

Punjab Institute of Medical Sciences, Jalandhar

**Critical appraisal report
presented by Mr. A.P.S. Virk, PCS, Joint Secretary,
to Secretary, Medical Education and Research Department
in 2004-2005**

Brief Facts

- The earliest formal document about the creation of the PIMS is the minutes of the meeting headed by the CS held on 1.10.1993, which was attended by the FC(D), FS, Secretary Health & Family Welfare, Secretary, Housing and DRME among others. The minutes of the meeting are at Flag 'A'. Salient decisions taken in the meeting were:
 - ✓ FC (D) would transfer 165 acre land belonging to PAU to the Department of Health
 - ✓ Out of 165 acres of land about 100 acres would be utilized for creation of PIMS while the remaining will be commercially exploited to fund the project.
 - ✓ Model of Sant Longowal Institute of Engineering and Technology shall be followed for management of the institution.
 - ✓ The PIMS would be registered as a society in order to acquire assets as the institute has to be set up in non-Government sector. The Planning Commission of India had showed its inability to fund this project as a matter of policy for not funding any medical institution.
- A memorandum was accordingly placed before the CMM for approval by the. (Flag 'B')
- A meeting of the PIMS society was held under the Chairmanship of the CM on 7.7.1994 (Flag 'C'). The following major decisions were taken in this meeting:
 - ✓ PIMS society to be registered under the Registration of Societies Act and all future meetings to be held by the Society.
 - ✓ Director of the Institute be appointed immediately on contract basis, who should also act as the convener or secretary of the Society as well as Governing Body.
 - ✓ Rules and regulation of the PGI should be adopted by and large for the functioning of the Institute.
 - ✓ Planning Department to release Rs. 5 Crores for immediate expenditure for setting up of the Institution.
 - ✓ The Governing Body to be headed by the CM with 14 other members including MERM (Vice Chairperson), CS, MCI representative, PS/CM, One Principal, two eminent medical educationist, three medical specialists, SMER and DRME with Director Principal as member Secretary.
- Registered as a society, called "Punjab Institute of Medical Sciences, Jalandhar" on 10.10.1994 (No. 916), under Registration of Societies Act (XXI of 1860).
- Rules and Regulations of the Society are at Flag 'D'.
- Dr. BD Gupta was appointed as Director Principal w.e.f. 23.8.1994 in the meeting of the Governing Body on 11.10.1994.
 - ✓ The Director Principal was authorized to incur expenditure up to Rs. 5 Lac for a single item at his level.
 - ✓ The Director Principal was authorized to start the process of selection/appointment of an architect for the planning and designing of the hospital and the buildings of the Institute.
 - ✓ It was decided to move a case with the Health Department for transfer of Civil Hospital, Jalandhar to the PIMS.
- Third meeting of the Governing body was held on 4.8.1995. Main points:
 - ✓ Selection Committee headed by Director PGI to select faculty for pre-clinical departments was set up.
 - ✓ Composition of Architectural Committee for selection of architect was ratified. JR Bhalla, Aditya Prakash, Rajnish Wattas, Jivtesh Singh Maini and Dr. BD Gupta were nominated as members of this committee.
 - ✓ Appointment of Kataria Associates, chartered accountants as financial consultants was ratified.

- ✓ Nomination of RC Arora, a retired PCS officer as temporary administrative officer was retified.
 - ✓ Monitoring and Working Committee composition was approved. PSF, SHFW, PS/CM, SE, Hospital Engineer PGI and Director Principal were approved as members of this committee.
- In the meeting of the Governing Body held on 30.12.1996 the then CS (Shri VK Khanna) and the then SHFW (Smt Poonam Khetarpal) opined that before considering setting up a new medical institution, stock should be taken of the existing medical colleges especially in the light of severely limited resources.
 - Coordination Committee (in place of the earlier existing Working Committee) was recast in the Governing Body meeting 5.5.1997. The Coordination Committee which was to be headed by the CS had PSLG, PS/CM, SHUD, CA PUDA, SMER, Director PGI and DP PIMS as members.
 - Plans for initial building for starting MBBS batch in July 1998 approved in the Governing Body meeting held on 3.10.1997
 - In the meeting of the Governing Body held on 20.04.1998:
 - ✓ The Coordination Committee was recast with MERM as Chairman and CS as Vice-Chairman.
 - ✓ Executive Committee headed by SMER with CA PUDA and DRME among others as members formed.
 - ✓ Construction work of the initial plan of building could not be taken up because of PIL by certain environmental society opposing setting up of the institution.
 - ✓ Powers of the Coordination Committee and the Executive Committee to be defined.
 - In the meeting of the Governing Body held on 24.08.1998 the main issue was generation of resources for establishment of the Institution. The salient points discussed were:
 - ✓ MCI had refused to give approval for starting MBBS course as the institute did not have a 300 bedded hospital as the transfer of the Civil Hospital to the Instituted could not materialize.
 - ✓ The Government was not in a position to provide funds required for the project.
 - ✓ Private party participation in the establishment of Institute deliberated.
 - In the meeting of the Governing Body held on 23.05.1999 proposal of collaboration with the Manipal Academy of Higher Education was discussed. The said academy had shown its inability for financial collaboration though the academy was willing to collaborate of technical matters.
 - 10th Meeting of the Governing Body held on 22.10.1999:
 - ✓ Master Plan of the Phase I of the Institute pegged at Rs. 80 crore was approved.
 - ✓ Draft agreement with PUDA for transfer of 104 acre land was approved (Flag 'E').
 - ✓ Procedure for incurring expenditure by the Director Principal within his powers specified.
 - ✓ Building and Works Committee recast with PSMER, CE PWD (B&R), CE PHSC, Cost and Work accountant, SE PGI, Architect PIMS and DP PIMS as members.
 - Meeting of the Governing Body held on 20.04.2001:
 - ✓ M/s L & T designated as contractors for the main building of the institute for Rs. 63.69 Crore.
 - ✓ ACA amounting to Rs. 25 Cr was received from the Union Government, however only Rs. 15 Cr received by the institution so far.
 - Meeting of the Governing Body held on 29.08.2001
 - ✓ Scope of Phase I was increased by 8000 sq mt.
 - ✓ Admission intake was increased from 50 to 100 students.

- ✓ L & T was given the additional work due to enhancement of Phase I. The value of the additional work was Rs. 6.0 crore, thus the value of total contract with L & T stood at 69.69 Crores.
- ✓ Technical supervision of the engineering wing of PIMS was given to PHSC @ 2% of expenditure.

Present Status of the PIMS

Building:

- Initial Building of 2319 sq mt constructed at a cost of Rs. 1.41 crore already completed and occupied. A portion of this building is with PHSC which has been tasked with supervision of the building work as per the decision of the Governing Body.
- Main building of approximately 9.48 lac sq ft completed to the extent of about 91%. Though the building is in the finishing stage, however, other essential services such as Heating Ventilation & Air Conditioning (HVAC), elevator, medical gasses, laundry, tube well and water supply etc. are yet to be completed. Works relating to steam boiler, Central Sterilization Services Department (CSSD), kitchen, sewerage treatment plant (STP), 132 KVA substation and Housing (Auditorium & Sarai) are yet to be started.

Funds Received:

- ✓ Rs. 3.0 Crore received from the Punjab Government in Dec 1994.
- ✓ Rs. 15 Crore received from the Central Government as part of Rs. 25 Cr ACA.
- ✓ Rs. 98 Crore from PUDA.
- ✓ Rs. 6.0 Crore as interest.

Expenditure:

- ✓ Rs. 1.41 Crore on the initial building.
- ✓ Rs. 62 Crore on the Main Building.
- ✓ Rs. 12.50 Crore for land purchased from PAU.
- ✓ Rs. 3.50 Crore as fee of the architect.
- ✓ Rs. 0.98 Crore as supervision fee to the PHSC.
- ✓ Rs. 0.30 Crore to MC, Jalandhar for approval of building plans.
- ✓ Rs. 3.0 Crore other expenses like salary, furniture, vehicle etc.
- ✓ Rs. 1.60 Crore for HVAC to M/s Blue Star (through PHSC)
- ✓ Rs. 0.18 Crore for water supply pumps and filtration equipment (M/s Hydrotech Paryavaran Pvt Ltd, Mohali)
- ✓ Rs. 0.03 Crore for laundry (M/s STEFAB India Ltd, Delhi)
- ✓ Rs. 0.16 Crore for medical gases (M/s PES Installation Ltd, Delhi)
- ✓ Rs. 3.81 Crore for 132 KVA Substation.

Funds available

Rs. 30.0 Crores

Viability of the PMS Project

A viability report regarding the financial feasibility of PIMS was made in May 2002 which may be seen at Flag 'F'. A perusal of this report shows that the costs, especially the cost of construction and materials, have increased greatly from what has been projected in the report. For instance, the cost of the construction in the feasibility report is about 100 Crores, however, the revised cost of the is pegged at Rs. 145 Crores. On the other hand, the receipts from various sources are also not keeping pace with the projections made in the feasibility report. The interest rates on FDRs have fallen substantially which are going to have long term effect on the way surplus funds are to be utilized. PUDA has not made advances to the PIMS as per the original understanding. Non/late start of the hospital and classes have also put the future of the PIMS in jeopardy. The project report has relied on unsubstantiated facts which are not within the control of the Institute such as rate of fee and other charges which may be levied from the students. The split

up of free/paid seats as well as approximate number of free and paid patients. There is a very high reliance attached to income from sale of land by PUDA. Imbalance of receipts and expenditure has made this project stillborn.

The project, as envisaged by the original project report, is not likely to be a success because of financial and administrative difficulties. Managing an institution needs a very high degree of specialized management, lack of which is evident in the delayed completion of this project. A large number of decisions which should have been ratified from the Governing body have not been even put up to it.

Ad-hoc decision making

The PIMS had been functioning without a regular Director Principal as one of the Principals of Government medical colleges had been discharging the duties of Director Principal. Such an ad-hoc arrangement has had its effect on the decision making. Quite a few important decisions have been taken without proper authority (or the records of the same are not existing in the files of the PIMS). The most important decision which is yet to be ratified the Governing body is the appointment of Architect. M/s Gautam Shah & Associates, Ahmedabad. Chairman (CM) in an order dated 27.01.1995 (Flag 'G') appointed a sub-committee to short list the architects which were to be asked to send bids for supervising architectural work. The sub-committee *recommended* the name of M/s Gautam Shah & Associates. However, at no stage the constitution of the sub-committee or *selection* of the architect or the rate of commission to be paid to the architect, was approved by the Governing body. It is pertinent to mention here that the architect is being paid 4% of the total cost of the project as commission. The PIMS has already paid more than Rs 3.5 Crores as commission to the architect.

Similar is the fate of agreement with PUDA. Tripartite agreement among PUDA, Deprment of MER and PIMS was finalized on 22.10.1999 which was executed on 30.04.2002. The currency of this agreement was till 30.04.2004 (Flag 'H'). Draft agreement for a period of one more year i.e. till 31.03.2005 was sent to PUDA through SMER, however, PUDA returned the agreement unsigned stating that they would pay Rs 48 Crores during 2004-05 instead of 60 Crores as agreed earlier.

List of pending issues which are to be ratified in the governing body

- Approval of audited statement of accounts for the year 2000-01, 2001-02, 2002-03, 2003-04 and appointment of auditors for the year 2001-02, 2002-03, 2003-04, 2004-05.
- Ratification of agreement with Punjab health system corporation.
- Ratification of tripartite agreement with PUDA.
- Transfer of land between PIMS and PUDA
- Resolution for obtaining exemption of PIMS income for the financial years 2001-02 and 2002-03 from income tax.
- Approval of appointment of adjudicator and arbitrator of main building.
- Appointment of lawyer to defend the case of dispute before adjudicator and arbitrator.
- Proceedings of meeting of building & works committees held on 6.8.2002, 7.4.2003, 22.10.2003, 10.2.2004 and 9.7.2004 along with tenders allotted to various contractor of essential services work related to building
- Proceedings of meeting of finance committee held on 5.11.2001 and 22.10.2003.
- Members of building & works committee
- Payment of Municipal corporation against 50% fee for approval building plans.
- Payment to PSEB for Rs.3.81 crore for installing 132 KVA electrical substation.

List of pending issues which are to decided in the Governing Body

- Release of additional central assistance from Punjab govt.
- Approval for payment of balance amount to PAU Ludhiana.
- Grant of special allowance to Dr. B.D.Gupta, former Director-Principal, PIMS.
- Progress of main building and other essential service works.
- Approval in respect of total estimated cost of the project including various essential service work.
- Arrangement of short-fall of funds for the completion of project.

List of pending issues which are to be decided in the building & works committee.

- Review the progress of main building and other works.
- Time extension case of main building to m/s I & T Ltd.
- Deliberation regarding floating of tenders for CSSD, steam boilers, sewage treatment plant, kitchen, steam piping.
- Re-selection of prequalified contractors for housing auditorium and sarai and approval of tender re-submitted by m/s Gautam Shah & Associates for re-inviting it.
- Release of retention money to m/s I & T Ltd.
- Payment to PSEB for Rs.3.81 crore for installing 132 kVA electrical substation.

List of pending issues which are to be decided in the finance committee.

- Approval audited balance sheet for the FYs 2003-2004.
 - Approval for tentative budget for the FYs 2004-2005.
 - Approval of estimate cost budget of PIMS.
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