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KZN TREASURY JOINS CASE TO THWART LIQUIDATION OF ITHALA

KwaZulu-Natal (KZN) Treasury has submitted its supporting legal documents on the case by Ithala SOC Limited (Ithala) to thwart the provisional liquidation application launched against the entity by the Repayment Administrator (RA) acting under the auspices of the Prudential Authority (PA) of the South African Reserve Bank (SARB).

KZN Treasury contends that, contrary to the claims of Mr. Johannes Kruger who is the RA, Ithala does not have a solvency and liquidity problem.

As of 31 October 2024, Ithala's total assets amounted to R3,25 billion while total liabilities amounted to R2,93 billion. This means that Ithala's assets exceeded its liabilities by R316 million.

Further arguments on Ithala's functionality will be demonstrated in the Pietermaritzburg division of the KZN High Court when the matter is heard on Tuesday 28 January 2025.

KZN Finance MEC, Mr. Francois Rodgers, says:

"It is KZN Treasury's contention that Mr. Johannes Kruger has not acted in the best interests of Ithala's depositors, workers, suppliers and clients. In fact, the callous action of Mr. Kruger has placed at risk countless SASSA beneficiaries and sets out to worsen the concerning high unemployment and poverty rate in the province".

"We are further aggrieved to learn that Mr. Kruger does not want the entity to pay the February salaries of Ithala staff members. This demonstrates a lack of care for people's livelihoods," MEC Rodgers added.

Ithala is a relevant institution in the mission of the Government of Provincial Unity (GPU) to build a capable, ethical and developmental state.

The entity offers essential financial and non-financial support to many small and informal businesses that provide jobs particularly in rural and other communities that are not typically supported by commercial financial institutions.

The GPU is, therefore, determined to ensure that the entity receives the necessary support for its survival.

MEC Rodgers and other government leaders will be present in court on Tuesday when the matter is heard. Esteemed members of the media are invited to witness the matter.

ENDS.

Issued by KZN Treasury. For clarity, contact Spokesperson and Media Liaison Officer, Nkosikhona Duma on 071 383 0388.