3.11 Non-functional Multi-disciplinary Research Units (MRUs)

Failure to meet the project milestones and pre-requisites as per GOI time schedule coupled with non-release of subsequent funds by GoI resulted in non-functioning of the MRUs. The objective of bridging the gap in the infrastructure in the Medical Colleges and promoting research in non-communicable diseases having impact on public health remained unachieved

Government of India (GoI) introduced (June 2013) a scheme for 'Establishment of Multi-disciplinary Research Units (MRUs)' in Government Medical Colleges during the 12th Plan period. Eighty MRUs[169] were to be established across the country in a phased manner to undertake research in non-communicable diseases and other need based research[170]. The scheme also envisaged bridging the gap in infrastructure in the Medical Colleges. The scheme was to be implemented with the active involvement of State Health Departments in consultation with Department of Health Research (DHR), Ministry of Health, GoI.

Two MRUs viz., Osmania Medical College (OMC) (July 2013) and Gandhi Medical College (GMC) (April 2015) at Hyderabad were sanctioned in Telangana State. Memorandum of Agreement (MoA) was signed[171] between the State Government and DHR, MoH, GoI.

The GoI envisaged funding pattern included, one time financial assistance of ₹5.25 crore (civil works: ₹0.25 crore; Equipment: ₹5 crore). In addition, GoI was also to fund recurring expenditure of ₹34.23 lakh[172] per annum for a period of five years. First instalment of one-time grant of ₹1.25 crore was released[173] after signing of the MoA. Release of subsequent instalments was linked to meeting pre-conditions[174] and achievement of scheme milestones by the Medical Colleges.

The MoA identified the role of the State Government in respect of the following:

- provide the requisite space (free of cost) for establishment of MRU in the Medical College.
- take over of the recurring expenditure liability of the MRU after the project period of five years.
- identification of research priorities and projects, etc., after the establishment of MRU

Scrutiny of scheme records[175] revealed that the MRU was not operational as the scheme was beset with delays and lack of funds. These are detailed as follows:

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[169] 2013-14: 35; 2014-15: 45

[170] As recommended by Local Research Advisory Committee constituted for the purpose

[171] OMC: August 2013; GMC: April 2015

[172] contractual staff: ₹19.23 lakh; consumables/training/contingencies: ₹15 lakh

[173] OMC: October 2013; GMC: July 2015

[174] Release of 2nd instalment was subject to: (a) completion of civil works (b) Constitution of Local Research Advisory Committee (LRAC) and Development of research projects (c) Placement of orders for procurement of equipment with clear delivery schedule (d) completion of the process of selection of contractual staff. Release of 3rd instalment was subject to (a) holding of at least two meetings of Research Committees (b) certification of appointment of contractual staff after release of 2nd instalment and (c) review of performance by Indian Council of Medical Research (ICMR) Evaluation Committee

[175] OMC: July 2018; GMC: August 2018

Deliverables	Audit observations
Osmania Medical College	
Civil works: To be completed by 2013-14	**Status: Completed** with a delay of 20 months due to: ➢ Delay in entrustment of work: 11months ➢ Delay in completion of work**:** 9 months ➢ Completed in: September 2015 ➢ Total cost incurred: ₹24.27 lakh
Procurement of Equipment: To be completed by 2015-16 [176] **. The procurement process of equipment was to commence simultaneously along with the civil works**	**Status: Not completed** by the Medical College due to: ➢ Procurement commenced in December 2014 after a delay of 14 months. ➢ Utilisation Certificate (May 2018) forwarded to GoI showed purchase of equipment[177] worth ₹one crore of which: • Admissible expenditure: ₹60.67 lakh • Inadmissible expenditure: ₹37.16 lakh[178] • Unspent balance with OMC**:** ₹10 lakh (including bank interest)
Appointment of contractual staff: The process to engage contractual staff was to commence in the 2nd year of sanction i.e., 2014-15	**Status: No contractual staff in place in the MRU** ➢ OMC hired (July 2015) contractual staff (Research Scientist and Lab Assistant) utilising funds (₹25.50 lakh[179]) from the one-time grant received (October 2013) for purchase of equipment. ➢ Due to non-release of funds either from GoI or State Government towards the salaries, the contractual staff were forced to resign. The lab technicians were also not continued by the college for want of funds.
Formation of Local Research Advisory Committee (LRAC):	**Status:** LRAC formed in September 2015. ➢ Research projects identified: Seven ➢ Research projects approved: Five ➢ Status of the projects completed: Not made available to Audit

Principal, OMC stated (September 2018) that the staff were recruited as per the direction of the DHR Inspection team which visited OMC in November 2014. Certain activities had been undertaken by MRU with the staff recruited on contract basis. MRU in OMC, however, remained non-functional since July 2017. OMC attributed (July 2018) the delay in establishment of MRU to State bifurcation issue and the non-functioning of MRU to non-release of 2nd instalment by GoI. Incidentally, OMC requested GoI (May 2018) to release the 2nd instalment after completion of the Scheme period.

176 2013-14: ₹one crore; 2014-15: ₹2 crore and 2015-16: ₹2 crore
177 2013-14: Nil; 2014-15:₹1.57 lakh; 2015-16:₹46.71 lakh; 2016-17:₹46.72 lakh and 2017-18:₹5.82 lakh (excess over rupees one crore was met from interest earned)
178 purchase of air conditioners, furniture and payment of salaries, etc.
179 2015-16: ₹11.35 lakh; 2016-17: ₹14.15 lakh

Deliverables	Audit observations
Gandhi Medical College	
Civil works: To be completed by 2014-15	**Status: Completed** with a delay of 20 months due to: ➢ Delay in entrustment of work: 4 months ➢ Completed in June 2016 ➢ Total cost incurred: ₹25 lakh
Procuremnt of Equipment: To be completed by 2016-17[180]. The procurement process of equipment was to commence simultaneously along with the civil works.	**Status: Not completed** by the Medical College due to: ➢ Tendering process initiated: December 2016 ➢ Purchases commenced: June 2017 after a delay of 22 months ➢ Amount incurred: ₹80.24 lakh • Unspent balance with GMC**:** ₹30.04 lakh (including bank interest) • Equipment *Elisa Reader and Washer* was not yet procured as of August 2018 • Besides, one of the equipment which was purchased for the MRU (5-part Haematology Analyser) was transferred to Central Diagnostic Laboratory under Pathology Department since the project (MRU) was not initiated • The equipment procured was kept idle/uninstalled without utilisation even as of August 2018[181]
Appointment of contractual staff: The process to engage contractual staff was to commence in the 2nd year of sanction i.e., 2015-16	**Status: No Contractual staff in place in the MRU** ➢ Process of recruitment of contractual staff: commenced with delay of over three years. ➢ Applications for contractual staff scrutinised: 16 applications not finalized for want of funds. ➢ Even the equipments procured in connection with the research activities could not be put to use for want of staff.
Formation of Local Research Advisory Committee (LRAC):	**Status:** LRAC formed in September 2015. ➢ Research projects identified: Seven ➢ Research projects approved: Three ➢ Status of the projects completed: only one which did not require any staff complement and which could be done on lab pro charts in Physiology Department

GMC attributed (August 2018) the delay in procurement of equipment to (i) non-release of 2nd instalment by GoI (ii) prolonged tender process (iii) procurement of high-end equipment from overseas and (iv) delayed constitution of the LRAC. Principal, GMC stated that, the matter of release of 2nd instalment was taken up with GoI (July 2017 and September 2017).

The Colleges had, however, not intimated the GoI of the completion of the deliverables pertaining to the Civil works, finalisation of the staff for MRU and the formation of LRAC which would have facilitated the release of further funds. Consequently, no funds were released by GoI as of August 2018.

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[180] 2014-15:₹one crore; 2015-16: ₹2 crore and 2016-17: ₹2 crore
[181] As per the information furnished by GMC dated 13 August 2018

Thus, failure to meet the project milestones and pre-requisites as per the time schedule intimated by GoI coupled with non-release of subsequent funds by GoI resulted in the MRUs remaining non-functional. The objective of bridging the gap in the infrastructure in the Medical Colleges and promoting research in non-communicable diseases having impact on public health remained unachieved.

The matter was reported to Government in (August/October 2018); reminded in September/November 2018. Their reply is awaited.

Youth Advancement, Tourism and Culture Department

National Institute of Tourism and Hospitality Management (NITHM)

3.12 Four Star Business Class Hotel - a stalled PPP Project

Improper project management by National Institute of Tourism and Hospitality Management (NITHM) derailed the PPP project leading to recurring annual loss of revenue of about ₹2.50 crore to NITHM besides depriving employment/training opportunities to its students

National Institute of Tourism and Hospitality Management (NITHM)[182] decided (2005)[183] construction of a Four Star Business Class Hotel under Public Private Partnership (PPP)[184] mode at Gachibowli, Hyderabad. NITHM issued Request for Proposal (RFP) in 2009 and considered the application of a lone bidder and forwarded the proposal to Government (January 2010). Government approved (July 2010) the proposal. The hotel was to be constructed on a Build, Operate and Transfer (BOT) basis. On completion, the hotel operations were expected to engage over 500 employees besides regular summer jobs, internships and employment opportunities to students of NITHM. Various 'Leader-in-Training' programs and practical training for students of NITHM were also envisaged.

After following due process, the project[185] was awarded (September 2010) to a Lead Developer[186] and a Special Purpose Vehicle (SPV)[187]. NITHM entered (November 2010) into two agreements[188] with the Lead developer and the SPV for joint execution of the hotel project. Three acres of land was to be alienated by NITHM for the project. The project was to be completed by May 2013 i.e., after 30 months from the date of delivery of physical possession (Zero date[189]) of the project site.

Following were the Audit criteria, viz., (a) RFP – December 2008 (b) Orders of Government - July 2010 and August 2010 (c) Letter of Award - September 2010 (d) Lease Agreement - November 2010 and (e) Development and Management Agreement - November 2010.

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[182] A registered society established by Andhra Pradesh Tourism Development Corporation Limited
[183] 8th Governing Council meeting of March 2005
[184] Contained in PPP framework of erstwhile Planning Commission (September 2005)
[185] with a project cost of ₹75.50 crore
[186] in technical collaboration with a foreign firm
[187] SPV was incorporated (October 2010) which was to be the developer as well as a Lessee for the project
[188] (i) Development and Management Agreement (4 November 2010) and (ii) Lease Agreement (24 November 2010)
[189] 04 November 2010