

**Liquidation  
Of  
Maldives Entertainment Company Ltd, Maldives National Broadcasting  
Corporation Limited & Utilities**

**Terms of Reference**

**1.0 Background**

Maldives Entertainment Company (MECL), Maldives National Broadcasting Corporation Limited (MNBC) are wholly owned 100% government companies, incorporated on the 12<sup>th</sup> of January 2009 and 22<sup>nd</sup> of December 2008 respectively. All the Utilities including Central Utilities Limited (CUL), Northern Utilities Limited (NUL), South Central Utilities Limited (SCUL), Southern Utilities Limited (SUL), Upper North Utilities Limited (UNUL) and Upper South Utilities Limited (USUL) are also wholly owned 100% government companies incorporated on 6<sup>th</sup> January 2009.

MECL and MNBC were formed with the objectives of facilitating quality entertainment means to the expatriate laborers and the country as a whole and to engage in business for the development of the entertainment industry while all the utilities are formed with the aim of providing electricity, gas, water and sewerage for the population living in all the various regions of Maldives in a consistent manner for the purpose of economic development and building a healthy community.

The Government of Maldives decided to liquidate these companies, given the level of engagement by the private sector in the development of the industry, and to allow their maximum engagement in the development of the industry.

In line with the government decision, the Board of Directors of MECL and MNBC resolved to liquidate the company on 16<sup>th</sup> July 2012 and 16<sup>th</sup> July 2012 respectively as per the provisions of the Companies Act. In the case of utilities, in order to provide electricity, water, sewerage, prevention and management of waste service with possible less damages to the environment in a consistent manner for the population living in the regions of Maldives except in Male', the government formed Fenaka Corporation Limited in 18<sup>th</sup> June 2012. In 11<sup>th</sup> March 2012 onwards, the government decided that all Board of Directors of these utilities would be represented by Board of Directors of Fenaka Corporation Limited. Thus, all the assets and liabilities of the utilities are transferred to Fenaka Corporation Limited in 7<sup>th</sup> January 2013. As the sole shareholder of these companies, the Government of the Maldives represented by the Privatization and Corporatization Board wishes to appoint a liquidator, to carry out the liquidation process.

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## 2.0 Duties of the liquidator

The liquidator shall, upon their appointment as stated in section 76 (b) and 81 (b) of the Companies' Act carry out the following;

- a) Prepare an account of the assets and liabilities of the company and take possession and control of assets of the company and recover all debts due to the company,
- b) Represent or appoint a legal counsel to represent the company in legal proceeding by or against the company.
- c) Settle all debts of the company from the reserves of the company, revenue being received by the company and from the proceeds of the sale of assets of the company.
- d) Distribution of the assets and reserves of the company among the members in proportion to their respective share holdings after the settlement of all debts of the company.
- e) To do all other acts as prescribed by the Companies Act or Regulations made under the Companies Act.

## 3.0 Qualifications of the person/s appointed to wind up the company

The consultants/liquidation team composed should meet the following criteria;

- a) Accounting/Finance Background
  - The person/s should have a master degree or equivalent in a related field of work.
  - The person/s should have at least five year of experience in a related field of work.
- b) Legal counsel
  - The person/s should have a master degree or equivalent in related field of work.
  - The person/s should have at least five year of experience in a related field of work.

In addition to above criteria, the liquidator must meet the following qualifications as per the provisions of the Companies Act.

- a) Shall be competent to carry out the winding up process.
- b) Shall not be indebted to the company nor shall the company be indebted to them.
- c) Shall not be an employee or employees of the company.
- d) Shall not be an employee of a member of the company nor be a business partner to a member of the company.
- e) Shall not be a person who was found guilty of theft, fraud, extortion, or other such felonies.
- f) Shall not be an un-discharged bankrupt.

## 4.0 Proposal Contents

The submitted proposal should address the following areas:

- ❖ Profile of consultants
- ❖ Previous relevant experience
- ❖ Cost estimates (**Should be a fixed amount / price**)
- ❖ Schedule / timeline of completion
- ❖ Documents / assistance required
- ❖ Details of subcontractors (if subcontracted)



## **5.0 Proposal Submission**

The proposals must be submitted to Privatization and Corporatization Board before **1500hrs of 27<sup>th</sup> August 2015.**

**Information Session prior to the submission of the proposals will be held at the 3<sup>rd</sup> floor of the new building of Ministry of Finance and Treasury on 16<sup>th</sup> August 2015 at 1000hrs.**

**Proposal will only be accepted from the parties who are presented at the information session.**

## **6.0 Selection Criteria**

The selection of consultant for the project will be based on the following criteria.

- 50% on the fees quoted
- 25% on the time frame proposed
- 25% on the organization capacity / past experience / professional profile of consultants

## **7.0 Further Queries**

Contact Privatization & Corporatization Board (PCB) for any further queries 3349240/3349319.

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