Notice inviting ‘Application and Price Bid’ from Indian Bank’s Association’s (IBA’s) approved list of 56 firms as Agencies for Specialised Monitoring (ASM).

PSB Reforms Agenda – Ease of Access Service Excellence (EASE) was launched to encompass a synergistic approach to ensure prudential and clean lending, better customer service, enhanced credit availability and better governance. Accordingly, Department of Financial Services, Government of India, indicated several action points, one of which is "Tie up with Agencies for Specialized Monitoring (ASM) for clean and effective post sanction monitoring and follow up on Common engagement basis in case of consortium lending, having large credit exposure (above Rs,250 crore) and exposure of a specialized nature.

With the above background, Indian Bank’s Association (IBA) prepared a consolidated list of 56 firms as Agencies for Specialised Monitoring.

Bank invites application and price bid from the Agency for Specialised Monitoring (ASM) for post sanction monitoring and follow up in the A/c Simplex Infrastructures Limited with our Corporate Finance Branch - Kolkata.

**Expectations from ASM:** In a broader perspective ASM is expected to monitor the account/progress/activity as mentioned below:

- On site as well as off-site monitoring of the business/project, account and analyze, evaluate and monitor the borrowal account/project financially as well as technically.
- ASM’S are also expected to look into/track other aspects like Government notifications which may have material impact on borrowal company /industry/sector, all approvals and clearances, price escalation in capital items or raw materials etc.
- Extent of involvement of promoters/top management of the company in day to day operations/decision making as well as strategic decision making and evaluation of the same,
- Conduct root cause analysis of the incipient sickness/stress in the borrowal account and suggest remedial measure to branch.
- Along with, to take the concern areas from bank as well as Promoter and suggest remedial measure during the term of engagement.

**Scope of Work for ASM**

i) **In case of Working Capital:**
   a. Monitor the purchases/invoices of the company (about quantum and reasonableness of the rates) for procurement of raw material / spares/ transportation of raw material etc. on daily/weekly basis and compare vis-a-vis monthly operation budget submitted by the company. periodicity would be decided by Consortium.
   b. Review of inventory build-up (including trade receivables and advances to the Company) for operation of the units commensurate with funds released.
   c. To monitor the actual operations (production / supplies etc.) vis-a-vis projections.
   d. Verification of high value transaction/ payment as regards beneficiary and purpose.
e. Assessment of financial information that has been and that will be provided by the company to its tenders including information related to its short term and long term cash flows.
f. Identify key issues and submit the report alongwith the suggestions with regard to smooth operations of the project
g. Additional verification of evidence of end use of facilities to company and its utilization as per the conditions laid down by the consortium of lenders.
h. Inspection/verification of stocks/book debts and submission of monthly report (or as stipulated by Lenders) about the inventory/receivables position of the company including slow moving inventory if any, to arrive at correct drawing power to the company.
i. Submit reports at regular intervals (as stipulated by the bank) on:
   o Temporary /long term/unscheduled closure of manufacture facilities
   o Any untoward incident or suspicious business or unrelated activity
   o Non-cooperation from borrower to provide general information,
j. Source of margin towards working capital/LC/BG.
k. Quality of Book Debt, their appropriateness, age wise classification and eligible Book Debts for drawing power.
l. In case of consortium tending, ASM will monitor status of borrowing with member bank, conduct of accounts, business sharing etc.
m. Perform such other services as requested by the lenders and mutually agreed to by the party and tenders.

ii) In case of Term Loan (project Monitoring), preferably deployed in when there is delay in implementation-ASMs for large accounts should be engaged in order to ensure proper monitoring of project implementation as per schedule and utilization of funds, the scope of work will broadly include the following:
a. Conduct physical inspection of the project at regular intervals or deploy official at the project site for continuous monitoring, document reviews and monitoring of progress reports on continuous basis especially vis-a-vis original timelines to avoid sudden shock of overrun.
b. Determine progress and appropriateness of related transactions (e.g. payments made to contractors and sub-contractors, vendors, orders placed and commercial terms thereof

c. Deviations in project progress vis-à-vis timelines and amount disbursed. High value payment/ dues to be clearly monitored to ensure proper utilization.
d. Periodical review of invoices and submission of exception report to the consortium
e. Fortnightly review of production / supplies (quantities of work certified) vis-à-vis inventory consumption records and cash flow to the contractor, sub-contractor and vendors, wastages, extent of rework and quality of conformities raised by the company, and highlight exceptions. A single review report will be released each fortnight for invoices raised and inventory consumed in that period.
f. Suggestions, if any, for improving the project management practices.
g. Verification/analysis of following is to be done by ASM--
   i) Approval/clearances/Compliances in the project.
h. Sources of capital fund infusion/Term borrowing/Any other borrowing.
i. Physical progress of project vis-à-vis fund infusion.
j. Perform such other services as requested by the lenders and mutually agreed to
   by the party and lenders.

iii) General Parameters for monitoring: In addition to the parameters, keeping in
    view of different credit monitoring aspects, we propose some additional
    parameters that too need to be monitored by ASM for all loans.

a) Cash Inflow Monitoring
   i) Sources of Cash Flow based on estimates/Projections
   ii) Sources of unsecured loans/NCD, its tenor and rate of interest, if any/sale
       of fixed assets/Investments, Interest/dividend received from investment
   iii) Profit ploughed back and any windfall/exceptional cash inflow e.g. profit
       from sale of fixed assets, tax refunds etc.
       Sources of margin, whether it is through borrowings or through capital
       infusion and is brought as per sanction stipulation.

b) Cash Outflow Monitoring:
   i) Utilization in inventory buildup/acquisition of fixed assets/purchases-
      invoices of the Company (about quantum and reasonableness of rates) for
      procurement of raw materials/spares/transportation of Raw material etc.
      on daily/weekly basis and compare vis-à-vis monthly operation budget
      submitted by the Company.
   ii) Utilization in creditor’s repayment/repayment of Term borrowings. Loans
       and Advances.
   iii) Capital drawings, if any/ interest/dividend payouts/redemption of
       debentures, if any/shares buy back, if any
   iv) Inter Corporate transactions and/or related party transactions
   v) Timely and full payment of Government/statutory due/ analysis of any
      other kind of outflow, if observed

c) Non-Cash Parameters:
   i) ASM is expected to keep watch in Industry specific prevailing trends,
      cyclical changes, Government Policies and precautionary/mitigation
      measures, sustainability/ sensitivity in Products/ Business.
   ii) High Value vendor due diligence, market value vis-à-vis invoice price
   iii) Technological obsolescence and substitution measures
   iv) To report on any litigation, court cases including asset classification of
       associate concerns.
General Terms and Conditions

Engagement / Appointment of Agency for Monitoring Services will be done on case-to-case basis to the lowest bidder with requisite qualification and experience and the Bank does not assure any minimum assignment to the empanelled agencies.

The Agency selected for the assignment, will have to enter into a contract agreement directly with Bank. The contract period for providing Specialized Monitoring Services will be for a period of One Year from the date of Project Signoff.

The contract agreement will contain various terms and conditions relating to services to be provided. The scope of monitoring is given above under Scope of Work.

At any point of time, Bank feels that the ASM is not properly monitoring the Account and the purpose of appointment will not be served, it can terminate the services of ASM without giving any reason. One month notice will be given to the agency in this regard. Fee will be paid proportionately for the period of assignment and actual period of work.

All applicants must sign the Non-Disclosure Agreement (NDA). The NDA must be executed on the applicant's company letterhead at the time of execution of contract agreement.

Other Terms and Conditions

i) Engagement of firm shall be done only after detailed scrutiny of the credentials of the firm and the competency to execute the job.

ii) Empanelled firms shall give an undertaking to follow all ethics of faith and the information provided by the bank will be kept Strictly Confidential.

iii) All assignments shall be carried out with due diligence maintaining quality of work done and in least possible time.

iv) All reporting including MIS shall be done by the firm on regular basis as required by the Bank/ consortium members time to time.

Submission of documents

i) Firms/ Agencies shall submit their application/ details in the prescribed format as per Annexure-I attached here with. The Firm/Company should also submit the following self attested documents:

ii) Registration with professional bodies/ organizations.

iii) Memorandum & Articles of association along with certificate of Incorporation for company/ registered partnership deed along with the Registrar of Firm certificate in case of partnership firms,

iv) Audited Balance sheets along with all annexure.

v) Other documents supporting their expertise in any particular field.

vi) Letters of empanelment from other banks/financial institutions. if any

vii) Particulars of att key personnel. Including that of technical/ financial expertise.
Applications along with supporting documents should be sent within 25.03.2019 to the following address

The Deputy General Manager
Credit Department
United Bank of India
Head Office, “United Tower"
11, Hemanta Basu Sarani,
Kolkata-700001.
Email id: sanjoyg@unitedbank.co.in
# ANNEXURE-1: APPLICATION FORMAT

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Details to be furnished by the applicant</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Name of the Applicant</td>
<td></td>
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<tr>
<td>2.</td>
<td>Year of establishment and constitution (Certified copy of ‘Partnership Deed’ or ‘Certificate of Incorporation’ should be submitted as the case may be)</td>
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<td>3.</td>
<td>Location of Registered office /Corporate office / Address</td>
<td></td>
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<tr>
<td>4.</td>
<td>Names of Professionals / Experts with their qualifications, registration numbers, experience. Detailed profile of each expert / professional</td>
<td></td>
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<tr>
<td>5.</td>
<td>Names and designations of the persons authorized to make commitments to the Bank</td>
<td></td>
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<tr>
<td>6.</td>
<td>Telephone and fax numbers of contact persons</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>E-mail addresses of contact persons</td>
<td></td>
</tr>
</tbody>
</table>
| 8.      | Description of business and business background  
Service Profile & client profile  
Domestic & International presence  
Alliance and joint ventures |  |
<p>| 9.      | Details of the similar assignments executed by the applicant (Name of the Bank, time taken for execution of the assignment and documentary proofs from the Bank are to be furnished) |  |</p>
<table>
<thead>
<tr>
<th></th>
<th>Details of the applicant’s proposed methodology/approach for providing services to the Bank with specific reference to the scope of work.</th>
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<tbody>
<tr>
<td>11.</td>
<td>Details of The fees to be charged for rendering service as ‘Agency for Specialised Monitoring (ASM).’</td>
</tr>
<tr>
<td>12.</td>
<td>Other Particulars</td>
</tr>
</tbody>
</table>

**Declaration:**
1. We confirm that we will abide by all the terms and conditions.
2. We hereby unconditionally accept that Bank can at its absolute discretion apply whatever criteria it deems appropriate, not just limiting to those criteria set out in this notice.
3. All the details mentioned by us are true and correct and if Bank observes any misrepresentation of facts on any matter at any stage, Bank has the absolute right to reject the proposal and disqualify us from the selection process.
4. We confirm that we have noted the contents of the Notice and have ensured that there is no deviation in filing our response to the Notice and that the Bank will have the right to disqualify us in case of any such deviations.

Place:

Date:

Seal & Signature of the applicant