

Child Nurture and Relief  
(CHINAR) International



## PROJECT PROPOSAL



**CENTRE FOR SOCIAL BUSINESS INCUBATION & INNOVATION**

LIFE LINE CHARITABLE TRUST (LCT)  
&  
CHINAR International (CI)

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## 1. INTRODUCTION

### 1.1 – EXECUTIVE SUMMARY

Among many other social initiatives one of the intervention that Lifeline Charitable Trust (LCT), registered non-profit organization in Kashmir, made in late 90's by setting a state-of-art premises in Tangmarg area of district Baramulla. The main aim of the facility was to provide social rehabilitation of orphans and vulnerable children in Kashmir. The building, 24,000 sq. ft., which is in final stage of completion is constructed on 70 Kanals of land having concrete fencing. The foundation of the building was laid down in 2003 with the initial plan to establish an orphanage with all types of modern facilities including central heating. Till date the facility has not been utilized.

**The CHINAR (Child Nurture And Relief) International (CI), developmental organization, is focused on rehabilitation and empowerment of vulnerable children, destitute families and marginalized youth in conflict areas through community based socio-economic programs.** The CI is running community based project for vulnerable children and destitute families in the remote village of Zampathri, district Shopian.

In January 2012, LCT and CI explored the possibility of collaboration to utilize the LCT Tangmarg facility in line with the mission of both the organizations. As a first step towards achieving this goal, CI was entrusted to explore the possible options of how best to utilize the facility. In the past several months CI researched plethora of options. This document, explains the methodology used: data collected, analysis and conclusions of the research.

To summarize, CI began by exploring the option of using the facility as an orphanage as it was initially planned. However, the ground realities have changed since the facility was first planned and institutionalized care is not the recommended option by experts and child psychologists for orphans and vulnerable children. In order to understand if the facility could be used for any other non-profit work a survey of the

neighboring villages around LCT was conducted. Other non-profit options were also explored like skills center, sports and cultural academy, teachers training institute etc.

CI also researched for-profit options. The idea was to use the profit from the LCT facility to fund non-profit projects like CI's community based solutions to help vulnerable children and destitute families. Options like boarding schools, youth hostels, hospitals, etc were researched. **However, none of these solutions directly addressed any critical social issues that could have large scale impact on the society.**

As per the J&K Economic Survey Report-2011, there are over five hundred thousand unemployed youth who are registered with the state employment exchange. Due to the conflict and a miniscule private sector, this number has gone up in the last two decades and is one of the biggest challenges that the Kashmiri society is facing. Further research and deliberations pushed the CI team in the direction of social business, which is running a business like venture to address a social issue. There are two ways to address unemployment – creating jobs and helping budding entrepreneurs who lack access to capital, infrastructure and technical support. Both options were researched. A social incubation center would be a good way to address the latter.

Based on the months of research, there are multiple ways to address the LCT challenge. One idea is to hedge the bets and use the facility for multiple activities. For instance a section of building can be used as a training facility where various types of market focused training including renting the training facility could be conducted. Let's say if there is a demand of trained staff in the hotel industry; a 3 – 6 months immersion program could be arranged that would ensure that the trainees get employment on completion of the course. The other section of the building could be used as a youth hostel. The tourist season has picked up in the last two years and most hotels are overbooked. Yet another part of the building could be used for IT

based solutions. In a similar way the land could be used for social incubation projects and/or CI/LCT run for-profit projects like sheep/cow farming etc.

The other idea is to use the building for just one activity. Like a for-profit tourist resort including youth hostel, hotel, luxury huts and entertainment or a non-profit sports and cultural academy center.

Depending on the approach LCT-CI can name the facility accordingly. For instance, CI team came up with the name of **Centre For Social Business Incubation and Innovation** in case it would hedge bets and use the facility for multiple projects. Please read on to get details about the options researched.

In the closing section, the document has a work plan for the next six months along with budget for both the multiple and single activity solutions.

## **1.2- STRATEGY / OUR APPROACH**

There is a lot of synergy between LCT's and CI's mission which makes a partnership between the two a viable proposition. The purpose of this proposal is to describe CI's approach to come up with a strategy to maximize the use of the constructed facility along with 70 kanals of land in order to meet the goals and objectives of LCT and CI.

Keeping in mind the location of the facility and the fact that it was designed as an orphanage, the approach has to be very creative as we want to maximize the use of the facility. As a result thorough research and due diligence is required to come up with a list of viable projects which will be sustainable and have a large scale social impact. As part of our strategy, CI moved aggressively on the proposed strategy document already submitted to the Life Line Charitable Trust (in the Month of December, 2011) and completed the proposed research well on time (see Annexure II for monthly breakup).

After the submission of this project proposal to LCT, CI and LCT teams will review the project ideas/ models (if there is more than one) and make a decision on which one to pursue. Once a decision is reached, CI and LCT will develop a joint agreement (MoU) which will clearly define the roles and responsibilities of each organization along with the details of delivering the said project ideas/ models.

### **1.3- TANGMARG OVERVIEW**

Tangmarg is a Tehsil belonging to Dist. Baramulla. It is 39km from Srinagar and its road from Srinagar is two way. Situated on the foothills of the Pir Panjal Range, Tangmarg is gifted with natural beauty which attracts tourists from all over the world. Govt. Higher Secondary School, Chandilora is a major school in the area. Other schools in the vicinity are in Ferozpora and other places. Tangmarg is home to some of the beautiful tourist attractions like Ferozpora Nallah, Waters Meet, Baba Reshi Shrine, Drung, Baderkoot, Zandpal, Gogaldara, Nigli Nullah etc.

There are many hotels and restaurants, everything required by travelling tourists. Amongst the prominent villages of this Tehsil are Ferozpora, Katipora, Lalpora, Devpora Dardpora, Baderkoot, Chanapora, Karahama, Hardu-Aboora, Hariwatno, Chandilora, Tiran, and Qazipora. This place is famous throughout the region for its handicraft works. Tangmarg is famous for fresh cold water, heavy snow fall, and tourism. Tangmarg is almost covered by forests & is a hilly area. To Gulmarg, there are two routes from Tangmarg. One is a steep footpath while the other is a winding sealed road.

Before the Tangmarg main market is the Tangmarg tourist bungalow surrounded by the pine trees in a clean atmosphere. Further, Tangmarg JKTDC Cafeteria is located in the middle of the Tangmarg market on main road that leads to Gulmarg. A short stopover for a cup of tea with snack while going or coming down from Gulmarg is a common routine among the tourists.

## **2- SURVEY REPORT**

As part of the strategy to come up with viable project ideas for the facility (along with 70 kanals of land) constructed by Life Line Charitable Trust (LCT) in Tangmarg, CHINAR International (CI) undertook the survey of the adjoining areas of the facility to collect the baseline data.

The purpose of the survey was to understand the community surrounding the facility by having a good knowledge about their livelihood, education, skill sets, living conditions, etc. The survey provided CI an opportunity to interact with the community directly and share the ideas. Community was very cooperative and showed lot of interest in the survey by asking questions about our organization, possible initiatives and the facility. The survey has helped CI to understand the community better and we can engage them for any possible initiatives in the facility to achieve our goal and have a large scale social impact on the ground.

### **2.1- METHODOLOGY:**

The collection of Base Line Data (BLD) for the LCT Survey got completed in 30 days. The data from the community was collected physically by CI Surveyors using survey forms (See Annexure –III). The survey instrument was designed by CHINAR International's LCT Team along with critical inputs from other team members as well.

After collection of Base Line Data from the survey areas, the data got entered in to excel sheets for analysis part. As a result of analysis, we were able break data into identified multiple categories as per the survey form. After data collection, most of the time was spent on interpretation of data and writing it down in the form of report. Data analysis clearly identifies the need of the community, challenges and possible initiatives / intervention which is available to us in the form of this survey report along with the recommendations and challenges.



The collected survey forms have been preserved for record and reference purpose. The survey covered 500 families from the following areas of Tangmarg:

- Channapora
- Ferozpora
- Katipora
- Qazirpora

## 2.2 - FINDINGS

This survey was undertaken to understand the community around the facility and to detail out the current status of the community and design the possible intervention accordingly. The findings of this report will enable CHINAR International in identifying role for itself and how to engage communities and make their lives better. This will help CHINAR International in adopting similar kind of approaches for other communities in order to scale and replicate the intervention.

Going forward, the findings of the report is based on :

- a- Population
- b- Education
- c- Unemployment

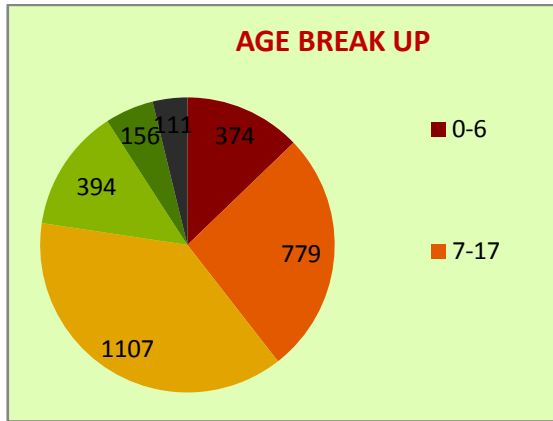
d- Skill Sets

e- Health

### a- POPULATION

The survey covered 500 families from the four adjoining areas closer to the facility at Tangmarg, namely Chanapora, Ferozpora, Katipora and Qazipora. The overall sample population number stands at 2921 covering all the age groups. In order to understand the demographics of the survey block, we created different categories of the ages e.g: 0-7-18-35, etc. Age wise break of the sample population is given below in the form of the table along with the corresponding graph:

AGE BREAK UP			
S.NO	AGE IN YEARS	NUMBER	PERCENTAGE
1	0-6	374	12.80
2	7-17	779	26.67
3	18-35	1107	37.90
4	36-50	394	13.49
5	51-60	156	5.34
6	60 Onwards	111	3.80
<b>TOTAL</b>		<b>2921</b>	<b>100.00</b>
GENDER BREAK UP			
S.NO	PARTICULARS	NUMBER	PERCENTAGE
1	No of Males	1451	49.67
2	No. of Females	1470	50.33
		<b>2921</b>	<b>100</b>



As per the graph, out of the total sample population, 37% fall in the age group of 18-35 years making a total of 1107 people. Age group 7-17 years comprises of 26% of the sample population. The total number of people under this age group stands at 779. Age group 36-50 stands at number three with a total number of 394 people and that is 13% of the sample population. The other age groups 0-6, 51-60 and 60 onwards comprises 12%,5% and 3% of the population respectively .

Even though we have different categories of age groups which is part of the sample population but if we add up the first three categories, it creates a new age group category which ranges from 0-35 and comprises of 76% of the total sample population. And when we add up the age groups 7-17 and 18-35 years it makes up 63%

of the sample population. This 63% indicates that the majority of the population falls in the age group of 7-35 years and are mostly young.

#### **b- EDUCATION:**

The education system in Kashmir comprises of three levels- Basic, Secondary and Tertiary. The State Department of Education is responsible for formulation and implementation of education policies along with administrative control of government regulated colleges and school. In Kashmir, we have number of private and government schools and colleges with different types of affiliation. Majority of the schools are affiliated with Jammu and Kashmir State Board of School Education (JKBOSE).

It is mandatory for all schools and colleges (private as well) to have affiliation with either State Board/ Central Board/ University. The Central one is new to the education system in Kashmir and they teach syllabus designed by the Central Board of School Education (CBSE). It is taught at the nation level and is becoming more and more popular in the state now.

We can further break down the Basic level of education into Primary (1st to 5<sup>th</sup> Grade), Upper Primary (6<sup>th</sup>-8<sup>th</sup> Grade) and High School (9<sup>th</sup> -10<sup>th</sup> Grade) as set by the State Department of Education.

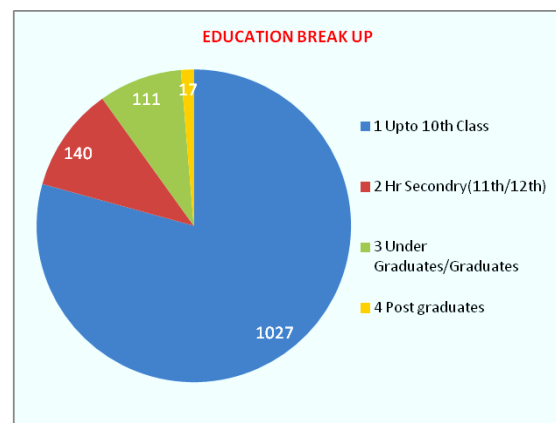
Secondary Level of Education covers grade 11<sup>th</sup> -12<sup>th</sup> and is normally called Higher Secondary Education. It is during the Secondary Education, students pick up different streams of education as a long time career goals and pursue their dreams. For this purpose students get enrolled into different professional private and government High Schools.

Tertiary Level of Education covers grade 13<sup>th</sup> -15<sup>th</sup> which is also known as Graduation or Degree. Graduation in a certain stream completes the first cycle of education and after that some candidates go for Post Graduate courses to master the subject of their choice and get themselves enrolled in different universities for the same purpose.

For the purpose of understanding the data collected from the survey areas on education, the breakdown of the

sample data as per the above discussed different definitions of levels of education is given below in the form table along with the corresponding graph :

EDUCATION BREAK UP			
S.NO	PARTICULARS/CLASS	NUMBER	%AGE
1	Basic Level (upto 10th Grade)	1027	79.31
2	Secondary Level (11/12th)	140	10.81
3	Tertiary	111	8.57
4	Post graduates	17	1.31
TOTAL		1295	100



As per the graph, out of the total sample population, 1027 people fall in the category of basic level of education and comprises of 79% of the total population. The further break down of total enrolment in basic level of education (into primary, upper

primary and high school) is out of the scope of this survey and is left out at this stage.

As can be seen in the graph, the number of people that fall in the category of secondary level of education is 140 and makes up 10.81% of the total sample population. 8.57% of the population i.e; 111 people fall in the category of tertiary level of education. 17 people have done or are currently enrolled in different post graduation courses.

These numbers include the drop outs as well i.e; those people who were enrolled in different grades and decided to discontinue their education, say for example in case of basic level of education, there are number of people who left school in their 3<sup>rd</sup> grade or 6<sup>th</sup> grade, etc. This is true for all the other categories as well. While collecting data for education, we kept elderly and head of the family members out of the calculation as our main focus was to gather data for the age group of 7-35 years.

The average distance from the facility to different government middle/high or degree school /colleges is given in the below table:

QAZIPORA		
1	Govt middle school	1.2kms
2	Govt primary school	1.3kms
CHANPORA		
3	Govt middle school	0.3kms
4	Care Middle school	0.3kms
5	Govt Primary School	0.2kms
FEROZPORA		
6	Govt middle school	1.5kms
7	Govt high school	1.5kms
KATIPORA		
8	Govt middle school	4kms
9	Govt primary school	4kms
OTHERS		
10	Govt. Hr.Sec.School, Chandilora	0.4 Kms
11	Govt. Degree College, Chandilora	0.4 Kms
12	Baramulla Degree College	60 Kms
13	Amar Singh College, Srinagar	40 Kms
14	Bemina Degree College, Srinagar	45 Kms
15	University Of Kashmir, Srinagar	55 Kms

### c- UNEMPLOYMENT:

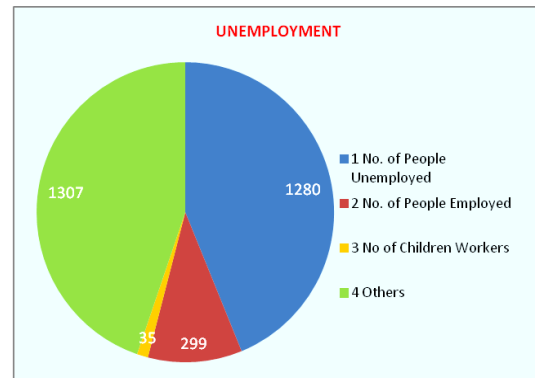
The scene of unemployment from the survey areas is no different than the state itself. J&K is facing huge issue of both educated and uneducated unemployed youth. According to the State Economic Survey Report 2011,

there are approximately 447653 educated unemployed youth registered with the State run Employment Exchange. Due to lack of industries and a nascent private sector, it is very difficult for the youth to find a sustainable job. Government jobs are limited and the competition is getting and tougher and tougher every day.

Every month good number of people go to other states of India to find a job and sustain their families. Experts call it a brain drain and there are many thoughts out to reverse it and stop it. But to do so, some solid and practical initiatives should be taken so that we can attract the talent pool back into the valley.

The data collected on the unemployment from the survey area is given below along with the corresponding graph :

UNEMPLOYMENT			
S.NO	PARTICULARS	NUMBER	%AGE
1	No. of People Unemployed	1280	43.821
2	No. of People Employed	299	10.236
3	No of Children Workers	35	1.198
4	Others	1307	44.745
<b>Total Population</b>		<b>2921</b>	<b>100</b>



As can be seen in the graph, the total number unemployed out of the sample population is 1280 and comprises of 43% of the population. This percentage is almost half of the sample population and includes age group 18 onwards.

Total number of people employed (above 18 years) in different sectors stands at 299 and comprises of 10% of the sample population. Out of these employed people, 251 are government employees and rest of the people are employed in different private businesses or have their own business.

During the collection of data on unemployment, we found that there are 35 children workers below the age group of 18 years. Even though the number of children workers is just 1% of the sample population but it does

exist. The childrens are involved in different jobs like going out with Ponny wallas on daily basis, bus conductors, car washers, needle workers in craft centers and other day to day jobs.

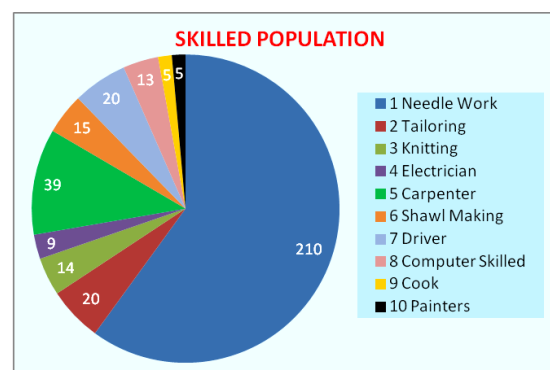
The category Others includes the number of people falling in the age group 60-100 years and below 18 years of age and comprises of 44% which is 1307 people of the sample population.

While collecting data on other / additional source/s of income from the survey areas, we found that out of 500 families, 114 families own Apple orchids. Out of these 138 families, 64 families are involved in the production of Apples, Marketing and subsequent selling of the same in the market and 50 families have planted Apple trees and are waiting for the plants to grow and produce the crop for selling. This additional source/s of income is true for all types of families having their members working as govt employees, private ones or even for a skilled person with minimum income like a laborer or a carpenter.

#### d- SKILL SETS

In order to know what kind of skill sets community people have and what they do for living, our survey team gathered data for the same and is given below in the form of table :

SKILLED POPULATION			
S.NO	SKILLED	NUMBER	%AGE
1	Needle Work	210	7.162
2	Tailoring	20	0.682
3	Knitting	14	0.477
4	Electrician	9	0.307
5	Carpenter	39	1.330
6	Shawl Making	15	0.512
7	Driver	20	0.682
8	Computer Skilled	13	0.443
9	Cooks	5	0.171
10	Painters	5	0.171
<b>Total</b>		<b>350</b>	<b>11.937</b>



The breakdown of different trades for the skilled population can be seen from the graph (and table above) and it comprises of 11.93% of the total

sample population. That means out of the total sample population of 2921, we have 350 people skilled in different trades.

People with skills in Needle Work top the list and stands at 210 which comprises of 7% of the total skilled people followed by carpenters (1.3%) and tailoring (0.68%).

#### **e- HEALTH**

In a bid to understand the type of medical facilities available to the survey areas, we had asked our sample population very simple questions like access to medical facilities , nearest medical facility and distance and availability of Doctors. 100% of the respondents said that they have access to medical facility and also that doctors are available in the hospital. The average distance to the nearest medical facility / ies ranges from 1-3 Kms from the survey areas.

#### **2.3- RECOMMENDATIONS:**

Some of the recommendations are given below for the purpose of utilization of the facility along with 70 kanals of land available with our partner organization Life Line Charitable Trust :

- 63% of the sample population falls in the age group of 7-35 years, therefore, provides CHINAR International an opportunity to engage and work with youth in multiple ways and initiatives. CHINAR International should develop the knowledge and skills (capacity building) of the youth so that they can have access to opportunities and income. This will inturn make their lives better and leave a positive trend for other members of the communities (throughout the valley) especially youth to follow.
- Even though we have not captured any data on youth urban migration, but as per our experience and understanding of the local complexities, there is a tendency in youth to migrate to urban areas for more economic opportunities. We cannot change it but we can minimize it by creating more and more economic opportunities for youth in and around their own communities.

- Unemployment rate is high and there is a lack of support (technical, financial, mentoring, etc. etc) to the homegrown entrepreneur setups, CHINAR International can bridge the gap and provide a platform for budding entrepreneurs.
- There is a deep cynicism in youth throughout the valley on taking any business related initiatives due to lack of success stories and entry barriers. CI can share success stories with the budding entrepreneurs and reduce the entry barriers by supporting the business related initiatives.
- There is a growing demand for skilled people in the market and there is a vivid gap between demand and supply of such required talent with high school education levels. CHINAR international can impart skills to such people who want to opt out of the formal education (upper primary level and high school) due to financial or any other social constraints.
- According to the survey data, 11% of the sample population are skilled in different trades, CHINAR International should match their skills with the market and upgrade them as per modern and industry standards. This will help them in improving their products and increase income.
- As part of our multipronged approach and as per our strategy, CHINAR International can use Sports as a means of engaging the youth. CHINAR International should dedicate some part of the facility to the sports and recreational

*Note: The finding of this survey report is based on the information shared by the families with our survey team (on the basis of questionnaire which touches different aspects of their lives) and we have put the same numbers in this report without any distortion or manipulation. CHINAR International could not verify the numbers or information shared by the families due to resource constraints.*

*However, CHINAR International respects the privacy of the families and will not share / disclose the actual names of the families with any third party organization/s.*

*CHINAR International is highly indebted by the generosity of the people in sharing information with us and thank the families for this act.*





### **3- SOCIAL BUSINESS**

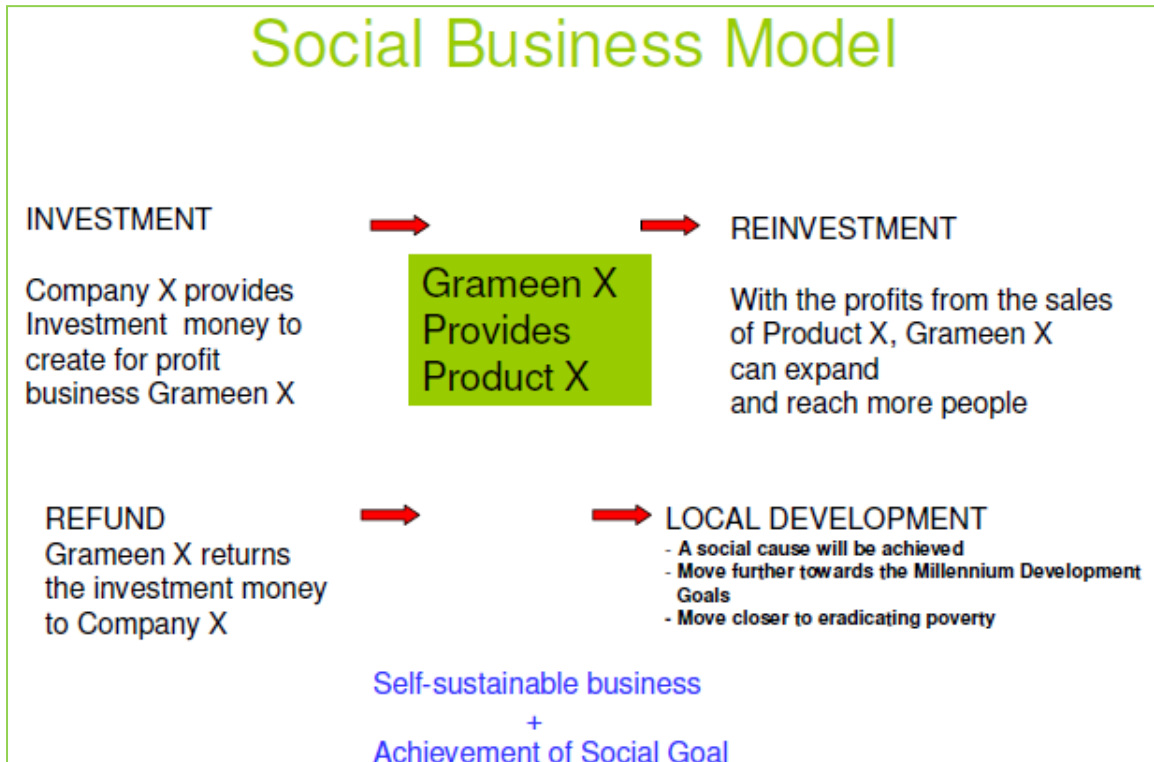
#### **3.1- INTRODUCTION**

Social business, as the term is commonly used, was first defined by Nobel Peace Prize laureate Prof. Muhammad Yunus and is described in his books *Creating a world without poverty—Social Business and the future of capitalism* and *Building Social Business—The new kind of capitalism that serves humanity's most pressing needs*.

Social business is a cause-driven business. In a social business, the investors or owners can gradually recoup the money invested, but cannot take any dividend beyond that point. The purpose of the investment is purely to achieve one or more social objectives through the operation of the company, since no personal monetary gain is desired by the investors. The company must cover all costs and make revenue, but at the same time achieve the social objective.

Yunus postulates a new world of business in which profit-maximizing enterprises and social-benefit-maximizing enterprises coexist. In addition, a social business would operate much like a profit-maximizing business in that the company as a whole grows financially and gains profits. The only difference is that the company's shareholders and investors would be re-accumulating their initial investment as opposed to receiving dividends. He calls the latter social business. Through Grameen Bank, Yunus demonstrated how social business can harness the entrepreneurial spirit to empower poor women and alleviate their poverty. One of the conclusions of Yunus' concepts is that the poor are like a "bonsai tree," and they can do big things if they get access to the social business that holds the potential to redeem the failed promise of free-market enterprise.

# Social Business Model



Therefore, a social business is driven to bring about change while pursuing sustainability. Although from a strictly profit-maximizing perspective it seems inappropriate to pursue a goal other than profit, social business's aim is to achieve certain social and environmental goals. *In this perspective, a social business can also be understood as a business-pursuing NGO which is (eventually) financially self-sufficient.*

In Muhammad Yunus' latest book, he argues for a much narrower view of a social business. He proposes that only two types of businesses are true social businesses:

- (I) businesses owned primarily/exclusively by the poor;
- (II) businesses where investors are limited to only receive back their invested capital and no more.

But there are many people who oppose to this approach of Social Business, there are many schools of thoughts out in the market who criticize this limited approach of social business and advocate Social Business Hybrid Models. People believe that social business as an idea or method can be expanded and applied to many social issues for favorable outcome by making it more inclusive.

### **3.3- HYBRID MODEL**

**In the Hybrid Model**, a nonprofit and a for-profit are linked. In some cases, one is a subsidiary of the other; in others, the two entities are bound by long-term contracts in which one entity fulfills a basic need for the other and vice versa

#### **The Classic Example**

In 2005, the nonprofit Mozilla Foundation formed a for-profit subsidiary, Mozilla Corporation, to handle the explosive growth of the Firefox Web browser. Now, the for-profit makes about \$104 million a year from revenue-sharing agreements with its search partners, including companies such as Google and Yahoo. Meanwhile, the Mozilla Foundation, which is the corporation's sole shareholder, handles the development of the open-source software and brings in just over \$222,000 in charitable donations.

#### **The Advantages**

You get to have your cake and save the whales, too. The nonprofit remains tax exempt and eligible for foundation grants. The for-profit can raise unrestricted funds from angels and VCs and make tax-deductible donations to its nonprofit partner. Because they are legally separate entities, for-profit subsidiaries often have more flexibility than the income-generating arms of nonprofits.

#### **The Challenges**

Hybrid arrangements can get complicated fast. They require separate boards and management staffs, given that significant crossover in leadership might signal a conflict of interest. Any time there is a service transaction between a nonprofit parent and a for-profit subsidiary, both boards have to approve it and be able to show that the for-profit paid actual market rates for the product or service (proving that the parent and subsidiary are conducting arm's-length transactions and not receiving special favors).

### **3.4- HYBRID MODEL, CI AND LCT**

The deeper analysis of Social business Hybrid Model looks more promising and practical and fits our strategy, goals and objectives (of CI and LCT) to maximize the use of the facility. It gives us more management flexibility and overall control to oversee the progress of the businesses and outcomes

as we will closely work with the entrepreneurs and hand hold them through different stages of a business.

Given the fact that CHINAR International (CI) has expertise, experience and capacity to launch and manage livelihood projects involving micro-finance, it will be easier for CI to adopt Hybrid Model of Social Business and set up businesses under this model.

There is a lot of scope to improve the nature (type as well as quality standards) of businesses and look for success stories worldwide and adopt those models to maximize the profits and induce fresh thought in our entrepreneurs to change their attitudes and mindset. Social innovation (of businesses) under Social Business model should be explored to cater to the growing needs of the immediate markets (surrounding communities) in particular and scaling up those businesses to cater to the needs of the people at the state level in general. The key to the success is innovation, adopting good practices and managing the standards.

### **3.5 – HYBRID MODEL EXAMPLES (Success Stories)**

#### **Story Pirates**

Founded in 2003 by a group of Northwestern grads, this New York City– and Los Angeles–based nonprofit provides after-school writing and drama programs to underserved schools and produces stage shows for the public. To accommodate growing ticket sales, Story Pirates founded a for-profit of the same name. The two organizations are linked through licensing agreements that allow them to share their name and content.

#### **Parent Earth**

The for-profit Parent Earth Inc. and the nonprofit Parent Earth Foundation have the same mission— to educate the public about healthy eating habits—but they perform different duties. From offices in New York City, the nonprofit produces educational videos about food, while the for-profit generates advertising revenue on ParentEarth.com and pursues sponsorship opportunities. With this structure, the for-profit will be able to sustain the nonprofit while it waits for grant funding.

## **4- PROPOSED INITIATIVES**

### **4.1- INTRODUCTION**

When CI took the LCT challenge, the overall approach was to come up with high impact sustainable projects which will address social issues plaguing our society. The group was encouraged to be creative and innovative and to keep it simple.

CI began by exploring the option of using the facility as an orphanage as it was initially planned by LCT. However, ground realities have changed since the facility was initially planned. Firstly, most of the children orphaned in Kashmir due to the conflict happened between 1990 and 2000. These children are now young adults with different set of issues. And secondly, institutionalized care is not recommended by experts and child psychologists for orphans and vulnerable children. CI recommends a more holistic, community based approach, where vulnerable children get a complete solution without displacing them over orphanage care. Not only these vulnerable children get basic necessities so that they can go to school; their guardians receive livelihood support so that they can raise their families in a nurturing way and become good role models for their children. So the orphanage option for the facility was dropped. The option of using the facility as a hostel for vulnerable children from remote villages who could get education in neighboring schools in Tangmarg around the LCT facility was also dropped for the same reason.

Sport and physical activity are rapidly gaining recognition as simple, low-cost, and effective means of achieving development goals. Over the past decade, UN agencies, international sport federations, international and national non-governmental organizations (NGOs) and national governments have been using sport as a tool for development and peace. The Overall goal of sports related initiative is to provide a safe and healthy environment for children and youth where they can practice sports and use it as a mean for leading genuine social change in their communities.

While well-designed Sport for Development and Peace programs hold significant potential to help drive the attainment of development goals, sport alone cannot ensure peace or solve

complex social problems. Also, it would be difficult to make this option sustainable because it does not generate any revenue.

CHINAR International (CI) also explored the other for profit options for the facility that could be pursued either under the Social Business Hybrid Model or as a single business unit. For Example, turning the facility into Hotel resort is one such option. However, the success of such a venture will be totally dependent on the political climate of the valley which has been very fragile apart from the last year and half. The scale of infrastructure and investment also is huge to realize this project.

The other project explored on the same scale is a world class boarding school for the toppers from all areas of the state of J&K along with a quota for vulnerable children. Like the Hostel resort option, the initial investment is huge to realize this project and sustainability a major concern.

After thorough research and survey of the community, we have identified our target group/s (beneficiaries) and the model to incubate and launch multiple initiatives in our facility and at the same time focus on innovation as well. We can achieve this by turning the facility (a part of it or full) into a *Social Business Incubation Centre*. The type and scale of the initiative/s that we can incubate and launch in our incubation center depends upon the number of factors, for example - availability of micro-finance, market, management to name a few. The goal of the incubation centre will be to help create and grow young businesses by providing them with necessary support and financial and technical services to overcome start-up challenges.

During the first phase of any proposed initiative/s, we may only require land and in certain cases we may only need the building and in some cases both may be required; it purely depends on the type and the scale of the initiative/s. It will be the responsibility of the LCT and CI to support and manage any initiative and eliminate all the hurdles to launch a successful initiative/s.

In order to test our assumptions and understand the multiple nuances of any initiative/s, CI can launch 1 or 2 pilot initiative/s either by engaging entrepreneurs or on its own. In case CI decides to run pilot initiative/s on its own, it will purely act as a safety valve to sustain the multiple initiatives

either under execution or for the future initiatives. This will also help CI to identify multiple challenges as well as provide CI an opportunity to learn new things which can be shared with target beneficiaries / entrepreneurs.

To start with, CI proposes to use the building for two for profit initiatives - Youth Hostel and Craft Centre/Training facility and gradually utilize the whole building for other business initiatives over a period of time by internal research and soliciting business plan ideas from budding entrepreneurs.

The tourist season has picked up in the last two years and most hotels are overbooked and there is a great demand for cost effective hotels in general and in particular from tourist places. As the facility is closer to the Gulmarg, the later argument makes it a more viable proposition. The Craft Centre option is discussed in detail in the Section 4.11 under example Business Idea-3.

It is pertinent to mention here that Social Business Incubator model (under Social Business Hybrid Model) has not been tested in the valley so far at the social sector level and we (CI and LCT) will be the first ones to test it and launch it. This vacuum provides us (CI and LCT) a huge opportunity to change the lives of the people in general and youth (including orphans and vulnerable youth) in particular to have a large scale social impact.

## **4.2- ASSESSMENT / INVESTMENT**

Before embarking on any project initiative/s, assessment of the infrastructure required and the investment should be done on top priority basis. We have to keep the building as well as the land ready for any possible initiative/s. Even though it is very sketchy this time as to what type of assessment / investment is required but having a clear strategy in mind will save lot of time going forward.

For example CI/LCT might have to create infrastructure for a poultry initiative/s or even for a small business which cannot be done inside the building. These can be like kiosks and will be critical for the growth of any proposed possible business initiative. They will act like social incubators where all types of businesses will be incubated for a certain time period.

## **4.3- BRANDING (LCT / CI)**



For the success of any initiative/s, branding plays a defining role. It is not about the branding of the products only but it is more about our (LCT and CI) initiative so that more and more people know what type of work we are doing in the facility. The facility can be branded as “**Centre For Social Business Incubation And Innovation**”.

It will be the joint responsibility of the CI and LCT to create a brand (name of the facility, the later cannot be referred to as facility every time and should have some name which is a reflection of our cultural values and humanity) and continuously promote it.

#### **4.4- MICRO-FINANCE**

**Micro-Finance** is usually understood to entail the provision of financial services to micro-entrepreneurs and small businesses, which lack access to financial services due to lack of knowledge, high transaction costs, processing time, eligibility requirements, etc etc.

CHINAR International has experience of successful implementation of livelihood project involving Micro-finance as one of the major components under its flagship project Remote Family Sponsorship Program (RFSP).

For any proposed possible initiative/s in the facility, Micro-Finance will act as one of the core component as it will help in reducing the entry barriers to the businesses and encourage more and more entrepreneurs to come forward with ideas and business proposals. The quantum of Micro-Finance will be different for each proposed initiative/s.

#### **4.5- PROFIT SHARING AND REPAYMENT SCHEDULE**

The purpose of profit sharing under social business is different than for-profit model. A business model describes how the program or initiative will work and how it will sustain itself. Social enterprises and social purpose businesses have the added goal of generating social value (measurable impact) in addition to the economic value (revenue).

Sustaining any initiative under Social Business banner is very challenging as the source of funding (Micro-Finance) to support multiple initiatives is not always clear and available and in order to

overcome the funding challenges, the later is generated via contributions by businesses under the Social Business Model. Businesses contribute 20% of their profit to sustain the model and achieve larger social impact.

Apart from paying 20% of their profits, businesses every year ( during the incubation period: 2-3 years) also pays xx %age as an installment to repay their Micro-Finance.

CI strongly recommends to adopt and apply the above discussed methodology for any type of proposed initiative/s in the facility.

#### **4.6- ALLOCATION OF SPACE (INCUBATION PERIOD)**

Under the above discussed Social Business Hybrid Model, selected entrepreneurs will be provided with incubation facilities (Office and Land) to foster entrepreneurship in the community, help create jobs by supporting new business ventures, stimulate growth by promoting a diversification of business opportunities and facilitate the transition to business ownership for youth seeking a new career path.

This incubation facility will provide a platform to the budding entrepreneurs to come closer and share their business ideas, act on their ideas and convert their ideas in to successful businesses. The incubation facility will act a spring board to the entrepreneurs to kick start their business, as we all know the first phase of any initiative/s is critical and needs a comprehensive strategy and guidance (mentorship) to take it to the next level. During the incubation period mentoring of the entrepreneurs will be done on regular basis.CI will network selected entrepreneurs with sectoral experts and share with them the success stories and best practices adopted worldwide related to individual businesses.

The duration of incubation period will depend on the nature and scale of the proposed initiative/s. Selected entrepreneurs will be provided with incubation facility as per their proposed business plans. As already mentioned in the above sections, in certain cases, only office space might be required and in certain initiatives only land will be required and in certain cases both will be required, it entirely depends on the nature of the proposed initiative/s.

#### **4.7- ELIGIBILITY CRITERIA (DRAFT)**

A well defined eligibility criteria will help in achieving our (CI and LCT) goals and objectives and maximize the social impact. It should be broad based and inclusive. Proposed eligibility criteria in its basic form is given below and can be modified / elaborated after detailed discussions and deliberations internally and with our partner organization LCT:

- Age group 18-36 years,
- Education Qualification: Preferably Graduates but entrepreneurs having passed 10+2 should also be considered ,
- Should be resident of J&K. In the first phase of the project entrepreneurs who hail from District Srinagar, Baramulla and Budgam will be selected for the support and in the second phase entrepreneurs from the remaining districts of Kashmir Division will be selected. Entrepreneurs from Tangmarg area particularly who live closer (from the survey areas) to the facility will be given a high preference.
- Have a potential business idea or any other initiative with large scale social impact
- Demonstrate passion, drive and commitment to his/her idea / project
- Have ownership of your idea/project and autonomy for decision-making.
- Demonstrate at least some initial actions you have taken toward establishing your business (optional)
- Preference to orphans and vulnerable youth

#### **4.8- SELECTION PROCESS**

Entrepreneurs will be selected as per the following process:

**4.8.1- Call For Application:** We will invite application from potential entrepreneurs (from 3 districts) by putting an advertisement in news papers, social media postings, word of mouth and pamphlets to reach out to as many people as we can. Candidates/ entrepreneurs will be also able to download Application Form from our website.

Wide publicity will be given to the event to maximize the participation. This will also help in the branding of our Social Business Incubator and Innovation Centre.

**4.8.2- Submission of Applications:** Filled Application forms with Business Plan will be received by CHINAR International office in Srinagar.

**4.8.3- Review of Applications:** Applications will be reviewed and categorized as per the submitted business plan (ideas) by the team of experts. Each section of application form will carry points and the candidate with higher points will go to the next level. Higher weightage will be given to the business plan section.

**4.8.4- Shortlist/Selection:** Top 10/20 Shortlisted candidates will be called for interview. Interview of the candidates will be held either at CI office, Srinagar or in the Facility (Tangmarg). Interview process will also carry some points and that will add up to the final total. After the interview process Top 10 finalists will be selected for the support. The selection list along with the profiles (including their proposed business plan or initiative) of the selected entrepreneurs will be uploaded on the website. Selection list will be also published in the newspaper.

**4.8.5- Memorandum of Understanding:** Selected Entrepreneurs will sign Memorandum of Understanding with the Social Business Incubator. The MoU will carry all the legal aspects of the proposed businesses by an entrepreneur e.g: allocation of space, micro-finance, repayment of micro-finance, contribution towards the social business from annual profits, patents, marketing, etc etc.

#### **4.9- EXAMPLE BUSINESS IDEA -1 (POULTRY)**

The State of Jammu and Kashmir has been badly dishevelled by unemployment dilemma which is assuming dangerous enormity with every passing day. Educated youth prefer Government jobs but due to shortage of resources, the State Government cannot provide jobs to most of them. The self employment schemes provide bountiful employment generation avenues to tackle unemployment besides improving the economy of the State. The poultry industry is one of such endeavour which could gratify to such a problem.

As poultry production is a prime example of a vertically integrated agricultural industry, with intensive rearing systems of birds of efficient feed conversion ratios and products of handy size and ready marketability, it is not surprising that it is currently showing the strongest growth in output of any category of meat. World-wide, it is a huge industry. The National Committee on Human Nutrition in India has recommended per capita availability of 180 eggs (one egg every two days) and 10.8 Kgs of meat per year in comparison to the present availability of 33 eggs and 630 grams of poultry meat at the national level. This shows that there is implausible scope for growth. It is estimated that, at present, Indian poultry industry contribution to the Gross Domestic Product (GDP) is about Rs. 300 billion.

As per the latest data available, about 400 lakh birds are being annually consumed in Kashmir Province alone, while as about 140 lakh birds are being reared locally, the inputs like day old chicks, feed, etc., also being imported, which is indicative of substantial imports of about 100 per cent from outside Valley. Annually, economy in the order of Rs. 400 crores from Kashmir Valley is being sapped to outside States for the poultry imports. The huge production potential of poultry needs to be harnessed by the unemployed youth which is capable of generation of employment to thousands in our Valley alone.

The demand and supply gap has to be met by local production involving unemployed youth.

The local poultry industry has to meet the biggest challenge of high cost of inputs which is mainly due to imports of feed and feed ingredients from outside States. A long term plan and campaign on grow more maize. At farmers level, extension education to prevent wastage of poultry feed is necessary. If a farmer can manufacture his own feed, the savings can be obtained to the extent of Rs. 2000 per ton.

The figures for the egg production in the Valley have a story to tell. Organised layer farming under semi-intensive system has not been a success here due to the high production cost of the egg.

- 1. Local Production of Table Eggs (Backyard Production only) 2943.2 lakhs per annum**
- 2. Demand: 3101.14 lakhs per annum**
- 3. Current Deficit: 157.94 lakhs per annum**
- 4. Projected demand of table eggs after 5 years: 4500 lakhs per year**
- 5. Per Capita Availability of Eggs: 70 eggs**

#### **Estimated Cost of the Project:**

The Estimated Cost of the project is **Rs 4, 70,820/-** The breakdown of the cost is given below:

- Infrastructure: Rs.3,69,000/-
- Raw Material for the 1st Batch: Rs.41,820/-
- Cost of Plant and Machinery: Rs.20,000/-
- Costs on fixed Assets / Possessions : Rs.30,000/-
- Miscellaneous Expenditure: Rs.10,000/-

## Recovery Schedule/Plan

As already discussed in above sections, necessary infrastructure to incubate the businesses will be created by the trust (LCT) and the entrepreneurs who are selected for the project will be given the required microfinance which will be used to buy the raw-material (chicks in case of a poultry business). The microfinance will also include the raising expenses (Feed, Medicine, saw Dust) for first batch of the chicks. Each hatch will be of 45 days and there will be 7 hatches in a year.

Once the chicks are 45 days old, they will be sold in the local market. Out of the profit of the first batch xx% (of profit) will go towards Social Incubator which will be used to achieve goals and objectives of LCT/CI or towards the expansion of the Social Business Incubator. After these deductions will remain the Net Profit and yy% of the Net Profit will be retained by the entrepreneur.

PROJECTED ONE YEAR RETURN ON INVESTMENT (RoI) IN POULTRY BUSINESS									
Batch	Investment Capital (A)( Micro Finance)	No. of chicks	Sales (B)	Profit C=(B-A)	Amount towards Repayment of Micro finance (D)	Amount paid towards Incubator E=20% of C	Net profit F=C-D-E	Amount Retained by Entrepreneur 60% of Profit	Amount for Entrepreneur's business expansion 40%
1st Batch	40,000.00	500	71,250.00	31,250.00	5,714.29	6,250.00	19,285.71	11,571.43	7,714.29
2nd	47,714.29	595	84,787.50	37,073.21	5,714.29	7,414.64	23,944.28	14,366.57	9,577.71
3rd	57,292.00	715	101,887.50	44,595.50	5,714.29	8,919.10	29,962.11	17,977.27	11,984.85
4th	69,276.85	865	123,262.50	53,985.65	5,714.29	10,797.13	37,474.23	22,484.54	14,989.69
5th	84,266.54	1050	149,625.00	65,358.46	5,714.29	13,071.69	46,572.48	27,943.49	18,628.99
6th	102,895.53	1285	183,112.50	80,216.97	5,714.29	16,043.39	58,459.29	35,075.57	23,383.72
7th	126,279.25	1575	224,437.50	98,158.25	5,714.29	19,631.65	72,812.31	43,687.39	29,124.93

### NOTE:

1. Rate per chick is Rs.25/- and raising expenses per chick is Rs.55/-.
2. Amount retained by the entrepreneur is 60% of the net profit per year or per sale.
3. Amount used for expansion of his (Entrepreneurs) Business is 40% of the profit
4. Amount with the Entrepreneur at the end of the 7<sup>th</sup> batch will be capital of 7<sup>th</sup> batch plus total retained amount
5. Amount paid towards the Centre For Social Business Incubation and Innovation (CFSBII) is 20% of the Profit

6. Entrepreneur repays Micro-Finance in equal installments after the first hatch either quarterly or per hatch.
7. The figures in the above mentioned table are purely for projection purposes and are sensitive to the market prices of different components involved in the overall calculations of the net-profit.
8. In this example, Entrepreneur will receive Rs.40,000/- as Micro-Finance to start his/her business.

#### **4.10 – EXAMPLE BUSINESS IDEA -2 (SHEEP BREADING)**

The State of Jammu and Kashmir is ideally suited for rearing of sheep and goats owing to its favorable agro-climatic conditions, rich alpine pastures and host of other natural endowments. Sheep and goat rearing is the core activity of rural masses in the State and plays a vital role in socio-economic upliftment of weaker sections of the society viz; Gujjars, Bakerwals, Chopans, Gaddies and Changpas.

In Jammu and Kashmir, animal husbandry plays a significant role as 0.13 per cent of gross domestic product (GDP) of the state is contributed by this sector. The state has a precious wealth of livestock in form of cattle-buffalo, sheep, goats, poultry, etc. The cattle and poultry amongst all the livestock are considered the most important tool for the development of the rural economy. The production of pashmina shawls and other animal products like carpets, shawls and blankets of Kashmir earn handsome foreign exchange for the nation. Therefore livestock industry in the state has vast scope for development rendering quick economic returns.

The sheep industry is a huge industry and everyday meat worth Rs two crores is sold across the Kashmir," With its demand increasing on every Eid-ul-Azha, the Valley represents an estimated Rs 130 crore market for the sacrificial animals. About the consumption of meat other than obtained from sacrificial animals on Eid, about 75,000 goat and sheep are imported to meet the demands. More than two lakh sacrificial animals (goats and sheep) supplied by local Gujjar and Bakerwals in addition to the imported ones. Further on an average the cost of a sacrificial animal ranges from Rs 6000 to 6500 and could be even more depending upon its weight.

In terms of livestock production, there is a gap between demand and supply. Due to the climatic condition there is great demand for meat and warm clothes in the valley. The breeds of animals

available in the valley are not able to provide both components in sufficient quantities. This sector provides direct employment to about two lakh people, indirectly benefiting people who are dependent on agriculture. Sheep rearing is also an important industry of the region. The fine quality of wools produced by the sheep are used for weaving colorful and attractive woolen carpets, shawls and other woolen garments that form an integral part of the handloom products of the state.

#### PROJECTED 10 YEAR RETURN ON INVESTMENT (RoI) IN SHEEP BREEDING BUSINESS

Years	Sheep	Cost per sheep	Total Cost	New sheep	Rounded New Sheep	Male	Rounded Male	Female	Sheep's sold	Sale Price per sheep	Earnings	Expenditure	Profit	Amt To SB	Microcredit	Cumulative Microcredit	Net profit	Cumulative Profit
1	10	4,000	40,000	7	7	4	4	3	4	4000	16,000	1,500	14,500	725	4,133	4,133	9,643	9,643
2	13			9	9	5	5	4	5	4,500	22,500	1,950	20,550	1,028	5,857	9,989	13,666	23,308
3	17			12	12	6	6	6	6	4,500	27,000	2,550	24,450	1,223	6,968	16,958	16,259	39,568
4	23			16	16	8	8	8	8	5,000	40,000	3,450	36,550	3,655	9,869	26,826	23,027	62,594
5	31			22	22	11	11	11	11	5,000	55,000	4,650	50,350	5,035	13,595	40,421	31,721	94,315
6	42			29	29	15	15	14	15	5,500	82,500	6,300	76,200	7,620	20,574	60,995	48,006	142,321
7	56			39	39	20	20	19	20	5,500	110,000	8,400	101,600	10,160	27,432	88,427	64,008	206,329
8	75			53	53	26	26	27	26	6,000	156,000	11,250	144,750	14,475	39,083	127,509	91,193	297,521
9	102			71	71	36	36	35	36	6,000	216,000	15,300	200,700	20,070	54,189	181,698	126,441	423,962
10	137			96	96	48	48	48	48	6,500	312,000	20,550	291,450	29,145	78,692	260,390	183,614	607,576

#### 4.11- EXAMPLE BUSINESS IDEA -3 (CRAFT CENTRE)

Embroidery of Jammu and Kashmir is known for their unique artistry they have been following for decades. The embroidery, that is the pride of the state, is famous not only in India but all over the world for its excellent selection of materials.

Embroidery of Jammu and Kashmir comprises the Kashmiri crewelwork or Chain stitch. This stitch is favoured for its exclusive crewel embroidery which is employed to make the wall hangings and rugs.



The Kashmiri artisans create different items following the practice of Chain stitch. This is done by hook rather than needles on white backgrounds with wool, silk or cotton. This embroidery is more popular in this state than any other kinds of needle work. The artisans illustrate their ideas from the landscape and the surrounding beauty that prevail in the vicinity. The main patterns that are incorporated by the artisans in their creations include motifs of chinar leaves, cypress cones, the lotus and almonds.

Embroidery of Jammu and Kashmir is also known for the Kashida style of embroidery. This style of Kashmiri embroidery has a wide variation and is created with a rich variety of colours with exquisite designs. This is created by the artisans on shawls or saris and the created items are good to look at from both sides. Sometimes sujni stitch is also employed for creating exclusive designs on shawls. The embroidery of Jammu and Kashmir includes a number of stitches that are used to create different designs on the base materials.

Embroidered shawls of Jammu and Kashmir reflect the artistry and creativity prevalent in the state. The famous Pashmina shawls which are the hallmark of the embroidery of Jammu and Kashmir are embellished with fine silk thread. The fabric of this shawl is derived from the smooth brushed wool of Kel goat by the handloom artisans who are usually womenfolk. Another popular shawl made in Jammu and Kashmir is the `ring shawl`. The shawl has earned the name of `ring shawl` for the smoothness of the material that can pass effortlessly through a ring. The artisans of Jammu and Kashmir create a rare and different type of shawl that is famous as Jamavar shawl in the different regions of India. The charm and excellence of this famous shawl is bestowed by the brilliant use of coloured yarn and life like designs that are taken from the architectural and mythological backgrounds of this state.

Under Social Business Incubator, we can have a craft center facility for the different group/s of women (men can be also part of it) and incubate the business by introducing new and modern trends in the creation of different products which has local and international buyers as well. We can link fashion designers with the craft center and create a mix of designs while preserving the essence of Kashmiri artistry – fusion. This will help create a new brand and employment for many skilled people. Also, these groups will have a mutual interest in the success of the brand and they will work hard to maintain the quality and the standards. This will in turn create more opportunities for these groups and will have a better monthly income to improve the quality of their lives.

Linking these groups with the international markets will be one of the core responsibilities for the management of the Social Incubator. A complete analysis of the value chain / market chain is required in order to understand the different actors involved in the process and at different levels.

#### **4.12- EXAMPLE BUSINESS IDEA -4 (BUSINESS PROCESS OUTSOURCING BPO)**

The service industry forms a backbone of social and economic development of a region. It has emerged as the largest and fastest-growing sectors in the world economy, making higher contributions to the global output and employment. Its growth rate has been higher than that of agriculture and manufacturing sectors. It is a large and most dynamic part of the Indian economy both in terms of employment potential and contribution to national income. It covers a wide range of activities, such as trading, transportation and communication, financial, real estate and business services, as well as community, social and personal services. In India, services sector, as a whole, contributed as much as 68.6 per cent of the overall average growth in gross domestic product (GDP).

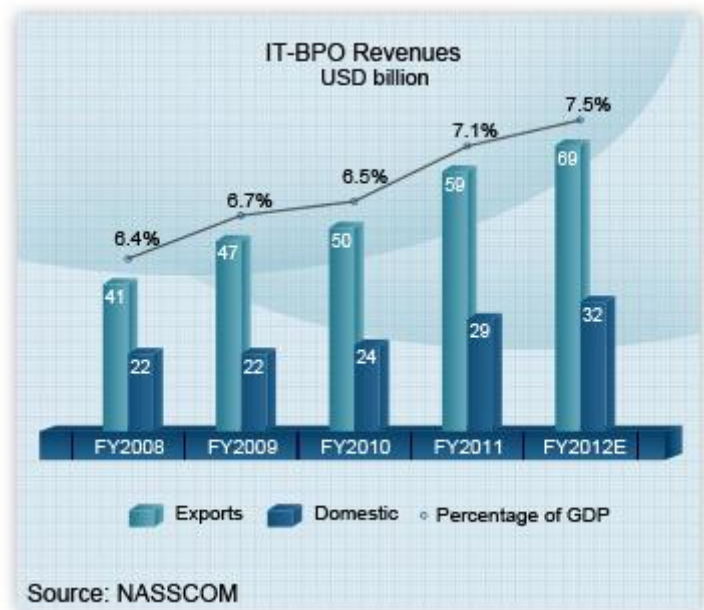
##### **Indian IT-BPO Industry- Snapshot**

FY2012 is a landmark year – while the Indian IT-BPO industry weathered uncertainties in the global business environment, this is also the year when the industry is set to reach a significant milestone – aggregate revenue for FY2012 is expected to cross USD 100 billion. Aggregate IT software and services revenue (excluding hardware) is estimated at USD 88 billion.

##### **Key Highlights during FY2012**

- Milestone year for Indian IT-BPO industry-aggregate revenues cross the USD 100 billion mark, exports at USD 69 billion
- Within the global sourcing industry, India was able to increase its market share from 51 per cent in 2009, to 58 per cent in 2011, highlighting India's continued competitiveness and the effectiveness of India-based providers delivering transformational benefits
- Export revenues (including Hardware) estimated to reach USD 69.1 billion in FY2012 growing by over 16 per cent; Domestic revenues (including Hardware) at about USD 31.7 billion, growing by over 9 per cent

- Software and services revenues (excluding Hardware), comprising nearly 87 per cent of the total industry revenues, expected to post USD 87.6 billion in FY2012; estimated growth of about 14.9 per cent over FY2011
- Within Software and services exports, IT services accounts for 58 per cent, BPO is nearly 23 per cent and ER&D and Software Products account for 19 per cent



- The industry continues to be a net employment generator - expected to add 230,000 jobs in FY2012, thus providing direct employment to about 2.8 million, and indirectly employing 8.9 million people
- As a proportion of national GDP, the sector revenues have grown from 1.2 per cent in FY1998 to an estimated 7.5 per cent in FY2012
- The industry's share of total Indian exports (merchandise plus services) increased from less than 4 per cent in FY1998 to about 25 per cent in FY2012
- While the global macroeconomic scenario remained uncertain, the industry exhibited resilience and adaptability in continually reinventing itself to retain its appeal to clients
- Embracing emerging technologies, increased customer-centricity, deepening focus on new markets, adopting new business models are some successful growth strategies followed by the industry

There is an opportunity for Kashmiri IT sector to get benefitted from the flourishing IT Sector of India. We can exploit our talent and learn from the success stories and take baby steps to achieve at least the basic targets and start at the very base of the BPO pyramid and gradually qualify as the competitive outsourcing destination.

The IT industry of Kashmir is still in its embryonic stage. The companies are coping with infrastructural inadequacies and policy paralysis but there are many IT companies who are doing

well despite these hurdles by identifying niche markets and investing in overcoming infrastructural issues.

The building blocks required for the sector to thrive and do well is available in Kashmir, effort is required to put these pieces together and give it a shape and create success stories. The incubation of any type of BPO will help in creating employment for hundreds of educated un-employed youth as well as a high income generating business unit.

#### **Different Types of Services Being Offered By BPO's :**

1. Customer Support Services
2. Technical Support Services
3. Telemarketing Services
4. Employee IT Help-desk Services
5. Insurance Processing
6. Data Entry Services / Data Processing Services
7. Data Conversion Services
8. Scanning, OCR with Editing & Indexing Services
9. Book Keeping and Accounting Services

#### **COST**

The estimated cost of this dummy project includes Start up costs of Rs 1,097,000/- which includes costs on purchase of equipments, upfront costs, as well as recurring and non recurring expenditures (for break-up of costs see table below).

<b>ESTIMATED COST FOR SETTING UP A 15 SEATER CALL CENTRE FACILITY</b>		
<b>Initial Investment</b>		
<b>Investment</b>	<b>No.</b>	<b>Amount in INR</b>
Laptops	15	375,000.00
Server		60,000.00
Furniture		67,000.00
Diesel Generator		80,000.00
Head Sets		15,000.00
Up Front costs /MoU		500,000.00
<b>Total</b>		<b>1,097,000.00</b>
<b>Expenditure</b>		
		<b>Amount in INR</b>
Salary		120,000.00
Petrol		15,000.00
Tea		4,000.00
Driver charges		5,000.00
Broad band fees		10,000.00

<b>Total Cost For Month</b>	<b>154,000.00</b>
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## Revenue

The revenue for this 15 seater dummy call centre will be \$15,600/- (Rs.748,800/-) per month. Each shift will be of 8 hours and each seat will be paid \$5 per hour.1\$=Rs.48/- For details see table below:

Revenue For The Month		
Revenue	Dollars	INR
For 1 seat/hour	\$5	240.00
For 15 seats/hour	75	3,600.00
For 15 seats/day (8 hours/day)	600	28,800.00
<b>For 15 seats/month</b>	<b>15,600.00</b>	<b>748,800.00</b>
<b>Revenue For the Month</b>		<b>748,800.00</b>

## Profit

As compared to other sectors, profits in BPO sector are much higher. The total cost of the project per year will be initial investment of **Rs 1,097,000** plus recurring and non recurring expenditures for the year i.e. **Rs 1,54, 000\*12** which comes **Rs 18, 48,000/-** . Thus the total cost for the year will be **Rs 29, 45,000/-** . The revenue for the month is **Rs 7, 48, 000/-** which makes it **Rs 89, 85,600/-** for the year. Accordingly the profit for the year comes to be **Rs 60, 40,600/-** (see table below)

<b>Cost For The Year(A)</b>	<b>2,945,000.00</b>
<b>Revenue For The Year(B)</b>	<b>8,985,600.00</b>
<b>Profit For The Year(B-A)</b>	<b>6,040,600.00</b>

## WORK PLAN FOR THE NEXT SIX MONTHS

ACTIVITIES	MONTHS					
	1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>	5 <sup>TH</sup>	6 <sup>TH</sup>
<ul style="list-style-type: none"> <li>• Memorandum of Understanding (MoU) between CI and LCT</li> <li>• Assessment of building</li> <li>• Repairs to the building</li> <li>• Fixing of path to the building</li> <li>• Fixing of the Gate</li> <li>• Building Facelift</li> <li>• Car Parking Space</li> <li>• Partial leveling of land in front of the building</li> <li>• Construction of a shed for poultry or any other business activity (depends upon the business plan of a selected entrepreneur) on the land</li> </ul>						
<ul style="list-style-type: none"> <li>• Hiring of Staff</li> <li>• Furniture and Fixtures for the kitchen mess, youth hostel, poultry shed, craft centre / training facility and BPO</li> <li>• Buying Stationary, laptops for the Facility</li> <li>• Branding of the Facility (brochure, brand video, pamphlets, web site)</li> </ul>						
<ul style="list-style-type: none"> <li>• Developing Business Plan Application Form</li> <li>• Solicit Business Plan Application from entrepreneurs</li> <li>• Short listing of entrepreneurs</li> <li>• Interview of entrepreneurs</li> <li>• Selection of first 5 or 10 entrepreneurs</li> <li>• Signing of MoU with entrepreneurs</li> <li>• Distribution of Micro-finance in a public function</li> </ul>						
<ul style="list-style-type: none"> <li>• Getting the youth hostel / BPO / Craft / Training Centre ready</li> <li>• Strategy to attract tourists to the youth hostel</li> <li>• Identification and selection of women for craft center</li> <li>• Creation of a women social groups for craft center</li> <li>• Identification of products for craft</li> </ul>						

<p>centre</p> <ul style="list-style-type: none"> <li>• Developing web site for the craft centre</li> <li>• Research/Improvement/identification of the craft centre value chain to maximize the returns / profits <ul style="list-style-type: none"> <li>○ Innovation of the products</li> <li>○ Domestic / International markets</li> <li>○ Partnerships</li> <li>○ Trainings</li> </ul> </li> <li>• Marketing of the products created / developed in craft centre</li> </ul>						
<ul style="list-style-type: none"> <li>• Strategy for starting a BPO (min 25 seater capacity) <ul style="list-style-type: none"> <li>○ Infrastructure</li> <li>○ Investment</li> <li>○ Human Resource</li> <li>○ Research</li> <li>○ Partnerships</li> <li>○ Contract</li> <li>○ Management</li> <li>○ MoU</li> <li>○ Inauguration of BPO</li> </ul> </li> </ul>						
<ul style="list-style-type: none"> <li>• Plan For Next 12 Months</li> </ul>						

## **Annexure I Goals and Objectives of CI**

- To provide a stable and nurturing environment for orphans and vulnerable children, which encourages and equips them to reach their highest potential and effectively meet challenges in life.
- To empower widows, destitute families and young adults so that they can be self-reliant and successful members of society.
- To focus on development areas to support the core mission listed above like education, advocacy, microfinance etc.
- To use sports effectively as tool for bringing about a lasting positive change in the lives of children and young people. .
- To promote purposeful education and inculcate moral principles among the children and help to bring them up as useful citizens of the country.
- To create support networks of like-minded individuals, groups, organizations, and institutions, that could help in sharing of experiences and resources of both within and outside the region and for that purpose organize seminars, workshops, field trips, discussions, and debates.
- To foster grass roots economic development to support core mission.

### **Core Principles**

- Financial Transparency
- Unconditional donations
- Religious tolerance
- Empowered mothers
- Quality of care for children
- Societal integration
- Programs Based on sound research
- Cognizant of cultural and religious diversity



## **CHINAR INTERNATIONAL (CI)**

CHINAR International (CI) is a non-profit charitable Trust registered in Srinagar in partnership with CHINAR USA a non-profit organization registered in VA, USA (EIN# 76-0728295 – Jan 15th, 2003). The mission of CI is to provide psychosocial rehabilitation of orphans, vulnerable children and destitute families so that they reach their highest potential and effectively meet challenges in life.

CI has laid a solid foundation by putting together a vibrant team of young professionals in its office in Baghat, Srinagar. In less than 2 months of its existence CI has successfully launched a project in a remote village in Shopian district which involves remote support of 15 orphans and vulnerable children and 5 families covered under a microfinance project. Besides, CHINAR USA has successfully initiated and delivered multiple projects in Kashmir in collaboration with partner organizations since 2004.

**Annexure II**  
**Six Month Work Plan**

	MONTHS					
ACTIVITIES	1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>	5 <sup>TH</sup>	6 <sup>TH</sup>
Project Work Plan						
Hiring of Staff Furniture and Fixtures Buying Laptops/ Stationery Staff Orientation						
Research Field Visit Community Data Collection Central Database						
Brain Storming Ideas Web Research						
Data Analysis Data Interpretation Draft Reports						
Final Document						

<b>BUDGET STATEMENT FOR THE NEXT SIX MONTHS</b>			
<b>Recurring Expenditure</b>			
<b>Particulars</b>	<b>Number</b>	<b>Amount</b>	<b>TOTAL</b>
<b>CHINAR International (STAFF)</b>			
Manager	1	40,000.00	40,000.00
Finance Manager	1	35% of his time	7,000.00
Project Coordinator	1	15,000.00	15,000.00
Project Officer(Field)	2	12,000.00	12,000.00
Assistant Accountant	1	8,000.00	8,000.00
<b>Staff - Youth Hostel</b>			
Manager (Youth Hostel)	1	20,000.00	20,000.00
Receptionist	2	6,000.00	12,000.00
Cleaners	2	2,500.00	5,000.00
Cooks	2	5,000.00	10,000.00
Assistant Cooks	2	3,500.00	7,000.00
Room Attendants	3	3,000.00	9,000.00
Kitchen Boy	1	3,000.00	3,000.00
Laundry Boy	1	3,000.00	3,000.00
Assistant	1	4,000.00	4,000.00
<b>TOTAL For a Month</b>			<b>155,000.00</b>
<b>TOTAL For 6 Months</b>			<b>930,000.00</b>
<b>Mess Items For The Month</b>			
Milk			3,600.00
Sugar			1,500.00
Tea			1,500.00
Salt			500.00
Spices			5,000.00
Flour			3,000.00
Eggs			15,000.00
Butter			3,000.00
Oil			5,000.00
Rice			3,000.00
Jam			1,000.00
Vegetables			5,000.00
<b>TOTAL</b>			<b>47,100.00</b>
Total Recurring			977,100.00
<b>Non-Recurring Expenditure</b>			
<b>Bedding</b>			
<b>Quilts</b>	65	3,000.00	195,000.00
Blankets	65	1,200.00	78,000.00

Pillows	65	500.00	32,500.00
Matresses	50	6,000.00	300,000.00
Bedsheets	150	500.00	75,000.00
Bath Towels	50	200.00	10,000.00
<b>TOTAL</b>			<b>690,500.00</b>
<b>Branding</b>			
Branding Kit (brochures, flyers, Cards, banners, online advt, print advt, video CDs)			50,000.00
Website			65,000.00
<b>TOTAL</b>			<b>115,000.00</b>
<b>Furniture</b>			
Dining Table set	8	15,000.00	120,000.00
Chairs	60	1,500.00	90,000.00
Curtains For Six Rooms	6	20,000.00	120,000.00
EPABX(25 lines)			50,000.00
Chappals	80	150.00	12,000.00
Shoe racks	7	2,000.00	14,000.00
Sofa Sets	3	15,000.00	45,000.00
<b>TOTAL</b>			<b>451,000.00</b>
<b>Other Items</b>			
LCD	7	40,000.00	280,000.00
Vehicle (Van)	1	200,000.00	200,000.00
Door Mats	16	200.00	3,200.00
Fridge	2	20,000.00	40,000.00
Deep Freezer	2	15,000.00	30,000.00
Buckets	20	350.00	7,000.00
Mugs	20	50.00	1,000.00
Vaccum cleaner	3	8,000.00	24,000.00
<b>TOTAL</b>			<b>585,200.00</b>
<b>Kitchen Items</b>			
Rice Plates	70	60.00	4,200.00
Glass Sets	16	120.00	1,920.00
Cup sets	12	300.00	3,600.00
Tea Spoons	100	10.00	1,000.00
Fork	60	12.00	720.00
Table Knife	60	12.00	720.00
Rice spoon	10	150.00	1,500.00
Bunton (Big)	6	1,500.00	9,000.00
Bunton (Medium)	6	1,000.00	6,000.00
Bunton (small)	3	600.00	1,800.00
Pateelas	4	1,500.00	6,000.00
Kettle	10	600.00	6,000.00
Frying pan	6	800.00	4,800.00
Gas cylinders	6	3,000.00	18,000.00
Gas chola	3	3,000.00	9,000.00
Quarter Plates	70	50.00	3,500.00
Fridge Water bottles	24	50.00	1,200.00
Hot water bottles	62	250.00	15,500.00
Serving dongas	50	300.00	15,000.00

Serving Spoons	50	20.00	1,000.00
Knives	6	50.00	300.00
Spice dabas/sets	2	1,000.00	2,000.00
Seive	10	50.00	500.00
Tray	12	350.00	4,200.00
Pressure Cooker	2	3,000.00	6,000.00
Kent RO Water Purifier	1	20,000.00	20,000.00
Lighter	4	200.00	800.00
Kitchen Towels	12	150.00	1,800.00
serving Rice Plates	12	300.00	3,600.00
Naan Busket	12	60.00	720.00
Salt and Pepper Set	8	300.00	2,400.00
Napkin Holder	16	150.00	2,400.00
Tawa	6	700.00	4,200.00
<b>TOTAL</b>			<b>159,380.00</b>
<b>Grand Total</b>			<b>2,978,180.00</b>

**In Words: Rupees Twenty Nine Lacs Seventy Eight Thousand and One Hundred Eight only-**



ANNEXURE – III (SURVEY QUESTIONNAIRE)

# CHINAR International

PROJECT ---LCT  
Baseline Data (Family Data) -----Tangmarg

Serial No. CI/LCT/SUR/TM/ \_\_\_\_\_

Date of Survey \_\_\_\_\_

NAME		AGE	OCCUPATION	
HEAD OF THE FAMILY				
SPOUSE				
WIDOW/WIDOWER	YES	NO		
MONTHLY INCOME				
ADDRESS:				
TOTAL NO. OF PEOPLE IN THE FAMILY				
TOTAL NO. OF CHILDRENS IN THE FAMILY				
HEAD OF FAMILY, SPOUSE (SKILLED / UNSKILLED)				
TYPE OF SKILL				
CHILDREN PROFILE ( IN CASE OF GRAND CHILDREN PLEASE ATTACH A NEW SHEET)				
NAME	SEX/ AGE	EDUCATION	NAME OF SCHOOL	SKILL TYPE/JOB
REMARKS:				
DISTANCE TO THE SCHOOL :				
NUMBER OF PEOPLE UNEMPLOYED (above the age 18 years ) IN THE FAMILY:				

NUMBER OF CHILDREN WORKERS (below the age of 18 years) IN THE FAMILY:		
NUMBER OF PEOPLE EMPLOYED (above the age of 18 years) IN THE FAMILY:		
BENEFITS FROM ANY GOVERNMENT SCHEME	YES	NO
IF YES TYPE OF SCHEME		
BENEFITS FROM ANY NGO	YES	NO
IF YES TYPE OF BENEFIT		
STATUS OF HOUSEHOLD AS PER RATION CARD	• BPL	• APL
	• AAY	
<b>MEANS OF LIVELIHOOD</b>	<b>YES</b>	<b>NO</b>
LAND		
ORCHARD		
TREES OWNED		
IF YES, WHICH		
IF YES, WHETHER FRUIT PRODUCED IS USED FOR MARKETING OR CONSUMPTION		
LIVESTOCK		
POULTRY		
HORTICULTURE		
OTHER SOURCES OF INCOME		
ACCESS TO MEDICAL FACILITIES	YES	NO
NEAREST MEDICAL FACILITY AND DISTANCE		
ARE DOCTORS AVAILABLE IN THE CENTER?		
DRINKING WATER SOURCE		
SANITATION FACILITY	YES	NO
TYPE OF SANITATION FACILITY		
SOURCE OF LIGHTING		
<b>REMARKS /COMMENTS:</b>		

**Name of Surveyor**  
**Signature of Surveyor**

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**END IT HERE**