

**GOVERNMENT OF INDIA  
HUMAN RESOURCE DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:165  
ANSWERED ON:03.12.2003  
REDUCTION OF CASH RESERVES OF IIMS  
AMBATI BRAHMANAIAH

**Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:**

- (a): whether the Government have suggested to all Indian Institutes of Management (IIMs) to reduce their cash reserves to Rs.25 crores only;
- (b): if so, the details thereof;
- (c): whether it is a fact that IIMs were asked to sign a specific MoU with MoU;
- (d): if so, the details of this MoU; and
- (e): the steps taken/likely to be taken to ensure that IIMs contribute to the welfare of country?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (Dr. Vallabhbai Kathiria)

(a) & (b): Yes, Sir. The matter regarding Corpus Fund was discussed with the Directors of all IIMs in the meeting held on 6th April, 2003 under the chairmanship of Education Secretary. It was suggested to the Directors of IIMs at Ahmedabad, Bangalore and Calcutta that they should have a Corpus Fund upto a upper limit of Rs.25.00 crores and Directors of other three IIMs at Lucknow, Indore and Kozhikode were also advised to have a Corpus Fund upto a limit of Rs.25.00 crores with the approval of their respective Boards of Governors.

(c) & (d): Yes, Sir. As per the recommendations of the Expenditure Reforms Commission (ERC), the organizations which receive budgetary support of more than Rs.5.00 crores will sign an MoU with the Government clearly spelling out input requirement and output target.

(e): The major activities of the IIMs, that contribute to the country's welfare are teaching, training, research, publication, and consultancy in the field of management education.