



**AFARAK MOGALE (PTY) LTD  
(IN BUSINESS RESCUE)  
REGISTRATION NUMBER: 2002/015297/07**

**BUSINESS RESCUE STATUS REPORT IN TERMS OF SECTIONS  
132 AND 141 OF THE COMPANIES ACT, 71 OF 2008 READ  
WITH REGULATION 125 OF THE COMPANIES ACT FILED BY  
THE BUSINESS RESCUE PRACTITIONERS LDR VAN DER MERWE  
& JF KLOPPER**

---

LDR van der Merwe  
November 2020



## 1. IMPORTANT INFORMATION AND ACTIONS

	Date
Board of directors passes resolution for Business Rescue on	2020/05/03
Notice of resolution filed with CIPC on	2020/05/08
Notice to affected parties on filing for Business Rescue on	2020/05/15
Company nominated a BRP on	2020/05/08
CIPC confirmed certification of BRP on	2020/05/11
File notice to CIPC re BRP appointment on	2020/05/11
Publish notice to affected parties of BRP appointment on	2020/05/15
First meeting of creditors held on	2020/05/22
First meeting of employees held on	2020/05/22
Publish Business Plan on/ due by	2020/09/07
Publish notice of meeting to consider proposed Business Rescue Plan on	2020/09/08
Meeting to determine the future of the business held on	2020/09/16

## 2. CURRENT STATUS OF BUSINESS RESCUE PROCEEDINGS

*Kindly note:* This status report must be read together with all previous status reports and that the information contained in this status report is a record of events and/or information that have transpired subsequent to the publication of the previous month's status report:

### 2.1 Progress on Implementation of the Adopted Business Rescue Plan

- 2.1.1 The proposed business rescue plan was adopted by the requisite majority of creditors on the 16<sup>th</sup> of September 2020 at the Section 151 Meeting of creditors.
- 2.1.2 The BRP has now identified the preferred bidder and is in the process of negotiating the relevant transactional documentation with the preferred bidder. The BRP is pressing the preferred bidder to expediting the finalisation of such transactional documentation, which the BRP requires to be finalised before the end of December 2020.
- 2.1.3 The Company is however experiencing severe cash flow shortages, which has been exacerbated by a VAT refund of *circa* R14 million rand that remains unpaid by SARS, despite a ruling by the tax ombudsman in favour of the Company. The Company is also owed substantial amounts from certain debtors, in an amount of *circa* R25 million Rand.
- 2.1.4 The BRP remains concerned about the ability of the Company to meet its obligations in December 2020 and January 2021, based on the current cash flow forecasting, which includes obligations to Eskom of *circa* R2 million Rand.

2.1.5 The BRP shall monitor the cash position of the Company against the Company's ability to meet its obligations post the adoption of the business rescue plan.

LDR van der Merwe & J F Klopper  
Joint Business Rescue Practitioners

11 December 2020