

MIRA INFORM REPORT

Report No. :	525373
Report Date :	18.08.2018

IDENTIFICATION DETAILS

Name :	ZIMBABWE MINING DEVELOPMENT CORPORATION (ZMDC)
Registered Office :	MMCZ Building, 90 Mutare Road, Msasa, Harare
Country :	Zimbabwe
Financials (as on) :	2017 [Summarized]
Date of Incorporation :	02.01.1982
Com. Reg. No.:	31/1982
Legal Form :	State Corporation
Line of Business :	Registered to Operate Mining of Diamond, Gold, and Emerald
No. of Employees :	1500

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but correct
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Zimbabwe	C1	C1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

ZIMBABWE - ECONOMIC OVERVIEW

Zimbabwe's economy depends heavily on its mining and agriculture sectors. Following a contraction from 1998 to 2008, the economy recorded real growth of more than 10% per year in the period 2010-13, before falling below 3% in the period 2014-17, due to poor harvests, low diamond revenues, and decreased investment. Lower mineral prices, infrastructure and regulatory deficiencies, a poor investment climate, a large public and external debt burden, and extremely high government wage expenses impede the country's economic performance.

Until early 2009, the Reserve Bank of Zimbabwe (RBZ) routinely printed money to fund the budget deficit, causing hyperinflation. Adoption of a multi-currency basket in early 2009 - which allowed currencies such as the Botswana pula, the South Africa rand, and the US dollar to be used locally - reduced inflation below 10% per year. In January 2015, as part of the government's effort to boost trade and attract foreign investment, the RBZ announced that the Chinese renmimbi, Indian rupee, Australian dollar, and Japanese yen would be accepted as legal tender in Zimbabwe, though transactions were predominantly carried out in US dollars and South African rand until 2016, when the rand's devaluation and instability led to near-exclusive use of the US dollar. The government in November 2016 began releasing bond notes, a parallel currency legal only in Zimbabwe which the government claims will have a one-to-one exchange ratio with the US dollar, to ease cash shortages. Bond notes began trading at a discount of up to 10% in the black market by the end of 2016.

Zimbabwe's government entered a second Staff Monitored Program with the IMF in 2014 and undertook other measures to reengage with international financial institutions. Zimbabwe repaid roughly \$108 million in arrears to the IMF in October 2016, but financial observers note that Zimbabwe is unlikely to gain new financing because the government has not disclosed how it plans to repay more than \$1.7 billion in arrears to the World Bank and African Development Bank. International financial institutions want Zimbabwe to implement significant fiscal and structural reforms before granting new loans. Foreign and domestic investment continues to be hindered by the lack of land tenure and titling, the inability to repatriate dividends to investors overseas, and the lack of clarity regarding the government's Indigenization and Economic Empowerment Act.

Source : CIA

COMPANY NAME

Registered Name:	ZIMBABWE MINING DEVELOPMENT CORPORATION (ZMDC)
Requested Name:	ZIMBABWE MINING DEVELOPMENT CORPORATION
Other Names:	None

ADDRESS AND TELECOMMUNICATION

Physical Address:	MMCZ Building, 90 Mutare Road, Msasa, Harare,
Country:	Zimbabwe
Phone:	263-487014/15/16/17/18/19/20/772165525/6/7
Fax:	263-4-487022
Email:	gchimhina@zmdc.co.zw
Website:	www.zmdc.co.zw

CREDIT OPINION

Financial Index as of December 2017 shows subject firm with a medium risk of credit. However, bank and credit information obtained reveal a history of prompt payments.

LEGAL

Legal Form:	State Corporation	
Date Incorporated:	02-Jan-1982	
Reg. Number:	31/1982	
Budget Capital	USD. 10,000,000	
Subscribed Capital is Subscribed in the following form:		
	Position	Shares
Mr. David Murangari	Chairman	
Mr. Edward Mashiringwani	Deputy Chairman	
Mr. Crispen Chitambira	Director	
Mr. Patridge Timothy Sibanda	Director	
Dr. Farai Karonga	Director	
Mr. Titus Nyatsanga	Director	
Ambassador Zenzo Nsimbi	Director	

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Ms. Esther Edith Mufaro Maravanyika	Director	
Government of Zimbabwe	Parent	100%

RELATED COMPANIES

Government of Zimbabwe	Parent company.
Kimberworth Investments (Pvt) Ltd T/A Sabi Gold	Subsidiary companies.
Jena Mines (Pvt) Ltd	
Mineral Development (Pvt) Ltd T/A Elvington Mines	
Sandawana Mines (Pvt) Ltd	
Kamativi Tin Mines Ltd	
Mhangura Copper Mines Ltd	
SMM Holdings (Pvt) Ltd	
Sanyati Copper Mines Ltd	
Lomagundi, Smelting and Mining (Pvt) Ltd	
None	Affiliated company.
None	Shareholder of subject firm.
None	Branches of the firm

OPERATIONS

Registered to operate mining of diamond, gold, and emerald	
Imports:	Asia, South Africa
Exports:	Worldwide
Trademarks:	None
Terms of sale:	Cash (50%) and 25-90 days (50%), invoices.
Main Customers:	firms and organizations
Employees:	1500 employees.
Vehicles:	Several motor vehicles.
Territory of sales:	Zimbabwe
Location:	Owned premises, 500,000 square feet,

AUDITORS AND INSURANCE

Auditors:	Information not available.
Insurance Brokers:	Information not available.

FINANCE

Currency Reported: US Dollar (USD.)
Fiscal Year End: December 31, 2017
Inflation: According to information given by independent sources, the inflation at December 31st, 2017 was of 13%.

Financial Information not Submitted

Profit and Loss (expressed in USD.)

	2017
Sales	17,500,000,000

BANK

Bank Name: Reserve Bank of Zimbabwe
Branch: Zimbabwe
Comments: None

TRADE REFERENCES

Experiences: Good

NOTARIAL BONDS

None

COMMENTS / ADDITIONAL INFORMATION

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.23
UK Pound	1	INR 89.37
Euro	1	INR 79.97
ZWD	1	INR 0.19

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TPT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)