

Business Standard

New IIMs may take cue from IIM-A's fee hike

Old IIMs likely to maintain status quo

Vinay Umarji & Kalpana Pathak | Ahmedabad November 19, 2014 Last Updated at 20:59 IST



Taking cue from Indian Institute of Management, Ahmedabad (IIM-A)'s recent announcement to hike fees for the flagship post graduate programmes, the newer IIMs may as well go for upward revision of fees at their campus.

However, IIM-A's older counterparts like IIM Bangalore (IIM-B), IIM Calcutta (IIM-C) and IIM Indore (IIM-I) may maintain status quo. While IIM-A has announced the fee hike for the 2015-17 batch citing inflationary pressures, other older IIMs say they have reached a threshold

and hence may not increase fee.

IIM-A has announced a fee hike of 11.44 per cent for its post graduate programme in management (PGP) and PGP food & agri-business management (FABM) for the 2015-17, which will be highest in last five years.

While newer IIMs like Rohtak, Udaipur and Trichy that Business Standard spoke to stated that the final decision will be taken by the respective board of governors, inflationary pressures do call for a hike.

"We still have four months to go since the decision on fee revision is taken in the board meeting held in March. Each IIM has its own cost structure and the decision depends on that. IIM Trichy has an additional cost of travel due to its location. At this stage, we have not decided anything. There is definitely a case for increasing the fee," said Prafulla Agnihotri, director of IIM Trichy.

Further, according to P Rameshan, director of IIM Rohtak, inflation has risen by over 30 per cent in recent times. "Staff salaries have also increased. We will have to take a call (on fee hike)," Rameshan stated.

Speaking to Business Standard, Janat Shah, director of IIM Udaipur said that the board will ultimately decide on the fee hike in January 2015. "We haven't increased the fee ever since we began functioning. We need to take care of inflation. However, it is a board level decision and the board will decide ultimately," said Shah.

While IIM Trichy charges Rs 11 lakhs for its two year flagship programme, IIM Rohtak charges Rs 9 lakh and IIM Udaipur charges Rs 8 lakh for the latest 2014-16 batch.

"Next year we are not increasing fee. There has to be certain balance between fee and affordability. We do not believe in creating barriers for students who may have some income limitations. I think we have reached the

threshold. We have to find other ways of controlling costs,” said Rishiksha T Krishnan, Director, IIM Indore. IIM Indore charges Rs 13 lakhs for its two year post graduate programme in management. For NRI candidates the fee is Rs 19.5 lakhs.

IIM-A has announced that the fee for its PGP and PGP-ABM programs will increase from the current Rs 16.6 lakhs to Rs 18.5 lakhs by 11.44 per cent, while the PGPX course fee is also being raised from Rs 21.5 lakhs to Rs 24.0 lakhs for the batch commencing from April 2015. According to IIM-A, since the last revision made for the 2013-15 batch, inflation has been on the rise is projected at eight per cent for 2014.

Even IIM Calcutta (IIM-C) states that the institute has no plans to raise fees. Saibal Chattopadhyay, Director, Indian Institute of Management Calcutta (IIM-C) said the institute has already increased the fee in the past and has no plans to further increase the fee.

IIM-C had from this academic year hiked tuition fee for its two-year diploma programme from Rs 13.5 lakhs to Rs 16.2 lakhs— a jump of about 20 per cent. Fee for foreign nationals enrolling in the PGPDm course at IIM-C by cracking GMAT was increased to \$50,000 (Rs 30 lakhs roughly), up from \$40,000 (Rs 25 lakhs approx).