

## MIRA INFORM REPORT

Report No. :	524965
Report Date :	24.08.2018

### IDENTIFICATION DETAILS

Name :	LEO SCHACHTER BOTSWANA (PROPRIETARY) LIMITED
Registered Office :	Plot 655, Industrial Estates, Molepole, Private Bag 0024, Molepole
Country :	Botswana
Financials (as on) :	2017 [Summarized]
Date of Incorporation :	12.04.1993
Com. Reg. No.:	CO1993/528
Legal Form :	Limited Corporation
Line of Business :	Polishing and cutting of diamonds
No. of Employees :	362

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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 :	No Complaints
Litigation :	Clear

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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)
Botswana	A2	A2

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

**BOTSWANA - ECONOMIC OVERVIEW**

Until the global recession, Botswana maintained one of the world's highest economic growth rates since independence in 1966. Diamond mining fueled much of the economic expansion and currently accounts for one-quarter of GDP, approximately 85% of export earnings, and about one-third of the government's revenues. Tourism is the secondary earner of foreign exchange and many Botswana engage in tourism-related services, subsistence farming, and cattle rearing. Through fiscal discipline and sound management, Botswana transformed itself from one of the poorest countries in the world to a middle-income country with a per capita GDP of approximately \$18,100 in 2017. Botswana also ranks as one of the least corrupt and best places to do business in sub-Saharan Africa.

Botswana's economy closely follows global economic trends because of its heavy reliance on a single luxury export. According to official government statistics, unemployment is around 20%, but unofficial estimates run much higher. De Beers, a major international diamond company, signed a 10-year deal with Botswana in 2012 and moved its rough stone sorting and trading division from London to Gaborone in 2013. The move was geared to support the development of Botswana's nascent downstream diamond industry.

Botswana's economy recovered from the 2008 global recession in 2010, but has only grown modestly since then, primarily due to the downturn in the global diamond market, though water and power shortages also played a role. The prevalence of HIV/AIDS is second highest in the world and threatens the country's impressive economic gains. Diamond exports increased again in 2017 to the highest levels since 2013 at about 22 million carats of output, driving Botswana's economic growth of about 4.5% in 2017 and increasing foreign reserves to about 45% of GDP.

Source : CIA

## **SUBJECT'S NAME**

Registered Name: **LEO SCHACHTER BOTSWANA (PROPRIETARY) LIMITED**  
Requested Name: **LEO SCHACHTER INTERNATIONAL LTD**  
Other Names: **LSD MANUFACTURING BOTSWANA**

## **ADDRESS AND TELECOMMUNICATION**

Physical Address: Plot 655, Industrial Estates, Molepole  
Postal Address: Private Bag 0024,  
Molepole,  
Country: Botswana  
Phone: 267-5920815/0986  
Fax: 267-5921159/5920814  
Email: botswana@lsdco.com/isb@info.bw  
Website: www.lsdco.com

## **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: Limited Corporation  
Date Incorporated: 12-April-1993  
Reg. Number: CO1993/528 Botswana  
Nominal Capital: BWP. 1,000,000  
Subscribed Capital: BWP. 1,000,000  
Subscribed Capital is Subscribed in the following form:

	<b>Position</b>	<b>Shares</b>
Mr. Leo Schachter	Group Chairman	
Mr. Christopher Mamalelala	MD	
Mr. Elliot Tannenbaum	Director	
Mr. Jean Claude M.	Director	
Mrs. Nancy Orem Lyman	Director	
Mrs. Amelia Pheto	Manager	
Leo Schachter International Ltd	Holding Co.	100%

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## **RELATED COMPANIES**

Leo Schachter International Ltd	Parent company.
None	Subsidiary company.
Leo Schachter Diamonds, Leo Schachter Diamonds East, Leo Schachter Diamonds (Shanghai), Leo Schachter Diamonds India.	Affiliated companies.
None	Shareholder of subject firm.
None	Branches of the firm

## **OPERATIONS**

Registered to operate polishing and cutting of diamonds	
Imports:	Worldwide
Exports:	Europe, Asia
Trademarks:	None
Terms of sale:	Cash (40%) and 25-90 days (60%), invoices.
Main Customers:	Industries, firms and organizations
Employees:	362 employees.
Vehicles:	Several motor vehicles.
Territory of sales:	Botswana
Location:	Owned premises, 200,000 square feet,

## **AUDITORS AND INSURANCE**

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

## **FINANCE**

Currency Reported:	Botswana Pula (BWP.)
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 BWP.)

Sales

**2017**

845,000,000

## **BANK**

Bank Name:

Standard Chartered Bank

Branch:

Botswana

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 70.07
UK Pound	1	INR 90.26
Euro	1	INR 81.05
BWP	1	INR 6.58

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	DIV
<b>Report Prepared by :</b>	SYL

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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)

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