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## **SUB: EXPLANATORY MEMORANDUM FOR THE BUDGET 2010-11**

### **I. Budget in the Strategic Context**

1. In 2008-09 the BoG approved a five year Strategic Plan (SP) that is currently under implementation. The annual budgets are produced to advance the various objectives that have been set out in the plan. Two years have been completed since the plan was launched and it would be useful to review the progress that has been made during this period.
2. As you would recall the major thrusts of the SP are (a) Physical Infrastructure Development including Renovation and modernization of existing facilities (b) Technology up-gradation (c) Faculty Development (d) Strengthening of internal governance and management and (e) intensifying community outreach. The Second Annual Status Report on Implementation is being presented as a separate item and would serve as the background note for the budget.
3. In 2007-08, the total Capital expenditure (Capex) on buildings and technology was Rs.33 million. This rose to Rs.172 million in 2008-09 and Rs.552 million in 2009-10. This allowed renovation and modernization of Boys' Hostel, Classrooms, laboratories, seminar rooms and adding new facilities such as office spaces, faculty lounges, break out rooms, syndicate rooms, external development, etc. This increase in expenditure represents almost sixteen fold acceleration in level of expenditure commensurate with physical progress. Assets of Rs.757 million have been added in the last two years on buildings and technology.
4. Under technology up-gradation acquisition of hardware, servers, computers, laptops, broad band wireless connectivity, networking and optic fiber links between the two campuses have been established. For the past one year preparatory and training activities for introducing, installing and operating the Campus Management Solution (CMS) as part

of the new ERP suite are underway. Pilot testing of the CMS will be undertaken during Summer 2010 semester.

5. A multi-pronged approach has been followed for Faculty Development but not with much luck. In addition to raising the bar for new recruitment (fresh MBAs are no longer appointed as Faculty members), several faculty members who did not meet the rigorous standards were allowed to leave IBA. In the short run the quality substitution has incurred some costs in the number of Full Time Faculty. Our success rate in attracting high caliber faculty has been low and poses a serious challenge for the Management. A new competitive compensation structure has been approved by the BoG to attract, retain and motivate the best talent and we hope that it would put us on even keel with others. The new Performance Appraisal System is now in effect for the last two years where relative rankings determine the annual rewards. Foreign faculty members have been invited to hold workshops and training for our younger faculty and several members have been sent for advanced degrees abroad. At present we have 59 full time faculty members of which 20 hold PhD degrees 93 visiting and part time and 11 are studying abroad.
6. The acceleration in the tempo of the activities would not have been possible without a complete restructuring and revamping of the internal governance and management structure, processes, policies and procedures. In the last two years we have filled in all the positions of the Registrar, Director HR, Director Finance, Director Projects, Director ICT, Director CEE, Program Directors, etc. on the basis of open, merit based competitive process. Departments have been provided the necessary human and managerial resources and as many as 22 Service Units have been set up with the focus on service delivery. The 20 percent jump in operational expenditure in real terms (from Rs.273 million to Rs.329 million) and 36 percent jump on nominal terms (from Rs.330 million to Rs.450 million) in 2009-10, in fact, reflects this strengthening as well as introduction of new pay scales. The total head count in managerial grades

has gone up from 62 to 84, in non-managerial grades from 96 to 99 and in support staff to 178.

7. Finally, our efforts to reach out to the community have begun to meet with some modest success. The Centre for Entrepreneurship Development (CED) now stands affiliated with Babson College. The Centre for Executive Education (CEE) has organized both customized as well as general interest courses for Corporate Executives. Several batches of Executive MBAs in Banking and Financing; Public Sector and Corporate Sector are now undergoing different phases of their studies. The Centre for Business and Economic Research (CBER) has just begun to engage in a number of research projects of public policy interest.
8. Resource mobilization efforts have borne some fruits. Since the last report we have been able to raise Rs.328 million of additional funds (total to date Rs.1.8 Billion) from various donors. Although at present we have attained only one half of our resource mobilization target, efforts has to be redoubled in the coming years. The response form the alumni have not been very encouraging.

## **II. Budget outcome 2009-10**

### **A. Operational Highlights**

- (a) A total number of 748 New students were enrolled in 2009; 294 in BBA; 229 in MBA morning; 95 MBA evening; 33 in BS; 31 in MS Economics; 24 in MS Computer Sciences and 42 in MBA Tax Management. This number compared to the target of 902 students.
- (b) 186 students graduated with undergraduate degrees and 312 with graduate degrees.
- (c) 8 full time and 52 part time / visiting faculty members were recruited during the year.
- (d) 50 new recruits assumed their responsibilities in various non faculty positions.
- (e) Several awards, honors and distinctions were won by the students at events, competitions and contests held both within and outside Pakistan.
- (f) Twenty seven Student Societies that were established for the first time through open elections reinvigorated the student life at the Campus by organizing a wide variety of extra-curricular and co-curricular activities throughout the year.
- (g) 08 leading and eminent personalities from all walks of public life delivered Distinguished Lectures to the students and the faculty.
- (h) As many as 365 students were awarded financial aid stipends and scholarships this year amounting to Rs. 44.35 million. One out of every fifth IBA student was a recipient of financial support.

- (i) Three students trained and groomed under the Sindh Talent Hunt Program and National Talent Hunt Program were successful in obtaining admission to BBA program this year.

**B. Budget Highlights**

- 9. By the end of Fiscal Year 2009-10 the total actual expenditure (Operational & Capital) is expected to be in the range of Rs. 1,002 million against the approved budget of Rs.1,497 million (net off depreciation). Table I compares the actual outcomes for different heads against the budget appropriations and the variances.

The actual operating expenditure (net off depreciation) for the Year 2009-10 is estimated at Rs.450 million against the approved budget of Rs.451 million. The actual capital expense is estimated at Rs.552 million against the approved budget of Rs.1,046 million. The major source of variance is naturally occurred under the capital budget.

The total revenue for the Fiscal Year 2009-10 is slightly higher at Rs.611 million against the approved budget of Rs.549 million.

**TABLE -1**  
**Comparison of Budget 2009-10 with Actual Projections**

*Rs. in million*

	<b>Budget 2009-10</b>	<b>Projected Actual</b>	<b>Variation</b>
<b>A. Expenditure</b>			
A.1 Operating Expenditure (net off Dep)	451	450	1
A.2 Capital Expenditure	1,046	552	494
	<b>1,497</b>	<b>1,002</b>	<b>495</b>
<b>(B) Revenue</b>			
B.1 Operating Revenues	345	340	(5)
B.2 HEC Recurring Grant	63	73	10
B.3 Govt. of Sindh – Grant in Aid	20	30	10
B.4 Interest on Reserves	121	168	47
	<b>549</b>	<b>611</b>	<b>62</b>
<b>(C) Other Sources of funding</b>			
C.1 Aman Foundation	105	-	(105)
C.2 HEC Development Grants	130	18	(112)
C.3 Prime Minister Grant for Libraries	35	-	(35)
C.4 Adamjee Foundation	-	20	20
	<b>270</b>	<b>38</b>	<b>(232)</b>
<b>Net (Deficit)/Surplus</b>	<b>(678)</b>	<b>(353)</b>	<b>325</b>

10. An analysis of the approved budget 2009-10 (Table II) and the projected outcomes till June 30 reveals that the operational deficit would be marginally higher. Comfort can be drawn by the Board that additional sources of financing are higher than budgeted, i.e. Government grants and Profit Centers almost wiped off this deficit on the operational side.
11. Capital expenditure did pick up substantially in the year and is likely to reach Rs.552 million – an increase of 220 percent from the previous year but only about 50 percent of the budgeted amount. Unanticipated slow down in supplies to the contractors arising from an uncertain security situation in the City along with various shut downs, strikes, etc. proved a major constraint. Non release of funds by HEC also exacerbated the situation. A major disappointment was an almost drying up of

Development Budget releases by the HEC. Against a budgeted amount of Rs.130 million, the HEC's contribution was only Rs.18 million. We are likely to end up the fiscal year by drawing down Rs.353 million from our reserve funds (as against Rs.677 million assumed in the budget).

12. Another way of examining the funding is to identify each major source and then determine if these are stable, reliable and predictable or not. The picture as emerges from Table III is not that encouraging. As reserves are drawn down over time to finance real asset formation the income from Investment and Endowment funds is likely to decline. At the same time the Government's own financial health is not that good and they cannot be relied upon to pick up any slack. The risks to the funding can only be mitigated if the efforts to reach the remaining target of Rs.1.7 billion from private donors, alumni, philanthropists and external agencies are accelerated.

**TABLE II**

**Summary of Budget and actual outcome**

(Rs. millions)

<b><u>1. Operational Budget</u></b>	<b><u>Budget 2009-10</u></b>	<b><u>Projected Actual 2009-10</u></b>	<b><u>Variance</u></b>
1.1 Operational Revenues	341	321	(20)
1.2 Operational Expenses	451	450	1
1.3 Operational Deficit	110	129	(19)
<b><u>Financed By</u></b>			
1.4 IBA Centers	4	19	15
1.5 Government grants	83	103	20
	87	122	35
1.6 Surplus / (Deficit) on Operational Budget	(23)	(7)	16

## 2. Capital Budget

2.1 Capital Expenditure	<u>1046</u>	<u>552</u>	<u>494</u>
<b>Financed By</b>			
2.2 Interest/Endowment Income	121	168	47
2.3 Surplus (Deficit) from Operational Budget	(23)	(7)	16
2.4 HEC Development grant	130	18	(112)
2.5 PM grant	35	0	(35)
2.6 Aman Foundation	105	0	(105)
2.7 Adamjee Foundation	0	20	20
<b>2.8 Draw down from reserves</b>	<b>678</b>	<b>353</b>	<b>325</b>

TABLE III

### Net Funding Sources

#### 2009-10 and 2010-11

(Percentage Share)

	<b>Budget 2010-11</b>	<b>Budget 2009-10</b>	<b>Actual 2009-10</b>
Tuition fees & other fees	33	23	32
Endowment / Investment Income	10	8	17
Domestic Gifts / Donations / Grants	10	7	2
Government Support including Development	20	17	12
Income from Profits Centers	3	0.3	2
Draw Drawn from Reserves	24	45	35

## **BUDGET SUMMARY 2010-11**

### **A) ACADEMIC PLAN 2010-11**

#### **General**

13. The 2009-10 Business Plan had highlighted the major changes being incorporated in the IBA curricula including eligibility requirements, teaching pedagogy, and structural changes in the conduct of programs. The current 2010-11 academic plan highlights those further changes that have developed during the 2009-10.
  
14. Due to the changing eligibility requirements of the MBA program, the number of students expected to enroll in all the programs is not expected to increase in 2010/11. The MBA program may see a reduction due to the 2-year work requirement however this may be offset by an increase expected in the newly launched EMBA programs.
  - (a) As a major departure in academic planning tools the identification and allocation of courses to faculty are being made for the whole academic year rather than in a piecemeal semester-basis. This will provide more information to the students while making their choices and to the faculty for preparation.
  
  - (b) The student body has been reorganized in terms of Freshman, Sophomore, Junior and Senior classes rather than differentiated based on semesters. Students can now choose their courses in a flexible manner each semester as long as they meet the pre-requisites. Under the previous system the student had no choice but to take all the six courses specified for that particular semester. This will bring IBA at par with international best practices.

- (c) Several faculty members will be proceeding for one-semester long course work at International universities. These include two faculties for NUS and three faculty members to Babson College.
- (d) In continuation of the earlier workshops on Case Study teaching methodology, Case study writing workshops are planned for Summer 2010.
- (e) Regular workshops on Quality Assurance and conduct of Grade curving shall be conducted during the entire year.

### **New MBA Program**

- 15. As the Board members are aware a new program MBA has been introduced in 2010 – 11 that has been totally delinked from the existing BBA program whose main features were highlighted in the Business Plan 2009-10. These are recapitulated below:-
  - (a) Automatic admission from BBA to MBA has been discontinued. All the candidates have to clear the IBA admission test.
  - (b) The eligibility criteria have been modified and only those with 2 years minimum work experience are now eligible to apply for admissions in 2010. (This requirement is now applicable to all applicants).
  - (c) The MBA program emphasizes applied teaching and use of the Case Study methodology. IBA faculty have had several workshops and seminars conducted by foreign faculty from Haas, Columbia, IMD business schools during 2009-10.

- (d) Exclusive electives for the MBA program have been designed which do not overlap with the BBA electives.
- (e) A one-year project has been included in the MBA curriculum. The aim of this project is to enable students to execute a challenging assignment from real life business environment.

### **BBA Program**

16. A comprehensive course audit has been initiated and will result in a complete revision of the curriculum for 2011/12. The main features of the course audit are as follows.

- (a) A review of the top business schools offering BBA programs.
- (b) Conduct of Focus groups of all stake holders including students, employers, faculty members and alumni. This will result in a set of finding and recommendations which will be submitted to an Advisory Committee.
- (c) The Advisory Committee has been formed and consists of eminent scholars and practitioners whose names are: Dr. Shahid Ansari from Babson College; Prof. Javed Hamid, Ex Dean of LUMS; Prof. Zahoor Hassan, Ex Vice Chancellor of LUMS; Prof. Wasim Azhar, Haas Business School.

The resulting changes in the curriculum will be submitted to the Academic Board via the Academic Committee for approval.

### **BS(CS), MS (CS) and MS(Economics) Programs**

17. The BS and MS (CS) programs have been reinvigorated with the following ongoing changes:
- (a) A CEO Forum has been conducted with CEOs and CIOs from leading technology companies including multinationals, software houses and large corporations with extensive IT operations. This forum has contributed to a number of changes in the curriculum some of which will be immediately incorporated and others will be incorporated in 2011/12 curriculum.
  - (b) The eligibility criteria for the BS(CS) have been changed to 1B and 2Cs and 60% Intermediate results.
  - (c) The fee structure has been reduced to Rs. 55,000/- per semester for the new applicants to encourage increased enrolment in the program.
  - (d) The curriculum of the MS(CS) has been further strengthened to include 6 specialization tracks that include Net-Centric Computing, Human Computer Interaction, Intelligent Systems, Software Engineering, Information Management and Theoretical Computer Science.
  - (e) The MS (Economics) program is expected to be expanded to the morning as well due to the demand from applicants.
  - (e) During 2009/10 additional intakes were conducted during the Spring semester to strengthen the enrolment. This policy will only be continued after review of the Fall 2010 intake.

### **Executive MBA Programs**

18. The two new EMBA programs initiated in 2009/10 are expected to naturally expand as the number of batches increases. The existing EMBA corporate and public sector student body is expected to expand from 142 to 216, whereas the EMBA Banking and Finance Services enrollment is expected to increase from existing 71 to 120 during 2010/11.

**B. Proposed Business Plan**

19. To support the implementation of the Academic Plan a Business Plan has been developed for 2010-11. The budget proposals are then derived from this Business plan which, in fact has two major components – Physical infrastructure and Technology up-gradation. These two components would account for 54% of total expenditure for the coming year.

**Physical Infrastructure**

20. With the allocations proposed the following eight facilities are expected to become fully operational and functional at various time intervals throughout the year 2010-11.

- (a) Renovated Academic Block at the Main Campus
- (b) Renovated Academic Block at the City Campus
- (c) Auditorium, Main Campus
- (d) Administration Block at the city Campus
- (e) Student lounge and canteen City Campus
- (f) Girls hostel extension Main Campus
- (g) Direct water supply from KW&SB Main Campus
- (h) Power Load extension from 374 to 850 KW City Campus

21. New buildings for which tenders would be awarded or construction started in the year are:

- (a) Centre for Entrepreneurial Development
- (b) Tabba Academic building Main Campus
- (c) New Boys Hostel Main Campus
- (d) New Girls Hostel Main Campus
- (e) Visiting Faculty Residence Main Campus
- (f) Student Centre Main Campus]

- (g) Multistoried Building City Campus
- (h) Auditorium City Campus
- (i) Library Main Campus

**Technology Up-gradation**

- 22. As the remaining lot of servers, computers, and other hardware equipment are acquired and procured at an approximately cost of Rs.100 million the CMS part of the ERP suite would become the main application software for IBA's operations. This would be followed by e-learning module i.e. Sakai, Oracle financials and HRM.
  
  - 23. Students will be able to register their courses online from remote access without having to physically sit in the IBA labs with effect from Fall 2010 semester. This will be a major breakthrough in view of last year's sad experience when the online registration system broke down because of heavy congestion. Automated time and Attendance Management System will also become operational in March 2011 minimizing a lot of inefficiencies faced presently.
  
  - 24. As large student databases are established and become operational for day to day work, IBA will focus on Data Storage, Data Security, Data Loss Prevention. Encryption suites that protect against external threats as well as internal threats will be installed.
  
  - 25. The main ingredient of ERP Campus Solution Module that will be pilot tested from June 16, 2010 and then finally rolled over for institution wide use in the Fall Semester are:-
    - (a) Recruitment and admission\
    - (b) Academic achievement
    - (c) Grade Book
    - (d) Student Financials
    - (e) Financial Aid
    - (f) Campus Community
    - (g) Self Service
    - (h) E-Portal
    - (i) Security
- C. Budget Proposals:**

26. The proposed budget for Fiscal Year 2010-11 is estimated at Rs.1,308 million (including depreciation of Rs.115 million) of which the Operating Expenditure is estimated at Rs.665 million and Capital Expenditure is estimated at Rs.643 million. (Table IV below). Actual operating expenditure in Fiscal Year 2009 -10 was Rs.487 million (including depreciation of Rs.37 million) as against Budget of Rs.485 million (including depreciation of Rs.33 million). Actual Capital Expenditure in 2009-10 was Rs.552 million against the Budget of Rs.1,046 million.
  
27. The total Revenue for the Fiscal Year 2010-11 is estimated at Rs.650 million while actual revenue for 2009-10 was Rs.611 million against the budget of Rs.549 million.
  
28. The draw down for the year 2010-11 after grant from Prime Minister Fund for libraries Rs.20 million and from Adamjee Foundation for Academic Block Rs.20 million, would be Rs.365 million.

**Table - IV**  
**Summary of Budget Proposal 2010-11**

*Rs. in million*

	<b>Proposed Budget 2010-11</b>	<b>Projected Actual 2009-10</b>	<b>Variation</b>
<b>(A) Expenditure</b>			
A-1 Operating Expenditure (net off Dep)	550	450	(100)
A.2 Capital Expenditure	643	552	(91)
	<b>1,193</b>	<b>1,002</b>	<b>(191)</b>
<b>(B) Revenue</b>			
B.1 Operating Revenues	421	340	81
B.2 HEC Recurring Grant	73	73	-
B.3 Govt. of Sindh – Grant in Aid	30	30	-
B.4 Interest on Reserves	126	168	(42)
	<b>650</b>	<b>611</b>	<b>39</b>
<b>(C) Other Sources of funding</b>			
C.1 Aman Foundation	105	-	105
C.2 HEC Development Grants	33	18	15
C.3 Prime Minister Grant for Libraries	20	-	-
C.4 Adamjee Foundation	20	20	-
	<b>178</b>	<b>38</b>	<b>140</b>
<b>Net (Deficit)/Surplus</b>	<b>(365)</b>	<b>(353)</b>	<b>(12)</b>

**Estimated Revenues**

29. The Operational Revenues for the year 2010-11 are estimated at Rs.421 million as compared to the Projected Actual Revenues at Rs.340 million. Thus, an overall increase of Rs.81 million is expected as explained below:-

(Rs. million)

<b>Operational Revenues</b>	<b>Proposed Budget 2010-11</b>	<b>Projected Actual 2009-10</b>	<b>Variation</b>
Program Revenues	335	282	53
Non-Program Revenues	26	19	7
Scholarships	30	20	10
Executive Development Programs	30	19	11
<b>Total</b>	<b>421</b>	<b>340</b>	<b>81</b>

30. The program revenues are expected to step-up by Rs.81 million as follows:

- Proposed fee increase by 10% for regular and 20% for ongoing concessional students effective from Fall 2010 36
- Fresh intake of MS students is expected to increase by 50 Students 4
- Introduced Admission Charges 6
- 10 new batches of EMBA Corporate/Public/Banking & Finance are going to be started in 2010-11 11
- 233 concessional students will pass out and will be replaced by regular fee students, who will pay full fee 14
- Total number of Scholarships are increased to 366 students 10

**Total** **81**

31. The increase in fees has been proposed at 10% for all students with an increase of 20% for ongoing students enrolled in concessional programs. The existing and proposed fee structure is mentioned below:

<b>Programs</b>	<b>Existing Fee</b>	<b>Proposed Fee</b>
BBA / MBA	93,300	102,000
BBA / MBA (Ongoing students in concessional)	45,400	55,000

MBA Evening - Concessional (Fee for average three courses)	31,550	37,000
MBA MIS Evening (Fee for average three courses)	46,650	51,000

### **Estimated Operating Expenses**

32. The Proposed Operating Expenditure of Rs.665 million or Rs.550 million (net off depreciation) represents 22% increase over the actual expenditure for the last year (Table V below). The main factors that can explain for this large increase of Rs.178 million over the actual expenditure are described in (a) to (k) below.

**TABLE V**  
**Summary of Operating Expenses**

*(Rs. millions)*

		<b>Budget 2010-11</b>	<b>Projected Actual 2009-10</b>	<b>Variance</b>
(a)	Employment Cost	341,647	273,308	68,339
(b)	Depreciation Expense	115,037	37,562	77,475
(c)	Scholarships	39,819	44,435	(4,616)
(d)	Training & Development	27,483	22,415	5,068
(e)	Repair & Maintenance	24,927	9,033	15,894
(f)	Utilities	14,980	12,675	2,305
(g)	Printing & Stationary	14,514	11,090	3,424
(h)	Legal and Professional Charges	10,809	3,665	7,144
(i)	Communication	14,151	11,550	2,601
(j)	Seminars, Meetings & Convocations	10,957	8,440	2,517
	Fuel & Diesel Expenses	11,800	13,845	(2,045)
(k)	Students Transportation	11,656	10,253	1,403
	Other Expenses	27,417	29,279	(1,862)
		<b>665,197</b>	<b>487,550</b>	<b>177,647</b>
	Net off Depreciation	550,160	449,988	

- (a) **Salaries of Faculty and Staff** (increase by Rs. 68 million)  
The budget for Faculty & Staff salaries would be impacted by the following factors:
- i) Average annual increment @ 15%
  - ii) Hiring of full time Faculty Rs.24 million
  - iii) Adjunct Faculty remuneration increased by Rs.3 million
- (b) **Depreciation expense** (Increased by Rs.77 million)
- i) The depreciation expense has been increased due to increase in Fixed Assets, especially depreciation on Computers & peripherals @33%)
  - ii) Major renovation and addition to building structure Rs.200 million that includes
    - Academic block, both at Main Campus & City Campus
    - Admin block at City Campus
    - Auditorium at Main Campus
- (c) The current budget for **Scholarship** is Rs.40 million for 365 students mainly contributed by:
- i) IBA – for need based and merit scholarship Rs.10 million
  - ii) Other Donors' scholarship Rs.30 million
- (d) **Training & Development** Expense budgeted at Rs.27 million (increased by Rs.5 million)
- i) 47 Foreign trainings including 6 Faculties for PhD, out of which, two Faculty members are already pursuing their PhD program. The expenses for PhDs will be partly funded by the HEC (Rs.16 million)
  - ii) Foreign faculty members including from GBSN will provide training to IBA faculty costing Rs.8 million

(e) **Repair & Maintenance (increase by Rs.16 million)**

i) This includes various maintenance contracts for Equipment & Computers, including licensing fees. Details is as under:

- Various maintenance contracts for PCs/Server/UPS/ Printers and other devices for Rs.4 million
- Generators purchased last year completed its warranty period and hence the maintenance will be borne by IBA. The Budget 2010-11 includes Rs.1.5 million for Generator Repair and Maintenance
- Academic block at both campuses will also be under IBA maintenance hence Rs.3.6 million allocated in the current Budget
- R&M Multimedia, the lamps of old multimedia equipment have completed their useful life
- Software Licensing, Rs.7.2 million for PC's, Servers & ERP (CMS)
- Newly installed ACs in Academic buildings at both the campuses will be under IBA maintenance

(f) **Utilities** (Increased by Rs.2 million)

The major increase in utilities is due to increase in Electricity load at both the campuses; simultaneously tariff is also increased drastically.

(g) **Printing & Stationery** (increased by Rs.3.4 million) includes:

- Cost of printing of prospectus, increased in number and price
- Printing & Design of Graduate Directory

(h) **Legal & Professional Consultancy** Charges (Increased by Rs.7 million) including Out Sourcing of various activities of ICT Department Rs.3.8 million, HR Consultancy Rs.2.1 million and Rs.1.5 million on activities for fund raising by IBA Advisory Council.

- (i) **Communication expense** budgeted at Rs.14 million.
- Major expense includes Rs. 10.2 million for Internet Services
  - Telephone and Mobile charges also increased for various Manager and Executives
- (j) **Seminars/ Conferences/ Convocation** (increased by Rs.3 million)
- Major expense includes the following:
    - a) Convocation Rs.1.7 million
    - b) ICICT Conference Rs.1.0 million
    - c) Alumni Chapter Formation etc. Rs.1.3 million
    - d) Open House Rs.1.5 million
    - e) Career Development Rs.1.3 million
    - f) Other includes Public Affairs and Orientation activities
- (k) **Student Transport** budgeted at Rs.12 million.
- Shuttle services started in between both the campuses
  - Cost of Diesel has increased drastically

33. The total capital expenditure proposed for 2010-11 is Rs.643 million divided between Civil Works and ICT in the ratio of 80:20 (Table VI)

**TABLE-VI**  
**Summary of Capital Expenditure**

<b>Civil Works Projects</b>		Amount in Millions
<b>Type of Project</b>		
<u>Renovation Projects at City Campus</u>		161,000
Existing Academic Block	31,000	
Existing FCS Building	10,000	
Existing Administration Block	97,000	
Electrical System Rectification	23,000	
<u>Renovation Project at Main Campus</u>		156,300
Library & relevant landscape	20,000	
Existing Auditorium	49,000	
Existing Academic Block	37,300	
Existing Administration Block	45,000	
Improvement of Staff Town	5,000	
New Projects at City Campus		4,700
<u>New Projects at Main Campus</u>		145,128
New Boys Hostel	43,177	
Student Centre	15,000	
Visiting Faculty Hostel at IBA staff Town	14,751	
New Girls Hostel	20,000	
Infrastructure Development	30,000	
Other Projects	22,200	
Architect's, Consultants' & Project Managers' fee		26,914
Miscellaneous Works & Jobs		25,508
		<b>519,550</b>

**Computers & Peripherals**

ICT Requirements for Civil Works Projects	1,620
Servers & Services	36,980
Network Security	21,503
Hardware Lab for FCS	6,300
CISCO Alliance Hardware Lab	5,220
Other Hardware Requirements	17,050
	<b>88,673</b>

**ERP & Other Software**

ERP Modules	9,648
Other Software	3,500
	<b>13,148</b>

**Other Capital Expenditures**

Furniture & Fixture, Equipment, vehicles, Library Books etc.	<b>21,395</b>
--	---------------

**Total:****642,766**

## **RISKS TO THE BUDGET OUTLOOK**

34. One of the reasons for major deviation between the approved budget or re-appropriated budget and the actual outcome has so far been the slow utilization of capital expenditure. The BoG has always been supportive and provided us ample flexibility but in the third year of the strategic plan it is important to test the robustness of our assumption. To this effect we undertook a three year trend analysis of expenditure in nominal and real terms and the results of this exercise are presented in Annex II. For the reasons stated therein we are sanguine that there has been a significant enhancement in the capacity of the two capital spending departments and the gap between what is promised and what is achieved narrowing. On the basis of these findings we recommend that although the risks of non-achievement of the targets remain heightened including exogenous factors such as security situation etc. or inadequate financing and other unforeseen events that may hamper the progress, IBA's own capacity constraint does no longer pose a formidable risk to the extent it did in the past. Other mitigants would also be put in place to ensure a close fit between the budget and the actual achievement on the capital expenditure side.

## **Concluding Remarks**

35 IBA is fast converting its cash and liquid reserves into real asset formation as it renovates, modernize the existing buildings and facilities and constructs new ones (Annex – 1 provides a background note on the evolution of real assets formation). So far, the rate of depletion of reserves has been contained because private donors have been providing a lot of financial support to IBA in this process. As against net depletion of Rs.611 million from the base year 2007-08, the additional commitments have exceeded Rs.1.7 billion. Our current projections show that with the approval of the 2010-11 budget by the BoG, we would have built real new assets worth Rs.1.4 billion out of our own resources and another Rs.1.2 billion of assets from the donations and contributions in 2011-12. The

simple accounting shows that starting with cash and liquid reserves of approximately Rs.1.1 billion in June 2008 we would end up with cash and liquid reserve of Rs.0.5 billion and incremental real assets of Rs.0.8 billion.

36. Approval of the BoG is sought for the Budget proposals for 2010-2011 contained in this memo.

## Annexure - I

## A note on the Real Assets Formation at IBA since June 2008

Year Ending	Investments / Reserves Closing Balances	Capital Expenditure Funding		
		IBA	Other Donors	Total
Jun-08	1,123	25	8	33
Jun-09	1,230	163	9	172
Jun-10	877	514	38	552
Jun-11	512	465	178	643
		<b>1,167</b>	<b>233</b>	<b>1,400</b>
<b><u>Net Depletion in cash &amp; reserves since June 2008</u></b>				
Jun-08	1,123			
Jun-11	(512)			
	611			
Assets created under Capital Budget	1,400			
Real Asset Formation	<b>789</b>			

Thus, Real asset formation between June 2008 and June 2011 Rs. In Million  
789

In addition to the above, we envisage that during the next two years, the following donors will turn over four buildings to IBA on a turnkey basis:

(a) Multistoried building and (b) Centre for Entrepreneurship Development by Aman Foundation worth Rs.800 million.

(b) Tabba Foundation will construct the New Academic Building at the Main Campus at a cost of Rs.150 million.

(c) Jahangir Siddiqui Foundation is in the process of constructing an Auditorium at the Main Campus amounting to Rs.100 million.

If these contributions are added back to the above figure of Rs.789 million, it is safe to surmise that the position of real assets hold by IBA as at the end of June 2012 would be approximately Rs.1.84 billion. The breakdown of incremental assets accumulated between June 2008 and June 2012 would be as follows:-

Real Assets	Rs.1.84 Billion
Cash and reserves	Rs.0.51 Billion
Total	<b>Rs.2.35 Billion</b>

**Budget Utilization and its trend for past three years**

The brief on the IBA Budget financial figures for the years 2010-11 has been given in the previous pages. Here, we would like to explain the IBA Budget Utilization Capacity and its Budget Capacity Increase in the real terms over last three years as the BoG was rightly concerned in 2008 with very slow pace of fund utilization and real asset creation. This note provides separate trend analysis for the operational, capital and total expenditures incurred since 2007-08 and projected for 2010-11.

**The IBA Budget Utilization Capacity:-**

We want to refer back to our explanatory memorandum on the IBA Budget 2008-09 in which various strategic objectives and targets were set for the IBA including the improvement in its budget utilization capacity rate.

Various measures taken to accelerate the progress on infrastructural development by enhancing the capacity in the departments of Information and Communication Technology / Project & Planning, have begun to yield some dividends.

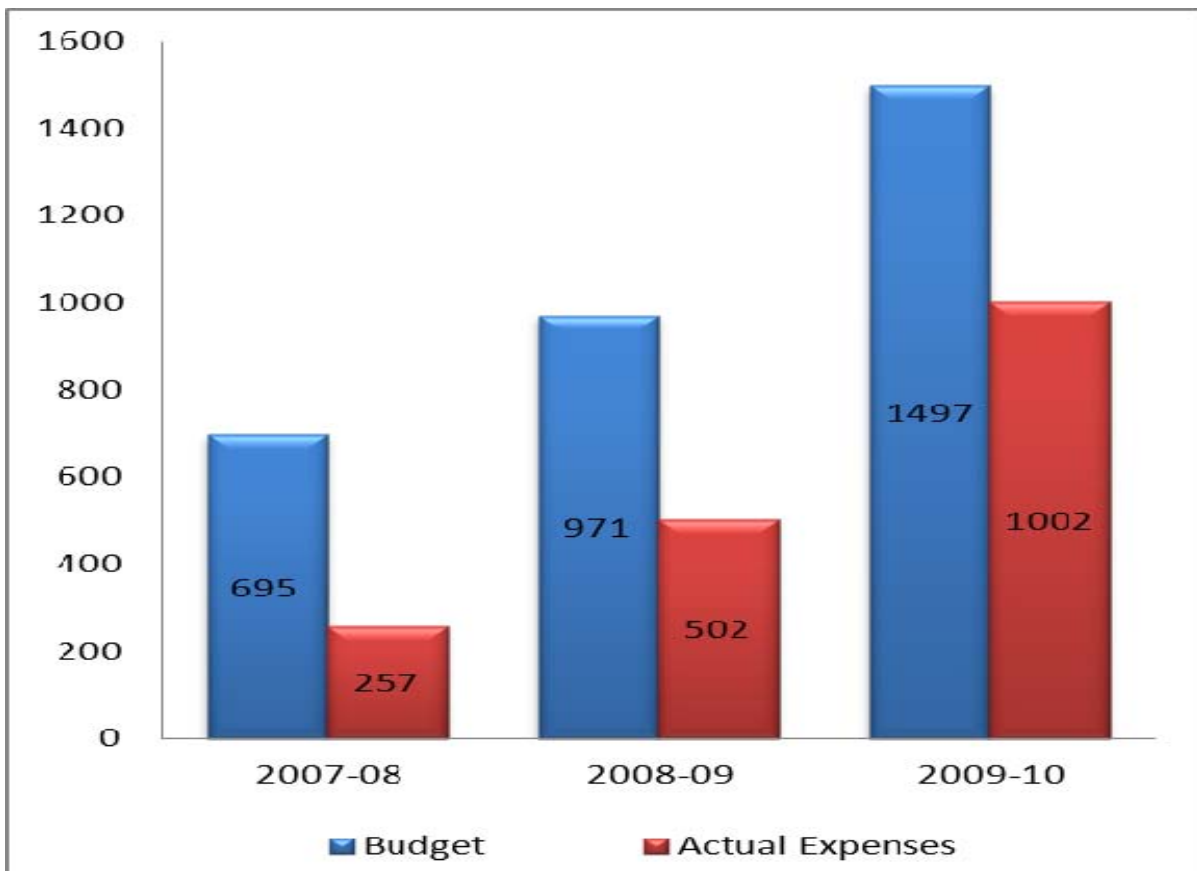
The overall budget utilization rate has risen from 37% in the year 2007-08 to 67% in the year 2009-10. The details are shown in the table hereunder:

## Trends in Budget Utilization

Rs. Million

	2007-08			2008-09			2009-10			2010-11		
	Operational Expenses	Capex	Total	Operational Expenses	Capex	Total	Operational Expenses	Capex	Total	Operational Expenses	Capex	Total
<b>Budget</b>	261	434	<b>695</b>	370	601	<b>971</b>	451	1046	<b>1497</b>	550	643	<b>1193</b>
<b>Actual</b>	224	33	<b>257</b>	330	172	<b>502</b>	450	552	<b>1002</b>			
<b>Utilization Percentage</b>	86%	8%	<b>37%</b>	89%	29%	<b>52%</b>	100%	53%	<b>67%</b>			

Graph below depicts the trends pictorially:



As can be seen from the data presented above the operational expenses have not posed any problem and have remained by and large in line with our

projections. The culprit was the low absorptive capacity in capital spending departments.

After last two years' continuous efforts and struggle to man the departments of Projects and ICT with appropriate human resources at the right level and skills the two departments have now reached near-equilibrium level. Concomitant with improvement in HR policies, procedures, manuals, prioritizing mechanisms were put in place. In my view, the two most significant pieces in this direction were the Delegation of financial powers and adoption of a clearly laid out Procurement Manual in line with PPRA and SPRA Rules. Open Competitive Pre-qualifications of architectural firms, consultants, project managers, contractors and specialist skills allowed IBA to avail of the best possible expertise available in the Country. We now have access to the top professional firms in their respective fields that are selected purely on the basis of technical competence and financial viability.

**Trend analysis of increase in expenses:-**

In this note, we wish to isolate the factor of inflation by presenting the short time series of expenses in both nominal and real price terms.

The tabular and graphical presentations of the trend analysis are given below:

	2007-08	2008-09	% increase over previous year	2009-10	% increase over previous year	2010-11	% increase over previous year
	Base Year						
<u>Expenditures in Nominal Terms</u>							
<b>Operational Expenditure</b> (excluding depreciation)	224	330	47%	450	36%	550	22%
<b>Capital Expenditure</b>	33	172	421%	552	221%	643	16%
<b>Total Expenditure</b>	257	502	95%	1002	100%	1193	19%

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**Inflation Rate**

**21%**

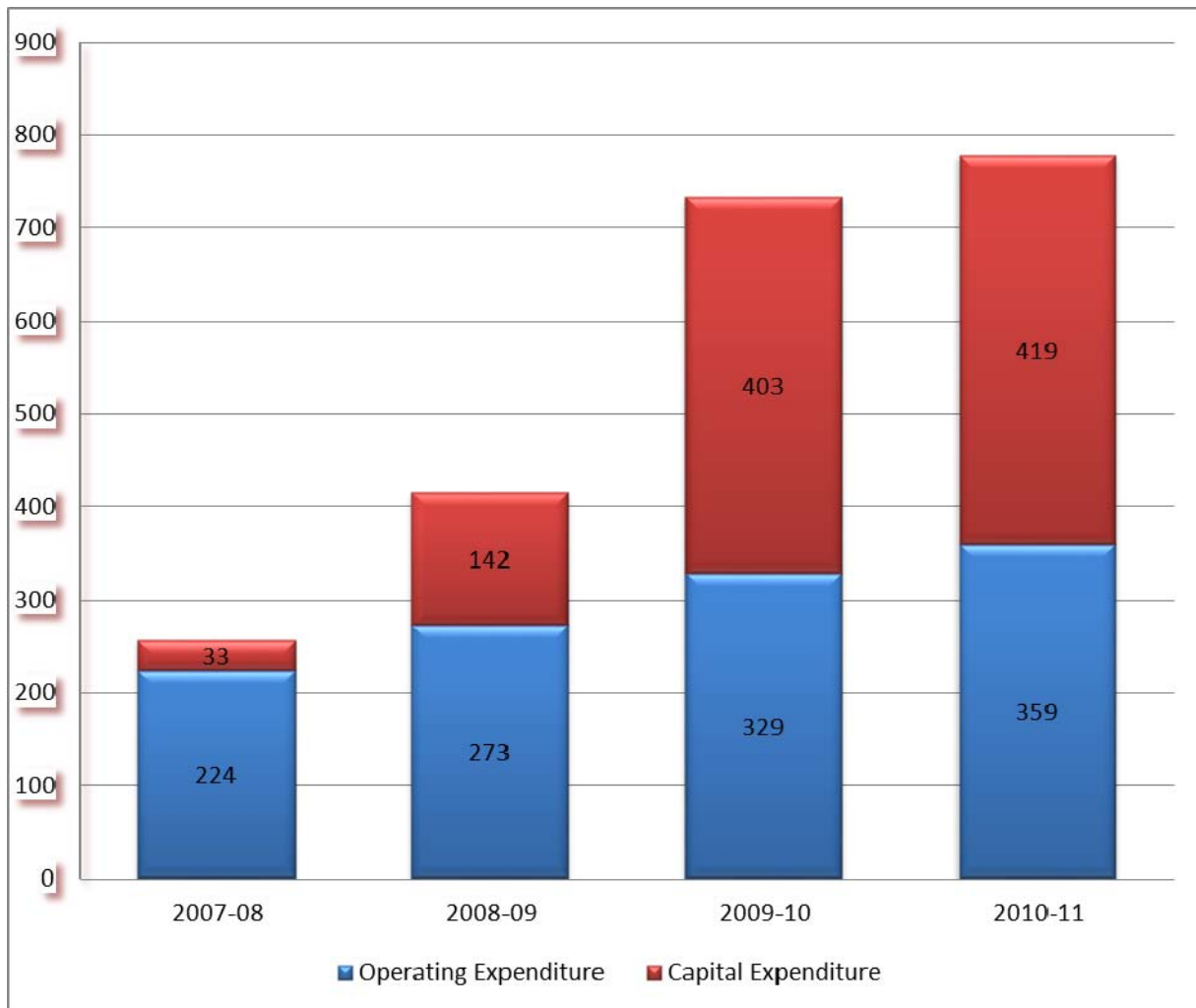
**13%**

**12%**

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<u>Expenditures in Real Terms</u>							
<b>Operational Expenditure</b> (excluding depreciation)	224	273	22%	329	20%	359	9%
<b>Capital Expenditure</b>	33	142	331%	403	183%	419	4%
<b>Total Expenditure</b>	257	416	62%	732	76%	778	6%

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During last two years, the average growth rate of operational expenses, in real terms, had been settled at 20%. This was warranted and deliberates as to build the internal capacity within IBA. But this was a one-off effort and the trend for 2010-11 is already down from 20% to 9%.

To conclude, there is now strong evidence that capital expenditure utilization capacity is no longer a binding constraint and therefore the proposed increase of 16% requested for 2010-11 in nominal terms and 4% in real terms does not pose any substantial risk.

# Financial Summaries



# Institute of Business Administration, Karachi

## Budget 2010-11

	Note Ref	Budget 2010-11
<b>Operating Revenues</b>		
Program Revenue		335,398
Non-Program Revenue		25,468
Scholarships		30,663
<b>Total Operational Revenues</b>		<b>391,529</b>
<b>Interest Income</b>		<b>125,445</b>
<b>Government Grants</b>		
HEC - Recurring Grant		72,770
Govt. of Sindh - Grant in Aid		30,000
		<b>102,770</b>
<b>Total Income</b>		<b>619,744</b>
<b>Operating Expenses</b>		
Employment Cost	1	341,647
Training & Development	2	27,483
Traveling Expenses	3	6,215
Students' Transportation	4	11,656
Periodicals, Newspapers & Subscriptions	5	3,200
Communication	6	14,151
Utilities	7	14,980
Fuel & Diesel Expenses	8	11,800
Depreciation Expense	9	115,037
Repair & Maintenance	10	24,927
Insurance Expense	11	5,241
Entertainment	12	2,000
Resource Mobilization, Alumni & Public Affairs	13	4,269
Admission Related Expenses	14	6,520
Career Development Centre	15	3,100
Scholarships	16	39,819
Accreditation, Memberships and Linkages	17	7,902
Other Administrative Expenses	18	1,672
Temporary Rented Facility (APWA)	19	7,500
Printing and Stationery	20	10,414
Advertising Expense	21	5,500
Seminars, Meetings, & Convocation Expenses	22	5,168
Legal and Professional Charges	23	9,309
Bank Charges	24	420
Contingent Expenses	25	1,500
Overheads recovered from IBA-Centers	26	(16,733)
<b>Total Operating Expenses</b>		<b>664,697</b>
<b>Memo Items:</b>		
Printing & Stationery	14,514	
Advertising Expense	8,500	
Seminars, Meetings, & Convocation Expenses	10,957	
Legal and Professional Charges	10,809	
<b>Surplus/(Deficit) from IBA Activities</b>		<b>(44,953)</b>
<b>IBA - Centers - Operating Performance</b>		
Center of Executive Education Expenses	CEE	9,165
Centre for Entrepreneurial Development	CED	4,500
Centre for Business & Economic Research	CBER	(1,695)
EMBA - Banking and Finance		4,668
EMBA - Public Sector Executives		(845)
EMBA - Corporate Managers		10,683
Talent Hunt Program		2,623
(Deficit)/Surplus from Profit Centers		<b>29,099</b>
<b>(Deficit)/Surplus</b>		<b>(15,853)</b>

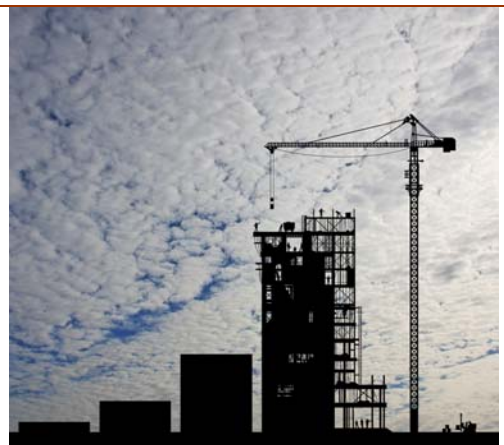
**Institute of Business Administration, Karachi**  
**Budgeted Fund Flow Statement**

(Rs. In 000)

	<b>Budget 2010-11</b>	<b>Budget 2009-10</b>	<b>Projected Actuals</b>
Operating Revenues	391,529	341,056	321,330
Operating Expenses (net of Depreciation)	(550,159)	(451,405)	(449,988)
<b><i>Deficit on Operating Activities</i></b>	<b>(158,630)</b>	<b>(110,349)</b>	<b>(128,658)</b>
<b><i>Financing of Operations</i></b>			
<i>Income from Other Profit Centres</i>	29,599	4,027	19,328
<i>HEC Recurring Grant</i>	72,770	63,281	72,770
<i>Sindh Govt Grant in Aid</i>	30,000	20,000	30,000
	<b>132,369</b>	<b>87,308</b>	<b>122,098</b>
<b><i>Net outflow from Operating Activities</i></b>	<b>(26,261)</b>	<b>(23,040)</b>	<b>(6,560)</b>
<b><i>Capital Expenditure</i></b>	<b>(642,766)</b>	<b>(1,045,480)</b>	<b>(552,712)</b>
<b><u><i>Other Sources of Funds</i></u></b>			
<i>Income from Investment</i>	125,445	120,830	168,107
<i>HEC Funding</i>	32,924	130,391	18,032
<i>P.M Grant for Libraries</i>	20,000	35,000	-
<i>Aman Foundation Funding</i>	105,000	105,000	-
<i>Adamjee Foundation Funding</i>	20,000		20,000
	<b>303,369</b>	<b>391,221</b>	<b>206,139</b>
<b><i>Net outflow for Capital Expenditure</i></b>	<b>(339,397)</b>	<b>(654,260)</b>	<b>(346,573)</b>
<b><i>Total (Shortfall)</i></b>	<b>(365,659)</b>	<b>(677,300)</b>	<b>(353,133)</b>

The total short fall for the year will be met from IBA reserves.

# Revenues



# Institute of Business Administration, Karachi

## Revenue Budget 2010-11

Sr. Nos.	Programs	Budget 2010-11			Year 2009-10		
		Number of Students	With out Fee increase	With Fee increase	Number of Students	Budget Amount	Projected Actuals

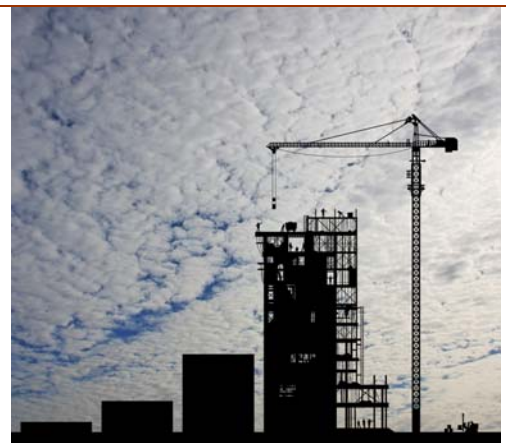
### IBA Academic Programs (BBA, MBA)

1	BBA	1,065	178,803	203,033	1,065	164,601	158,852
2	BS	97	18,100	16,043	83	15,018	13,435
3	MBA	320	59,712	66,880	441	71,593	64,404
4	MBA Evening	370	22,663	28,397	355	23,691	24,836
5	Summer	-	13,435	14,688		11,660	13,768
6	MS	100	5,069	6,357	50	6,219	2,566
7	FBR MBA Tax Management				65	11,307	4,179
		<b>1,952</b>	<b>297,783</b>	<b>335,398</b>	<b>2,059</b>	<b>304,088</b>	<b>282,040</b>

### Admission Fee and Other Charges

8	Admission Charges	621	6,210	6,210	-	-	-
9	Enrolment Fee	-	-	-	877	1,754	1,256
10	Transcript	621	621	621	376	376	1,046
11	Testing Service	3,300	8,250	9,900	5,200	13,000	9,100
12	Comprehensive Exam Fee	300	750	750	300	750	304
13	Hostel Fee	140	4,200	4,200	125	3,750	4,162
14	Student Transportation Fee	135	3,375	3,787	202	5,050	3,163
			<b>23,406</b>	<b>25,468</b>		<b>24,680</b>	<b>19,031</b>

# Operating Expenses



# Institute of Business Administration, Karachi

## Budgeted Expenses 2010-11

Notes Ref.

### 1 Employment Cost

#### Salary & Allowances

Teaching Staff	122,979
Teaching supporting staff	36,044
Part Time Teaching Remuneration	35,315
Non-Teaching Staff	113,345
Student's Assistantship	4,320
Work Study Programs	1,920
Hospitalization Expenses	10,000
Testing Remuneration	3,001
Awards/Prizes to Staff	500
Other Employment Cost	14,223

**Total Employment Cost** **341,647**

### 2 Training & Development

Faculty Development Program	18,358
External Expert Services	7,425
Staff Training & Development	1,700

**Total Training & Development** **27,483**

### 3 Traveling Expenses

**Traveling Expenses - Foreign** **2,918**  
(including reimbursement of traveling to outsiders & students)

**Traveling Expenses - Domestic** **3,147**  
(including reimbursement of traveling to outsiders)

Other Traveling Expenses **150**

**Total Traveling Expenses** **6,215**

### 4 Students' Transportation

Drivers' Salary & Allowances	1,333
Fuel	5,400
Repair & Maintenance	1,300
Rented Vehicles	2,448
Insurance Expenses	1,125
Taxes	50

**Total Students' Transportation** **11,656**

### 5 Newspapers, Periodicals, Journals & Subscriptions

Newspapers	600
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Periodicals & Journals	800
Online Subscriptions	1,800
<b>Total News Papers, Periodicals, Journals &amp; Subscriptions</b>	<b>3,200</b>

**6 Communication**

Postage/Courier	750
Telephone	1,800
Internet charges	10,251
Others - Communication	1,350
<b>Total Communication</b>	<b>14,151</b>

**7 Utilities**

Gas	80
Water	800
Electricity	13,800
Generators on Rentals	300
<b>Total Utilities</b>	<b>14,980</b>

**8 Fuel & Diesel Expenses**

Fuel - Vehicles	3,800
Diesel for Generators	8,000
	<b>11,800</b>

**9 Depreciation Expense**

Dep. Exp. - Building & Structures	9,040
Dep. Exp.-Equipment & Machinery	14,341
Dep. Exp. - Computers & Peripherals	74,763
Dep. Exp. - Software	4,397
Dep. Exp. - Library Books	2,408
Dep. Exp. - Vehicles	7,023
Dep. Exp. - Furniture & Fixtures	3,061
Dep. Exp. - Sports Goods	3
<b>Total Depreciation Expenses</b>	<b>115,037</b>

**10 Repair & Maintenance**

Motor Vehicles	800
Computer Hardware and Software	15,727
Telephone Exchange	500
Mach. & Equipment	3,400
Furniture and Fixture	900
Building and Structures	3,600
Other Repair & Maintenance	800
<b>Total Repair &amp; Maintenance</b>	<b>24,927</b>

**11 Insurance Expense**

Insurance including Vehicles, Buildings, Furniture & Fixture, Office Equipment, Computers & Peripherals	4,941
Group Insurance	300
<b>Total Insurance Expense</b>	<b>5,241</b>

**12 Entertainment** 2,000

**13 Resource Mobilization, Alumni & Public Affairs**

Alumni Newsletter 100  
Consultancy - Resource Mobilization 1,500  
Public Affairs Activities 1,350  
Alumni - Chapter Formation 1,319  
**4,269**

**14 Admission Related Expenses**

Prospectus 1,700  
Admission Ads 3,000  
Orientation Program 298  
Open House 1,522  
**6,520**

**15 Career Development Centre**

Graduate Directory Printing 1,800  
Career Fair / HR Forum 1,000  
Expenses related to recruitment drives 300  
**3,100**

**16 Scholarships**

IBA Need/Merit based Scholarship 10,000  
HEC 5,909  
Sind Endowment 4,000  
Others 19,910  
**39,819**

**17 Accreditation, memberships and Linkages**

GBSN 4,263  
American Board for Engineering & Technology 2,125  
Subscriptions and Memberships 1,514  
**7,902**

**18 Other Administrative Expenses**

Contribution to University Fund 72  
Security Expense 1,600  
**Total Other Administrative Expenses 1,672**

**19 Temporary Rented Facility (APWA)**

Rent Expenses 7,500

**20 Printing and Stationery**

**Printing and Publication**  
Promotional Material Printing 100  
Transcripts & Degree Printing 400  
Others - Printing & Publication 550  
**1,050**

**Computer Supplies**

Printers' Toners 4,050  
Others - Computer Supplies 504

		4,554
	Office Stationery	1,500
	Photocopy Charges	1,000
	Master Roll & Copy Printer Ink	710
	Others - Printing & Stationery	1,600
	<b>Total Printing and Stationery</b>	<b>10,414</b>
<b>21</b>	<b><u>Advertising Expense</u></b>	<b>5,500</b>
<b>22</b>	<b><u>Seminars, Meetings, &amp; Convocation Expenses</u></b>	
	Convocation	1,740
	Social Events	860
	ICICT	1,000
	Misc. Seminars, Conferences and Meetings	1,568
		<b>5,168</b>
<b>23</b>	<b><u>Legal, Consultancy and Professional Charges</u></b>	
	<b>Audit Fee &amp; Other Expenses</b>	
	Audit Fee	350
	Out of Pocket Expenses	50
	Audit of Information Systems	495
		<b>895</b>
	<b>Consultancy Fee</b>	
	Financial Consultancy	350
	Online Payment Software Expenses	114
	HR Consultancy	1,800
	ICT Consultancy	3,850
	Other - Consultancy	500
		<b>6,614</b>
	<b>Legal charges</b>	
	Legal & professional charges	1,800
	<b>Total Legal and Professional Charges</b>	<b>9,309</b>
<b>24</b>	<b><u>Bank charges</u></b>	
	Bank Charges	210
	Fee Collection Charges	210
		<b>420</b>
<b>25</b>	<b><u>Contingent Expenses</u></b>	<b>1,500</b>
<b>26</b>	<b><u>Overheads recovered from IBA-Centers</u></b>	<b>(16,733)</b>
	<b>Total Operating Expenses</b>	<b>664,697</b>

## **FACULTY TRAINING & DEVELOPMENT**

No	Area	FCS	Business Admin	Total Faculty members visits	Unit Cost \$	HEC funding	Fees and Living expenses	Air Fare	Total IBA Cost 2010-11
<b><u>IBA FACULTY</u></b>									
1	Ph. D (2010 - 11)	0	4	4	\$45,000	9,156,240	7,043,760	400,000	7,443,760
2	Ph. D (2010 - 11) (already studying)	0	2	2	\$29,250	4,578,120	686,880	200,000	886,880
3	Upto 6 Months Short Courses - Abroad	1	2	3	\$12,000	2,000,000	1,240,000	210,000	1,450,000
4	Workshop abroad upto 2 weeks	5	2	7	\$4,000		2,520,000	490,000	3,010,000
5	Workshop local upto 1 week (outside Karachi)	8	20	28			840,000	560,000	1,400,000
6	International Reputed Conferences upto 1 week	12	10	22	\$2,500		1,485,000	660,000	2,145,000
7	Local Conference upto 2 days (outside Karachi)	5	20	25			625,000	500,000	1,125,000
8	Seminars (local 2 days) in Karachi	13	40	53			397,500		397,500
9	Faculty Workshops in-house		80	80			500,000		500,000
		<b>44</b>	<b>180</b>	<b>224</b>		<b>15,734,360</b>	<b>15,338,140</b>	<b>3,020,000</b>	<b>18,358,140</b>
<b><u>OUTSIDERS</u></b>									
1	From GBSN		5	5	\$2,500		1,125,000	2,250,000	3,375,000
2	Others		6	6	\$2,500		1,350,000	2,700,000	4,050,000
		<b>0</b>	<b>11</b>	<b>11</b>			<b>2,475,000</b>	<b>4,950,000</b>	<b>7,425,000</b>
<b>Total</b>						<b>15,734,360</b>	<b>17,813,140</b>	<b>7,970,000</b>	<b>25,783,140</b>

# Capital Expenditure



## Planned Capital Expenditure

2010-11

(Rs. In 000)

S. No	Description	Buildings & Structures	Computers & Peripherals	Softwares	Furniture & Fixtures	Machinery & Office Equipment	Library Books	Vehicles	Total
1	Budgeted Capital Expenditure 2010-11 (Civil Works Projects)	491,750			19,300	8,500			519,550
2	ICT Infrastructure for Buildings		1,620						1,620
3	Other Capital Expenditure		87,053	13,148	2,582	4,996	7,000	6,817	121,596
	<b>Total</b>	<b>491,750</b>	<b>88,673</b>	<b>13,148</b>	<b>21,882</b>	<b>13,496</b>	<b>7,000</b>	<b>6,817</b>	<b>642,766</b>

**Budget 2010-11**
**Civil Works**

Project Code	Project Title	Revised Estimate for 2010 -11	Civil	Furniture/Fixture	Equipment	Budget 2010-11
<b>401</b>						
<b>RC</b>	<b>Renovation Projects at City Campus</b>					
<b>401.1</b>	<b>Existing Academic Block</b>					
401.1.1	Refurbishment, Renovation of Class Rooms(BW) (First Floor)	60,000,000	-			Nil
401.1.2	Furniture Fixtures of class rooms including ground floor and IT component	10,000,000		4,000,000		4,000,000
401.1.3	Addition of Class rooms on G.F +Bathrooms (BW) including Voice and Data Cabling	72,000,000	27,000,000			27,000,000
401.1.4	Façade development and walkway extension(BW) (only improvement)	including Variation				
<b>401.2</b>	<b>Existing FCS Building</b>					
401.2.1	Renovation & extension including voice and Data Cabling	40,000,000	10,000,000			10,000,000
401.2.2	Furniture Fixtures including G.F. & 4th floors (F&F)	8,000,000		-		
<b>403.4</b>	<b>Infrastructure for CCS-UAP (SAP)</b>	3,500,000				
401.2.3	IT & Lab Equipment, Hardware Lab (IT)					Part of ICT Budget
<b>401.3</b>	<b>Existing Administration Block</b>					
401.3.1	Extension of Admin Block including A/C, Server room (BW) including Voice and Data Cabling Total Area 23901Sft @3700/sft	88,000,000	68,000,000			68,000,000
401.3.3	Phase-II of Admin Block & Façade Development ,Addition of lifts & Staircase (BW)	4,000,000	4,000,000			4,000,000
401.3.2	Furniture for new extension(F&F) 10,000Sft @600/Sft	6,000,000		6,000,000		6,000,000
401.3.4	Replacement of Old furniture(F&F) 6,000 Sft @600/Sft	4,000,000		4,000,000		4,000,000
401.3.5	Raised flooring and civil works, A/C, Fire Supersession, Vesda System, CCTV and Electrical System ,Electrical Shunt System of Data Centre of ICT	20,000,000	15,000,000			15,000,000
<b>401.4</b>	<b>Electrical System Rectification</b>					
401.4.1	Building works (Shifting of Substation)	28,000,000	15,000,000			15,000,000
401.4.2	Load Extension From 374 to 850 KW	2,800,000				-
401.4.3	Shifting of Generators	6,000,000			6,000,000	6,000,000
401.4.4	Demolition of old KESC sub Station for Clearance of Site	2,000,000	2,000,000			2,000,000
	<b>Sub total</b>	<b>280,300,000</b>	<b>141,000,000</b>	<b>14,000,000</b>	<b>6,000,000</b>	<b>161,000,000</b>
<b>402</b>						
<b>RM</b>	<b>Renovation Project at Main Campus</b>					
402.1	<b>Library &amp; relevant landscape</b>					
402.1.1	Civil, Electrical, Mechanical & HVAC & interior(BW) total Area 27011Sft @ Rs. 3600/Sft	97,240,000	20,000,000			20,000,000

Project Code	Project Title	Revised Estimate for 2010 -11	Civil	Furniture/Fixture	Equipment	Budget 2010-11
402.1.2	Furniture(F&F) 20,000Sft @750/Sft	15,000,000				
<b>402.2</b>	<b>Existing Auditorium</b>					
402.2.1	Civil, Electrical, Mechanical & HVAC(BW)	70,000,000	44,000,000			44,000,000
402.2.2	Interior & furniture(F&F) (Fountain area lobbies, sitting area, back stage, stage, etc.)	5,000,000		5,000,000		5,000,000
<b>402.3</b>	<b>Existing Academic Block</b>					
402.3.1	New class room and old Class Rooms renovation including bathrooms, A/C (BW) Total Area 29552 Sft @ 3250/sft +10% Variation	107,000,000	37,000,000			37,000,000
402.3.3	Façade Ramp & Construction(BW)	Nil				Nil
402.3.2	Class Rooms Furniture & Seminar room (F&F) & IT	7,000,000		300,000		300,000
<b>402.4</b>	<b>Existing Boys Hostel</b>					
402.4.1	On going Works of renovation	79,000,000				
402.4.2	Furniture For Dorm, GYM, Laundry, lounge, Kitchen Building, new rooms, dining					Nil
<b>402.5</b>	<b>Existing Administration Block</b>					
402.5.1	Ground + 3 Stories (64550 sft area @Rs.3500/sft)	232,000,000	30,000,000			30,000,000
402.5.2	Furniture & Fixtures 32000Sft @Rs. 600/sft	19,000,000				-
404.5.3	Raised flooring and civil works, A/C, Fire Supersession, Vesda System, CCTV and Electrical System ,Electrical Shunt System of Data Centre of ICT	20,000,000	15,000,000			15,000,000
<b>402.6</b>	<b>Improvement of Staff Town</b>					
402.6.1	Building Works	20,000,000	5,000,000			5,000,000
<b>402.7</b>	<b>Electrical system Rectification</b>	10,000,000				
402.7.1	New Connections from K.E.S.C	2,800,000				
	<b>Sub Total:</b>	<b>684,040,000</b>	<b>151,000,000</b>	<b>5,300,000</b>	<b>-</b>	<b>156,300,000</b>
<b>403</b>	<b>NC New Projects at City Campus</b>					
<b>403.1</b>	<b>Master Plan of IBA City Campus</b>	1,200,000	1,200,000			1,200,000
403.1.1	Master Planning External Development(Survey)	1,000,000	1,000,000			1,000,000
<b>403.2</b>	<b>Captive Power Generation</b>	2,500,000			2,500,000	2,500,000
<b>403.3</b>	<b>Student lounge and Canteen (Temporary)</b>					
403.3.1	Building Works	7,000,000				Nil
403.3.2	Furniture & Fixture	2,000,000				
<b>403.5</b>	<b>Security &amp; Pump Room</b>	1,600,000				Nil
	<b>Sub Total:</b>	<b>15,300,000</b>	<b>2,200,000</b>	<b>-</b>	<b>2,500,000</b>	<b>4,700,000</b>
<b>404</b>	<b>NM New Projects at Main Campus</b>					
<b>404.1</b>	<b>Master Plan of IBA Main Campus</b>	1,200,000	1,200,000			1,200,000

Project Code	Project Title	Revised Estimate for 2010 -11	Civil	Furniture/Fixture	Equipment	Budget 2010-11
404.1.1	Master Planning External Development(Survey)	1,000,000	1,000,000			1,000,000
404.1.2	Sports Ground	15,000,000	10,000,000			10,000,000
<b>404.2</b>	<b>New Boys Hostel Phase-I 50,000 sft @ Rs.3000/sft</b>	152,000,000	43,177,230			43,177,230
<b>404.3</b>	<b>New Academic Block</b>					
404.3.1	Building Works 56519sft @ Rs.4000/sft	226,000,000				-
404.3.2	Furniture & Fixtures 28000@Rs. 600/sft	18,000,000				-
404.3.3	IT infrastructure					Part of ICT Budget
<b>404.4</b>	<b>Student Centre</b>					
404.4.1	Building Works 29,000 Sft@4500/sft	134,000,000	15,000,000			15,000,000
404.4.2	Furniture & Fixtures 17400Sft @ 600/Sft	10,000,000				
404.4.3	IT infrastructure					Part of ICT Budget
<b>404.5</b>	<b>Visiting Faculty Hostel at IBA staff Town</b>					
404.5.1	Building Works 40,000 sft @ Rs.3000/sft	120,000,000	14,751,315			14,751,315
404.5.2	Furniture & Fixtures 20,000 sft @Rs.800/sft	16,000,000				
404.5.3	IT infrastructure					Part of ICT Budget
<b>404.6</b>	<b>Multipurpose Building</b>					
404.6.1	Building Works (G.F)					Nil
404.6.2	Building Works (F.F) 5600sft	8,000,000				Nil
404.6.3	Furniture & Fixtures	1,000,000				Nil
404.6.4	IT Infrastructure & Equipment	5,000,000				
<b>404.7</b>	<b>Girls Hostel Extension and furniture</b>	12,000,000	6,000,000			6,000,000
<b>404.8</b>	<b>New Girls Hostel</b>					
404.8.1	Building Works 150 rooms ,45,000 Sft @ 24,000/sft	100,000,000	20,000,000			20,000,000
404.8.2	Furniture & Fixtures	8,000,000				-
404.8.3	IT infrastructure					Part of ICT Budget
<b>404.9</b>	<b>External Development</b>					
404.9.1	Building Works	16,000,000	4,000,000			4,000,000
404.9.2	Accesses, Pathways & Parking					
<b>404.10</b>	<b>Captive Power Generation</b>	8,000,000				
<b>404.11</b>	<b>New Mosque</b>					
404.11.1	Building Works	1,600,000				
404.11.2	Furniture & Fixtures	400,000				
<b>404.12</b>	<b>Infrastructure Development</b>					
404.12.1	New Water and Sewerage lines for Main Campus (including water reservoir)	118,000,000	30,000,000			30,000,000
404.12.2	Conversion from Over Head to Underground power System KU	20,000,000				-

Project Code	Project Title	Revised Estimate for 2010 -11	Civil	Furniture/Fixture	Equipment	Budget 2010-11
404.13	Centre for Entrepreneurship	230,000,000				
	<b>Sub Total:</b>	<b>1,221,200,000</b>	<b>145,128,545</b>	-	-	<b>145,128,545</b>
<b>405</b>	<b>Architect's, Consultants' &amp; Project Managers' fee</b>					
405.1	Project Architects & Consultants fee	61,060,000	12,570,952			12,570,952
405.2	Project Managers fee	36,636,000	9,342,571			9,342,571
405.3	Competition fee for new projects	1,000,000				
405.4	Specialty Consultants	1,000,000	5,000,000			5,000,000
	<b>Sub Total:</b>	<b>99,696,000</b>	<b>26,913,522</b>			<b>26,913,522</b>
<b>406</b>	<b>Miscellaneous Works &amp; Jobs</b>					
406.1	Construction of Security/Reception Rooms - City & Main Campus	Nil				Nil
406.2	Temporary Wooden Offices	Nil				Nil
406.3	Improvement of site office	Nil				Nil
406.4	Bathrooms & Spaces for staff (Drivers, office attendants)	Nil				Nil
406.5	Non destructive testing of structures	Nil				Nil
406.6	Unforeseen Works	10,000,000	2,000,000			2,000,000
406.7	Pedestrian Bridge					Nil
406.8	Cost of Project Execution Staff		20,008,430			20,008,430
406.9	Initial Setup Expenses for Temporary Faculty (APWA) including IT infrastructure for Labs etc.					Nil
406.10	Lab-16 City Campus and Server Room Main & City Campus (Including Extensions)					Nil
406.11	Soil Investigation & Structural Testing					Nil
406.12	Site Clearance of Staff Town	1,000,000	500,000			500,000
406.13	Furnished Site Office for Nespak	3,000,000	1,500,000			1,500,000
406.14	Furnished Site Office for Project Managers (Consult-tec)	3,000,000	1,500,000			1,500,000
	<b>Sub Total:</b>	<b>10,000,000</b>	<b>25,508,430</b>	-	-	<b>25,508,430</b>
	<b>Grand Total:</b>	<b>2,310,536,000</b>	<b>491,750,497</b>	<b>19,300,000</b>	<b>8,500,000</b>	<b>519,550,497</b>

**Capital Expenditure Requirements  
Budget 2010-11**

<b>ICT DEPARTMENT</b>				
<b>S. No.</b>	<b>Description</b>	<b>Quantity</b>	<b>Rate</b>	<b>Total</b>

**Computers & Peripherals**

ICT Requirements for Civil Works Projects

1	Student Canteen & lounge (403.3) C.C	1	270,000	270,000
2	Renovation & Refurbishment of Auditorium (402.2) MC	1	1,350,000	1,350,000
<b>Sub Total:</b>				<b>1,620,000</b>

3	Servers & Services			36,980,087
4	Network Security			21,503,442
5	Hardware Lab for FCS	1	6,300,000	6,300,000
6	CISCO Alliance Hardware Lab	1	5,220,000	5,220,000
7	Two Factor authentication	2	1,800,000	3,600,000
8	Passive work for complete Network project			4,000,000
9	Time & Attendance Management System			1,200,000
10	Wireless Sensor Network lab for PhD research			1,000,000

Other Hardware Requirements

11	Desktop PCs	30	62,000	1,860,000
12	Laptops	15	100,000	1,500,000
13	Printer			
	a. Color Printer	4	90,000	360,000
	b. Black/White	8	36,000	288,000
	c. HP 5200 (A3)	4	175,000	700,000
14	Scanner	12	18,000	216,000
15	Multimedia Projector	2	270,000	540,000
16	USB			
	a. Flash Drive	28	9,000	252,000
	b. Pocket Drive	19	12,000	228,000
17	Optical Drive			
18	IP Phones	20	18,000	360,000
19	LCD Monitors	6	24,300	145,800
20	Misc. Hardware Items		Lumsum	800,000
<b>Sub Total:</b>				<b>87,053,329</b>

**ERP & Other Software**

1	<b>PeopleSoft Financials, Purchasing , Inventory</b>			
	Licensing Fee			1,800,000
	Implementation Chgs			4,950,000
2	<b>SAKAI</b> <i>Integration with People Soft (Implementation Cost)</i>			675,000
3	<b>Transport Module Transport</b> <i>Module of People Soft (Customized Module)</i>			495,000
4	<b>Scheduling Software</b> <i>UniTime Integration with PeopleSoft (FULLY CUSTOMIZED)</i>			1,728,000
5	OPNET	3		2,200,000
6	AutoDesk 3D, ORCAD PCD Designer and other Misc Software			1,300,000
<b>Sub Total:</b>				<b>13,148,000</b>

<b>Grand Total:</b>				<b>101,821,329</b>
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