



3 December 2020

Zondo commission – Estina a mere laundering vehicle, Zondo hears

The Guptas always intended to use Estina, which won a contract from the Free State government to oversee the Vrede Dairy Farm in 2012, as one of its money laundering vehicles. Evidence of this is in the company's 2011 business dealings with well-known India-based laundering network World's Window.

This has been the finding of investigator Paul Holden of London-based Shadow World Investigations. Holden testified before the commission of inquiry into state capture on Thursday, and will spend a number of days outlining money flow evidence relating to large government projects across different entities, given to Gupta-linked companies, where large amounts left the country through allegedly dodgy means.

The focus on Thursday was Estina, which Holden said was used as part of a laundering network through the partnership with World's Window. Several companies within the network were used to move money around, and from the R280-million paid by the Free State government for the Vrede project, the cabal accumulated additional "interest" that brought the Gupta Enterprises' profits to around R880-million.

This, explained Holden, was done through a concept referred to as "roundtripping", which is popular among launderers. Several entities named by Holden, including Estina, Aerohaven, Accurate Investments, Linkway Trading, Gateway Limited and Vagarsfield, were used to move broken up, smaller amounts of the funding around in and out of several local and offshore bank accounts to avoid detection, only to be returned into the original Estina account. This is done to make the Estina account appear to have had more than one source of income, said Holden, and to frustrate any potential investigations in the future.

But part of the complex process includes the different entities opening bank accounts on short-term bases, some fixed deposit accounts, and securing loans against them, to have them appear to be unrelated facilities. Once the "loans" are paid up, the cash is moved out of the current accounts and moved offshore in some cases, only to come back later into Estina's South African account. This made Estina appear to be doing business with companies outside South Africa, when in fact they were linked to it through the scheme.

In May 2011, Ashwu Chawla, the main facilitator of the Vrede project on behalf of the Guptas, appeared to be the link between Estina and World's Window.

"The R287-million figure is the figure paid in by the Free State government, with accrued interest, and the figure that we reach of R880-million is the R287-million plus an additional amount that is effectively drawn from the R287-million and is laundered in a circular way in the complex system that returns funds into Estina and increases the aggregate amounts," explained Holden.

The additional R7-million appears to be in rebates from the South African Revenue Service (Sars), on the company's records.

"We can see that of the total amount paid in by the Free State government, a total of R263 601 851.94 was paid accumulatively to Gateway Ltd, Vagarfield and Sars for VAT payments connected to Estina."

Only R21-million of the total paid went towards the running of the farm, Holden added. For much of the infrastructure, Estina relied on another India-based company, Star Engineering, which appears to have delivered sub-standard material on site. Star Engineering is also in the illicit payment scheme that Holden outlined through graphic presentations prepared for the commission.

The first payment to Estina of R30-million, made in July 2012 by the Free State agriculture department, was to Linkway. Through what Holden describes as a complex movement of some of the amount, United Arab Emirates-based Accurate was invoiced for some of the expenses in relation to the wedding of Gupta niece Vela Gupta.

Much of the work of connecting the different entities, their locations, and purposes, said Holden, was achieved with the help of the trove of e-mails known as the "Gupta leaks" that surfaced in 2017 through investigative reporting channels.

Useful links:

[Zondo Commission website](#)

Corruption Watch's [Zondo Commission update page](#)