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### **Zondo Commission – Benefits from Guptas did not sway me, says Mantsha**

Travelling for private business with members of the Gupta family and their associates while he was chairman of state arms manufacturer Denel was not inappropriate, according to attorney Daniel Mantsha, and did not mean that he was influenced by them in his duties. He testified before the state capture commission on Friday.

Mantsha said because he was not involved in procurement matters at Denel, it did not matter that he went on trips with the Guptas for personal business. The commission has heard previously that a company called VR Laser – which was closely linked to the family through its shareholder Salim Essa – was often favoured for large contracts, despite Essa's lack of knowledge of the defence industry. Mantsha told the commission that VR Laser did not start getting the contracts after his board came into office in September 2015, but had previously done business with Denel.

The make-up of the VR Laser shareholding was such that it was part owned by West Dawn Investment, of which Duduzane Zuma was a director. Evidence before the commission is that Mantsha, along with Zuma and his wife, travelled to Dubai at the beginning of October 2015, weeks after Mantsha started his duties as chairman of Denel. When asked by evidence leader Advocate Paul Kennedy what the nature of the trip was, Mantsha said it was for private business involving himself and his brother, who is based in Dubai.

"I have a brother who lives in that country for about 10 years now. This trip was taken pursuant to opportunities that myself and my younger brother had been talking about," he said. But Kennedy questioned if he did not deem it inappropriate to travel for private business with a director of West Dawn, a company that indirectly benefits from Denel contracts, to which Mantsha said no.

What's more, argued Kennedy, the travel arrangements for the trip were made by another Gupta associate, Ashu Chawla, who was CEO of its company, Sahara Computers. Was Mantsha's trip gifted to him or did he pay for his own way?

"I didn't know which account he [Chawla] was using to arrange this, but the arrangement between me and him is he arranges, tells me how much it is, and I settle."

He added that the trip may have cost around R28 000, which he gave back to Chawla in cash. Kennedy maintained that the explanation didn't hold water, because Chawla used a travel agency, just as Mantsha could have done, if he arranged it for himself. Mantsha responded by saying he was always willing to have Chawla arrange on his behalf, because he enjoyed the convenience of it.

The next trip scrutinised was an earlier one, before Mantsha joined the board. In August 2015 he, eight members of the Gupta family, and Essa travelled to the family's birth country of India on a

chartered plane. Again arrangements were made on his behalf, despite this being what Mantsha described as a “lift”. Chawla also made his hotel booking on this occasion.

“This was a lift I got from them, because this was in my understanding, their flight. I expressed a desire to visit this part of the world, and they said look we will be going sometime, we’ll give you a lift.”

On this, Kennedy asked: “Did you declare to Denel that you had received a free flight to India?”

“It depends where you sit [on the flight],” said Mantsha.

In between the two trips, however, Mantsha and then Denel CEO Riaz Saloojee met with Essa and Tony Gupta at the Gupta residence to discuss Denel business. In his previous testimony, Saloojee told the commission that he got the impression once there that he was summoned to discuss his resistance to the formation of Denel Asia, a venture that Essa wanted in on, but Saloojee was sceptical about. But Mantsha was left with a different impression at the meeting.

“That meeting was not discussing VR-related issues. That meeting was discussing the agreement between Mr Saloojee and Mr Essa, whereby Mr Saloojee undertook to help Mr Essa to acquire a company called LMT.”

Land Mobility Technologies is a company that was majority owned (51%) by Denel, having bought its stake from BAE Systems in 2012. According to Mantsha, Essa wanted to buy into the private shareholding of the company, and was in an arrangement with Saloojee to make this happen.

Also on the cards in 2015 was a venture into Asia first mooted by then head of business development, Zwelakhe Ntshepe, earlier that year. His proposal was that Denel go into India at the time, but Saloojee was not in favour of the project, given that Denel had just been unbanned from doing business in that country following a 10-year-long blacklist over allegations of fraud.

According to Mantsha, he did not participate in the discussion at the meeting with Gupta and Essa, because he had not familiarised himself with Denel suppliers at the time, and did not want to “embarrass” himself by discussing LMT.

Saloojee told the commission that in his view, it was his resistance to Denel Asia that cost him his job. He, along with CFO Fikile Mhlontlo and company secretary Elizabeth Africa were suspended and later removed by the board. Ntshepe, whom Saloojee said had struck a close relationship with Essa and had lobbied for VR Laser to be the lead supplier for Denel Asia, replaced him as acting CEO.

When Mantsha was questioned by Kennedy on the topic of the suspended executives, he maintained that it was necessitated by Saloojee and Mhlontlo presiding over an irregular procurement process in the acquisition of Land Systems South Africa (LSSA) months before the board arrived. He maintained that the two lied to the banks that provided loans for the acquisition, going against a Treasury directive to only secure the acquisition if Denel could raise enough money to do so under favourable loan repayment terms. Because of their actions, Denel was forced into shorter repayment terms and did not have the money for them.

Kennedy asked why then, if Denel had such a strong case against them, did it not institute disciplinary processes early on? Mantsha said part of the delay was caused by the misconduct by Africa’s interim replacement as company secretary, who leaked information discussed by the board to the suspended executives.

“We were extremely concerned about the delays in this matter, and as I alluded before, there were people involved internally as I’ve identified, the former acting company secretary and head of legal. So there was an opinion in the board that there was a deliberate strategy to frustrate the process to move it slowly.”

The board was also preoccupied with the fact that it had a tight deadline to repay one of the loans in the LSSA procurement. The reason why Denel entered into separation agreements with the suspended executives was that there was pressure to reassure the market that the company could secure permanent leadership and ensure stability.

“At that stage we were under tremendous pressure to stabilise the company. The settlement [with Saloojee] was given primarily weighing up the interest of the company,” said Mantsha.

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