

**CORRIGENDUM TO REQUEST FOR PROPOSAL (RFP) FOR ENGAGEMENT OF AGENCIES FOR
SPECIALISED MONITORING SERVICES**

RFP Ref.No.102018

With reference to **RFP Ref No.: 102018 dated 31.10.2018** published on our website <https://www.bankofmaharashtra.in>, in exercise of the provision under clause III General Terms and Conditions, following amendments to the RFP document are made with immediate effect.

II Scope of Work given in the document is replaced as under.

II Revised Scope of Work

| S.No. | Subject | Scope | Status |
|--------------|-----------------------------------|---|---|
| 1 | Cash/Funds Flow Monitoring | | |
| | Cash Inflows | Sources of cash inflows based on estimates/ projections Sources can be Capital funds infusion. Unsecured loans/NCDs – tenor/ROI etc. Term Borrowings Profits ploughed back. Sale of Fixed Assets / Investments Any Windfall/exceptional cash inflows- eg. Profit from sale of fixed assets – Tax refunds etc Interest / Dividends from Investments | Position vis-a- vis estimates/projections |
| | Cash Inflows | Margin towards Working capital including margin towards LC/BG Margins stipulated as per sanction terms. Sources whether through capital infusion or borrowings. | Adequacy of the margin vis-a-vis sanction terms. Sustainability. Position vis-à-vis the estimates/projections. |
| | | Cash flow from operations Working capital finance Creditors From book debt realization | Adequacy, Credit period Realization time position vis-a-vis estimates /projections |
| | Cash outflows | Utilization Inventory build up Creditors repayment Acquisition of fixed assets / purchase of investments Repayment of term borrowings Capital drawings Interest /Dividend payouts Inter-corporate transactions Loans and Advances to other firms | Impact of the cash outflows on the business of the borrower. position vis-a-vis estimates /projections(CMA data) Adequacy for meeting repayment |

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| | | <p>Redemption Debentures Shares buyback</p> <p>To identify each high value payment and verify genuineness, beneficiaries and purpose of such high value payments. Monitoring of purchases/purchase orders/invoices vis-à-vis the requirements towards procurement of the raw materials/spares /transportation costs as to the quantum and pricing. The monitoring to be done on monthly basis vis-à-vis the monthly budget of the borrower /company.</p> | <p>obligations/honouring of financial commitments statutory dues etc.</p> <p>Diversion/siphoning of funds noticed if any</p> |
| 2 | Industry Specific | <p>Current trends / cyclical changes Innovations, Government Policies and precautionary / mitigation measures. Sustainability /Sensitivity</p> | Impact on Business Volumes and Asset Quality |
| 3 | Business performance | <p>Monitoring business performance indicators- Production/Sales/purchases /profits vis-à-vis projections</p> | <p>Achievements on quarterly basis- Deficiencies/variations observed. Remedial measures taken/necessary for achieving estimates/projections.</p> |
| 4 | Asset Protection | <p>Vendor due diligence Market value vis-à-vis Invoice price Physical progress of the project/Asset vis-à-vis funds infusion. Loan to value ratio, Adequacy of Insurance, Life of Asset vis-à-vis Tenor of Term Liabilities. Technological Obsolescence , substitution measures Efficiency in Inventory Management, Consistency in policy on inventory disposal (FIFO, LIFO), Unpaid Inventory, Obsolete / Non-moving Inventory.</p> <p>Quality of book-debts, client profile and Risks spread (single client / diversified clientele) Risk perception on quality of book-debts, average time taken for realization of book-debts, confirmation of bills payables by clients / debtors. Age-wise classification of book-debts, Eligible book-debts and inventory for DP</p> <p>Review of inventory buildup along with trade receivables, advances received, other current assets vis-à-vis the holding levels and limit utilization. Physical verification of charged securities.</p> | <p>Impact on business volumes, asset quality during life time of the loan assets</p> <p>Consistency in availability of DP Shortfall in DP vis-à-vis Facility utilization. Diversion if any.</p> |

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| | | <p>Verification of the evidences, towards end use of facilities/funds lent with actual utilization vis-à-vis conditions laid down by lenders</p> <p>Status of Bank's charge on securities. Search reports. Dilution/pilferage noticed if any</p> | |
| 5 | Periodic Due Diligence | <p>Statutory dues payment, Inter-Corporate / Inter-firm transactions, IRAC Status of accounts of associate concerns.</p> <p>Check Audited Balance sheet with the Balance sheet submitted to MCA and Income Tax authorities.</p> <p>Check sales turnover with sales reported through GST returns.</p> | <p>Impact on Asset Quality</p> <p>Report variations with reasons element of tax evasion, misrepresentation for deriving higher credit limits.</p> <p>Impact on bank finance and DP.</p> |
| 6. | Watch under consortium lending | <p>Status of borrowings with member Banks. Conduct of accounts, Pricing mechanism, Business sharing, Compliances and honoring obligations by member Banks. Exchange / sharing of information among member Banks. Mandatory consortium meetings,</p> | <p>Consortium discipline,</p> |
| 7 | Non Fund Limits | <p>Letter of Credits-Usance, interest cost involved. Availability of cash inflows , waterfall mechanism for honouring commitments</p> <p>Bank Guarantees Status of bid-bond guarantees, ability / capacity to execute contracts, assignments for contracts Bid. Strike-rate of bids crystallizing Mobilization Guarantees-utilization of mobilization of advances received under specific contracts.</p> <p>Billing cycle and treatment of Mobilization Advance, Renewal of mobilization advance BGs vis-à-vis balance contract works Penalty clauses and its impacts Performance Guarantees-ability / capacity to execute and perform, penalty clauses.</p> <p>Auditing the BG portfolio of the client</p> | <p>Analyze and identify probable default if any and suggest risk mitigation measures</p> <p>Impact on profitability and asset quality</p> <p>Risk mitigation</p> <p>Risk analysis of the BG portfolio.</p> |

| S.No. | Subject | Scope | Status |
|-------|-----------------------------|---|--|
| 8 | Export Credit | Pre and Post-Shipment-IEC Code Notification to ECGC Draft, Invoice, Packing List, Transport Document etc (FOBN) Proof of Export Adherence to Foreign Trade Policy 2015-20 Reference to OFAC (Office of Foreign Assets Control) and non-Sanctioned Countries as per USA / UN etc. Payment of ECGC premium Crystallization of bills. Credit report on buyers Submission of bill of entry LOUs Underlying transaction Tenor vis-a-vis Working capital cycle. | Compliance aspects and impact on Asset quality |
| 9 | Incidental reporting issues | <ul style="list-style-type: none"> i. Temporary/long term/unscheduled closure of manufacturing facilities ii. Any untoward incident iii. Suspicious activity iv. To identify key issues and reporting giving suggestions with regard to smooth business operations of the borrower/company. v. Non –cooperation from borrower to provide general information | Likely impact on business performance Risk assessment Impact on Asset quality Remedial measures taken/necessary |

Deputy General Manager

Stressed Asset Management Vertical

Bank of Maharashtra