

USHA INTERNATIONAL – GURUGRAM
(USHA Social Services)

To : The Executive Chairman
From : USHA Social Services
Dated : 25th June 2019
Subject : Proposal for opening 1000 Usha Silai Schools in partnership with Small Industries Development Bank of India (SIDBI)

Background / Purpose: Proposal for opening 1000 Usha Silai Schools in partnership with Small Industries Development Bank of India (SIDBI) in Bihar, Jharkhand, Rajasthan, Telangana and Uttar Pradesh

1. Small Industries Development Bank of India (SIDBI) set up on 2nd April 1990 under an Act of Indian Parliament, acts as the Principal Financial Institution for Promotion, Financing and Development of the Micro, Small and Medium Enterprise (MSME) sector as well as for co-ordination of functions of institutions engaged in similar activities
2. SIDBI's initiatives are aligned to the national goals of poverty alleviation, employment generation, kindling entrepreneurship and fostering competitiveness in MSME sector
3. Taking a step forward, SIDBI wants to partner with USHA International Ltd. to train 1000 women of Backward States on sewing and stitching skills and helping them in opening Silai Schools
4. Silai School will be opened in Bihar, Jharkhand, Rajasthan, Telangana and Uttar Pradesh. 2 districts per state will be identified for the same.

Process:

1. A Financial agreement for a period of one year will be signed between UIL and Small Industries Development Bank of India (SIDBI) to take this initiative forward
2. Small Industries Development Bank of India (SIDBI) will purchase Usha sewing machines and will also bear training cost, material cost, sewing machine transportation cost and project monitoring cost
3. UIL will be responsible for conducting training for 7 days per batch.
4. UIL will monitor the program and will share periodical progress report / MIS to SIDBI
5. UIL will support Small Industries Development Bank of India (SIDBI) and bear following expenses for Branding / Marketing Collaterals:
 - a. Syllabus / Content in Vernacular language
 - b. Certificate of participation for women entrepreneur
 - c. Signage for women entrepreneur

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Financials:

- The total cost to be borne by SIDBI will be Rs. 2,13,67,675 + GST.
- The total cost to be borne by UIL for will be Rs. 21,78,000 /-.
- There should be 2 separate invoice to be raised by UIL to Small Industries Development Bank of India (SIDBI) against Equipment (from location warehouses for a total of Rs.43,65,000 /- + GST) and consultancy (from HO – Gurgaon for a total of Rs. 1,70,02,675 /- + GST).
- Payment Terms:
 - The Cost to be borne by SIDBI in respect of supply of sewing machines, parts and consultancy service shall be as contained in Annexure B which has been agreed upon by both parties.
 - The schedule for release of payment to UIL of Rs. 2,13,67,675/- (Rupees Two Crores Thirteen Lacs Sixty Seven Thousand and Six Hundred Seventy Five only) plus applicable GST shall be as hereunder:

Sno.	Particulars	Percentage Amount (%)	Pay by Date
1.	Payment against supply of Sewing Machine and Parts	100	Before the supply of Sewing Machine in respect of each Purchase Order placed by SIDBI.
2.	1 st Instalment of the Consultancy Services payable	70	Before the supply of Consultancy Services in respect of each Purchase Order placed by SIDBI.
3.	2 nd Instalment of the Consultancy Services payable	30	On completion of the Services i.e. opening of Usha Silai School.

- USS Program Coordinator will be given an advance of Rs.15000/- /- per batch on training locations for meeting the expenses including the purchase of training materials, taxi hire charges/ other expenses and settle the same against proper bills/details of expenses.
- These expenses will be out of the Silai School Budget, 2019-20.
- GST may change as per the Govt. of India regulation

Cost Sharing details of partners:

Amount to be borne by Small Industries Development Bank of India (SIDBI)		Amount to be borne by UIL	
Particulars	Amount	Particulars	Amount
Sewing Machines, Logistics, Training Raw Materials and Monitoring cost	Rs. 2,13,67,675*	USHA Brand Supportive Materials (Syllabus/Certificates/Signage)	Rs. 21,78,000

*GST will be charge extra as per the Govt. of India regulation.

Following factors considered for calculation of cost:

- a) Cost is directly attributable (Direct Cost) to the Project (1000 Silai School with SIDBI)
- b) The amount quoted is at Mark-up of 25% on Cost (20% on Amount Quoted) except sewing machine where amount quoted is Commercial Bulk Buyer (CBB) Price excluding GST.
- c) UIL Contribution is at Cost and does not include any mark-up and this is direct attributable to the Project.
- d) **UIL Contribution does not include apportionment of Management cost, administration and other infrastructure cost not attributable to the project.**

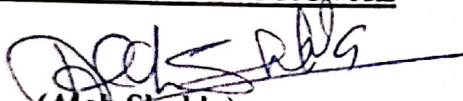
Impact:

1. UIL will be able to reach out to other 10 districts of Small Industries Development Bank of India (SIDBI)
2. Awareness about UIL and Silai School Program will be generated in these villages.
3. Creation of an environment where community encourages learning sewing as skill, which will give them hope, confidence and opportunity for future.
4. Skill enhancement of community members so that they may be self-employed and improve their own livelihood.
5. There is an opportunity of promoting Satellite Silai School out of this Centre

Annexure:

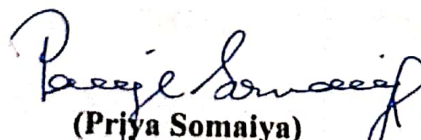
1. Budget details are attached in Annexure I
2. The roles and responsibilities of the Small Industries Development Bank of India (SIDBI) & UIL are given in Annexure II.

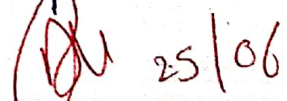
SUBMITTED FOR APPROVAL


(Alok Shukla)


(Vinod Mahajan)

(Harvinder Singh)


(Priya Somaiya)


(Dinesh Chhabra)

The above proposal is hereby approved.

26 JUN 2019
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2019.....

(Executive Chairman)

Chairman approved
on mail

Annexure I

Cost to be borne by Small Industries Development Bank of India (SIDBI)

S.No.	Particulars	Amount
1	Cost of Training of 1000 Women Entrepreneurs (WE) for 7 days in batch of 33 WE for 30 Batches.	42,50,125
2	Cost of Sewing Machine and associated cost of transportation.	49,90,000
3	Onsite hand holding support through Quarterly visit for 12 Months by UIL Program Coordinator	7,52,550
4	Training venue cost and NGO's Monitoring cost for 12 Months.	1,13,75,000
Total cost		2,13,67,675

Cost to be borne by USHA International Ltd (UIL)

S.No.	Particulars	Amount
1	Syllabus, Certificates, Entry in USS Software, Signage's, Transportation of Booklets, Signage's and Certificates	21,78,000
Total		21,78,000

Break-up of Cost mentioned in Annexure 1

A. Cost of Training of 1000 Women Entrepreneurs (WE) for 7 days in 1 batch of 30-35 WE.

Sr. No.	Main Particulars	Without GST (1)	With GST	Estimated calculated Cost (2)	Mark-up (1) - (2)
1	Travel cost of 2 USS Inspectress for 30 Batches.	2,25,000	2,65,500	1,80,000	45,000
2	Boarding & Lodging of 2 USS Inspectress for 420 Man-days	10,50,000	12,39,000	8,40,000	2,10,000
3	Food Cost for 2 USS Inspectress for 420 Man-days	2,10,000	2,47,800	1,68,000	42,000
4	Local Conveyance for 2 USS Inspectress for 420 Man-days	1,31,250	1,54,875	1,05,000	26,250
5	Overhead apportionment for 2 USS Inspectress for 420 Man-days	7,17,675	8,46,857	5,74,140	1,43,535
6	Travel cost of 1 USS HO Staff for 10 districts for 3 days	1,00,000	1,18,000	80,000	20,000
7	Boarding & Lodging of 1 USS HO Staff for 30 Man-days	1,31,250	1,54,875	1,05,000	26,250
8	Food Cost for 1 USS HO Staff for 30 Man-days	30,000	35,400	24,000	6,000
9	Local Conveyance for 1 USS HO Staff for 30 Man-days	30,000	35,400	24,000	6,000
10	Overhead apportionment (Salary) for 1 USS HO staff for 30 Man-days	3,75,000	4,42,500	3,00,000	75,000

11	Travel cost of 2 Mechanic for 30 batches.	1,50,000	1,77,000	1,20,000	30,000
12	Boarding & Lodging of Mechanic for 120 Man-days (2 Mechanic, 2 days, 30 batches)	1,50,000	1,77,000	1,20,000	30,000
13	Food Cost for Mechanic for 120 Man-days	37,500	44,250	30,000	7,500
14	Local Conveyance for Mechanic for 120 Man-days	37,500	44,250	30,000	7,500
15	Overhead apportionment (Salary) for Mechanic for 120 Man-days	1,24,950	1,47,441	99,960	24,990
16	Raw Material	7,50,000	8,85,000	6,00,000	1,50,000
	Subtotal (A)	42,50,125	50,15,148	34,00,100	8,50,025

B. Cost of Sewing Machine and other associated cost of transportation..

Sr. No.	Main Particulars	Without GST (1)	With GST	Estimated calculated Cost (2)	Mark-up (1) - (2)
1	1000 Sewing Machine -Usha Tailor Composite Foot (With standard table and Stand). Commerical Bulk Buyer (CBB) @ 4365 per machine excluding GST.	43,65,000	48,88,800	33,39,000	10,26,000
2	Transportation cost of 1000 Machines	3,12,500	3,68,750	2,50,000	62,500
3	Transportation cost of Booklet, Signage and Certificates	3,12,500	3,68,750	2,50,000	62,500
	Total (B)	49,90,000	56,26,300	38,39,000	11,51,000

C. Onsite hand holding support through Quarterly visit for 12 Months.

Sr. No.	Main Particulars	Without GST (1)	With GST	Estimated calculated Cost (2)	Mark-up (1) - (2)
1	Sewing Machine - RSM with Motor (12 at centre) DBP Rs 8,449 per machine	1,50,000	1,77,000	1,20,000	30,000
2	Usha Janome Wonder Stitch Sewing Machine with cover (2 machines) DBP Rs 9,932 per machine	3,00,000	3,54,000	2,40,000	60,000
3	Over lock sewing machine foot operated (1 per centre) DBP Rs 5,870 per machine	60,000	70,800	48,000	12,000
4	Machine Transportation cost of 15 Machines	37,500	44,250	30,000	7,500
5	Instruments for stitching (15 per participant)	2,05,050	2,41,959	1,64,040	41,010
	Total (D)	7,52,550	8,88,009	6,02,040	1,50,510

D. Training venue cost and NGO's Monitoring cost for period of 12 Months

Sr. No.	Main Particulars	Without GST (1)	With GST	Estimated calculated Cost (2)	Mark-up (1) - (2)
1	Food for 1000 WE for 7 days (1000 women participants)	17,50,000	20,65,000	14,00,000	3,50,000
2	Boarding charges. Stay arrangement for 1000 women including bedding, venue hall for training etc.	17,50,000	20,65,000	14,00,000	3,50,000
3	Traveling allowance for 1000 women (for the participants to come to venue and to go back with their sewing machines) 2 trips to and fro	2,50,000	2,95,000	2,00,000	50,000
4	NGO Monitoring cost for 12 months for 1000 Silai Schools	62,50,000	73,75,000	50,00,000	12,50,000
5	Monthly Monitoring & Tracking, Book Keeping, Accounts, Reporting, Telecom & Internet etc payment to NGO	6,25,000	7,37,500	5,00,000	1,25,000
6	Miscellaneous Expense of NGO	6,25,000	7,37,500	5,00,000	1,25,000
7	Sundry Expense (If Any)	1,25,000	1,47,500	1,00,000	25,000
	Total (D)	1,13,75,000	1,34,22,500	91,00,000	22,75,000

E. UIL Contribution - Certificate designing, printing, data entry of WE and learners for 1000 Silai Schools

Sr. No.	Main Particulars	Calculated Cost
1	Designing and Printing of Syllabus for 1000 Women Entrepreneurs (WE)	2,05,000
2	Designing and printing of certificate for 1000 Women Entrepreneurs (WE)	1,13,000
3	Certificate for 20000 learners	4,60,000
4	Signage/Board (1000)	3,50,000
5	Women Entrepreneurs (WE) base line data profiling and data entry in Silai School Software (Manual data entry) for 1000 women entrepreneurs (WE)	50,000
6	20 Learners to enrol for training with each 1000 women entrepreneurs. Total learners 20*1000 = 20000 learners Base line data profiling and data entry in Silai School Software (Manual data entry)	10,00,000
	Total	21,78,000

- UIL Contribution is at Cost and does not include any mark-up and this is direct attributable to the Project.
- UIL Contribution does not include apportionment of Management cost, administration and other infrastructure cost not directly attributable to the project

Annexure II

A. Roles and Responsibilities

Role of SIDBI

- I. Fund the setting up of USHA Silai Schools through corpus/grant for sewing machine, training and hand holding of women entrepreneurs;
- II. Explore the options for Growth Funding for USHA silai schools set up with SIDBI support for expansion / upgradation of sewing machines. It shall be explored through SIDBI PRYAAS scheme (wherever SIDBI or its partners are present) or through partner Micro Financing Institutions/SFBs.
- III. Leverage synergy with other initiatives of SIDBI.
- IV. Agree to bear the costs as detailed in **Annexure A** to this NFA towards setting up of USHA Silai Schools.

Role of UIL

- i. Identify and mobilize potential candidates for the training of 1000 women through NGOs.
- ii. Arrangement of training centre. Ensure all logistics at the venue. Mobilisation of its teams / resource persons / partners.
- iii. Development / upgradation of training module.
- iv. Delivery of training to the candidates at the venue.
- v. Conduct training for 7 days on sewing machine repair & maintenance, measurement skills, drafting, cutting, pattern making and garment construction
- vi. Certification and providing, training manual, service booklet, signage and sewing machines to participants after completion of the training
- vii. Carry out follow up visits, handholding and monitoring support to women entrepreneurs.
- viii. To ensure that no beneficiary sells the machine provided for private usage and take a written undertaking from the woman entrepreneur as per the format prescribed by UIL attached as **Annexure D**.
- ix. Monitoring & Evaluation / Impact assessment on digital platform with base line and end line data. MIS and case studies sharing.
- x. Advertise & publicize the initiative through various media, NGOs, etc. and ensure proper branding of USHA, SIDBI / Swavalamban in all collaterals, if any.
- xi. Agree to bear the costs as detailed in **Annexure B** to this NFA.

B. Criteria and Selection Process

Criteria for selection of villages

The selection criteria for the villages where the Silai Schools will be functional are as follows:

- i. A village with a population of minimum 500 people
- ii. Short-listing of those villages which have been identified by Government of India as "poor" / BPL□, through Census / NREGA / NCAER data
- iii. Progressive and supportive community members
- iv. Substantial availability of potential learners
- v. Availability of woman who knows sewing and is willing to teach

Criteria for selection of woman entrepreneur for Silai School Program

- i. The woman should be from the village and should be respected by the village community
- ii. The woman should preferably be a married woman. She could also be single (widow, abandoned, marginalized)
- iii. She should have basic literacy / numeracy required for sewing
- iv. She should have a flair for sewing. There could be women in the villages have stitch clothes for their family members. Women who know how to use a sewing machine would be preferred.
- v. She should be confident to teach

Criteria for selection of existing Silai School woman entrepreneur for linkage with regional MFIs

- i. The woman should be running Usha Silai School since last two years
- ii. She must have trained minimum 30 learners
- iii. She must be earning on an average Rs. 2000-3000 per month from her Silai School

Pomo Ghosh

From: Dinesh Chhabra
Sent: 25 June 2019 16:57
To: Pomo Ghosh
Subject: Fw: SIDBI USHA PARTNERSHIP

Thanks & Regards

Dinesh Chhabra

Chief Executive Officer

Usha International Ltd

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From: Amita Kapoor

Sent: Thursday, June 20, 2019 2:30 PM

To: Dinesh Chhabra

Cc: Madhav Mani; Manish Gupta(LEGAL/HO); Krishna Shriram; Priya Somaiya (USS/HO)

Subject: Re: SIDBI USHA PARTNERSHIP

Dear Mr. Chhabra,

EC has directed to go ahead with SIDBI Usha Partnership.

Thanks.

Warm Regards,

Amita Kapoor
Chairman's Office

USHA

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From: Dinesh Chhabra <dinesh_chhabra@ushainternational.com>

Date: Monday, 17 June 2019 at 9:29 AM

To: Krishna Shriram <krishna@ushainternational.com>, "Priya Somaiya (USS/HO)"

<priya_somaiya@usha.com>

Cc: Madhav Mani <madhav_manil@usha.com>, Amita Kapoor <amita_kapoor@usha.com>, "Manish