INVESTMENT SUPPORT PROGRAMME (ISP)

PRESENTATION ON SCHEMES

Thursday 9th March 2017
INVESTMENT SUPPORT PROGRAMME (ISP)

Role and functions

In line with Strategy One of Budgetary Speech 2016-17 aiming at fostering a wave of modern entrepreneurs, the role of ISP is to:

+ Implement the SME Financing Scheme which has been extended for another period of three years to enable SMES and Micro & Small Entities to have easier access to finance from commercial banks
+ Re-introduce the Leasing Equipment Modernization Scheme (LEMS) to enable enterprises to modernize their business processes and enhance their competitiveness by investing in productive equipment
+ Re-introduce the SME Factoring Scheme to enable SMES to ease up their cash flow by factoring their invoices
INVESTMENT SUPPORT PROGRAMME (ISP)

Main collaborators

Non-Bank Leasing companies

Commercial Banks

Non-Bank Factoring Companies
Main Features of Micro and Small Entity Financing Scheme

Micro and Small Entity – Individuals, companies and cooperative societies having turnover less than Rs 10M

- Customers apply direct to commercial banks which are responsible to grant or not banking facilities
- Scheme targeting individuals, companies, cooperative societies having a turnover less than Rs 10M
- Applicable to all sectors excluding professionals, traders and real estate property development
- Government through SIC provides a guarantee of 40% flat to commercial banks in case of loss declared after banks have exhausted all normal means of recovery from client
- Banks are allowed to take collateral which excludes main residential (matrimonial) property of spouses
- Annual Interest Rate of repo + 200 basis points – actually 6% p.a.
Main Features of the SME Financing Scheme

Small and Medium entity

- Customers apply direct to commercial banks which are responsible to grant or not banking facilities

- Scheme opened to individuals, companies, cooperative societies having a turnover between Rs 10M up to Rs 50M

- Applicable to all sectors excluding professionals, traders and real estate property development

- Government through SIC provides a guarantee of 20% flat to commercial banks in case of loss declared after banks have exhausted all normal means of recovery

- Banks are allowed to take collateral which excludes main residential (matrimonial) property of spouses

- Annual Interest Rate of repo + 200 basis points – actually 6% p.a.
Main Features of the SME Factoring Scheme

- Scheme operated by Non-Bank Financial Institution offering factoring services – in this respect - Cim Finance Ltd
- Companies and Cooperative Societies should be in operation for more than one year
- Factoring service should be on a Business to Business basis.
- The turnover of the applying enterprise should not exceed Rs 50m per annum.
- Annual Interest Rate 6% p.a.
- Factoring fee of 1.50% of the invoice amount
- Signup Fee (upfront and one-off): Rs 5,000 for SME’s having turnover less than Rs 5 million and
  Rs 10,000 for SME’s having turnover more than Rs 5 million up to 50 million.
- Guarantee of 50% by SIC on loss of the factored amount
- Customers should apply direct to Cim Finance Ltd who will be responsible to determine whether or not to approve a factoring service to applicant.
## INVESTMENT SUPPORT PROGRAMME (ISP)

### MAIN FEATURES OF THE LEASING EQUIPMENT MODERNIZATION SCHEME IN RUPEES

<table>
<thead>
<tr>
<th>Features /eligibility</th>
<th>LEMS MUR 1</th>
<th>LEMS MUR 2</th>
<th>LEMS MUR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>Less than Rs 50M</td>
<td>Between Rs 50M to Rs 150 M</td>
<td>Between Rs 150 M to Rs 500M</td>
</tr>
<tr>
<td>Maximum lease facility</td>
<td>90 % excluding VAT</td>
<td>85 % excluding VAT</td>
<td>80 % excluding VAT</td>
</tr>
<tr>
<td>Maximum lease amount</td>
<td>Rs 10M</td>
<td>Rs 25M</td>
<td>Rs 50M</td>
</tr>
<tr>
<td>Guarantee provided by Gov/SIC</td>
<td>30 % on cost of asset</td>
<td>15 % on cost of asset</td>
<td>No guarantee</td>
</tr>
<tr>
<td>Interest rate chargeable to customers</td>
<td>6 % p.a.</td>
<td>6.5 % p.a.</td>
<td>6.5 % p.a.</td>
</tr>
<tr>
<td>Upfront fee payable by customer</td>
<td>1.25 %</td>
<td>1 %</td>
<td>1 %</td>
</tr>
</tbody>
</table>

Applicable to companies and cooperative societies in operation for more than one year involved in manufacturing, agro –industry and other productive sectors excluding traders and service industry.
### Main Features of the Leasing Equipment Modernization Scheme FOREX (USD & EURO)

<table>
<thead>
<tr>
<th>Features /eligibility</th>
<th>LEMS 1</th>
<th>LEMS 2</th>
<th>LEMS 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>Less than Rs 50M</td>
<td>Between Rs 50M to Rs 150 M</td>
<td>Above MUR 150M</td>
</tr>
<tr>
<td>Maximum lease facility</td>
<td>90% excluding VAT</td>
<td>85% excluding VAT</td>
<td>80% excluding VAT</td>
</tr>
<tr>
<td>Maximum cumulative lease amount</td>
<td>Rs 15M</td>
<td>Rs 40M</td>
<td>Rs 75M</td>
</tr>
<tr>
<td>in Rupees &amp; FOREX</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate</td>
<td></td>
<td><strong>FOR USD : 3% p.a.</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>FOR EURO : 2.75% p.a.</strong></td>
<td></td>
</tr>
<tr>
<td>Upfront fee payable by customer</td>
<td></td>
<td></td>
<td>1%</td>
</tr>
</tbody>
</table>

Applicable to companies being more than one year involved in manufacturing, agro – industry and tourism sector
INVESTMENT SUPPORT PROGRAMME (ISP)

List of Non-Bank leasing Companies actually offering Leasing Facilities under LEMS

- Axys Leasing Company Ltd
- CIM Finance ltd
- Finlease Co Ltd
- La Prudence Leasing Co Ltd
- Mauritian Eagle Leasing Co Ltd

Customers should apply direct to Non-Bank leasing companies which are solely responsible to approve or not a lease facility

Applicants must furnish all documents that the leasing company may require including audited/certified accounts for last three years plus management accounts for their current financial year
CONTACT DETAILS

ISP SECRETARIAT
15th Floor Air Mauritius Building
c/o SIC Limited
John Kennedy Str., PORT LOUIS

TEL: 202 8900
THANK YOU

9th March 2017