



IIMA PRESS RELEASE 2008-09

Fee & Financial Assistance for the PGP at IIMA

Costing of PGP

IIMA, April 03, 2008: In June 2007, the Board decided that the Institute should conduct a rigorous costing exercise with the help of independent experts to determine the true cost of the PGP. The Institute engaged the services of a nationally reputed cost accountant. Based on the actual costs for 2006-07, the cost inflation over 2007-08 and 2008-09 and the assessed increase in costs arising from the recommendations of the pay commission, the cost of the PGP for 2008-09 would be Rs. 5.5 lakh per student per year.

The Board Decision

After extensive discussions, the Board unanimously decided to charge a fee of Rs.5.50 lakh for the first year and a fee of Rs.6 lakh for the second year of the two year Post Graduate Programmes for the 2008-10 batch. Out of this amount, the tuition fee is Rs 4.5 lakhs and the rest are for books, cases, teaching material, stay, computer charges, library and other expenses. The Board also decided that the fee for the existing batch would remain unchanged at the earlier level.

The Board reiterated the commitment that no deserving student would be deprived of an opportunity to study at IIMA on account of lack of financial resources. The Board has therefore decided to triple the annual family income limit from Rs.2 lakh to Rs.6 lakh for a student to be eligible for financial support. The Board directed the Institute to formulate a graded, need-based, financial aid scheme for students eligible for financial support.

Assistance to Students

The Institute has formulated the following scheme of financial assistance to eligible students:

Tuition Fee Waiver Linked to Family Income

The Institute has worked out a scheme whereby graded waiver of tuition fee will be provided to all students with annual family income of up to Rs. 6 lakh. The waiver is 100% for students with annual family income of up to Rs. 1 lakh; the waiver is about 82% for students with annual family income of Rs. 2 lakhs. Based on the income distribution of the students who qualified for admission after CAT last year, more than 65% of students would benefit from the proposed fee waiver scheme. The estimated total fee waiver based on the same data would be over Rs. 7.50 crore per annum.

Need Based Scholarship

In addition to the tuition fee of Rs 4.5 lakh per year, students have to incur expenses towards books, cases, teaching material, stay, computer, library, etc. The estimated costs are Rs. 1 lakh for the first year and Rs. 1.5 lakh for the first and second year of the programme. The Institute has budgeted Rs. 1 crore for 2008-09 to provide assistance for these expenses too to the needy students. The Institute has taken a decision that 100% assistance will be provided to students with family income of up to Rs. 1 lakh per annum. Thus, a student whose annual family income is up to Rs. 1 lakh would spend nothing for getting educated at IIMA.

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Bank Loans

The Institute would negotiate with leading banks for special loan packages to be provided to students who are admitted to the PGP on favourable terms. Several leading banks have expressed keen desire to do so.

Financial Support to SC / ST Students

The Institute would continue to implement the government scholarship scheme for SC/ST students. These students would also be eligible for the above schemes of assistance.

In Conclusion

The scheme charges the full costs of the programme to those who are capable of paying it, while providing assistance of about Rs. 8.5 crore per annum to those who may find it difficult to meet the costs. This ensures that education at IIMA is accessible to all deserving students, irrespective of their financial situation. It also proposes to ensure that bank loans are available on favourable terms. The proposal would allow the Institute to channelize the resources generated from executive education and other activities to fund the growth of its academic programmes and research.
