

PELA PLANT (PTY) LTD (IN LIQUIDATION)
("the Company")

MASTER'S REFERENCE NUMBER : G20434/14

REPORT SUBMITTED BY THE JOINT LIQUIDATORS IN TERMS OF SECTION 402 OF THE COMPANIES ACT NO 61 OF 1973 AS AMENDED TO BE SUBMITTED AT A SECOND MEETING OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE THE MASTER OF THE HIGH COURT, JOHANNESBURG ON 10 FEBRUARY 2015 AT 10H00

Nature of Liquidation	Applied for application
Date of provisional Order	29 July 2014
Date of Final Order	16 September 2014
Provisional appointees	LDR vd Merwe , KC Monyela, WN Jacobs, MG Lukhele, JN Mahanyele,
Date of 1 st meeting of creditors	12 December 2014
Final appointees	LDR vd Merwe , KC Monyela, WN Jacobs, MG Lukhele, JN Mahanyele, TW vd Heever

GENERAL AND STATUTORY INFORMATION

Registrar of Companies

The Company was duly registered with the Registrar of Companies under their reference number 2002/012300/07.

Registered Address

The registered address of the company is corner Elandsdrift Road and R512, Lanseria.

Directors

It appears from our investigations the following persons were directors:

ASW Page

CE Ryninks

H du Preez

N Pillay

MR Madubanya

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Share Holding

The Company is a 100% subsidiary of Protech Khuthele Holdings Ltd.

Business of the Company

The company operated as a plant hiring business mainly to its associated companies in the Protech Group.

SECTION 402(a)

Financial Statement Of Assets And Liabilities

According to information available to us the following would appear to represent the financial position of the Company as at the date of liquidation:

<u>ASSETS</u>	<u>Notes</u>	<u>Liabilities</u>	<u>Assets</u>
Encumbered Assets			
Movable Assets – Plant and Equipment encumbered to Bidvest Bank Ltd	a		12 100 000.00
Plant encumbered to Mercedes Financial Services Ltd	b		8 500 000.00
Plant and Equipment encumbered to ABSA Bank Ltd			58 232 300.00
Debtors encumbered to ABSA Bank Ltd	c		9 585 216.10
Plant and Equipment situated in Durban	d		7 850 000.00
Unencumbered Assets			
None			0.00
<u>LIABILITIES</u>			
Secured Creditors'			
Bidvest Bank Ltd		12 670 395.94	
Mercedes Financial Services Ltd		10 702 999.30	

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ABSA Bank Ltd		134 157 554.91	
Wesbank Ltd		889 092.18	
SARS / UTI	d	unknown	
Preferent Creditors			
Employees		429 951.57	
SARS		unknown	
Concurrent Creditors			
Estimated at	e	197 733 275.40	
SUBTOTAL		356 583 269.30	96 267 516.10
DEFICIT			260 315 753.20
TOTAL		356 583 269.30	356 583 269.30

NOTES

The above figures are subject to adjustment and verification.

The values attributed to the assets are based on formal valuations obtained.

- (a) The movable assets encumbered to Bidvest Bank Ltd were all sold by private treaty pursuant to an extension of the powers of the joint provisional liquidation in terms of Section 386 (2A) of the Companies Act.
- (b) Majority of the Bell Equipment encumbered to ABSA Bank Ltd was all sold by private treaty pursuant to an extension of the powers of the joint provisional liquidation in terms of Section 386 (2A) of the Companies Act. The balance of the items will be disposed in due course.
- (c) The collection of the amounts owing to the company is an ongoing process and the liquidators may very well have to embark on legal proceedings to collect the amounts so due to the company.

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(d) The assets in question are currently, in spite of proper demand having been made for its release to the liquidators, withheld from the liquidators, by SARS and UTI. The liquidators launched an urgent application seeking the release of the assets and obtained an Order in the Durban High Court directing the release of the assets. The order has been appealed by SARS and the release of the assets has accordingly been delayed further.

The liquidators contend that SARS has a statutory right of security over these assets, but not the right to withhold the release of the assets in question.

(e) The amounts represent the aggregate of the concurrent claims received by the liquidators to date.

SECTION 402(b)

Causes Of The Company's Failure

The company was placed into Business Rescue during June 2014 and Mr Gainsford was appointed as Business Rescue Practitioner.

Mr Gainsford in his capacity as Business Rescue concluded that there was reasonable prospect of rescuing the company and consequently applied for the liquidation as the company as is required in terms of the provisions of Chapter 6 of the Act.

SECTION 402(c)

Report Under Section 400(2)

At this stage we do not have anything to report under this heading, however, should any contraventions come to our attention, a report will be submitted to the Master of the High Court in regard to such contraventions.

SECTION 402(d)

Personal Liabilities Of Directors Or Officers

At this stage we are unable to comment on whether the former director or officer of the company can be held personally liable for the debts of the company. A report will be submitted, should it become necessary.

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SECTION 402(e)

Legal Proceedings

As far as we are aware there are no legal proceedings pending by or against the Company, except for normal debt collection.

SECTION 402(f)

Further Enquiry

The liquidators do not intend to hold an enquiry at present. Creditors will be informed if the liquidators decide to proceed with an enquiry into the affairs of the company.

SECTION 402(g)

Books And Records

Some books and records relating to the affairs of the Company have been handed to the liquidators.

SECTION 402(h)

Progress And Prospects Of Liquidation

Upon our appointment as Provisional Liquidators we immediately investigated the affairs of the company and took possession of the assets. Certain movable assets were sold by private treaty pursuant to an extension of the powers of the joint provisional liquidation in terms of Section 386 (2A) of the Companies Act.

SECTION 402(i)

Matters Requiring Further Directions Of Creditors And Contributories

Such directions as we desire, and sanction of the actions taken by the Provisional Liquidators and Liquidators to date, are contained in the Resolutions to be submitted for consideration and adoption, are attached hereto.


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GENERAL

As there appears to be no danger of contribution to be levied onto creditors who submit a claim for proof creditors are requested to attend to the formulation of their claims as soon as possible in order that the liabilities may be verified.

DATED at ROODEPOORT this 02nd day of **FEBRUARY 2015**


LDR VAN DER MERWE


KC MONYELA


WN JACOBS


MG LUKHELE


JN-MAHANYELE


TW VAN DEN HEEVER

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**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS
HELD BEFORE THE MASTER OF THE HIGH COURT, JOHANNESBURG ON
10 FEBRUARY 2015 AT 10H00.**

RESOLVED THAT:

- 1 The report of Liquidator or Joint Liquidators, as the case may be, hereinafter referred to as (the Liquidator"), as submitted be received and adopted and all his actions referred to therein be and are hereby confirmed, ratified and approved.
- 2 All actions of whatsoever nature heretobefore taken by the Provisional Liquidator and/or Liquidator be and are hereby confirmed, ratified and approved.
- 3 The Liquidator be granted the authority and is vested with all the powers mentioned in Section 386(4)(a) – (i) of the Companies Act No 61 of 1973, as amended, such powers to be exercised at his sole and absolute discretion.
- 4 The Liquidator be and is hereby authorised in his sole and absolute discretion to:
 - 4.1 Take legal advice on any question of law affecting the administration and distribution of the company;
 - 4.2 Institute or defend on behalf of the company any action or other legal proceedings of a civil nature for the recovery of monies due to the company or otherwise and subject to the provisions of any law relating to criminal procedure, institute any criminal proceedings;
 - 4.3 Hold any enquiry into the affairs of the company and/or any matter relating thereto;
 - 4.4 Investigate and institute legal proceedings for the recovery of any voidable or undue preferences, voidable dispositions of property or any other impeachable transactions of whatsoever nature and to abandon same at any time;
 - 4.5 Write up the books of the company as may be required, and if necessary, to produce a balance sheet, audited or not, as at the date of liquidation, either for the purpose of investigating the affairs of the company, establishing the claims of creditors, or any other purpose.

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- 5 The Liquidator be and is hereby authorised in his sole and absolute discretion to employ and engage the services of attorneys and/or counsel (senior and/or junior) and/or accountants and/or bookkeepers and/or any employee of the insolvent and/or recording agents and/or any other person who in the sole discretion of the Liquidator may be of assistance in the winding-up of the company in relation to any matter referred to in 4 above and further to pay all the costs thereof of whatsoever nature out of the estate as costs incurred in the liquidation.

- 6 The Liquidator be and is hereby authorised to collection any debts due to the company and for the purpose thereof to sell or compound or compromise any of these debts for such sum and upon such terms and conditions as he in his sole discretion may deem fit, and to accept any part of the debt in settlement thereof, and to grant an extension of time for the payment of any such debt, and to abandon any debt which he in his sole discretion may deem to be irrecoverable.

- 7 The Liquidator be and is hereby authorised to dispose of any movable and immovable property of the company, whether in his possession or under his control now or to come into his possession or under his control in the future by public auction, private treaty or public tender upon such terms and conditions as he in his sole and absolute discretion shall determine and to abandon any such assets for which he can find no purchaser or abandon them to a secured creditor at the value placed thereon by such creditor or at such value as is agreed upon by the Liquidator and the creditor if such creditor's claim is secured by such assets and to sign all such documents as may be necessary to give effect to such disposition.

- 8 The Liquidator be and is hereby authorised and empowered in his sole discretion to compromise and admit any claim against the company of whatsoever nature and howsoever arising and whether disputed or not and whether actual, contingent, prospective, conditional, unconditional, assessed, unassessed, liquidated or unliquidated as a liquidated claim in terms of Section 78(3) of the Insolvency Act No 24 of 1936 as amended, read with Section 339 of the Companies Act No 61 of 1973, as amended, at such amount as may be agreed upon by the Liquidator, provided that proof thereof has been tendered at a meeting of creditors.

- 9 The Liquidator be and is hereby authorised to make application for the destruction of books and records of the estate six months after the confirmation of the Final Liquidation and Distribution Account.

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- 10 The Liquidator be and is hereby authorised to perform any act or exercise any power for which he is not expressly required by the Companies Act No 61 of 1973, as amended, to obtain the leave of the Court.
- 11 The Liquidator be and is hereby authorised to submit to the determination of arbitrators any dispute concerning the company or any claim or demand by or upon the company.
- 12 The Liquidator be and is hereby authorised to carry on or discontinue any part of the business of the company insofar as may be necessary for the beneficial winding-up thereof.
- 13 The Liquidator be and is hereby authorised to exercise *mutatis mutandis* the powers conferred upon a Liquidator by Section 35 (uncompleted acquisition of immovable property before liquidation) and 37 (effect of liquidation upon a lease) of the Insolvency Act No 24 of 1936, as amended, read with Section 339 of the Companies Act No 61 of 1973, as amended.
- 14 The further administration of the affairs of the company be left entirely in the hands and at the discretion of the Liquidator.

q.q. CREDITORS