

MIRA INFORM REPORT

Report No. :	542161
Report Date :	04.12.2018

IDENTIFICATION DETAILS

Name :	LEO SCHACHTER BOTSWANA (PROPRIETARY) LIMITED
Registered Office :	Lot 655, Industrial Estates, Molepole, Private Bag 0024, Molepolole
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 :	350

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 :	No Complaints
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 (30.06.2018)	Current Rating (30.09.2018)
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 beginning of the global recession in 2008, Botswana maintained one of the world's highest economic growth rates since its independence in 1966. Botswana recovered from the global recession in 2010, but only grew modestly until 2017, primarily due to a downturn in the global diamond market, though water and power shortages also played a role. Through fiscal discipline and sound management, Botswana has transformed itself from one of the poorest countries in the world five decades ago into 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.

Because of its heavy reliance on diamond exports, Botswana's economy closely follows global price trends for that one commodity. Diamond mining fueled much of Botswana's past economic expansion and currently accounts for one-quarter of GDP, approximately 85% of export earnings, and about one-third of the government's revenues. In 2017, Diamond exports increased to the highest levels since 2013 at about 22 million carats of output, driving Botswana's economic growth to about 4.5% and increasing foreign exchange reserves to about 45% of GDP. 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.

Tourism is a secondary earner of foreign exchange and many Botswana engage in tourism-related services, subsistence farming, and cattle rearing. According to official government statistics, unemployment is around 20%, but unofficial estimates run much higher. The prevalence of HIV/AIDS is second highest in the world and threatens the country's impressive economic gains.

Source : CIA

SUBJECT'S NAME

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

ADDRESS AND TELECOMMUNICATION

Physical Address: Lot 655, Industrial Estates, Molepole
Postal Address: Private Bag 0024
Molepolole,
Country: Botswana
Phone: 267-5920815/0986
Fax: 267-5920814/1159
Email: botswana@lsdco.com
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.

The company is Apparently healthy, with adequate working capital to meet normal commitments

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:

	Position	Shares
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	
Schachter & Namdar Group	Holding Co.	100%

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RELATED COMPANIES

Schachter & Namdar Group	Parent company.
None	Subsidiary company.
Various worldwide	Affiliated company.
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:	350 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

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Profit and Loss (expressed in BWP.)

Sales

2017
998,250,000

BANK

Bank Name: Standard Chartered Bank
Branch: Botswana
Comments: None

TRADE REFERENCES

Experiences: Good

NOTARIAL BONDS None

COMMENTS / ADDITIONAL INFORMATION

The company and the following officers have been checked at the Registries of companies and with the judicial local facilities..

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.03
UK Pound	1	INR 89.50
Euro	1	INR 79.59
BWP	1	INR 6.74

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	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)