

Minutes of Meeting – Bambanani Pipes & Fittings (Pty) Ltd (in business rescue)
First Meeting of Creditors in terms of S147 of Companies Act, 2008 (“the Act”)

3 November 2017 at 12h00

8 Penny Road, Roodepoort

Attendees: As per attendance register

Welcome & Address – Eugene Nel (BRP)

First meeting of Creditors - His appointment was effective from 25 October 2017

Explains the business rescue process generally, including an explanation of the various time periods imposed by the Act.

s147 Meeting: purpose

1. Inform creditors if there is a possibility of rescuing the business (primary/secondary);
2. Receive claims from creditors;
3. Formation of creditors’ committee

The BR Plan is to be published in 25 days after the appointment of the BRP, and is therefore due on 29 December 2017.

The BRP intends publishing prior to the due date, as the plan must be implemented by mid-December 2017, before the shut-down.

BRP has already conducted verifications, and is awaiting valuations of assets and creditors’ claims, etc.

Liquidation is the last resort and will only be considered if there is no viable BR Plan.

The proof of claim process was explained in detail:

1. The BRP must compare company records to creditors; records,

Currently there is no cash to pay creditors’ claims and the BRP is attempting to arrange post-commencement finance (“PCF”).

Shareholders have invested approximately R106m.

The BRP confirmed that there is some interest in acquiring the business and he referred to the order book, assessed loss and goodwill of the business. As a first prize, the business would be sold as a going concern to new shareholders.

As the business operates in a specialized industry, a sale of the business will require some homework.

The BRP is confident that the rescue process will yield a better return for creditors than would be the case if the business was to be liquidated.

The BR process is a structured, fast tracked procedure to dispose of business for this purpose.

The upcoming festive season may impact on the timing.

Plan will have to predate the disposal process, so realistically, the process can only take place in the new year – most likely around February 2018.

In summary, the process will extract more value than would be the case in a liquidation – it should theoretically be quicker and more cost effective.

Statutory Feedback:

1. Inform Creditors whether BRP believes business can be rescued; (the secondary purpose – better result achieved for creditors than would be the case in liquidation);
2. Formation of a Committee of Creditors

General:

Questions:

1. Insurance – in place and security in place;
2. Assets financed – valuations to be done - BRP agrees;
3. R163m total includes shareholders claims
4. Explains general creditor overview
5. Retrenchment process in place
6. Reports back iro 148 meeting
7. Orders will be dealt with Ad hoc;
8. No further funds to be put in by shareholders;
9. Overview – secured creditors, Nedbank, ABSA, Wesbank ;
10. Expedited process;
11. Order book – discuss capacity to complete;
12. Secondary objective of BR;
13. Debtors book R1.3m;
14. Explains trading - no credit trading

Creditors Committee:

No Creditors Committee

Closing: