

Invitation for expression of Interest for a Management Firm or individual to manage an Investment Company created jointly by SIC Ltd and commercial banks

Introduction

SIC/ERCP in collaboration with commercial banks will jointly set up an Investment Company with a Capital of Rs 300 million.

In this respect, the investment company is looking for a Managing Firm/General Manager to run the office.

Objective of the Investment Company

The objective of the Investment Company is to invest as shareholder in Small and Medium Enterprises having a future and growth potential. Its main aim is deleveraging of highly geared companies having a sustainable future. The target group will normally be SME's with a turnover between Rs 25m and Rs 250.0m annually. The Board may consider companies outside these parameters provided there is a strong growth potential.

Board Composition

The Board of the Investment Company will consist of six members of whom three will be nominated by Government and three by the Banks

Any decision taken at level of the Investment Committee would be unanimous. For approved cases, the Managing Firm/General Manager in consultation with the appointed IFA will, within a reasonable delay, have to initiate any further action leading to preparation of the term sheet for approved cases. Once the term sheet is approved by the Board, the Managing Firm/General Manager will have to engage procedures for all the legal due diligence as well as drafting of all legal documents which will be outsourced to external service providers.

Instruments to be used for investment in SME's

The instrument to be used will in general be very basic ones which the promoter of SME's will easily understand. Investments will normally be in the form of Redeemable Preference Shares with an exit clause and a cumulative coupon rate of 5% p.a. On exit the Preference Shares will be redeemed at a price which will give an IRR of 12% taking into account, the dividends already declared and paid.

Management of the Investment Company

The Investment Company will be managed by an experienced Investment Firm/General Manager for which the present Expression of Interest is being called for. The selected firm/General Manager will be assisted by two financial analysts who will subsequently be recruited under the responsibility of the General Manager or managing firm

Role of the Management Firm/General Manger

The Management Firm/General Manager and his staffs will have to

- Manage the funds in accordance with investment guidelines
- Identify investment deals, negotiate and execute equity participation
- Carry due diligence
- Market the company as an alternative financing solutions to SMES
- Validate reports by IFA's (Independent Financial Analysts)
- Review and report to Investment Committee reports received from post-implementation IFAs on the operations of the investee Company
- Advise Board Investment Committee
- Ensure proper monitoring on the Investee Compnay

Qualifications and profile of the Managing Firm/General Manager

- Should have proven experience in private equity, debt restructuring turnaround solutions and a wide experience in various industry set ups
- Companies applying should along with its motivation letter a copy of its company profile, Business Registration Certificate as well as copy of its Incorporation Certificate
- Individuals should submit along with their motivation letter a detailed CV
- Should have a high sense of integrity and dedication to work with extremely tight schedules

Remuneration and other conditions

- The Investment Committee has voted a recurrent annual budget of Rs 3 million (including salaries and benefits) for the running of the Investment Company for its initial 3 years of operation. It is expected that the Investment Company should become self financing as from the 4th year of operation
- Other expenses will have to be catered for within fees receivable from applying investee companies. These fees will be a % on amount requested payable upfront with a minimum of Rs 25,000.
- Capital expenditure for the setting of the office will be subject of negotiations

Closing date for submission of expression of interest

The closing date for submission of application is **31 August 2011**. Envelopes marked **ERCPC/INVCOM/GM** at left hand corner should be addressed to ERCPC on the following address any day during office hours on or before the above mentioned specified closing date.,

ERCPC Office, Suite 708 St James Court,
St Denis Street,
Port Louis by latest

NO LATE APPLICATION WILL BE ENTERTAINED.

The Investment Company reserves the right not to proceed with filling of the above mentioned positions without assigning any reason whatsoever.

11 August 2011