



MIDBHI/Adv/2024-25/ 244

Date: 12-02-2025

To,
The Cluster Head
North Cluster
New Delhi

Subject: Invitation To Submit Quote For Appointment as Agency For Specialised Monitoring (ASM)

Dear Sir,

This invitation is for seeking quotation from IBA empaneled Agencies for Specialized Monitoring to consider candidature for appointment as agency for carrying out Specialized Monitoring in the account detailed per **Annexure-I**. Indicative Scope of Work is enclosed as per **Annexure -II**.

The final selection of successful bidder and appointment will be largely on the basis of competitive quotation for fees (**Appendix-I**), credentials and experience of the firm (**Appendix-II**) / agency in the related domain to be decided at the sole discretion of Bank of Baroda.

You are advised to submit your quote and profile specifying the name of the account for which the fees is quoted preferably through email with Subject Line 'QUOTE FOR SPECIALISED MONITORING ASSIGNMENT'. The quotation should be specific in Fee Structure, Taxes, and other charges, if any, along with milestone and should reach the undersigned on or before **21-02-2025** via email to: midbhi@bankofbaroda.co.in

Address:-

Bank of Baroda,
MCB Bhilwara
Plot No 7-SR-2 and 7-SR-7
Ground Floor, Chandra Shekhar
Azad Nagar, Bhilwara -311001
Rajasthan

Yours faithfully,

M. L. Kumawat
Asst. General Manager
Mid Corporate Branch Bhilwara

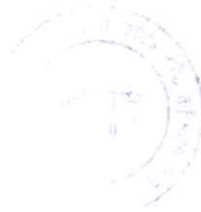


Attached:

- Annexure-1 – Account Detail
- Annexure-2 – Scope of Work
- Annexure-3 _ Financial Bid
- Annexure-4 _ Performa for Additional Information
- Annexure-5 _ Other Information

Annexure-1

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|------------------------------------|--|
| Name of the account | M/s Kanchan India Ltd |
| Banking Arrangement | Working Capital-Multiple Term Loan –Multiple |
| Our Exposure | Working Capital:- Rs. 261.92 Crores Term Loan –Rs. 329.84 Crores |
| Other Bank's Exposure | Working Capital-Rs.165.00 Crore Term Loan Rs.186.40 Crore |
| Total Exposure with Banking System | Working Capital-Rs. 426.92 crores Term Loan –Rs. 516.24 Crores |
| Nature of Assignment | Credit Monitoring Agency |
| Industry of the borrower | Textile |
| Other details | For other details of company you may refer to company's website – www.kanchanindia.com |



Annexure- 2

Scope of Work

The broad scope of work for the external agency, ASM, as suggested by IBA, in carrying out a clean and effective monitoring of account is as under:

- a) Monitoring 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-à-vis monthly operation budget submitted by the company. Periodicity would be decided on case to case basis / 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-à-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 lenders including information related to its short term and long term cash flows.
- f) Identify key issues and submit the report along with the suggestions with regard to smooth operations of the project.
- g) Additional verification of evidence of end use of facilities to company and its utilisation as per the conditions laid down by the lenders / consortium of lenders.
- h) Inspection / verification of stock / book debts and submission of monthly report about the inventory/ receivables (age-wise) position of the company including slow moving inventory if any, to arrive at correct drawing power to the company
- i) Submission of reports at regular intervals (say at quarterly interval or as stipulated by the Member Bank) on :
 - Temporary / Long Term / unscheduled closure of manufacture facilities.
 - Any untoward incident or suspicious business or unrelated activity.
 - Non-cooperation from borrower to provide general information.
 - Source of margin towards working capital / LC / BG
 - Quality of Book Debt, their appropriateness, age wise classification and eligible book debts for Drawing Power.
 - Confirmation on availability of adequate insurance for the securities / Stocks / Assets with Bank clause noted.
 - Monitoring of milestones in case of implementation of contracts against which performance Bank Guarantees have been issued
 - Monitoring of ESCROW accounts / designated accounts to verify and ensure that the advance payments against guarantees issued are received in designated accounts.
 - Perform such other services as requested by the lenders and mutually agreed to by the party and lenders.
 - Details of related party Transactions and comments thereon specifically for arm's length dealing between the related parties
 - LC/BG Audit etc.
 - Comments on Significant differences in stock statements and audited balance sheets of the borrowers.
 - Obtaining balance confirmation from the top debtors/creditors.
 - Comments on related party details in cases on Debtors / Creditors.
 - Monitoring of cash flows (both inflow an outflow)
 - Details of receipts and payments channelized by the borrower through its related parties instead of routing through Operative accounts.
 - Details on Property purchased by the related party from the funds provided by the borrower company.
 - Comments on Borrower booking inflated profits by selling property to the group



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companies at higher rate.

- Validating of securities offered – highlighting inflation of value of stocks / higher valuation of securities.
- To highlight diversion of Short Term funds for long term uses.
- Highlight diversion of funds for purposes other than stipulated in sanction.
- Any other services requested by the Lender(s) / Consortium.

ASM to verify the following:-

- ASM will monitor status of borrowing with member bank, conduct of accounts, business sharing etc
- Collecting information from all consortium lenders from time to time, as required.
- The agency shall also obtain pass sheets/bank statements of all the Banks and reconcile and credits in the account with the movement of current assets.
- The agency shall verify the nature of transactions in the in the Operative/Cash Credit Accounts and critical observations if any shall be reported.
- Verification of end use of facilities to company and its utilization as per the conditions laid down by the Consortium of Lenders.
- Level of Cash, Cash holding at end of the period Vis-a-vis the nature/ line of activity should be duly reported.
- The agency shall verify the movement of debtors with Sales Book and the movement of creditors with purchase book
- Fixed asset register to be verified for any additions/ deletions and reported with justifications.
- The agency shall verify turnover/purchases of the company with GST returns & Sales/Purchase Register.
- Contingent liabilities — LC/BG, outstanding and whether trade related.
- Un-hedged exposure is to be analysed and the reasons for non-hedging and its impact to be analysed and reported.
- Whether statutory payments are remitted promptly
- The agency shall clearly bring out cases bring out case of siphoning of funds, third party transaction, Non business transactions and fraudulent practices if any etc, along with the documentary evidence in support of their observations.
- The agency shall ascertain the cash flow adequacy for operations to meet the existing debt obligations after providing for all operational expenses.
- The agency shall clearly bring out the cases of mis-representation of facts, malfeasance, unfair trade practices etc.

General Parameters for Monitoring

Cash inflow Monitoring:-

- Sources of cash inflow based on estimates/projections.
- Source of unsecured loan/NCO, its tenor and rate of interest, if any/sale of fixed assets/investments, interest/dividend received from investment.
- 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 borrowing or through capital infusion and is brought as per sanction stipulation.
- Monitoring of the payment transactions to/realizations from the group companies.

Cash Outflow Monitoring:-

- Utilization in inventory build-up/acquisition of fixed assets/purchase-Invoices of the company (about quantum and reasonableness of rates) for procurement of raw material/spares/transportation of raw material etc. on daily/weekly basis and compare vis-à-vis monthly operation budget submitted by the company.
- Utilization in creditors repayment/repayment of term borrowing/Loans and advances to other





firms.

- Capital drawings, if any / interest / dividend payouts/ redemption of debentures, if any shares buy back, if any
- Intercorporate transactions and/ or related party transactions
- Timely and full payment of Govt./ Statutory dues/ analysis of any other kind of outflow, if observed.

Fund Flow Analysis:

- To highlight on diversion of short term funds in long term uses.

Monitoring of Non Cash Parameters:

- a) Keeping a watch in industry specific prevailing trends, cyclical changes, Government Policies and precautionary / mitigation measures, sustainability / sensitivity in products / business.
- b) High value vendor due diligence, market values vis-à-vis invoice price,
- c) Technological obsolescence and substitution measures
- d) Industry experts should also be involved while conducting stock audit in sectors where raw material / finished goods are of technical nature.
- e) To report on any litigation, court cases including asset classification of associate concerns.

The above list is only indicative in nature and the bank reserves the right to include any other post monitoring activity and account specific monitoring activity, if any as scope of work.



Appendix -3
Financial Bid

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(Please submit details/supporting documents in respect of each claim)

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|---------------------------------------|
| Name of the Firm: |
| Financial Bid for the Account: |
| Period/ Tenure for Engagement: |

With reference to above, we wish to submit our request/application for appointment/empanelment as ASM in the account stated above and quote the following remuneration/compensation structure:

| Sl. No. | Item | Amount |
|---------|---|--------|
| 1 | Professional fees* (For the tenure as mentioned above) | |
| 2 | Professional fees* (On per month basis in case of an extension) | |

* Lump sum fee to be mentioned and not as a percentage of the value of account.

- GST on all expenses/fee is to be paid by the bank and the fee quoted in SI No. 1 and/or SI No. 2 would be exclusive of GST (The Professional fees would be considered exclusive of GST while evaluating the bids).
- All other charges wherever reasonable are to be paid on actual basis.
- Before incurring any major expenses, permission from Branch Head of the concerned branch is to be obtained.

I/We understand that the financial bid is not the only criteria for selection. In addition to the same, the ability of the ASM to complete the task in line with the objectives of the Bank, shall be assessed by the Bank independently based on other information submitted as per Annexure. Final Decision on selection of ASM shall be based on overall assessment of the Bank and the decision of the Bank shall be final and binding.

Signatures of Authorized
Signatory/Partner(s)/Proprietor/Promoter

Date :

Place:



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Appendix -4
Proforma for Additional Information

(A) General Parameters:

- 1) Name of the ASM _____
- 2) Name of the Account for which application is submitted: _____
- 3) Registration No. (If any by IBA/Other Agency) _____
- 4) Constitution: _____
- 5) GST No.: _____
- 6) Date of Incorporation/Establishment: _____
- 7) Address: _____
(Address of all Locations/Offices/Branches of the ASM to be given)
- 8) Contact Number(s): _____
- 9) E Mail ID(s): _____
- 10) Website: _____
- 11) Whether blacklisted by any Financial Institution / other organization / any Government Department till the date of application. (The Firms, Companies and Organizations should furnish self attested affidavit in this regard) _____

12) Details of Director(s)/Partner(s)/Authorised Person(s):

| Name | Address | Contact Number | E Mail ID | Mobile No. |
|------|---------|----------------|-----------|------------|
| | | | | |
| | | | | |
| | | | | |

13) Details of Key Personnel/Employees in the firm (Attach Profiles of each) :

| Name | Address | Contact Number | E Mail ID | Mobile No. |
|------|---------|----------------|-----------|------------|
| | | | | |
| | | | | |
| | | | | |

14) Name of the Key Personnel/Employees in the firm (Who would be working on the project/account under the application) : _____



- 15) Whether the ASM or any of its Directors/Employees is/was/are hired in any form by the Corporate/Firm for which the ASM is desired (like Consultant, Engineer, Auditor etc...)?(Give details)
- 16) Whether the ASM or any of its Directors/Employees are/is related in any manner to the Account for which the ASM is desired? _____
- 17) Whether the ASM or any of its Directors/Employees have ever dealt with the Account/Firm/Borrower for which the ASM is desired in any manner including debt syndication (Submit Details)?_____
- 18) Firm/Director(s)/Partner(s)/ Promoter(s)/ Proprietor/Key Employees involved/ charged in tax/ regulatory violations if any? (Give Details)
- 19) Firm/Director(s)/Partner(s)/Promoter(s)/Proprietor/Key Employees involved in litigation if any? (Give Details)_



(Annexure 5)

OTHER INFORMATION (Please submit details/supporting documents, if any, in respect of each claim):

| Sl. No. | Criteria | Response | | |
|---------|--|----------|---------------|-------------------|
| 1 | Number of ongoing assignments with Bank of Baroda (ASM and/or Similar) | | | |
| 2 | Number of ongoing assignments with Other Bank (ASM and/or Similar) | | | |
| 3 | Number of completed assignments (ASM and/or Similar) | | | |
| 4 | Turnover of accounts of the 3 major ASM and/or Similar assignment for an account handled/being handled by the ASM if any presently/ so far. Also provide details whether worked as PMA or CMA or both (Give brief write up and a summary of the report without hurting the Non-Disclosure Agreement in annexure) (Bank reserves the right to take an opinion from the assignor concerned on the satisfaction level from the assignment) | SN | Turnover | Worked as PMA/CMA |
| | | 1 | | |
| | | 2 | | |
| | | 3 | | |
| 5 | Credit facilities of the Borrower in the 3 major ASM and/or Similar assignment for an account handled/being handled by the ASM if any presently/ so far, as provided above. Credit facilities to include entire banking arrangement of the borrower (Give brief write up and a summary of the report without hurting the Non-Disclosure Agreement in annexure) (Bank reserves the right to take an opinion from the assignor concerned on the satisfaction level from the assignment) | SN | Credit Limits | |
| | | 1 | | |
| | | 2 | | |
| 6 | Whether worked as ASM and/or on a similar assignment in similar industry | 3 | | |
| | | | | |
| 7 | Number of Chartered Accountant(s) (CAs) in the firm as Employee(s)/ Director(s)/ Promoter(s)/Partner(s) who would be deployed on this project/assignment. | | | |
| 8 | Number of Industry Expert(s) (Only the same industry as that of the Account under consideration would be eligible) (Atleast 5 years post qualification experience only will count) in the firm as Employee(s)/Director(s)/Promoter(s)/Partner(s) who would be working on this project/assignment. | | | |
| 9 | Whether the ASM applicant has an office/setup in the city of office/unit/ factory/etc... of the Account to be offered to ASM | | | |



Declaration

I/We hereby confirm and declare that the information given herein above is true and correct to the best of my knowledge and belief. I/We hereby express my/our interest to act as ASM, if empanelled/ entrusted by the Bank in the Account _____.

Signatures of Authorized

Signatory*/Partner(s)/Proprietor/Promoter (*Duly supported by authority letter from all/others including a board resolution if applicable)

Date:

Place:

