



CM - ELEVATE



Meghalaya Any Business Ventures Scheme

Government of Meghalaya

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PRIME – Promotion and Incubation
of Market Driven Enterprises

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1 Background

PRIME Open Ventures Scheme is a component under the Chief Minister's ELEVATE program launched by the Government of Meghalaya which aims to employ, engage and empower the youth of Meghalaya by promoting entrepreneurship and by providing easy access to credit through onboarding of various banks as financial partners of the program. To minimize the risk associated with credit flow, the Government is providing front end subsidy in the form of down payment and backend subsidy in the form of EMI co-payment (optional for some schemes). Through this program, the entrepreneurs including individuals, collectives, villages organizations, various business entities and traditional institutions etc. will have easy access to various schemes on a single online portal. The program encompasses a number of sectors such as agriculture, horticulture, veterinary and animal husbandry, tourism, entertainment, sports, wellness and any business venture of economic interest for the people of the state.

2 About the Scheme

Meghalaya has untapped potential. Grassroot innovators exist in the state whose ideas are not known in the mainstream. These people solve day to day problems which could be simple problems with already existing solutions or complex problems as well. The state of Meghalaya has a potential to grow its economy and this can be done through various business activities working together. Business entities are able to attract people from all ages to take part in what they have to offer.

Recognizing this wealth of untapped creativity, Meghalaya envisions a brighter future. A future where innovation flourishes, where every individual has the opportunity to turn their innovative ideas into thriving businesses, and where our economy grows in harmony with the aspirations of our people.

To address this issue, the state of Meghalaya recognizes the need to support business entities that would not only solve problems, generate employment but also contribute to the growth of the economy of the state. Businesses such as restaurants, processing units, training centres etc, are able to provide places for engagement of people.

With respect to the above, the government is launching the Open Ventures Scheme, a credit linked scheme aimed at providing entertainment to the citizens and promoting cultural enrichment for the people of the state. The selected applicants will receive financial aid to establish their business ventures which may include but not limited to training centres, music studios, processing units, production units, manufacturing units, packaging units, restaurants, food trucks, cultural and heritage units, waste management units, handicraft, handloom units and any other type of business entities not listed above may also apply.

3 Objectives of the scheme

- **Identifying demands present within the state:** The focus is on identifying existing market needs and gaps in the local economy, paving the way for strategic business development.
- **Supporting underserved business ventures:** The objective is to extend support to enterprises that have been historically underrepresented or lacked resources, fostering inclusivity in entrepreneurship.
- **Exploring the potential for developing products of national importance:** The aim is to investigate opportunities for the creation of products or innovations with significance on a national scale, contributing to the country's growth.
- **Providing a platform to showcase their skills:** The initiative involves creating a platform where individuals and businesses can exhibit their talents, skills, and offerings to a wider audience.
- **50 facilities to be supported across the state:** The plan includes providing assistance and resources to a total of 50 facilities, strategically distributed across the entire state.
- **Offering businesses an opportunity to showcase their uniqueness:** Businesses are encouraged to highlight their distinctive qualities, enabling them to stand out in the market and attract customers.

- **Overall economic development by providing people with job opportunities and increase in other economic activities:** By generating employment opportunities and stimulating various economic sectors, the overarching goal is to contribute to the comprehensive development of the region

4 Overview

Scheme	Providing financial aid to 50 entrepreneurs from across the state to set up their business ventures in the state
Who can apply?	<ol style="list-style-type: none"> 1. Individuals from Meghalaya 2. Registered firms in Meghalaya (such as Pvt Ltd, LLP, Sole Proprietorship etc, organisations “for profit”. However NGOs, SHGs, Societies are not eligible i.e., “non for profit” organizations) <p>(In case applicants wish to apply and require assistance in registering their firms, PRIME can provide the necessary support)</p>
Total number of Units	50 numbers limited to minimum one in each district based on applications
Launched By	Promotion and Incubation of Market Driven Enterprises (PRIME)
Nodal Department	Planning Department
Implementing Department	Meghalaya Basin management Agency (MBMA)

TABLE 1 SCHEME DETAILS

5 Project distribution across Meghalaya

- 1) A maximum of 50 units in the state with priority being provided to one application per district first based on selected applicants.
- 2) A maximum of 50 applicants will be selected in the state of Meghalaya however giving priority to one application per district first i.e., unless every district has had one selected entrepreneur (provided applications are received and approved by the selection committee) no other district will have more than 1 selected application.

6 Eligibility criteria for the applicants of the scheme

The eligibility criteria are designed to ensure that the selected applicants are residents of Meghalaya, possess relevant experience, have secured appropriate land arrangements, demonstrate commitment through contributing shares and are contributing to job creation.

- 1) **Residency requirement:** All partners involved in the proposal must be residents of the state of Meghalaya. Valid identification documents demonstrating residency will be required as part of the application
- 2) **Experience requirement:** Applicants must provide proof of relevant experience in the field related to the proposed project. Fresh applicants without demonstrated experience will not be considered. Experience can be substantiated through past projects, portfolios, certifications, or testimonials.
- 3) **Land Ownership or Lease requirement:** The proposal must include proof of land ownership or a valid lease agreement for the proposed establishment. If the land is owned, documentation demonstrating ownership will need to be provided. If the land is leased, a valid lease agreement

with the necessary tenure must be submitted. Such as Registered land, Bank statements, any uncleared loans, Criminal cases police verification, Name of the proposed place

- 4) **Contributing Share:** Applicants must demonstrate their commitment to the project by providing proof of the required contributing share. This can include financial contributions, resources, or any other form of investment outlined. The evidence of the contributing share should be clearly presented in the application.
- 5) **Employment requirement:** The proposed establishment must commit to employing locals in accordance with the funds they have received and the kind of unit they are running. This criterion aims to promote job creation and contribute to local employment opportunities. Proof of employment needs to be provided.
- 6) **Disqualification:** Applications from individuals with any political affiliations, central and state government employees, permanent employees of PSUs and immediate family members of such individuals *, retired individuals who are drawing pension will not be entertained.

*Immediate family members include non-married children of such people, non-married individuals whose siblings are having such professions, spouse of someone who is in that profession, parents of such people in those professions.

Applications shall not be ordinarily considered for the following:

1. Following individuals (currently employed as full-fledged or contractual, or retired and drawing pension) and their Immediate family members which includes spouse, parents, and children up to the age of 30
 - a. state and central Government employees
 - b. employees of public sector undertakings, subsidiaries of public sector undertakings and divisions of public sector undertakings etc.
 - c. any individual whose job is concerned with politics such MLAs, MLCs, MPs etc. or seeking to hold a similar position in government
 - d. registered class-1 contractors
 - e. consultants who are currently engaged with state or central government
2. Only one member from a family is eligible for the scheme.
3. Pressure groups and organizations that are primarily political in nature

7 Financing Plan

7.1 Financing Partners

- 1) The Meghalaya Co-Operative Apex Bank Ltd (MCAB)
- 2) State Bank of India (SBI)
- 3) HDFC Bank

7.2 Loan amount, loan-term, and repayment schedule

- 1) The bank will sanction a maximum of 70% of the total project cost as loan or lesser if the applicant requests so.
- 2) Total loan term will be for 15 years
- 3) Repayment of the loan through EMI will start after 18 months of moratorium period. Total EMI months will be 162 months.

7.3 Annual rate of interest

- 1) Annual rate of interest: as per decided by the bank

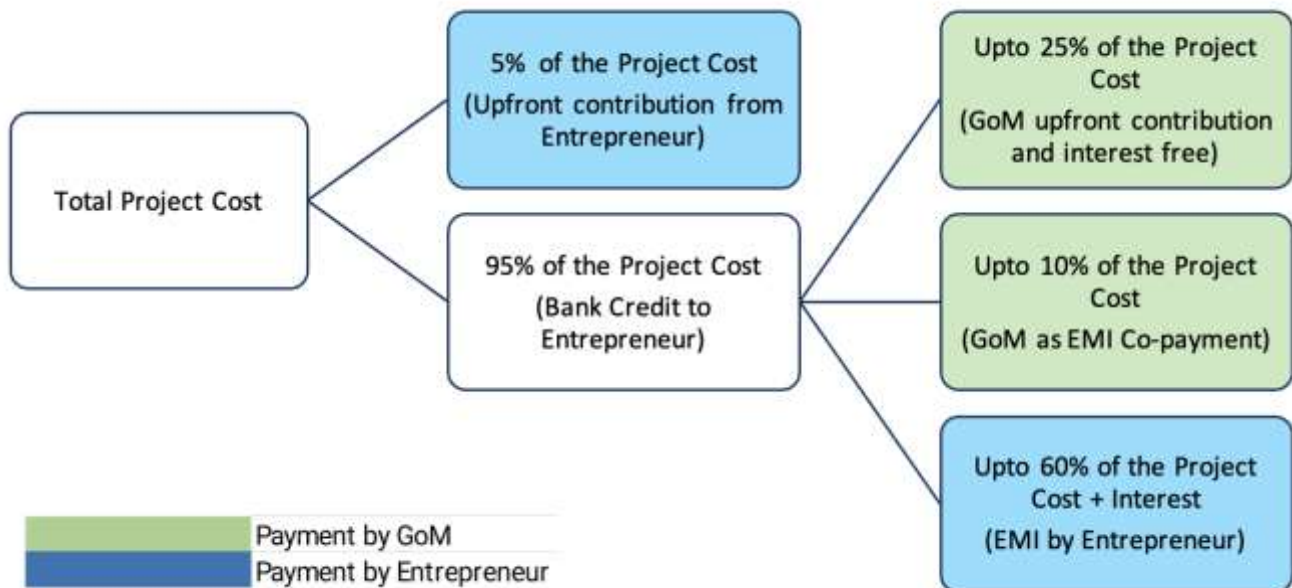
- 2) Annual rate of interest will be fixed/floating for the loan term as per decided by the bank

7.4 Quantum and Nature of Financial Assistance:

- 1) A maximum project cost estimated is ₹ 50 lakhs (Rupees Fifty Lakhs).
- 2) The financial aid will be provided by the Government of Meghalaya as grant subsidy for the project.
- 3) Up front subsidy will be up to the tune of 25% of the total project cost or ₹ 12.5 lakhs whichever is less, 5% would be the own contribution of the entrepreneur and the remaining 70% must be contributed via bank loans or own contribution.
- 4) A further maximum support of ₹ 5 lakhs (Rupees Five Lakhs) or 10% of the project cost whichever is less, would be provided via EMI support or backend support
- 5) Additional support:
 - a. Mentoring via acceleration coaching will be done for recipients through PRIME

7.5 Summary of the financing plan:

The figure below shows the total financial share between Government of Meghalaya and Entrepreneur.



The figure below shows various financial components and payees of the total project cost.

7.6 Illustration to understand the payment terms

Let's consider an example to understand the various financial components of the project.

Components	Values
Total Project Cost	50,00,000.00

Components	Values
Down payment/Margin Money	15,00,000.00
Contribution by Entrepreneur	2,50,000.00
Contribution by GoM	12,50,000.00
Loan Amount	35,00,000.00
Annual Interest Rate	13.4%
Term of Loan	15
Total EMI Support	5,00,000.00

Disclaimer:

Annual interest rate may differ at the time of sanction of the loan and prevailing rate of the bank will be applicable.

The tables below show the details of shared costs between GoM and Entrepreneur for the project.

Down payment:

Payee	Down payment
Entrepreneur	2,50,000.00
Loan	35,00,000.00
GoM upfront subsidy	12,50,000.00
Total	50,00,000.00

7.7 Projected Revenue

The following is a projected revenue of a restaurant:

Restaurant			
Investment of (50 lakhs)	Revenue 23-24	Revenue 24-25	Revenue 25-26
Revenue	1,00,00,000.00	1,10,00,000.00	1,21,00,000.00
Net Profit	15,00,000.00	18,00,000.00	21,00,000.00

In the above example it is assumed that participants would go to the unit to purchase different kinds of consumable goods that would be available in a restaurant. The cost of operations would be with respect to maintenance, labour cost, utility cost etc.

Disclaimer:

Note that the above is just sample projections. Revenues and profits would depend on the location of the unit and the type of services they can provide

7.8 Financial Aid Disbursement

Subsidy from the GoM will be transferred to the bank in favour of the entrepreneur within a specified time of receipt of request from the bank.

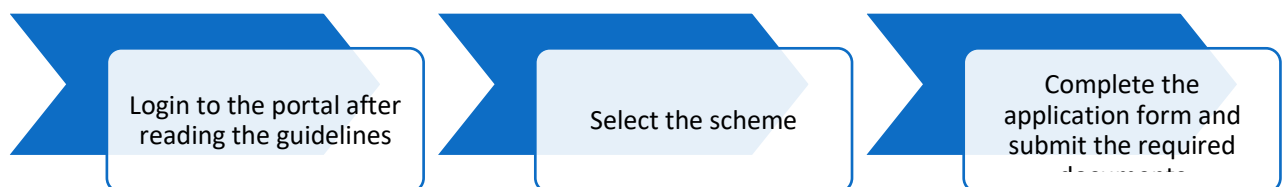
In case the entrepreneurs fail to pay the documents and down payment within a specified time period of announcement of the results, the next applicant in the waiting list will be awarded the scheme.

8 Implementation Mechanism of the Scheme

8.1 Implementation Agency

1. Government of Meghalaya has identified **PRIME** as the implementation agencies for the scheme.
2. **Coordinating Officers:** PRIME

9 Application procedure



9.1 Submission Requirements

The proposal should substantially outline the intended plans of the entrepreneur following the following structure:

1. **Executive Summary (1-2 pages):** Provide a concise summary of the project, highlighting the key activities and objectives.
2. **Profile of applicant(s) (1-2 pages):** Outline the background of the applicants, including their relevant experience, previous ventures, training, certifications, and any other pertinent information.
3. **Facilities to be provided & Physical Setup (3-5 pages):** Describe the plans for setting up the wellness, cultural, and entertainment centres, including the preferred locations, equipment required (with quotations and drawings), and any necessary documents such as No Objection Certificates (NOCs) from relevant authorities.
4. **Financials (2-4 pages):** Present the budget for the project, including the estimated financial requirements, revenue models and any other financial considerations.
5. **Timelines (1-2 pages):** Specify the proposed duration of the project along with major milestones, such as the start date, completion date, and significant stages or phases.
6. **Documentation (1-3 pages):** In this section, you can request any additional supporting documents that may be relevant to evaluating the proposals.
7. Any certificates or proof of past activities may be submitted in the annexure of the proposal.

Please note that these page lengths are approximate and can be adjusted based on the level of detail you wish to include in each section. It is essential to provide enough information to evaluate the proposals effectively while ensuring the RFP remains concise and focused.

10 Entrepreneur Evaluation mechanism

Entrepreneur will be evaluated through a three-step process.



10.1 Initial Screening and shortlisting

1. The submitted proposal will undergo an initial screening of the submitted application to determine if the application aligns with the objectives and scope of the project. This screening will assess whether the proposed project addresses the stated needs and requirements.
2. **‘Screening Committee’** will be consisted of
 - Head of the Committee: PH, PRIME
 - Other members:
 - One representative from the partner bank(s)
 - To be decided*

10.2 Proposal submission, presentation and personal interview

1. The shortlisted applicants will have to submit a proposal

Softcopy	Pdf to info@primemeghalaya.com
Hardcopy	PRIME Startup Hub Meghalaya, JN Stadium Complex, Polo

2. The proposal shall include
 - I. detailed business plan
 - II. financial projections and
 - III. evidence of financial sustainability.
3. Incomplete or ineligible proposals, not adhering to the guidelines outlined below, will be immediately disqualified, and eliminated from the challenge (e.g., not a citizen of the state, not adhering to prescribed proposal structure).
4. Shortlisted applicants will be required to present their proposal before an Evaluation Committee. During the presentation, applicants will need to demonstrate the financial viability of their project.
5. The applicants will be invited at a specified date/time to pitch in front of the committee. The entrepreneur may pitch for 15 minutes. The committee may request for clarifications after the presentation.
6. **‘Evaluation Committee’** at State Level will be consisted of
 - Chairman: ED, MBMA
 - Other Members: To be decided*
 - Criteria that would be used for evaluation:
 1. Attractiveness & Relevance of Proposed establishment

2. Ambition regarding social impact that the establishment will have (such as employment, increasing the economic activity in the area etc)
3. Relevant Experience and scope of the project
4. Solid business case with credible path to profitability & long-term sustainability
5. Any other points that support the project

10.3 Physical inspection of proposed land

Selected applicants from the second stage of the application process will undergo an inspection of the land and relevant documents submitted with the proposal.

- This inspection is to ensure verification the ownership or validity of the lease agreement for the proposed establishment.
- It will also assess the suitability and compliance of the land with the project requirements.

10.4 Declaration of the final list of Entrepreneur

- The best proposal in every district for every category will be selected and will be accepted for the financial support outlined above.
- The selection committee may announce multiple entrepreneurs from one district if applicants are found with promising results for the same district.
- Final list of the entrepreneurs will be available online

11 Terms and Conditions

- **Usage of Government Funds:** To ensure compliance with the intended use of the funds and to encourage proper allocation, the entrepreneur must ensure that the funds provided by the Government cannot be utilized for operational purposes or working capital. Funds are specifically allocated for the purchase of assets in the form of machinery or equipment required for setting up the wellness, cultural and entertainment centres. It is important to note that the funds cannot be used for the purchase of land.
- **Usage of Facilities:** In the future if the Government of Meghalaya needs space to promote or conduct events of public significance, the recipients should prioritize allowing the usage of the facilities for these events as a first priority with negotiable rates.
- **Breach of Clauses:** If any breach is found in the utilization of funds, such as the misuse of Government funds for operational purposes or other diversions of stated funds, a 16% annual interest charge will be levied on the applicant and may include legal action.
- **Utilization Certificates:** Regular submission of bills and receipts in original need to be done to the banks. GST bills where ever possible would be preferred.

12 Annexures

12.1 Annexure 1: Application form (Individual)

Guidelines:

1. Every detail in the form must be carefully filled.
2. Self-attested documents must be enclosed along with the form
3. Incomplete applications will be rejected.

S.N.	Questions	Answers
1	Name	
2	Mobile Number	
3	Age	
4	Gender	
5	Address	
6	Current occupation	
7	Proposed Facility (what will the facility encompass)	
8	Location of the proposed facility:	
9	Estimated capacity (number of participants at a time)	
10	What activities will be offered at the facility?	

11	Do you plan to have any specialized staff?	
11	Estimated area (in square feet) of the facility	
12	Will you require any specific infrastructure?	
13	Do you plan to include any additional amenities?	
14	Estimated budget for setting up the facility	
15	Will you be personally managing the facility?	
16	Attach a copy of your ID proof	
17	Attach any relevant documents, such as architectural plans, if available	

18	Attach DPR	
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12.2 Annexure 2: Application form (Registered Firms)

Guidelines:

1. Every detail in the form must be carefully filled.
2. Self-attested documents must be enclosed along with the form
3. Incomplete applications will be rejected.

S.N.	Questions	Answers
1	Name of Company/ Firm	
2	Names of Board Members	
3	Name of Contact Resource	
4	Mobile Number of Resource	
5	Age of resource	
6	Gender of resource	
7	Address	
8	Current Trade	
9	Proposed Facility (what will the facility encompass)	
10	Location of the proposed facility:	
11	Estimated capacity (number of participants at a time)	

12	What activities will be offered at the facility?	
13	Do you plan to have any specialized staff?	
14	Estimated area (in square feet) of the facility	
15	Will you require any specific infrastructure?	
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17	Estimated budget for setting up the facility	
18	Will you be personally managing the facility?	
19	Attach a copy of your ID proof	

20	Attach any relevant documents, such as architectural plans, if available	
21	Attach DPR	