

MIRA INFORM REPORT

Report No. :	541896
Report Date :	04.12.2018

IDENTIFICATION DETAILS

Name :	KAGEM MINING LIMITED
Registered Office :	Plot 6374 Corner Dr Agsey and Kariba Road Light Industrial Area Kitwa, P O Box 21657, Kitwe
Country :	Zambia
Financials (as on) :	2017 (Summarized)
Date of Incorporation :	15.07.1985
Com. Reg. No.:	119850012958
Legal Form :	Limited Corporation
Line of Business :	Registered to operate in exploration, mining, processing, and sale of emeralds, Importer exporter manufacture of precious stones
No. of Employees :	520

RATING & COMMENTS

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

MIRA's Rating :

A

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.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Zambia	B1	B1

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

ZAMBIA - ECONOMIC OVERVIEW

Zambia had one of the world's fastest growing economies for the ten years up to 2014, with real GDP growth averaging roughly 6.7% per annum, though growth slowed during the period 2015 to 2017, due to falling copper prices, reduced power generation, and depreciation of the kwacha. Zambia's lack of economic diversification and dependency on copper as its sole major export makes it vulnerable to fluctuations in the world commodities market and prices turned downward in 2015 due to declining demand from China; Zambia was overtaken by the Democratic Republic of Congo as Africa's largest copper producer. GDP growth picked up in 2017 as mineral prices rose.

Despite recent strong economic growth and its status as a lower middle-income country, widespread and extreme rural poverty and high unemployment levels remain significant problems, made worse by a high birth rate, a relatively high HIV/AIDS burden, by market-distorting agricultural and energy policies, and growing government debt. Zambia raised \$7 billion from international investors by issuing separate sovereign bonds in 2012, 2014, and 2015. Concurrently, it issued over \$4 billion in domestic debt and agreed to Chinese-financed infrastructure projects, significantly increasing the country's public debt burden to more than 60% of GDP. The government has considered refinancing \$3 billion worth of Eurobonds and significant Chinese loans to cut debt servicing costs.

Source : CIA

COMPANY NAME

Registered Name: **KAGEM MINING LIMITED**
Requested Name: **KAGEM MINING LIMITED**
Trade Names: **KAGEM MINING**

ADDRESS AND TELECOMMUNICATION

Physical Address: Plot 6374 Corner Dr Agsey and Kariba Road Light
Industrial Area Kitwa
Postal Address: P O Box 21657 ,
Kitwe
Country: Zambia
Phone: 260-212-212101/216492/2216845/251179
Cell: 260-965202084
Fax: 260-212216324
Email: kagem@coppernet.zm/kagemm@zamnet.zm/
adminkagem@zamnet.zm
Website: None

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: 15-July-1985
Reg. Number: 119850012958,Zambia
Nominal Capital: ZMW. 20,000
Subscribed Capital: ZMW. 20,000
Subscribed Capital is Subscribed in the following form:

	Position	Shares
Mr. William B. Nyirenda, S.C.	Director	
Mrs. Janet Boyce	Director	
Mr. Sean Gilbertson	Director	
Mr. Clive Newall	Director	

Mr. Finn Behnken	Director	
Mr. C.V. Suresh	Director	
Mr. Kartikeya Parikshya	Director	
Mr. Adrian Banks	Director	
Mr. Dibya J. Baral	GM	
Government of Zambia	Shareholder	25.00%
Gemfields Plc. UK	Holding Co.	75.00%

RELATED COMPANIES

None	Parent company.
None	Subsidiary company.
GEMFIELDS LIMITED BVI	
ALMIZAN DEVELOPMENT LIMITED	
GEMFIELDS MINING LIMITED	
GEMFIELDS INDIA PVT LIMITED	
MONTEPUEZ RUBY MINING LIMITADA	
KARIBA MINERALS LIMITED	Affiliated company.
None	Shareholder of subject firm.
None	Branches of the firm

OPERATIONS

Registered to operate in exploration, mining, processing, and sale of emeralds, Importer exporter manufacture of precious stones

Imports:	Middle East
Exports:	Asia
Trademarks:	None
Terms of sale:	Cash (40%) and 25-90 days (60%), invoices.

Main Customers:	firms and organizations
Employees:	520 employees.
Vehicles:	Several motor vehicles.
Territory of sales:	Zambia, Europe
Location:	Owned premises, 20,000 square feet,

AUDITORS AND INSURANCE

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

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.03
UK Pound	1	INR 89.50
Euro	1	INR 79.59
ZMW	1	INR 5.93

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	KET

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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)