

भारतीय गैर न्यायिक

बीस रुपये

रु.20

Rs.20

TWENTY
RUPEES

INDIA

INDIA NON JUDICIAL



झारखण्ड, JHARKHAND

01AA 132112

This Agreement is entered into on this 28th day of September 2007.

BETWEEN

Government of Jharkhand , Department of Industries

Nepal House , 3rd Floor , Doranda, Ranchi 834002

First Party.

AND

Xavier Labour Relations Institute, a society registered under the provisions of the Society's Registration Act 1860, having its office at XLRI, Circuit House Area (East), Jamshedpur 831 001, within the State of Jharkhand, hereinafter referred to as 'XLRI' which expression shall unless repugnant to the context, include its assigns and successors in interest of the **Second Party**

Whereas XLRI offers various Management Programmes besides certain Management Courses and Executive Development Programmes at its Campus located at Jamshedpur;

And whereas the First Party approached the Second Party to extend their expertised help for entrepreneurship and management programmes for the sons/students of Jharkhand and for the students from rest of the country by offering one year diploma course in entrepreneurship and management and for which the Second Party has agreed to provide necessary funds for building of


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infrastructure by way of classrooms, hostel accommodations etc. besides providing for running expenses.

And whereas the Second Party has duly agreed to the said proposal of the First Party to take adequate care of the students of Jharkhand to enrich them through the said programmes by establishing an educational center under the name and style of Entrepreneurship Development Center hereinafter referred to as "EDC".

And whereas the First Party duly agreed to the said proposal of the Second Party to establish the said EDC to which the necessary fund to be provided as hereunder mentioned.

Now therefore in consideration of the mutual promises contained herein, the parties hereby covenant and agree as follows :

1. That to fulfill the desire, wishes and requirement of both the parties, the XLRI has taken up the following objectives :
 - (I) To create a platform for harvesting entrepreneurs drawing on global best practices in entrepreneurship development.
 - (II) To intervene in a manner that levels the playing field for resource poor but idea rich segments of the population so that they can emerge as drivers of economic growth.
 - (III) To advance global know how on social entrepreneurship and people centric development.
 - (IV) To provide entrepreneur incubator.
2. That Xavier Labour Relations Institute, a society registered under the provisions of the Society's Registration Act 1860, hereinafter referred to as "XLRI" and for proper fulfillment of the aforesaid objectives ,the XLRI shall run a Center under its assigns which shall run under the name and style of 'Entrepreneurship Development Center' and in brief "EDC".


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3. That the EDC shall be a part of XLRI and the EDC shall be managed by a Managing Committee.

4. The Managing committee of the EDC shall consist of :

1	Director of XLRI	Programme Coordinator
2	Secretary, Department of Industries	Member
3	Director , Industries	Member
4	Managing Director of AIADA	Member
5	Representatives from SIDBI,	Member
6	Representatives from NABARD	Member
7	Representatives from SBI	Member
8	One representative from George Mason University, Fairfax, Virginia (MEC)	Member

The Managing Committee may have more eminent industrialists and academicians. The ex officio Chairman of XLRI shall be the Chairman of the Managing Committee of EDC.

The organization will be flat with simple management and reporting structures. The synergy with XLRI will be ensured by being part of it.

5. That the **EDC** shall carry on the following activities :

(i) The **EDC** will be run as a self-sustainable unit by **XLRI Jamshedpur**. It will draw on the long and rich experience of XLRI faculty in designing courses for existing SME

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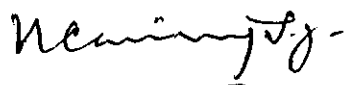
entrepreneurs, entrepreneurship and building learning organization electives for MBA students, short courses for civil society organizations and consultancies clients involved in this sector, and several research assignments including research presented at leading international fora.

(II) The **EDC** will co-opt the expertise and help of Mason Enterprise Centre (MEC) of George Mason University, Fairfax, Virginia. MEC will help EDC in developing curriculum, incubator cell and other such related topics.

(III) The **EDC** shall offer a one year Diploma course in Entrepreneurship and Management. The certificate will be granted by the Board of Governors of XLRI.

While admitting the students in the above course **EDC** will accept at least 50% students from Jharkhand out of the total number of students that may take admission in the Center. In admission of the students, the reservation policy of the Government shall be followed.

(IV) **EDC** will also offer flexible designs that target short upgradation courses and behavioral labs for existing entrepreneurs, representatives from closely held businesses (family firms), growth businesses in their second / third cycle of entrepreneurship, special target groups like women entrepreneurs, social entrepreneurs, entrepreneurs from disadvantaged groups, retrenched workers, cooperatives, technology entrepreneurs and corporate entrepreneurs. Since the lack of committed and trained second line managers in entrepreneurial startups has been identified as a key factor impeding their growth, the Center will also offer management training for this special group.


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6. That **EDC** shall carry on research and publications in the Center as follows :

- (I) Organize a yearly conference that showcases Jharkhand as a destination for entrepreneurs and also presents global leading edge research among academics and policy makers, as well as promotes lesson learning among entrepreneurs.
- (II) Build a library and select audio visual database introducing appropriate technology to prospective entrepreneurs in its client base.
- (III) Undertake funded research projects on various aspects of entrepreneurship among its identified target groups.
- (IV) Conduct assessment studies of on-going programmes by governments, international donors, NGOs in the field of livelihood promotion, enterprise development and social enterprise.
- (V) Conduct surveys for potential identification in designated project areas for sustainable micro enterprise promotion and small firm cluster development.
- (VI) Provide consultancy services to new and existing startups, micro planning, cluster development and capacity building of NGOs working with some of our target groups.

7. That **EDC** shall provide incubator services as follows :

- (I) Provide incubator services to budding entrepreneurs in the city and State and to EDC students.
- (II) Provide management support on a fee basis from the pool of interested MBA students and faculty at **XLRI**.


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- (III) Provide mentoring from a network of entrepreneurial XLRI alumni and leading Indian entrepreneurs located all over the world.
- (IV) Provide services to XLRI MBA students who are interested in entrepreneurial case profiling, using the incubator to develop their own business plans, etc.
- (V) MEC will provide help, both academic and training for incubator services.
8. That after the completion of courses/courses at **EDC** the certificate to the successful candidate shall be awarded by **XLRI Jamshedpur**.
9. That for carrying on the aforesaid objectives and activities some capital expenses are required for construction of infrastructure facilities as well as annual recurrent expenditures are also required for running the Center in the manner aforesaid.

The Capital expenditure required have been detailed in **Annexure I** and the recurring expenditure have been detailed in **Annexure II** appended to this Memorandum of Agreement. **The fee structure for all courses under EDC Programme shall be decided by the second party after consultation with Department of Industries , Government of Jharkhand.**

10. That the **Department of Industries, Government of Jharkhand**, the First Party above named, has initially agreed to provide finance to the tune of Rs.1.70 crores for construction of the infrastructure as detailed in Annexure I.
11. That the First Party shall further finance a sum of Rs.30 lakhs towards the expenses that may be incurred by the center towards the first year diploma course in Entrepreneurship and Management. The rest of the expenditure, if any, shall be provided by XLRI.


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12. The amount of Rs.1.00 crore shall be released in the beginning. Thereafter the remaining amount shall be released in two installment of Rs.50.00 lakh each as per the following milestones:-
- (i) Completion of infrastructure creation
 - (ii) Beginning of the diploma course.
13. The First Party, **Department of Industries, Government of Jharkhand** shall release 50% Central Govt. fund Rs. 1.00 crore to the second party with regards to infrastructural development of EDC subject to the following terms and conditions laid down by the DC (SSI) Government of India ,New Delhi: -
- (i) The second party shall maintain an audited record of all assets acquired wholly or substantially with respect to EDC, out of the above grant of the Government of India released by the First party.
 - (ii) A register of permanent and semi- permanent assets acquired wholly or substantially out of said grant of the Government of India,DC(SSSI) be maintained on the basis of GRF-19-A.
 - (iii) The fund released shall be transferred in the separate account of EDC.
The accounts of the EDC shall be subject to the audit by comptroller and Auditor General of India .
 - (iv) The second party shall strictly furnish utilization report of the central Government fund of Rs. 1.00 crore to the first party together with a certificate and audited statements of accounts in duplicate, in no case latter than fifteen months from the date of release of t been utilized properly for the specified purpose. Therefore the first party will furnish the he fund, to this effect that the central Government fund released by the First party has


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utilization report to the office of the DC (SSI) Government of India , New Delhi as provided in form GRF-19-A. .


- (v) The second party shall under take to govern by all conditions stated above with respect to release of fund for the specified purpose which result in creation or acquisition of permanent and semi- permanent assets of the **Entrepreneurship Development Centre (EDC)** under **XLRI, Jamshedpur**


In witness whereof the parties have caused this Agreement to be duly executed. Each Party warrants and represents that its respective signatories whose signatures appear below have been and are on the date of signature duly authorized to execute this Agreement.

First Party


(S. K. Satapathy)
Secretary ,
Department of Industries
Government of Jharkhand

In the presence of :

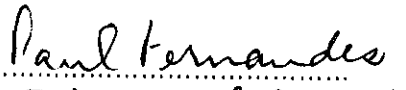
1. 
SUNIL KUMAR, Director (Industry)

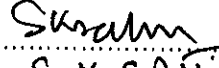
2. 
Dhirendra Kumar, Spl Secretary, Industry)


Second Party
(FR.N. CASIMIR RAJ ,S.J.)

Director
Xavier Labour Relations Institute,
XLRI, Circuit House Area (East),
Jamshedpur -831 001,

In the presence of :

1. 
Paul Fernandes ,
Financial Controller, Prof. Business
Ethics

2. 
S.K. SAHU , Director, NEMEDEN
Instt , Ranchi

ANNEXURE - 1

Capital Expenses

1	Director's Office with Secretary	40 x 60 = 2400 sft x 600/sft	14,40,000.00
2	Faculty Offices	20 x 15 x 5 = 1500 sft x 550/sft	8,25,000.00
3	Secretaries	20 x 15 x 5 = 1500 sft x 550/sft	8,25,000.00
4	Classroom	40 x 60 x 4 = 9600 sft x 500/sft	48,00,000.00
5	Incubator	40 x 60 x 1 = 2400 sft x 500/sft	12,00,000.00
6	Computer Centre	40 x 80 x 1 = 3200 sft x 500/sft	16,00,000.00
7	Hall	150 x 60 = 9000 sft x 550/sft	45,00,000.00
8	Others	150 x 60 = 9000 sft x 550/sft	45,00,000.00
9	Hostel room	10 x 15 x 80 = 1200 x 500 sft 1000 x 500 sft	60,00,000.00 50,00,000.00
10	Housing	1200sft x 5 = 6000 x 550 sft	33,00,000.00
	Sub-Total = 66600 sft		3,39,90,000.00
	15% as other contingencies and Consultation charges		50,98,500.00
	TOTAL		3,90,88,500.00



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ANNEXURE - 2

Recurring Expenditure (Annual)

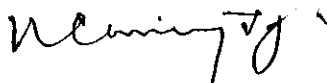
XLRI faculty course fee @ Rs. 40000 per course * 8	Rs. 320000
Coordinator (full time) @ Rs. 60000 pm * 12 months	Rs. 720000
EDC faculty @ Rs. 30000 * 12 months * 4	Rs. 1440000
Internship/ mentoring manager @ Rs. 25000 pm * 12 months	Rs. 300000
Incubator/ hostel manager @ Rs. 20000 pm * 12 months	Rs. 240000
Finance manager * Rs. 15000 pm * 12 months	Rs. 180000
Librarian @ Rs. 20000 pm * 12 months	Rs. 240000
Travel expenses for external board members, faculty and staff @ approximately Rs. 25000 * 4 faculty * 4 trips 2 board members * 4 trips and 2 staff * 4 trips	Rs. 800000
DA expenses for faculty and staff @ Rs. 4500 * 160 days	Rs. 720000
Conference attendance (national / international) @ Rs. 100000 * 4 faculty	Rs. 400000
Hosting annual conference	Rs. 200000
Library budget (annual)	Rs. 200000
Software and IT support (annual)	Rs. 100000
Hostel, faculty residence, classroom and incubator maintenance	Rs. 200000
Hostel board subsidy	Rs. 100000
Total Annual recurring costs	Rs. 61,60,000
Revenues from student fees	Rs. 60 lakhs
GoJ annual grant for the first year (Total Rs. 1 crore) plus Rs. 20 lakhs for first two years.	Rs. 30 lakhs


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SUSTAINABILITY PLAN AFTER FIVE YEARS

Revenues from student fees @ Rs. 100000 per student per year * 60	Rs. 6000000
Revenues from short term courses @ Rs. 25000 per student per course * 6 courses * 30 students	Rs. 4500000
Consultancy earnings from advisory services	Rs. 2500000
Incubator rental from startup entrepreneurs	Rs. 1500000
Total Revenues	Rs. 1.45 crores



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