracting agencies. However, in case the management feels its necessity in specific cases then the recovery should be time based and not linked with progress of work.

However, ESIC Standing Committee approved (June 2009) grant of mobilization advance without interest to Central/State Government agencies reportedly to minimize delays and to avoid cost escalation. In 10 cases, ESIC had released interest free mobilization advance amounting ₹ 229.80 crore to various agencies viz. UPPCL[23], UPRNN[24] and NBCC[25] between April 2009 and October 2010. The duration of the projects ranged between one and two years, but out of ₹ 229.80 crore, only ₹ 55.84 crore was recovered till stipulated date of completion while out of remaining ₹ 173.96 crore, only ₹ 87.41 crore could be recovered as of March 2013. Thus, ESIC not only granted interest free advance to the agencies, it could not effect its recovery in a time bound manner, which was in violation of CVC guidelines.

ESIC stated (May 2014) that it had formulated a new standard contract agreement for all future construction projects including provision of interest bearing mobilization advance.

5.5 Non recovery of Labour Cess amounting to ₹ 1.01 Crore

The Building & Other Construction Worker's Welfare Cess Act, 1996 provides for the levy of a cess at a rate between one and two *per cent* of the cost of construction incurred. Penal interest at the rate of two

[23] UPPCL – Uttar Pradesh Power Corporation Limited
[24] UPRNN – Uttar Pradesh Rajkiya Nirman Nigam
[25] NBCC – National Buildings Construction Corporation Limited

per cent for every month in case of delay and penalty not exceeding the amount of cess is also leviable. The labour cess was applicable in Uttar Pradesh with effect from 4 February 2009.

ESIC made payment of ₹ 101.01 crore to the contractors engaged in two construction works in Sector 24 and 56, Noida, Uttar Pradesh during 2008-09 to 2009-10. But, it failed to deduct the labour cess from the bills of the contractors at the stipulated rate of one *per cent* amounting to ₹ 1.01 crore and to deposit the amount with the Workers Welfare Board.

ESIC stated (May 2014) that payments were made to the construction agencies based on the agreement for works in Noida, Uttar Pradesh. The work was allotted prior to notification of the Act. Legal opinion was being sought and action would be taken accordingly. ESIC also stated that in case of work at sector 56, Noida, labour cess was being recovered.

The reply is not acceptable as notification clearly provided for deduction of cess from all payments made to the contractors from the date of notification.

5.6 Excess payment on account of electricity load

The ESIC hospital, Noida increased its electricity load from 389 KVA to 4025 KVA with effect from July 2011 consequent upon the commencement of functioning of its new hospital building. The billable demand was 75 *per cent* of total contracted load i.e. 3018.75 KVA. The hospital was paying fixed charges ₹ 6.64 lakh (@ ₹ 220 per KVA) per month and ₹ 7.24 lakh (@ ₹ 240 per KVA) per month from November 2013 onwards. Audit observed that the maximum demand of electricity had remained 1440 KVA during the period of July 2011 to March 2013. The hospital, thus, did not properly assess its load requirement and had paid ₹ 71.70 lakh towards fixed charges on excess electricity load contracted.

Similarly ESI Hospital, Bhiwadi incurred extra expenditure of ₹ 3.53 lakh due to non maintenance of power factor in a specified range. Further, ESIC Hospital, K K Nagar, Chennai paid ₹ 20.18 lakh for excess sanctioned load over and above the maximum requirement during January 2011 to March 2013.

The ESIC stated (May 2014) that for obtaining electric connection from local electrical authorities, total electric load requirements were assessed based on calculations adopting standard diversity factors as per designated use of spaces and installation proposed for the entire hospital complex. Once the electricity load was reduced or diverted from the existing feeder line, there was no assurance to get it enhanced at a later date as additional feeders would be needed from the electricity department. In such a case, if hospitals drew excess load, huge penalty would be levied by electricity authorities as per norms.

However, the reply of the ESIC is not valid as the total electric load sanctioned by the authorities can be reduced or enhanced as per the requirement. Payment of extra money on account of possible future inaction by power distribution companies was, therefore, imprudent.

5.7 Irregular expenditure incurred on modification/renovation of office of Minister

As per section 28 of the ESIC Act read with ESI (Central) Rules, 1950 the ESIC may incur expenditure under the administrative expenses head for defraying expenses on maintenance of office building, purchase of furniture and office equipment in respect of offices of the Corporation.

Audit, however, noted that the ESIC on a specific directive of the Secretary, Ministry of Labour and Employment initiated (May 2010) the process for renovating the office of the Minister (holding ex-officio post of Chairman of ESIC) in Shram Shakti Bhawan. Based on the initial estimates submitted by M/s Design Associates, the Director General, ESIC sanctioned (June 2010) an amount of

₹ 42.87 lakh for the renovation work. The work was awarded to HSCL[26] with the condition to complete the work in a span of 15 days during the period 9 June 2010 to 24 June 2010. Agreement with M/s Design Associates was made on 26 October 2010 i.e. after 4 months of completion of work.

Later, the ESIC approved (August 2010) part-2 of the modification/ rectification and repair work with a sanctioned cost of ₹ 1.51 crore. The scope of the work was revised and due to extensions the total cost escalated to ₹ 2.29 crore. This included overall net deviation amount of ₹ 0.34 crore and items of work included construction of mini Committee Room, Waiting Lounge I, Waiting lounge II and other civil/interior works.

Although, the Minister of Labour and Employment is ex-officio Chairman of the ESIC, however, the office of the Minister in Shram Shakti Bhawan does not constitute an exclusive office building of the ESIC. Besides, the Ministry of Labour and Employment has its own budget for repair and maintenance of the office of the Minister. Repair and Maintenance of Sharam Shakti Bhawan falls under jurisdiction of CPWD.

Thus, the ESIC had irregularly incurred an expenditure of ₹ 2.29 crore pertaining to the modification/rectification and repair work in the office of the Minister.

ESIC stated (May 2014) that the renovation work was executed to facilitate access/dissemination of data/information with regard to functioning of ESIC through IT rollout.

The reply was not relevant as items executed were other than IT rollout and furthermore ESIC funds cannot be put to use in a building that is not in an exclusive possession of ESIC. Secondly, all investments for IT rollout project were to be incurred by System Integrator (M/s Wipro) as per BOOT (Build, Own, Operate and Transfer) model of the agreement.

[26] Hindustan Steelworks Construction Ltd.

5.8 Computerization of ESIC

To computerise its processes i.e. registration of employers and IPs, patients module in hospitals and dispensaries, Enterprise Resource Planning (ERP) modules for finance, administration, human resource management, legal, procurement, health insurance, management information system (MIS), etc., ESIC awarded (February 2009) the work to M/s Wipro Technologies at the cost of ₹ 1181.82 crore (including cost of maintenance for five years) on BOOT concept with a time-period of 18 months. As per the terms and conditions of the tender documents, the System Integrator i.e. M/s Wipro was to invest its own funds for hardware, software and maintenance for five years initially and after successful implementation of the project the payment was to be released in 20 quarterly installments (₹ 59.09 crore). After five years all rights along with hardware and software were to be transferred to ESIC.

Audit observed that:

- The target date of completion of the project was August, 2010 but the project commenced in April, 2011 i.e. after delay of eight months. Moreover, even after the lapse of more than three years from the scheduled date of completion, all the modules of the Project had not yet been completed.
- The submission and approval of Software Requirement Specification (SRS) was expected to be done within initial three months of date of issue of Letter of Intent but as per records SRS was not finalized till May 2014. In the absence of SRS, benchmarks for the development of project could not be ascertained.
- As per Request for Proposal (RFP), system integrator had to cover all the IPs under biometric details but till March 2013 only 52.97 *per cent* IPs (98 lakh out of 1.85 crore) were registered with biometric details.
- In the RFP, desktop specification was defined clearly but system integrator had not installed the desktops as per specifications. Out of 44808 devices installed by system integrator, 40899 devices

failed to meet functional/technical requirements.

- Analysis of the data of patient visits revealed that only 1192 units out of 1599 were capturing the patient details as of 31 March 2013. Remaining 407 units were maintaining the records manually.
- Wipro had quoted ₹ 570 crore (in the first bid which was cancelled) for networking component while in the second bid, quotation was of ₹ 50 crore only, as against identified bandwidth requirements of 512 Kbps to 4 Mbps, bidder offered only 128 Kbps and 1 Mbps which was accepted by ESIC. Acceptance of lower bandwidth resulted in prolonging the waiting period for the end users for completing transactions.

ESIC stated (May 2014) that based on the specific requirement of RO, SRO, ESI hospitals, dispensaries, etc. M/s Wipro had increased the bandwidth size. In respect of SRS, ESIC stated that the SRS would not be finalized till all the functionalities and all the scenarios had been captured and incorporated in the applications.

The reply is not acceptable as, first, the project was severely delayed and scheduled period of completion was already over in August 2010; second, without SRS the package would not have features which are necessary for effective functioning of the scheme; third, reduced bandwidth in the work order was already having adverse impact on waiting period for transactions alongwith demand for increasing the bandwidth.

Recommendation: ESIC may strengthen its project monitoring mechanism.

Conclusion

The Employees' State Insurance Scheme (ESIS) was introduced in 1952 to achieve the objective of the Employees' State Insurance Act, 1948 for providing comprehensive social security for the workers deployed in organized sectors. The Employees' State Insurance Corporation, which is the apex corporate body administering the ESIS, provided services to majority of insured persons and their family members, however, there was scope to improve these services.

Performance audit disclosed that ESIC was spending less on services to be provided to its insured persons and its collections were more, with the result that its accumulated surplus was consistently increasing. It had ₹1665.42 crore as arrears of contribution as on March 2013 and a significant portion of it had been categorized as 'non recoverable' indicating weaknesses in its recovery mechanism. A number of assessments of contributions could not be finalized within mandated time limit of five years and hence became time barred. There were weaknesses in its budgetary processes and the Ministry did not exercise its oversight role. ESIC employees were availing medical facilities without paying for it. There were shortfalls in conducting meetings of various committees of the ESIC.

There were significant shortfalls in conducting surveys/inspections/ test inspections for effective coverage of the scheme. In a number of states, establishments could not be covered under the scheme.

The disbursal mechanism of ESIC was deficient resulting in delays in settlement of claims of cash benefits to the insured persons and excess payments in some cases. With increase in number of IPs, total number of hospital beds actually decreased, resulting in increase of number of IPs per bed ratio. In terms of the established norms, there was shortage of 51728 beds in various ESIC hospitals as of March 2013. ESIC was seriously handicapped in successfully implementing the ESIS with large number of vacancies including those in medical cadres persisting throughout the period of audit report. The expenditure

on referral cases on Super Speciality Treatment (SST) had increased from ₹5.79 crore in 2008-09 to ₹334.54 crore in 2012-13.

Interest free mobilization advances were being given to construction agencies in violation of CVC guidelines. Project for computerization of its services was behind schedule. There were delays in several construction projects of hospitals/dispensaries which witnessed time and cost overruns. Medical colleges and 500 bedded hospitals were opened at places which did not have required number of IPs.

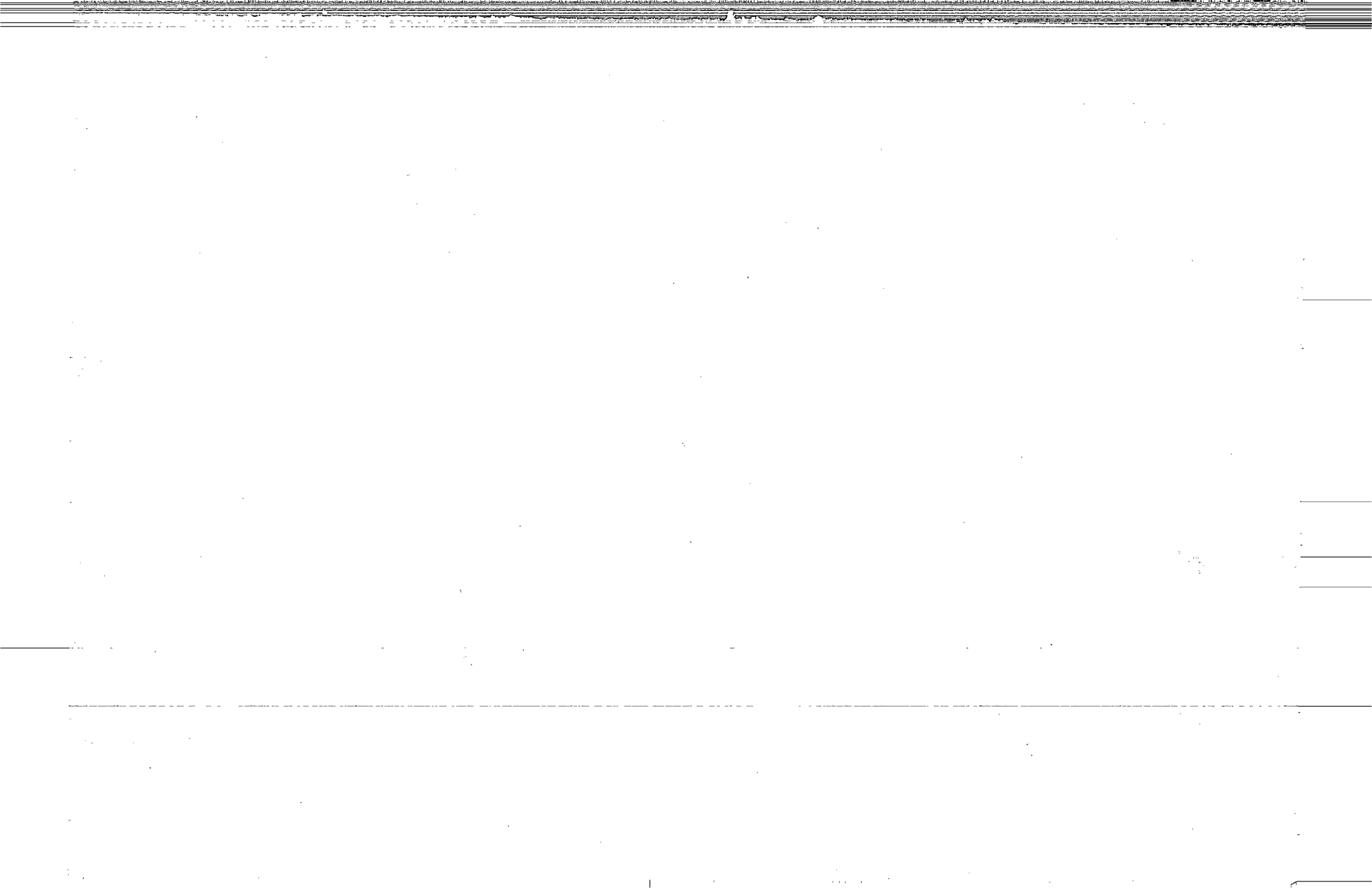
New Delhi
Dated : 14 NOV 2014

(SATISH LOOMBA)
Director General of Audit,
Central Expenditure

Countersigned

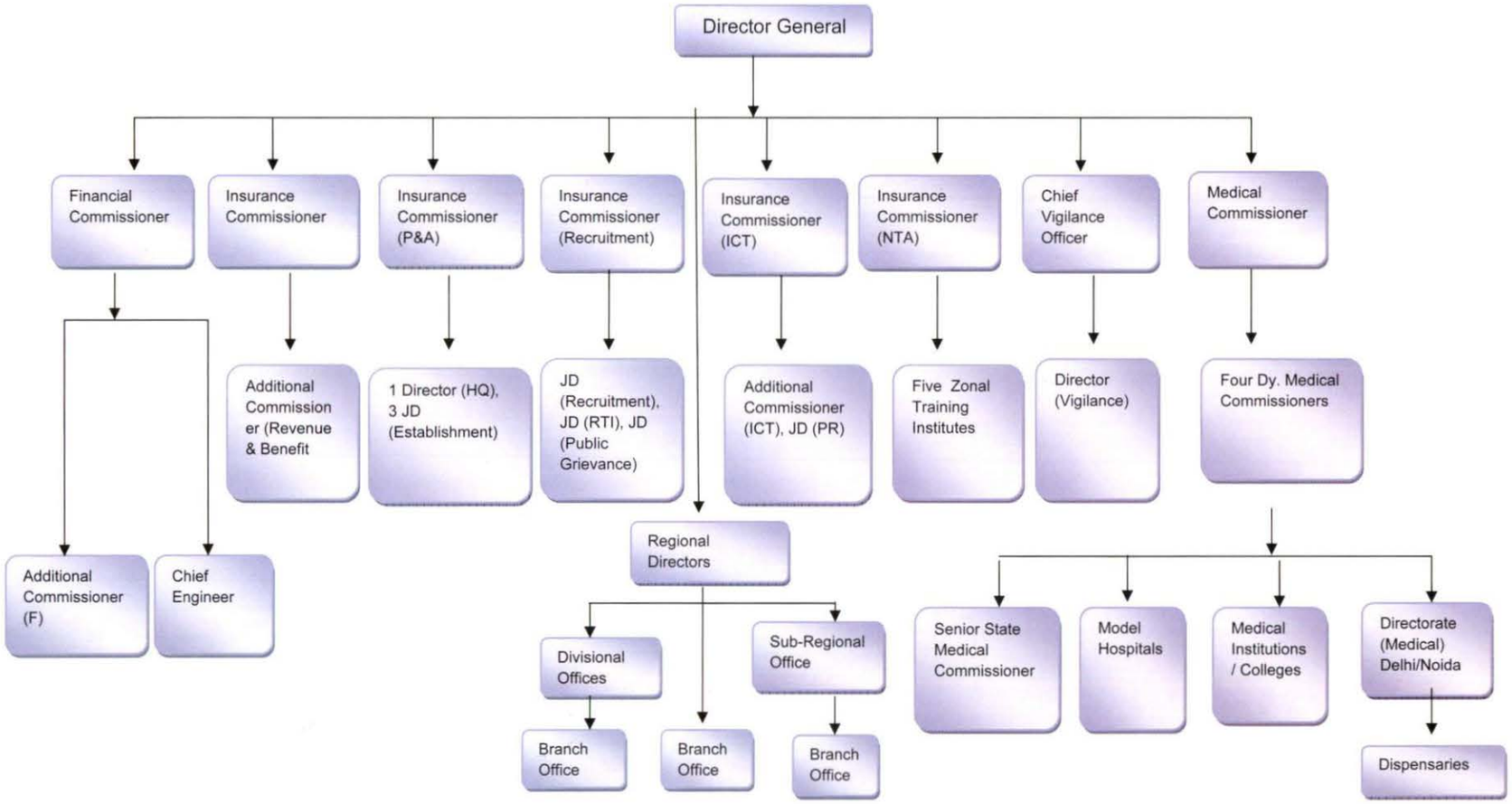
New Delhi
Dated : 19 NOV 2014

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India



ANNEXES

Annex- I
(Referred to in paragraph 1.2)
Organisational chart



Annex- II
(Referred to in paragraph 1.7)
Details of Units covered in Performance Audit

Sl. No.	State	Regional Office	Sub Regional Office	Divisional office	Dispensaries	ESIC Hospital	Medical/ Dental/ Nursing College	State Medical Commissioner
1.	Andhra Pradesh	Hyderabad	(i) Vijayawada, (ii) Visakhapatnam		(i) Chikkaadpally (ii) Khairatabad (iii) Santh nagar (iv) Vijyawada West	(i) Nacharam (ii) Sanathnagar		
2.	Assam	Guwahati			(i) Amin Gaon (ii) Noonmmati (iii) Nagaon (iv) Jagiroad	Beltola		
3.	Bihar	Patna			(i) Bhagalpur (ii) Samastipur (iii) Gaya (iv) Bihar Sharif	Phulwari Shariff, Patna		
4.	Chandigarh (UT)	Chandigarh			(i) Sector 23 (ii) Sector 29	Ramdarbar, Chandigarh		
5.	Chattisgarh	Raipur			(i) Kumhari, Durg (ii) Choubey Colony, Raipur (iii) Fafadih, Raipur (iv) Bilaspur			
6.	Delhi	Rajindra Palce	(i) Okhla (ii) Rohini	Nand Nagri	(i) Okhla I (ii) Nand Nagri (iii) Jhilmil (iv) Vishwakarma Nagar	(i) Okhla (ii) Jhilmil	Rohini	DMD

Sl. No.	State	Regional Office	Sub Regional Office	Divisional office	Dispensaries	ESIC Hospital	Medical/ Dental/ Nursing College	State Medical Commissioner
7.	Goa	Goa			(i) Margoa (ii) Vasco (iii) Sancoale (iv) Ponda	Margoa		
8.	Gujarat	Ahmadabad	(i) Vadodara, (ii) Surat		(i) Shahibaug (ii) Amraiwadi, (iii) Rajkot (iv) Gotri Road	(i) Bapunagar (ii) Vapi		
9.	Haryana	Faridabad	(i) Gurgaon, (ii) Ambala		(i) Sector 21, Bhiwani (ii) Mela Ground, Bhiwani (iii) Sector 19, Faridabad (iv) Roz ka Meo, Gurgaon	(i) Gurgaon (ii) Manesar		
10.	Himachal Pradesh	Baddi			(i) Solan (ii) Shimla (iii) Baddi (iv) Mehatpur	Baddi		
11.	Jammu and Kashmir	Jammu			(i) Bagh-e-Ali Mardan Khan (ii) khunmoh (iii) Bari Brahmna, (iv) Bakshi Nagar	Bari Brahmana, Jammu		
12.	Jharkhand	Namkum, Ranchi			(i) Jasidih (ii) Adityapur (iii) Kokar	(i) Namkum, Ranchi (ii) Adityapur, Jamshedpur		

Sl. No.	State	Regional Office	Sub Regional Office	Divisional office	Dispensaries	ESIC Hospital	Medical/ Dental/ Nursing College	State Medical Commissioner
13.	Karnataka	Bengaluru	(i) Peenya, (ii) Bommasandra, (iii) Mysore (iv) Hubli	Gulbarga	(i) Basaram Guddi (ii) Attibele (iii) Nanajan Gud (iv) Belwari	(i) Rajaji Nagar, Bengaluru, (ii) Peenya	Rajaji Nagar Bengaluru	
14.	Kerala	Thrissur	(i) Ernakulam (ii) Kollam		(i) Udyogmandal (ii) Asramom (iii) Valapattanam, (iv) Ramankulangara	(i) Asramam, (ii) Ezhukone		
15.	Maharashtra	Mumbai	(i) Marol (ii) Thane (iii) Pune (iv) Nagpur (v) Aurangabad		(i) Worli (ii) Thane (iii) Vashi (iv) Navi Mumbai	Andheri	Parel	Parel
16.	Madhya Pradesh	Indore			(i) Bhopal (ii) Dewas (iii) Gwalior (iv) Indore	Indore		
17.	Odisha	Bhubaneswar			(i) Khapuria, Cuttuck (ii) Balasore (iii) Chandrasekhapur (iv) Sambalpur	Rourkela		
18.	Pudduchery	Pudduchery			(i) Gandhinagar (ii) Reddiarpalayam (iii) Muthirapalayam (iv) Puducherry			

Sl. No.	State	Regional Office	Sub Regional Office	Divisional office	Dispensaries	ESIC Hospital	Medical/ Dental/ Nursing College	State Medical Commissioner
19.	Punjab	Chandigarh	(i) Jalandhar (ii) Ludhiana		(i) Kharar, Mohali (ii) Batala (iii) Jalandhar (iv) Bathinda	Ludhiana		
20.	Rajasthan	Jaipur	Udaipur		(i) Ashok Nagar, Udaipur (ii) Chittorgarh (iii) Malviya Nagar, Jaipur (iv) Bapunagar, Jaipur	(i) Jaipur (ii) Bhiwadi		
21.	Tamilnadu	Chennai	(i) Coimbarore (ii) Madurai (iii) Thirunelveli (iv) Salem		(i) Ondipudur (ii) Gobinchettypalayam (iii) Minjur (iv) Sivakasi	Chennai	Chennai	
22.	Uttar Pradesh	Kanpur	(i) Lucknow, (ii) Varanasi, (iii) Noida		(i) Jhansi (ii) Partapur, Meerut (iii) Mumfordganj, Allahabad (iv) Gorakhpur	Noida		
23.	Uttrakhand	Dehradun			(i) Mussorie (ii) Lalkuan (iii) Jaspur (iv) Rudrapur			
24.	West Bengal	Kolkata	Barrackpore		(i) Asansole (ii) Bhadreswar (iii) Kanchrapara (iv) Serampore	Joka	Joka	
Total		**24**	**30**	**2**	**92**	**29**	**5**	**2**

Annex- III
(Referred to in paragraph 2.3)
Details of payments made to State/UT Government for medical care provided through ESI hospitals

(₹ in lakh)

Sl. No.	Name of the State	Expenditure certified by State AG for the period				Payments made by ESIC to State Government related to period				Un-certified amount
		2008-09	2009-10	2010-11	2011-12	2008-09	2009-10	2010-11	2011-12	
1.	Assam	Not Certified (NC)	NC	NC	NC	418.82	515.3	560.97	655.84	2150.93
2.	Bihar	NC	NC	NC	NC	386.42	476.46	576.06	729.91	2168.85
3.	Chandigarh (U.T.)	NC	NC	NC	NC	347.13	349.14	447.91	602.68	1746.86
4.	Himachal Pradesh	NC	NC	NC	NC	831.86	889.6	887.03	1302.25	3910.74
5.	Jammu and Kashmir	NC	NC	NC	NC	176.13	168.04	336.28	381.14	1061.59
6.	Kerala	NC	NC	NC	NC	3753.46	5268.77	5767.11	5847.15	20636.49
7.	Karnataka	NC	NC	NC	NC	6644.71	9219.63	10839.76	10890.69	37594.79
8.	Meghalaya	NC	NC	NC	NC	26.68	47.34	54.45	59.15	187.62
9.	Maharashtra	NC	NC	NC	NC	10609.63	11732.68	11302.3	18358.78	52003.39
10.	Odisha	NC	NC	NC	NC	1252.54	1772.89	2072.04	1934.24	7031.71
11.	Pudduchery	NC	NC	NC	NC	555.26	872.69	926.89	1019.92	3374.76
12.	Uttar Pradesh	NC	NC	NC	NC	5135.77	6546.43	7327.06	7710.52	26719.78

Sl. No.	Name of the State	Expenditure certified by State AG for the period				Payments made by ESIC to State Government related to period				Un-certified amount
		2008-09	2009-10	2010-11	2011-12	2008-09	2009-10	2010-11	2011-12	
13.	Jharkhand	NC	NC	NC	NC	580.72	870.73	1197.68	1395.57	4044.7
14.	Uttrakhand	NC	NC	NC	NC	239.08	453.7	815.65	1164.83	2673.26
15.	Gujarat	6721.42	912.87	10933.61	2029.66	4388.49	5258.54	6975.13	7771.92	Nil
16.	Rajasthan	1201.08	4953.7	966.08	5589.3	3716.98	4327.01	4579.72	4995	Nil
17.	Haryana	5584.02	7130.96	NC	7735.86	4886.02	6239.59	7074.24	8470.41	7074.24
18.	Tamil Nadu	3076.83	3504.97	1473.97	4188.52	9905.32	10144.23	11905.84	14629.03	Nil
19.	Goa	798.28	1154.13	NC	1220.14	582.81	793.25	1084.41	1045.59	1084.41
20.	Punjab	3764.76	4355.02	5468.8	NC	4387.78	5709.87	5696.14	5822.68	5822.68
21.	West Bengal	7878.83	11225.33	NC	NC	6404.88	7834.91	9269.87	9670.89	18940.76
22.	Madhya Pradesh	NC	4664.55	NC	NC	2054.35	2816.5	2768.03	2951.17	7773.55
23.	Andhra Pradesh	1071.41	11669.74	NC	NC	7012.86	8632.11	9052.5	10707.19	19759.69
24.	Chhattisgarh	412.44	NC	NC	NC	317.73	409.56	737.13	1121.13	2267.82
Total										**228028.62**

Annex- IV

(Referred to in paragraph 2.10)

Details regarding meetings to be held and actually held during 2008-09 to 2012-13

Sr. No.	Name of State	Regional Board			Hospital Development Committee		
		Meetings required as per norms	Meet-ings actually held	Short fall in per cent	Meetings required as per norms	Meet-ings actually held	Short fall in per cent
1.	Andhra Pradesh	20	6	70	60	14	76.67
2.	Assam	20	0	100	30	6	80
3.	Bihar	20	8	60	30	18	40
4.	Chandigarh (UT)	20	10	50	30	1	96.66
5.	Chhattisgarh	20	2	90	No ESIC Hospital	No ESIC Hospital	-
6.	Delhi	20	4	80	90	14	84.44
7.	Goa	20	1	95	30	30	NIL
8.	Gujarat	20	7	65	42	7	83.33
9.	Haryana	20	5	75	60	3	95
10.	Himachal Pradesh	20	0	100	30	12	60
11.	Jammu and Kashmir	20	1	95	30	15	50
12.	Jharkhand	20	3	85	60	21	65
13.	Karnataka	20	5	75	37	11	70.27
14.	Kerala	20	9	55	24	24	NIL
15.	Maharashtra	20	5	75	-	-	-
16.	Madhya Pradesh	20	5	75	30	11	63.33
17.	Odisha	16	8	50	-	-	-
18.	Pondicherry (UT)	-	Not con-stituted	-	No ESIC Hospital	No ESIC Hospital	-
19.	Punjab	20	9	55	-	-	-
20.	Rajasthan	20	3	85	60	7	88.33
21.	Tamil Nadu	20	0	100	30	10	66.66
22.	Uttar Pradesh	20	1	95	-		
23.	Uttarakhand	20	1	95	No ESIC Hospital	No ESIC Hospital	-
24.	West Bengal	20	9	55	30	9	70

Annex- V

(Referred to in paragraph 4.2.1)

Bed occupancy and beds available in ESI hospitals during year 2012-13

Sl. No.	Name of Hospital	Number of Beds available	Percentage of occupancy during the year
1.	**Andhra Pradesh**		
I	ESI Hospital Visakhapatnam	125	78
II	Vijayawada	110	61
III	Rajamundry	50	57
IV	Ramachandrapuram	100	87
V	Sanathnagar	310	120
VI	Sirpurkagazanagar	62	95
VII	Warangal	50	64
VIII	Nacharam	200	96
IX	Tripupathy	50	62
X	S.S. Sanathnagar	100	68
2.	**Assam**		
I	ESI Hospital Beltola	50	139
3.	**Bihar**		
I	ESI Hospital Phulwari Sharif	50	70
4.	**Chandigarh**		
I	ESI Hospital Chandigarh	50	104
5.	**Delhi**		
I	ESI Hospital ODC Basaidarapur	600	99
II	Jhilmil	300	87
III	Okhla	216	58
IV	Rohini	300	75
6.	**Gujarat**		
I	ESI Hospital Bapunagar	136	71
II	Naroda (Chest)	30	26
III	Rajpur Hirpur	50	111
IV	Kalol	50	36
V	Baroda	200	40
VI	Surat	100	35
VII	Rajkot	50	30
VIII	Bhavnagar	30	22

Sl. No.	Name of Hospital	Number of Beds available	Percentage of occupancy during the year
IX	Vapi	50	21
X	Jamnagar	50	17
7.	**Haryana**		
I	ESI Hospital Faridabad	200	48
II	Jagadhari	80	48
III	Panipat	75	48
IV	Ballabgarh	50	95
V	Bhiwani	50	19
VI	Gurgaon	126	82
VII	Manesar	100	54
8.	**Himachal Pradesh**		
I	ESI Hospital, Paewanoo	50	42
II	ESI Hospital Baddi	90	48
9.	**Karnataka**		
I	ESI Hospital Rajajinagar	500	84
II	Indiranagar	270	41
III	Dandeli	25	38
IV	Devangare	50	79
V	Hubli	50	57
VI	Mysore	100	45
VII	Mangalore	100	15
VIII	Belgaum	50	48
IX	Peeniya	100	51
10.	**Kerala**		
I	ESI Hospital Alleppy	60	58
II	Asramam	200	92
III	Ernakulam	65	99
IV	Ezhukone	138	81
V	Mulamkunnathukam	110	13
VI	Olarikara	102	61
VII	Parripally	100	64
VIII	Palakkad	50	27
IX	Perookada	128	32
X	Udyogmandal	100	63
XI	Vadavathur	65	43
XII	Feroke	100	49
XIII	Thottada	50	17

Sl. No.	Name of Hospital	Number of Beds available	Percentage of occupancy during the year
11.	**Madhya Pradesh**		
I	ESI Hospital Indore (Gen)	300	73
II	Indore (T.B.)	75	33
III	Ujjain	50	10
IV	Gwalior	100	42
V	Bhopal	100	26
VI	Dewas	50	41
VII	Nagda	50	3
12.	**Odisha**		
I	ESI Hospital Kansbahal	50	26
II	Choudwar	100	36
III	Jaykapur	25	61
IV	Bhubaneshwar	50	46
V	Rourkela	50	60
13.	**Puducherry**		
I	ESI Gorimedu Hospital	75	62
14.	**Maharashtra**		
I	ESI Hospital Andheri	330	67
II	Ulhasnagar	100	54
III	Thane	100	46
IV	Mulund	400	38
V	MGM	330	33
VI	Washi	100	1
VII	Worli	300	3
VIII	Kandivali	85	36
IX	Sholapur	150	33
X	Nasik	100	44
XI	Nagpur	200	37
XII	Aurangabad	100	27
XIII	Chinchwad	100	50
15.	**Punjab**		
I	ESI Hospital Amritsar	125	25
II	Jalandhar	100	55
III	Ludhiana	262	51
IV	Mohali	30	59
V	Phagwara	50	48
VI	Hoshiarpur	50	27
VII	Mandi Gobindgar	30	11

Sl. No.	Name of Hospital	Number of Beds available	Percentage of occupancy during the year
16.	**Rajasthan**		
I	ESI Hospital Jaipur	46	53
II	Kota	60	15
III	Jodhpur	50	21
IV	Bhilwara	50	10
V	Pali	50	0.2
VI	Bhiwadi	50	31
17.	**Tamil Nadu**		
I	ESI Hospital Coimbatore	506	46
II	Chennai	616	50
III	Madurai	209	63
IV	ODC K.K. Nagar	330	75
V	Vellore	50	52
VI	Sivakasi	100	93
VII	Salem	50	96
VIII	Hosure	50	31
IX	Tirucharapally	50	66
18.	**Uttar Pradesh**		
I	ESI Hospital Kanpur	312	25
II	Kanpur (Chest)	180	30
III	Modinagar	100	29
IV	Naini Allahabad	100	68
V	Kanpur (MAT)	144	12
VI	Lucknow	100	23
VII	Sahibabad	100	42
VIII	Agra	100	68
IX	Saharanpur	50	13
X	Kidwainagar	100	30
XI	Bareilly	50	50
XII	Jajmau-Kanpur	100	18
XIII	Noida	300	104
XIV	Aligarh	60	20
XV	Pipri	60	10
XVI	Varanasi	60	18
19.	**West Bengal**		
I	ESI Hospital Asansol	100	80
II	Bellur Belly	200	91
III	Baltikuri	230	75
IV	Gourhati	216	96

Sl. No.	Name of Hospital	Number of Beds available	Percentage of occupancy during the year
V	Budge-Budge	300	76
VI	Kalyani	250	76
VII	Manicktola	412	93
VIII	Kamarhati	348	84
IX	Sealdah	254	86
X	Uluberia	216	88
XI	Serampore	216	74
XII	Bandel	250	76
XIII	ODC Thakurpur	300	106
XIV	Durgapur	150	100
20.	**Jharkhand**		
I	ESI Hospital Maithan	110	8
II	Adityapur	50	61
III	Ranchi	50	70
21.	**Jammu & Kashmir**		
I	ESI Hospital Bari Brahma (Jammu)	50	77

Annex- VI
(Referred to in paragraph 4.2.6)
Expenditure incurred on Super Specialty Treatment (SST)

(₹ in crore)

Sl. No.	Name of Hospital/ State	Expenditure				
		2008-09	2009-10	2010-11	2011-12	2012-13
1.	ESI Hospital, Okhla, Delhi	0.34	2.22	5.33	27.93	47.88
2.	ESI Hospital, Noida, Delhi	-	-	13.87	19.30	36.23
3.	ESI Hospital, Jhilmil, Delhi	-	4.06	6.71	17.68	29.52
4.	ESI Model Hospital Ram Darbar, Chandigarh	-	-	-	0.66	1.24
5.	ESI Hospital Bapunagar Gujarat	0.12	1.96	4.02	4.85	3.51
6.	ESI Hospital Rajaji Nagar, Bangalore, Karnataka	3.65	17.03	28.54	34.96	43.84
7.	State Medical Commissioner, Gujarat	-	5.14	19.26	34.04	36.72
8.	ESI Hospital Asramam, Kerala	-	2.91	5.13	6.24	6.70
9.	State Medical Commissioner, Raipur Chhattisgarh	-	0.70	03.21	4.98	41.71
10.	RO, Mumbai	1.68	5.50	8.53	27.66	69.18
11.	RO, Goa	-	-	-	0.49	0.58
12.	Uttar Pradesh	-	3.65	8.63	7.12	17.43
	Total	**5.79**	**43.17**	**103.23**	**185.91**	**334.54**

Annex- VII
(Referred to in paragraph 4.2.9)
List of equipment lying idle

(₹ in lakh)

Sl. No.	Name of dispensary/ hospital	Name of equipment	Number of equipment	Idle since	Cost of equipment
1.	Model Hospital, Nacharam, Andhra Pradesh	Binocular Microscopes	3	2002-07	0.65
2.	ESI Dispensary, Sanathnagar, Andhra Pradesh	Semi Auto Analyser (Ran Lab)	2	June 2012	Not provided
3.	-do-	Sperm Quality Analyser	1	September 2010	Not provided
4.	ESI Dispensary, Sanathnagar, Andhra Pradesh	Turbituner	1	September 2010	Not provided
5.	-do-	Epoch Card Reader (HCV, HIV)	2	April 2010	Not provided
6.	-do-	Micromat	1	April 2010	Not provided
7.	-do-	Urine Screen Analyser	1	November 2013	Not provided
8.	Model Hospital, Rourkela, Odisha	ECG Machine (radio model)	1	2007	0.12
9.	-do-	ECG Machine (L&T Vela)	1	2011	0.60
10.	-do-	Ultra Sonography Machine	1	Not in use since expiry of registration	5.50
11.	-do-	Semi Auto Analyzer	1	2010	1.58
12.	-do-	Electrolyte Analyzer	1	2009	1.40
13.	ESI Model Hospital Baddi, Himachal Pradesh	Vacuum Extractor (Not Installed)	11	November 2010	3.65
14.	-do-	Ventilator System (Installed but not in use)	3	October 2010	38.38
15.	-do-	Bipep Ventilator (Installed but not in use)	2	October 2010	4.40
16.	ESI Model Hospital Bapunagar Ahmedabad, Gujarat	Medical Furniture	1	-	44.22
17.	-do-	Medical Instrument for OT and ICU	21	Uninstalled due to OT not operational	203.44

Sl. No.	Name of dispensary/ hospital	Name of equipment	Number of equipment	Idle since	Cost of equipment
18.	-do-	X-ray Machine	4	Installed but not operational due to dark room facilities and power supply.	82.20
19.	ESI Hospital Bhiwadi, Rajasthan		7	Not put to use due to non availability of staff	161.23 + USD 7449
20.	ESI Hospital, Joka, West Bengal	Bed Elevator	48	January 2010	1.34
21.	-do-	Obsteric Table	2	June 2009	0.67
22.	ESI Hospital, Adityapur, Jamshedpur, Jharkhand	BIPAP Ventilator	2	February 2011	USD 8390
23.	-do-	Urine Analyzer	1	January 2011	2.25
24.	-do-	Ventilator Critical Care	1	May 2011	USD 24380
25.	-do-	Operating Laparoscope for Gynae	1	December 2010	39.50
26.	-do-	Hysterectomy Set for Gyane	1	January 2011	13.60
27.	-do-	ENT Examination Unit	1	June 2011	USD 36585
28.	-do-	Cryo. Surgical Unit	1	August 2011	2.35
29.	-do-	Emergency Resuscitation Kit	1	December 2011	Euro 13330
30.	-do-	Colour Doppler Digital	1	October 2012	Not provided
31.	ESI Hospital Rajaji Nagar Karnataka	Flexible Ureterorenoscope	1	-	9.17
32.	-do-	Flexible Cystonephroscope	1	-	16.32
33.	-do-	Personal Protection System	1	-	16.00
34.	-do-	FESS Set Complere with high definition camera (Imported) with Micro debrider imported	1	October 2010	7.96

Sl. No.	Name of dispensary/ hospital	Name of equipment	Number of equipment	Idle since	Cost of equipment
35.	ESI Hospital Peenya, Karnataka	Blood Gas Analyzer	2	-	15.36
36.	-do-	Boyles Apparatus	3	-	66.97
37.	-do-	Cryo Surgical unit	1	-	4.25
38.	-do-	Cystoscope Turf and Optical	1	-	7.14
39.	-do-	Emergency Resuscitation Kit	1	-	8.62
40.	-do-	Transport Incubators	1	-	5.96
41.	-do-	Deep Freezer	1	-	4.84
42.	-do-	Pneumatic Power System	1	-	21.26
43.	-do-	OAE Testing	1	-	4.20
44.	PGIMSR Joka West Bengal	Equipment for blood component separation	1 set (21 components)	December 2012	103.93
Total			**142**		**899.06 +76804 USD +13330 EURO** } **9.43* crore**

*Conversions to ₹ has been made @ one USD = ₹ 45.420 (as on June 2011) and one Euro = ₹70.360 (as on December 2011) as per official rate of exchange.

Annex- VIII

(Referred to in paragraph 4.2.9)

Cases of delay in installation of equipment in ESI Hospital, Joka, West Bengal

Sl. No.	Name of Equipment	No. of Equipment	Date of procurement	No. of Equipment issued	Date of Installation	Delay in installation (in days)
1.	Dorso Lumber Spinal Brace	2	14 Feb 09	2	22 Sep 09	220
2.	Knee Brace Long Type	5	14 Feb 09	2	22 Sep 09	220
3.	Volume Dispenser	1	3 Jul 08	1	15 Jan 09	196
4.	Bed Side Locker	34	11 May 09	13	3 Dec 09	206
5.	Bed Baby Cradle	12	30 Mar 10	3	22 Aug 12	876
6.	Bed Elevator	50	7 Jan 10	2	21 Aug 10	226
7.	Lead Sheet 81x40x 1.5 mm thick	2	3 Mar 10	2	22 Jul 10	141
8.	Lead Sheet 81x49x1.8mm thick	2	3 Mar 10	2	22 Jul 10	141
9.	Lead Glass	1	3 Mar 10	1	22 Jul 10	141
10.	Mobile C arm	1	2 Nov 10	1	10 Mar 11	128
11.	ECG machine	1	26 Mar 12	1	14 Jul 12	110
12.	Syringe Infusion Pump	1	5 Jul 11	1	21 Oct 11	108
13.	Volumetric Infusion Pumps	7	5 Jul 11	7	21 Oct 11	108
14.	LCP 4.5 instrument set	1	1 Jul 11	1	13 Oct 11	104
15.	LCP Distal radius plate	1	1 Jul 11	1	2 Dec 11	154
16.	Univeal Humeral Nail Set	1	1 Jul 11	1	14 Oct 11	105
17.	LCP Elbow Set	1	1 Jul 11	1	3 Jan 12	186
18.	4.5 LC-DCP basic instrument	1	5 Aug 11	1	10 Jan 12	158
19.	General Instrument Set	1	5 Aug 11	1	10 Jan 12	158
20.	ENT Examination Unit	1	14 Dec 11	1	16 Jul 12	215

Sl. No.	Name of Equipment	No. of Equipment	Date of procurement	No. of Equipment issued	Date of Installation	Delay in installation (in days)
21.	Air power Drill	1	29 Apr 11	1	12 Nov 11	197
22.	Digital Video Colposcope	1	17 Feb 12	1	11 Jun 12	115
23.	Holter monitoring	2	29 Oct 11	2	23 Aug 12	299
24.	Tubesealer	1	17 Feb 12	1	23 Aug 12	188
25.	Stripper	4	14 Dec 12	4	28 Mar 13	104
26.	Plasmaexpressor	4	14 Dec 12	4	28 Mar 13	104
27.	Tube sealer	2	14 Dec 12	2	28 Mar 13	104
28.	Blood Bank Refrigerator 300lts	2	14 Dec 12	2	28 Mar 13	104
29.	Sterile connecting devices	2	14 Dec 12	2	28 Mar 13	104
30.	Automatic component extractor	1	14 Dec 12	1	28 Mar 13	104
31.	Deep Freezer (-80 C)	1	14 Dec 12	1	28 Mar 13	104
32.	Blood bank Refrigerator 600lts	1	21 Dec 12	1	28 Mar 13	97
33.	Elisa Micropipette	2	26 Dec 12	2	28 Mar 13	92
34.	Centrifuge Machine	4	26 Dec 12	4	28 Mar 13	92
35.	Cassette and Screen 15*12	2	17 Apr 12	2	9 Aug 12	114
Total		**156**		**75**		

Annex- IX
(Referred to in paragraph 4.3.1)
Detail of local purchase of Medicines

(₹ in lakh)

Sl. No.	Name of the unit	Expenditure on local purchase of medicines				
		2008-09	2009-10	2010-11	2011-12	2012-13
1.	ESI Hospital, Jhilmil, Delhi	25.91	47.6	90.95	94.1	78.8
2.	ESI Hospital, Okhla, Delhi	21.72	34.07	30.33	41.7	31.24
3.	ESI Hospital/Dental College, Rohini Delhi	16.13	34.76	39.18	61.4	76.51
4.	ESI Hospital, Noida, Uttar Pradesh	20.4	22.41	62.46	141.77	230.93
5.	ESI Dispensary, Inder Lok, Delhi	6.47	10.26	8.93	7.08	7.84
6.	ESI Dispensary, Okhla, Delhi	133.76	163.25	222.94	258.81	234.49
7.	ESI Dispensary, V.K. Nagar, Delhi	42.4	90.98	72.6	93.14	110.31
8.	ESI Dispensary, Nandnagri, Delhi	51.78	73.55	68.98	100.87	92.86
9.	ESI Hospital Gurgaon, Haryana	-	-	19.75	31.1	41.8
10.	ESI Hospital Manesar, Haryana	-	-	-	12.84	24.96
11.	ESI Hospital Ezhukone, Kerala	-	-	17.31	19.49	35.47
12.	ESI Model Hospital, Andheri, Mumbai	114	156.83	100.65	82.59	107.2
13.	ESI Model Hospital, Nacharam, Hyderabad,	20.87	22.74	41.5	100.09	64.25
14.	ESI Hospital, K.K. Nagar, Chennai	6.14	14.62	19.48	31.71	47.86
15.	ESI Model Hospital, Bangalore	101.79	58.62	130.03	252.11	-
16.	ESI Hospital Bhiwadi, Rajasthan	-	-	-	10.33	19.01
17.	ESI Super Specialty Hospital, Santhnagar, Hyderabad	-	-	-	10.62	24.13
18.	ESI Hospital, Beltola, Assam	9.96	8.52	27.77	72.04	181.88
19.	ESI Hospital, Numkan, Ranchi, Jharkhand	2.89	6.91	11.36	50.83	69.5

Sl. No.	Name of the unit	Expenditure on local purchase of medicines				
		2008-09	2009-10	2010-11	2011-12	2012-13
20.	ESI Hospital, Aditapur, Jharkhand	-	6.84	29.88	89.59	46.43
21.	ESI PGIMSR/Medical College, Joka, West Bengal	26.99	37.74	52.23	65.17	99.91
22.	ESI Hospital, Bapunagar, Gujarat	14.16	18.42	18.78	26.09	29.63
23.	ESI Hospital, Vapi, Gujarat	-	-	-	1.62	5.8
	Total	**615.37**	**808.12**	**1065.11**	**1655.09**	**1660.81**

Annex- X
(Referred to in paragraph 5.1)
Details of projects under progress costing ₹ 5.00 crore or above

Sl. No	Name of the State	No. of Projects under execution	Total cost involved (₹in Crore)	Project(s) Completed	Project(s) in Progress	Financial progress (₹ in Crore)	Initial project duration	Time Extension granted	Reasons for delay
1.	Andhra Pradesh	6	1150.63	1	5	478.25	12-24 months	20-34 months	Delay in approval from Municipal Corporation (MC). Site being handed over in phases, electric connection delayed
2.	Bihar	1	766.45	0	1	325.50	24 months	36 months	Land acquisition had taken time.
3.	Delhi	4	1087.64	2	2	255.24	3-24 months	37-50 months	Delay in MC approval, site being handed over in phases.
4.	Goa	1	111.95	0	1	60.78	18 months	40 months	Decision of up-gradation from 50 to 100 bed hospital was taken in November 2010.
5.	Gujarat	2	152.67	1	1	41.31	18-24 months	5-21 months	-
6.	Haryana	1	665.59	0	1	398.78	24 months	34 months	Delay in MC approval and delay in vacation of quarters.
7.	Himachal Pradesh	1	897.39	0	1	524.58	24 months	31 months	Extreme weather condition and shifting of HT lines/ Storm water drain passing through complex.
8.	Karnataka	9	2313.45	0	9	638.96	12-30 months	1-36 months	Shifting of site by 30 meters, delay in NOC from MC
9.	Kerala	1	592.19	0	1	227.62	25 months	24 months	Site clearance issue and shifting of existing hospital.
10.	Maharashtra	15	1330.29	3	12	400.55	6-36 months	15-57 months	Delay in municipal approval, availability of site in phased manner, scope of work reduced.
11.	Odisha	3	113.76	0	3	46.18	12-18 months	20-36 months	Delay in-availability of site and NOC from Municipal Corporation.
12.	Punjab	1	13.42	0	1	8.42	12 months	31 months	-
13.	Rajasthan	3	1017.37	0	3	266.24	12-30 months	12-36 months	Works stopped by UIT Authority for 9 months.

Sl. No	Name of the State	No. of Projects under execution	Total cost involved (₹in Crore)	Project(s) Completed	Project(s) in Progress	Financial progress (₹ in Crore)	Initial project duration	Time Extension granted	Reasons for delay
14.	Tamil Nadu	7	1561.88	1	6	484.08	7-30 months	20-55 months	Handling over of site in phased manner.
15.	Uttar Pradesh	3	562.86	0	3	206.96	24 months	27-30 months	Delay in approval from Development Authority, site handed over in phased manner.
16.	West Bengal	5	803.93	2	3	364.50	6-24 months	31-42 months	Delay in approval from Development Authority, site handed over in phased manner.
Total		**63**	**13141.47**	**10**	**53**	**4727.95**