

Oakbay Resources appoints new audit firm

Oakbay Resources, the mining wing of the brothers Gupta's erstwhile empire, has appointed a new auditing firm after KPMG sacked them as clients



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The company announced that it has appointed SizweNtsalubaGobodo Inc. – the country's largest black-owned auditing firm as its new service provider.

Oakbay Resources has been under the spotlight recently thanks to close tie connections with President Zuma. In an attempt to avoid further political attack, both non-executive chairman Atul Gupta and CEO Varun Gupta resigned on 11 April.

But it is not all doom and gloom for the mining firm which recently concluded the acquisition of Optimum coal mine for R2,15bn from Glencore, through the latter's coal company, Tegeta Exploration & Resources, on 15 April 2016.

The acquisition also includes six other target firms and according to Oakbay, demonstrates its "firm commitment to South Africa".

Tegeta successfully met the Competition Tribunal of South Africa's condition that the merging parties avoid retrenching any employees of the target firms as a result of the transaction. As a result, the loss of more than 3,000 jobs, by avoiding what was an almost certain liquidation.

However the 4,500 Oakbay employees are sweating whether they will be paid at the end of this month if the company is unsuccessful in re-establishing banking relationships with: ABSA, Standard Bank, FNB and Nedbank.

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