

Date 3 June 2025

Jaco Durandt
jacod@businessrescue360.co.za
www.businessrescue360.co.za

Re Conversion of Business Rescue to Liquidation

I write to you in my capacity as the appointed Business Rescue Practitioner of **Bizana Builders (Pty) Ltd**¹ (the Business) and would like to formally bring the following to your attention.

The Business has found itself in financial distress² and as a result, the director decided to initiate business rescue proceedings in terms of the Companies Act³ (the Act⁴) on the 21st of August 2023.

I⁵ was duly appointed as the Business Rescue Practitioner in this matter.

A Business Rescue Practitioner, as soon as practicable after being appointed, must investigate the affairs of the business⁶, including but not limited to, its business operations, its property, and its financial situation.

After having done so, the practitioners must apply their minds as to whether they continue to believe that a reasonable prospect⁷ of rehabilitating the business exists, and if so, to determine the best way forward that will balance the rights of all affected persons⁸.

It was, at the time of commencement, the belief that a reasonable prospect of a successful rescue did exist. Therefore, a business rescue plan was drafted, proposed and adopted by the creditors in terms of the Act. The plan provided for a

1 J. Durandt (BRP)

2 Section 128(1)(f) of the Companies Act of 2008

3 Section 129 of the Companies Act

4 The Companies Act 71 of 2008

5 J. Durandt

6 Section 141(1) of the Companies Act of 2008

7 Section 141(2)(a) of the Companies Act of 2008

8 Section 7(k) of the Companies Act of 2008

grace period and a repayment plan for the debt, which would span a period of 18 months. This plan was subject to a number of things that had to go according to plan. Such as:

- The granting of a variation order by the department of human settlements (which would increase the amount of money received per completed RDP house) – This was never approved during the 18 months despite endless debate with the department.
- Continued work on the sites with the assistance of post-commencement financiers (although the funding was received, due to the fact that the Variation Order not being approved, the houses being built were still being built at a loss – eventually leading to the building activities to grind to a halt).

We have now officially reached the end of the 18-month period in which the business was supposed to settle its debts in full. However, due to the lack of approval of the Variation Order and the fact that building has come to a stop, the contract has since been cancelled, thereby leaving the business in a highly unfortunate position of not being able to continue operations.

Therefore, formal instruction has since been given to a liquidation attorney for the liquidation of the entity. I will be in contact again once the liquidation has been finalised and the liquidator appointed – at that time I will be able to share the liquidators' details for your attention.

Should there be any questions, they should be directed at the liquidator (once appointed) of the entity or the liquidating attorney.

Jaco Durandt

Business Rescue Practitioner