

LEITLANGPUI RAHBI:
THE MICRO START-UP CAPITAL COMPETITION

(High Powered Committee, Lunglei)

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I: BACKGROUND&VISION

Mizoram is witnessing an emergence of a young business class with sharp entrepreneurial acumen with a drive for success. Not only do these potential contributors to the economy need to be encouraged and supported, the spirit of entrepreneurship needs to be promoted further especially among the youth of the State. To this end, the Micro Startup Capital Competition or “MIZORAM RAHBI” initiative under the Entrepreneurship Development Scheme of the Govt. of Mizoram seeks to provide a stepping stone for emerging and early stage entrepreneurs who are yet to gain traction through grant of micro capital. Based on this ‘Rahbi’ model, the High Powered Committee, Lunglei has formulated the ‘LEITLANGPUI RAHBI’ Competition for motivating, nurturing and financing startups within Lunglei District. The Leitlangpui Rahbi involves a fair contest wherein business startup plan proposals will be judged by an unbiased panel of experts to assist sincere enterprises that will potentially in turn contributes to the economic development of the State. The cascading effect of forward and backward linkages of these ventures is also expected to generate significant direct and indirect employment.

As risk-taking is an integral part of entrepreneurship and risk free investment almost never succeeds, the winners will be expected to match fund required for their business plan that is over and above the grant amount (which is a sum not exceeding Rs.2.5 lakh or half the estimate of the business plan, whichever is lower) or through bank loan.

It is of great import to note that the overarching objective of this initiative, besides financial assistance to turn ideas into action, is to spread awareness on entrepreneurship among the masses in general and to promote it among the youth in particular through open Competition. The initiative goes further by putting in place a mechanism for monitoring the progress of the ventures funded under it, provide institutional and knowledge-based support and scrutinize whether the fund granted is being utilized properly.

III: TARGET GROUP

The Micro Startup Capital Competition will be open to all residents of Mizoram who have recently started or wish to start an innovative business venture within Lunglei District and who are not regular employees under the State or Central Government.

IV: OBJECTIVE & KEY DELIVERABLES

1. To provide seed capital to encourage the transformation of business ideas into innovative ventures.
2. To provide micro startup capital to emerging and early stage entrepreneurs with potential.
3. To spread awareness on entrepreneurship among the masses in general and to promote it among the youth in particular.
4. To promote self-reliance and tap the entrepreneurial potential of the State.
5. To generate direct employment through startups.

V: CONVERGENCE

The Micro Startup Capital Competition initiative will work in tandem with other State development initiatives in general and EDS in particular which include Administrative Reform in Ease of Doing Business, preparation of Entrepreneurship Manual, Setting up of Entrepreneurship Knowledge Centre for providing handholding support services and Data Bank, Conducting Need-based Entrepreneurship & Skill Development Programme, Conducting Exposure trips for Potential Entrepreneurs, tie-up with Mizoram University Incubation Centre, IIM Calcutta Innovation Park etc.

VI: STRUCTURE & MANAGEMENT

- The Leitlangpui Rahbi Competition will be administered by the High Powered Committee (Lunglei) or HPC(L).
- The Micro Startup Competition will be announced through advertisement in leading local newspapers and other channels of media.
- The Competition will be held in stages spread across number of days as decided by HPC(L) involving submission of business proposal in the prescribed Project Action Plan format, Power-point presentation and personal interview.
- Since one of the major objectives of the Competition is to spread awareness of entrepreneurship, contestants/winners will be obliged to participate in all activities pertaining to the Competition including, but not limited to, interviews, video-shoots, award ceremonies, training programmes, workshops etc. interspersed throughout the duration of the Competition and thereafter.
- Proposals may be invited for specific sectors perceived as market gaps in the State or may be open with no sector-restriction, as decided by HPC(L).
- As the competition is limited to Micro-Enterprises, the project estimate cannot exceed Rs.25.00 lakh for business proposals in manufacturing sector and Rs.10.00 lakh in service sector.
- Selected Business Plan/contest winners will be awarded the Micro-Enterprise Startup Capital grant up to Rs.2.50lakh or 50% of the Action Plan project cost (whichever is lesser) which may be released in installments of 40% and 60%, or as decided by HPC(L).
- Fund release is subject to the approval of the final Business Action Plan by the competent authority as decided by HPC(L) and the Terms & Conditions of the Micro Startup Capital Grant.
- As entrepreneurship is not a risk-free venture, the remaining fund requirement for the project over and above the Startup grant must be met by the contest winners from their own source or bank loan.
- The contestants must possess land of their own or must possess a reliable document of land lease deed, if the proposal is a land based activity.
- Progress attained will be monitored by the appointed/selected agency as decided by HPC(L) and as per Terms & Conditions of the Micro Startup Capital Grant.

Sequence of Leitlangpui Rahbi Competition:

1. Submission of Business Action Plan using given format when the competition is open.
2. Various rounds of Power-point Presentation on the Business Action Plan by the contestants and selection of Winners.
3. Refinement of Business Action Plan and its Approval by the competent authority as decided by HPC(L) including:
 - a. Opening of Current Account specifically for the Grant.
 - b. Full Estimate of Project.
 - c. Showing of Owner's contribution.
4. Release of 1st installment of Grant on approval of Final Business Action Plan by the competent authority as decided by HPC(L).
5. Monitoring: 1st Inspection – 60 days from release of 1st Installment.
6. Release of 2nd Installment of Grant after inspection and satisfactory implementation of Action Plan.
7. Monitoring

The sequence of the Competition is subject to change as per the decision of HPC(L).

VII: TERMS AND CONDITIONS OF GRANT

GRANT AGREEMENT

GRANTEE	
BUSINESS PROJECT TITLE	
TOTAL GRANT AMOUNT NOT TO EXCEED	
PROJECT DESCRIPTION	
<p>Under the terms and conditions of this Agreement, the Grantee agrees to implement the Business Project in conformance with the Business Plan attached as Annexure-I and the Budget & Estimates attached as Annexure-II (hereinafter referred to as the "Project Action Plan"), and the High Powered Committee, Lunglei agrees to provide Micro Startup Capital for the Project up to the Grant Amount. Furthermore, the Grantee agrees to participate in all activities pertaining to, and as follow up of, the Micro Startup Capital Competition including, but not limited to, interviews, video-shoots, award ceremonies, training programmes, workshops etc. interspersed throughout the duration of the Competition and thereafter.</p>	
Grantee: (Signature) (Date) (NAME) (Designation)	Grantor: (Signature) (Date) (NAME) (Designation)

A. Definitions

1. The term “Agreement” as used herein means a grant agreement between the HPC(L) and Grantee specifying the payment of Grant Amount by the HPC(L) for the performance of implementing the Project.
2. The term “HPC(L)” as used herein is the High Powered Committee (Lunglei) and means the party described as the Grantor on the preceding page of this Agreement.
3. The term “Grantee” as used herein means the party described as the Grantee on the preceding page of this Agreement.
4. The term “Grant Amount” as used herein means fund for Micro Startup Capital provisioned for the implementation of the Leitlangpui Rahbi.
5. The term “Project” as used herein means the project described on the preceding page of this Agreement.
6. The term “Project Action Plan” as used herein means the Business Plan attached as Annexure-I and the Budget & Estimates attached as Annexure-II.

B. Grant Release

1. Subject to the availability of Grant Amount, the HPC(L) hereby grants to the Grantee a sum of money not to exceed the amount stated in this Agreement in consideration of and on condition that the sum be expended in carrying out the purpose as set forth in the Project Action Plan and under the terms and conditions set forth in this Agreement. Grantee agrees to assume any obligation to furnish any additional funds that may be necessary to complete the Project. All costs accrued for services or supplies prior to the execution of Agreement are not eligible for reimbursement.
2. The Grant Amount to be provided to the Grantee, under this Agreement, may be disbursed as follows:
 - a) 40% (or as determined by HPC(L) of the Grant will be released to the Grantee’s Current Account, opened specifically for this Grant by the Grantee, as Seed Capital on approval of Project Action Plan.
 - b) The remaining 60% (or as determined by HPC(L) of the Grant will be released subject to the following conditions:-

- (i) Submission of invoice for expenditure incurred on previous release of fund.
- (ii) Grantee shows documentary proof (current account statement) of the availability of owner's contribution as per Project Action Plan.
- (iii) The HPC(L) has satisfied itself on the performance of the Grantee.

C. Project Execution

1. The Grant should be utilized as per the Project Action Plan submitted by the Grantee and approved by the HPC(L).
2. Once the Project Action Plan is submitted, the contents cannot be modified or changed in any way.
3. The Project should be implemented within the State of Mizoram.
4. The Grantee may not use any portion of the Grant for any purpose other than as detailed in the Project Action Plan, and as is necessary to perform the Project.
5. Grantee agrees to submit in writing, any deviation from the attached Project Action Plan to the HPC(L) for approval prior to implementation of changes.
6. Grantee agrees to put in place a clear and visible banner indicating the following: "Micro Start-Up Capital funded under Leitlangpui Rahbi (HPC, Lunglei)" on the site of the operation or office of the firm and all related documents.

D. Project Monitoring

1. The Grantee shall furnish 2 (two) copies of the certificate of actual utilization of released funds within 3 (three) months from the date of its release. The Utilization Certificate must be duly signed by the head of the firm/administrative head.
2. The Utilization Certificate and project reports shall be supported by vouchers, brief report of the action taken and photographs of the firm & any other materials purchased.

3. Thereafter, for every subsequent quarter during the life of this Agreement, a Quarterly Progress Report shall be submitted by the Grantee on the progress of the Project.
4. The HPC(L) reserves the right to require reports more frequently than on a quarterly basis if necessary, but no more than once a month.
5. Grantee agrees to promptly submit reports as the HPC(L) has requested in this Agreement or may request during the life of this Agreement.
6. Grantee agrees that property and facilities acquired or developed pursuant to this Agreement shall be available for inspection upon request by the HPC(L).
7. Grantee agrees to maintain satisfactory financial accounts, documents and records for the Project and to make them available to the HPC(L) for auditing at reasonable times. Grantee also agrees to retain such financial accounts, documents and records for at least three years following Project termination or completion.
8. Projects are subject to audit by the HPC(L) for three years following the final payment of Grant Amount. The purpose of this audit is to verify that project expenditures were properly documented. Grantees will be contacted at least 30 days in advance of an audit.

E. Project Withdrawal/Termination and Loss of Grant Amount

1. The Agreement will be considered terminated if the Grantee fails to produce a Project Action Plan for approval by the HPC(L) within 60 days of signing an Agreement with the HPC(L).
2. If the Grantee wished to withdraw a Project, the Grantee shall notify the HPC(L) in writing.
3. Failure by the Grantee to comply with the terms of this Agreement may be cause for suspension of all obligations of the HPC(L) hereunder, barring cases where in the judgment of the HPC(L) such failure was due to no fault of the Grantee.
4. Notwithstanding anything contrary to this agreement, in the event an approved Project cannot be implemented or if the Grantee defaults in the performance of any obligation under this Agreement, and if Grant Amount were advanced, then the HPC(L) may declare all the Grant amount owing and

interest due under this Agreement at that time to be immediately due and payable.

F. Hold Harmless and Indemnification

1. Grantee agrees to waive all claims and recourse against the HPC(L) including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this Agreement except claims arising from the concurrent or sole negligence of HPC(L), its officers, agents, and employees.
2. Grantee agrees to indemnify, hold harmless and defend HPC(L), its officers, agents and employees against any and all claims demands, damages, costs, expenses or liability costs arising out of the acquisition, development, construction, operation or maintenance of the property described as the Project except for liability arising out of the concurrent or sole negligence of HPC(L), its officers, agents or employees.
3. Grantee agrees not to hold the HPC(L) responsible if the execution of the Project is delayed/ interrupted due to causes such as Act of God, Natural calamities, War, Major Civil commotion, Fire, Storms, Floods, Strikes or Lock-outs or any other cause which is beyond the control of either of the parties. In such an event the HPC(L) shall not compensate the Grantee for the loss that might accrue or might have accrued because of the effect of such events on execution of the Agreement.

G. Application Incorporation

1. The Application and any subsequent change or addition approved in writing by the HPC(L) is hereby incorporated in this Agreement as though set forth in full in this Agreement.

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**[ENTRY FORM]**  
**Business Plan for Leitlangpui Rahbi**

|     |                                                                                                                  |
|-----|------------------------------------------------------------------------------------------------------------------|
| 1.  | Name of the Unit/Firm                                                                                            |
| 2.  | Registration No.                                                                                                 |
| 3.  | Name of the Promoter/Owner                                                                                       |
| 4.  | Address/Contact No/E-mail                                                                                        |
| 5.  | Background of the promoter/owner                                                                                 |
| 6.  | Brief Introduction of the proposal                                                                               |
| 7.  | Proposed location of the unit/firm                                                                               |
| 8.  | Proposed products/services                                                                                       |
| 9.  | Market arrangement                                                                                               |
| 10. | Problems                                                                                                         |
| 11. | Prospects                                                                                                        |
| 12. | Asset Availability:-                                                                                             |
|     | (i) Land and building                                                                                            |
|     | (ii) Plant machinery                                                                                             |
|     | (iii) Other fixed assets                                                                                         |
|     | (iv) Total fixed assets (i+ii+iii)                                                                               |
| 13. | Asset Requirement:-                                                                                              |
|     | (i) Land and building                                                                                            |
|     | (ii) Plant machinery                                                                                             |
|     | (iii) Other fixed assets                                                                                         |
|     | (iv) Total fixed assets (i+ii+iii)                                                                               |
| 14. | Working Capital Requirement:-                                                                                    |
|     | (i) Raw materials                                                                                                |
|     | (ii) Man-power                                                                                                   |
|     | (iii) Administrative expenses                                                                                    |
|     | (iv) Total working capital (i+ii+iii)                                                                            |
| 15. | Total Business Project Investment                                                                                |
|     | (i) Total Project Cost(12+13+14)                                                                                 |
|     | (ii) Micro Start-up Grant portion (i.e. 50% of Total Project Cost or Rs.2.50 lakh, whichever is lower)           |
|     | (iii) Owner's contribution (i.e. cash, loan, asset availability etc. equivalent to Micro Start-up Grant portion) |
| 16. | Sales realization                                                                                                |
| 17. | Profitability                                                                                                    |
| 18. | Breakeven point                                                                                                  |
| 19. | Return on sales                                                                                                  |
| 20. | Return on investments                                                                                            |

**Budget and Estimates (Grant Portion)**  
**for**  
**Micro Start-Up Capital**  
**under**  
**Leitlangpui Rahbi Scheme**

NAME OF GRANTEE: \_\_\_\_\_

NAME OF PROJECT: \_\_\_\_\_

| Sl. No.       | Item of Expenditure | Quantity | Amount | Timeframe for expenditure* | Additional Remarks |
|---------------|---------------------|----------|--------|----------------------------|--------------------|
| 1             | 2                   | 3        | 4      | 5                          | 6                  |
|               |                     |          |        |                            |                    |
| <b>TOTAL:</b> |                     |          |        |                            |                    |

(\*Timeframe for expenditure should indicate tentative month of planned purchase or the number of months from release of Grant when planned purchase is expected)

**Progress Report (Grant Portion)  
for  
Micro Start-Up Capital  
under  
Leitlangpui Rahbi Scheme**

NAME OF GRANTEE: \_\_\_\_\_

NAME OF PROJECT: \_\_\_\_\_

AMOUNT OF GRANT RELEASE AND DATE: (i) \_\_\_\_\_

(ii) \_\_\_\_\_

| Sl. No.       | Item of Expenditure | Quantity | Amount | Date of expenditure* | Additional Remarks |
|---------------|---------------------|----------|--------|----------------------|--------------------|
| 1             | 2                   | 3        | 4      | 5                    | 6                  |
|               |                     |          |        |                      |                    |
| <b>TOTAL:</b> |                     |          |        |                      |                    |

\* Progress Report is to be supported by Photographs of Assets and Vouchers of Purchases.