

EXPRESSION OF INTEREST FOR PREPARATION AND SUBMISSION OF A RECONSTRUCTION PLAN FOR FAS FINANCE & INVESTMENT LIMITED

Preamble: **FAS Finance & Investment Limited (FFIL)** has been struggling for survival for last 3-4 years. This has happened basically because of huge non-performing loans (around 89%) which was allowed with bad intention/for diversion of fund elsewhere. On May 31, 2021 Bangladesh Securities and Exchange Commission (BSEC) through its notification dissolved the previous Board and constituted a new Board with 5 (five) distinguished professionals of the country under the chairmanship of Mr. Mohammed Nurul Amin, a renowned former Banker. This Board is now relentlessly working for the revival of the company.

In the above backdrop, it is now very much essential to prepare a plan for the reconstruction/revival of the company for which Expression of Interest (EOI) has been invited.

Terms of Reference:

1. The plan will be for medium/long term with yearly projections ranging from 5-10 years period taking into account the financial conditions of **FFIL** and its subsidiary **FAS Capital Management Limited**.
2. Base of plan/projection will be based on 2021 financials, historical financials and some assumptions furnished hereinunder.
3. The aim of the plan should be purely for reconstruction of the company by way of survival and revival/turn-around through new deposit mobilization, recovery of bad loans etc.
4. The time limit for preparation and submission will be initially for one month from the date of engagement which may be extended for reasons beyond control, if situation arises.
5. Respective Professionals/ Firms and their related persons/parties must maintain secrecy of all data, information, documents and shall not divulge or share any data, information, document in any form to any person or entity at any point of time (during their engagement with FFIL and afterwards in future). A MOU need to be signed in this regard.
6. EOI should be submitted with consolidated amount of Fee for the task. Tax, duty, levy will be deducted at the time of payment as per requirement of Government/Authority.
7. Some assumptions for preparation of the paper (not conditions):
 - a) Raising of capital by Tk. 300 crore within 1 year and further TK. 200 crore within subsequent 2 years.
 - i. The capital may be raised from local or foreign sources.
 - ii. Raising of capital may be through conversation of a portion of corporate/Bank deposits/Bank borrowings.
 - iii. Or, by any other means as suggested
 - b) The expected break-even point is 4-5 years.
 - c) All the Bank loans/Deposits may be repaid within 5-10 years period with a very nominal rate of interest (1-2%).
 - d) The NPLs shall be reduced to around 10% within 5-7 years period by way of recovery/regularization of loans as well as by disbursement of new loans.
 - e) All regulatory compliance to be made within next 3 years.
 - f) New deposits to be mobilized Tk. 50.00 - 100.00 crore per year.
 - g) Bad loan to be recovered: Tk. 50.00 crore in 2022, Tk.100.00 crore in 2023, Tk. 100.00 crore per year.

- h) New loan to be disbursed Tk. 20-30 crore in 2022 and thereafter Tk. 200.00 crore per annum on an average.

- 8. The plan should be focused on the following:
 - a) Needs assessment.
 - b) SWOT analysis of the company.
 - c) Strategic action plan (short term & long term)
 - d) Optimistic but realistic plan in the context of financial & economic condition of the sector Vis-a Vis company's ability.
 - e) Legal/regulatory requirements.
 - f) Projected financials (income statement/balance sheet/cash flow statement for the forecasted period)

- 9. The Professionals/ Firms shall submit the report along with suggestions and recommendations.