



# **EXHIBIT HH 5.1**

**AFFIDAVIT & ANNEXURES**

**OF**

**TAKISI JANKI MASITENG**



**JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE CAPTURE,  
CORRUPTION AND FRAUD IN THE PUBLIC SECTOR INCLUDING ORGANS OF STATE**

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**IN THE COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE  
CAPTURE, CORRUPTION AND FRAUD IN THE PUBLIC SECTOR  
INCLUDING ORGANS OF STATE ("THE COMMISSION")**

**AN INVESTIGATION INTO THE VREDE INTEGRATED DAIRY PROJECT**

**SWORN AFFIDAVIT**

I, the undersigned,

**TAKISI JANKI MASITENG**

hereby declare under oath as follows:

1. I am an adult male employed at the Glen Agricultural College, Free State Department of Agriculture and Rural Development, Bloemfontein.
2. The content of this affidavit is true and correct and falls within my own personal knowledge, unless the contrary clearly appears from the context or is otherwise stated.
3. I have been approached by investigators employed by the Commission of Inquiry into Allegations of State Capture, Fraud and Corruption in the Public Sector and certain Organs of State ("the Commission") to provide an affidavit as to my knowledge regarding matters relating to the Vrede Dairy Project.
4. In this regard I must immediately make mention of the fact that I was an accused in the criminal proceedings up until such time as the charges were provisionally withdrawn against me which withdrawal charges took place on or about 04/12/2018.



5. I have been advised that in providing the evidence I do in this affidavit, it can as such not be used against me in pending criminal proceedings save in the event that I purger myself.
6. Despite the above, I have offered my full and unequivocal cooperation to the investigators of the Commission and have consulted with them on no less than 2 occasions and provided them with a variety of documents in my possession which are relevant to the investigation.
7. I have also explained my role in the Vrede Dairy project and the facts are contained in an affidavit which was submitted by myself in proceedings relating to an application in terms of section 38 of the Prevention of Organised Crime Act, 121 of 1998 and related to the Vrede Dairy project.
8. The abovementioned affidavit was compiled in opposition of the order sought by the National Prosecuting Authority ("NPA") which order was eventually set aside with the NPA being ordered to pay the costs of my opposition to the order sought, which was not the case with the other 12 respondents.
9. Before I refer to the abovementioned affidavit I wish to record the following facts which I believe are relevant to the matter at hand:
  - 9.1 As a result of the criminal charges levied against myself and the application launched by the Asset Forfeiture Unit, I have suffered grave prejudice particularly in circumstances where the abovementioned matters received high media coverage.
  - 9.2 As can be gleaned from my affidavit filed in the Asset Forfeiture Unit's application, my involvement in the Vrede Dairy project was fleeting and on the



periphery and in the course and scope of my employment. Importantly I have never benefitted from the project;

9.3 I have yet to see any allegations which pertinently link me to the transaction and the unlawfulness thereof and in particular the facts as recorded in the various investigations conducted by, *inter alia*, ENS Africa on behalf of the Department of National Treasury, the Public Protector and the vague averments contained in the charge sheet of the NPA;

9.4 I have been judged and tried in the court of public opinion and as a result of the substantial media coverage the matter obtained, I suffered severe prejudice in:

9.5 my employment with the Free State Department of Agriculture and Rural Development;

9.6 amongst family and friends who now consider me a party and an associate of what appears to be a criminal enterprise with which I have no factual connection and/or relation to;

9.7 my family has suffered at the hands of journalists and negative publicity;

9.8 my children are regularly subjected to hurtful statements at school and otherwise as to my alleged involvement in this scheme;

9.9 the matter has taken a toll on me financially, on my marriage as well as my health.

10. As a result of the abovementioned albeit that I have always offered my assistance to the Commission in an effort to ensure that justice is properly



served in this matter, my family and close friends have advised me to avoid partaking in any of the public proceedings as a result of the past negative impact it has upon my life.

11. Despite the above, I do wish to assist the Commission and I am prepared to give the current affidavit as I do. I would, however, I wish to state that I have no intension of subjecting myself to any further media publicity. I am not prepared to subject myself to the prejudice I have suffered over the last few months.

12. **THE ASSET FORFEITURE PROCEEDINGS**

- 12.1 As mentioned above I was one of the respondents in an application launched on an *ex parte* basis by the National Director of Public Prosecutions in terms of the provisions of section 38 of the Prevention of Organised Crime Act, 121 of 1998.
- 12.2 Due to the prolixity of the *ex parte* application, being approximately 900 pages, I do not attach a copy of it here to, but I have provided a copy to the commission.
- 12.3 In essence it appears that the key allegations as were levelled against myself related to the fact that I signed a submission during the course of June 2012 and furthermore I was part of a delegation who approached the National Department of Agriculture, Forestry and Fisheries during 30 and 31 January 2013 for a CASP grant funding for the Vrede Integrated Dairy project and other projects.
- 12.4 These allegations are fully dealt with in the answering affidavit I filed in reply to the National Director of Public Prosecutions application.

12.5 I attach hereto as annexure "TM1" a copy of my answering affidavit as well as the various annexures contained therein as related to the application.

12.6 The abovementioned application set out in great detail my exact involvement in the Vrede dairy project and deals with the various documentation upon which my signature appears and provides the relevant context as to why this took place.

12.7 I believe the abovementioned affidavit would be of great assistance to the Commission.

12.8 I have also referred the commission to an affidavit by Samson John Schalkwyk which I have obtained, which affidavit support my argument.

12.9 This affidavit sets out the basis upon which a forfeiture was considered as well as the nature of the investigation conducted in the Vrede dairy project. I believe that this affidavit will provide great context as to the problems that were experienced in the Vrede dairy project.

12.10 I attach hereto as annexure "TM2" a micro-organisational structure for the Department of Agriculture and Rural Development, Free State which indicates the position I held at all relevant times. This demonstrates that the position I held at the time was such that my involvement in the project, was purely of an administrative nature.

12.11 I attach hereto as annexure "TM5" the performance agreement which was concluded on 1 April 2012 and was valid up until 31 March 2013. This agreement was concluded between Mr MP Thabethe being the head of the department for agriculture and myself in my capacity as the chief director for

district services.

12.12 In terms of the description of the agreement it was recorded that:

*"This agreement signifies commitment on the part of the Chief Director: District Services to ensure that the strategic objectives of the Department are met so as to realise the vision of the Department. The agreement further provides for a systematic evaluation of the performance of the Chief Director: District Services in achieving the strategic objectives.*

*Whilst the Chief Director: District Services undertakes to deliver on the strategic bills described in Appendix A, the HOD Agriculture undertakes to oversee that an enabling and supportive environment is created by the HOD to deliver against key result areas."*

12.13 I believe the abovementioned information as has been set out in this affidavit as well as the various other affidavits referred to above will be of assistance to the Commission and in its investigation into the matters surrounding the Vrede Integrated Dairy projects.

13. This is all I wish to record at this stage.

  
DEPONENT

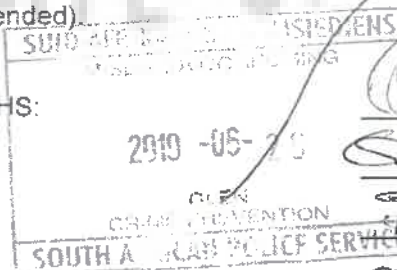
Signed and sworn before me at BLOEMFONTEIN this 28<sup>th</sup> day of JUNE 2019 after the deponent declared that the deponent is familiar with the contents of this statement and regards the prescribed oath as binding on the deponent's conscience and has no objection against taking the said prescribed oath. There has been compliance with the requirements of the Regulations contained in Government Gazette R1258, dated 21 July 1972 (as amended).

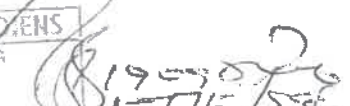

COMMISSIONER OF OATHS:

FULL NAMES:

CAPACITY:

ADDRESS:



  
19070726  
LETICIA SSI  
  
P. P. M. M.  
S. S. S.  
OF 100CHIKITSEN  
STR. SEEN



**IN THE HIGH COURT OF SOUTH AFRICA  
FREE STATE DIVISION, BLOEMFONTEIN**

**Case Number: 1778/2018**

In the matter between:

**THE NATIONAL DIRECTOR OF  
PUBLIC PROSECUTIONS**

**Applicant**

and

**MBANA PETER THABETHE**

**1<sup>st</sup> Respondent**

**SEIPATI DLAMINI**

**2<sup>nd</sup> Respondent**

**TAKISI JANKI MASITENG**

**3<sup>rd</sup> Respondent**

**ESTINA (PROPRIETARY) LIMITED**

**4<sup>th</sup> Respondent**

**KAMAL VASRAM**

**5<sup>th</sup> Respondent**

**OAKBAY INVESTMENTS (PROPRIETARY) LTD**

**6<sup>th</sup> Respondent**

**ASHU CHAWLA**

**7<sup>th</sup> Respondent**

**NAZEEM NOWA**

**8<sup>th</sup> Respondent**

**VARUN GUPTA**

**9<sup>th</sup> Respondent**

**RONICA RAGAVAN**

**10<sup>th</sup> Respondent**

**AEROHAVEN (PROPRIETARY) LIMITED**

**11<sup>th</sup> Respondent**

**PRECIOUS MPULE GUGU THABETHE**

**12<sup>th</sup> Respondent**

**ARLENE VANESSA HOWA**

**13<sup>th</sup> Respondent**

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DATED at BLOEMFONTEIN on this 3rd day of AUGUST 2018.



**J H ENGELBRECHT /mem**  
**ATTORNEY FOR APPLICANT**  
**C/O THE STATE ATTORNEY**  
**11<sup>th</sup> FLOOR, FEDSURE BUILDING**  
**49 CHARLOTTE MAXEKE STREET**  
**POSTAL ADDRESS:**  
**PRIVATE BAG X20630**



**BLOEMFONTEIN, 9300**  
**TEL: 051-4004 323**  
**FAX: 051-4004 331 / 086 632 4992**  
**REF: 619/201800435 P6H**  
**E-mail: jaEngelbrecht@justice.gov.za**

**TO:**

**THE REGISTRAR  
HIGH COURT  
BLOEMFONTEIN**

**AND TO:**

**HF FOURIE  
ATTORNEY FOR 1<sup>ST</sup> AND 12<sup>TH</sup> RESPONDENTS  
MESSRS JACOBS FOURIE ATTORNEYS  
11 BARNES STREET  
WESTDENE  
BLOEMFONTEIN  
TEL: 051-101 1680  
THA2/0001**

Copy hereof received  
on this      day of August  
2018

**AND TO:**

**FF JACOBS  
ATTORNEY'S FOR THE SECOND RESPONDENT  
BOKWA INC.  
121 PRESIDENT RETZ AVENUE  
WESTDENE  
BLOEMFONTEIN  
TEL: 051-448 6369  
FAX: 051 448 6319  
FFJACOBS/cb/CB0007**

Copy hereof received  
on this      day of August  
2018

**ZB MOLETSANE  
ATTORNEY FOR THE THIRD RESPONDENT  
SUIT 9 GROUND FLOOR  
SOUTHERN LIFE BUILDING  
41 CHARLOTTE MAXEKE STREET  
BLOEMFONTEIN**

Copy hereof received  
on this      day of August  
2018



**FREE STATE HIGH COURT, BLOEMFONTEIN****REPUBLIC OF SOUTH AFRICA****CASE NO:****/2018****In the *ex parte* application of:****THE NATIONAL DIRECTOR OF  
PUBLIC PROSECUTIONS****APPLICANT****and****MBANA PETER THABETHE****FIRST RESPONDENT****SEIPATI DLAMINI****SECOND RESPONDENT****TAKISI JANKI MASITENG****THIRD RESPONDENT****ESTINA (PROPRIETARY) LIMITED****FOURTH RESPONDENT****KAMAL VASRAM****FIFTH RESPONDENT****OAKBAY INVESTMENTS (PROPRIETARY) LIMITED****SIXTH RESPONDENT****ASHU CHAWLA****SEVENTH RESPONDENT****NAZEEM HOWA****EIGHTH RESPONDENT****VARUN GUPTA****NINTH RESPONDENT****RONICA RAGAVAN****TENTH RESPONDENT****AEROHAVEN (PROPRIETARY) LIMITED****ELEVENTH RESPONDENT****PRECIOUS MPULE GUGU THABETHE****TWELFTH RESPONDENT****ARLENE VANESSA HOWA****THIRTEENTH RESPONDENT**

*In re: An application in terms of section 26 of the Prevention of Organised Crime Act 121 of 1998 concerning property listed in Annexure "B"*

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COMMITTEE ON  
STATE CAPTURE  
INTO STATE CAPTURE

**IN THE HIGH COURT OF SOUTH AFRICA  
FREE STATE DIVISION, BLOEMFONTEIN**

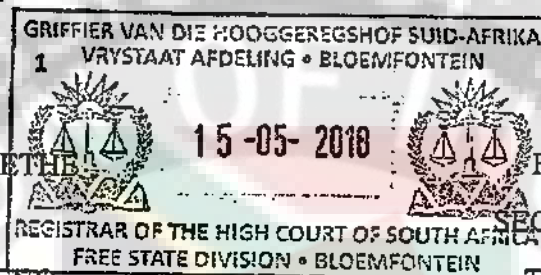
In the ex parte application of

CASE NO: 1778/2018

THE NATIONAL DIRECTOR OF  
PUBLIC PROSECUTIONS

APPLICANT

And



MBANA PETER THABETHE	FIRST RESPONDENT
SEIPATI DLAMINI	SECOND RESPONDENT
TAKISI JANKI MASITENG	THIRD RESPONDENT
ESTINA (PROPERTIES) LIMITED	FOURTH RESPONDENT
KAMAL VASRAM	FIFTH RESPONDENT
OAKBAY INVESTMENTS (PROPERTIES) LIMITED	SIXTH RESPONDENT
ASHU CHALWA	SEVENTH RESPONDENT
NAZEEM HOWA	EIGHTH RESPONDENT
VARUN GUPTA	NINTH RESPONDENT
RONICA RAGAVAN	TENTH RESPONDENT
AEROHAVEN (PROPERTIES) LIMITED	ELEVENTH RESPONDENT
PRECIOUS MPULE GUGU THABETHE	TWELFTH RESPONDENT
ARLENE VANESSA HOWA	THIRTEENTH RESPONDENT

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**NOTICE TO FILE ANSWERING AFFIDAVIT BY THIRD  
RESPONDENT**

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**KINDLY TAKE NOTE THAT THE THIRD RESPONDENT** hereby files  
his answering affidavit

**DATED AT BLOEMFONTEIN ON THIS 14TH DAY OF MAY 2018**

  
**ZB MOLETSANE**

**THIRD RESPONDENT'S  
ATTORNEY**

**SUIT 9 GROUND FLOOR  
SOUTHERN LIFE BUILDING  
41 CHARLOTTE MAXEKE STR  
BLOEMFONTEIN**

**AND TO  
THE REGISTRAR OF THE HIGH COURT  
BLOEMFONTEIN**

**AND TO  
THE STATE ATTORNEY  
APPLICANTS ATTORNEY  
11<sup>TH</sup> FLOOR  
FEDSURE BUILDING  
CHARLOTTE MAXEKE STREET  
BLOEMFONTEIN**





AND TO

THE NATIONAL DIRECTOR OF PUBLIC PROSECUTIONS

WATERFALL BUILDING

ALI WAL STREET

BLOEMFONTEIN

NATIONAL DIRECTOR OF PUBLIC PROSECUTIONS
DIRECTOR OF PUBLIC PROSECUTIONS
FREE STATE DIVISION
2019-05-15
BLOEMFONTEIN
DIREKTEUR OPENBAAR OMKOP
NASIONALE VERVOLGOING



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**IN THE HIGH COURT OF SOUTH AFRICA**  
**(FREE STATE DIVISION, BLOEMFONTEIN)**

**CASE NO.: 1778/2018**

In the *ex parte* application of:

**THE NATIONAL DIRECTOR OF PUBLIC PROSECUTIONS**

Applicant

and

**MBANA PETER THABETHE**

1<sup>st</sup> Respondent

**SEIPATI DLAMINI**

2<sup>nd</sup> Respondent

**TAKISI JANKI MASITENG**

3<sup>rd</sup> Respondent

**ESTINA (PTY) LTD**

4<sup>th</sup> Respondent

**KAMAL WASRAM**

5<sup>th</sup> Respondent

**OAKBAY INVESTMENTS (PTY) LTD**

6<sup>th</sup> Respondent

**ASHU CHAWLA**

7<sup>th</sup> Respondent

**NAZEEM HOWA**

8<sup>th</sup> Respondent

**VARUN GUPTA**

9<sup>th</sup> Respondent



**RONICA RAGAVAN**

10<sup>th</sup> Respondent

**AEROHAVEN (PTY) LTD**

11<sup>th</sup> Respondent

**PRECIOUS MPULE GUGU THABETHE**

12<sup>th</sup> Respondent

**ARLENE VANESSA HOWA**

13<sup>th</sup> Respondent

**ANSWERING AFFIDAVIT DEPOSED TO BY THIRD RESPONDENT**

I, the undersigned,

**TAKISI JANKI MASITENG**

do hereby state and declare under oath as follows:

1. I have been cited as the third respondent in the application. This answering affidavit is deposed to in opposition to the relief sought against me.
2. The contents of this answering affidavit are within my own personal knowledge, unless otherwise stated or unless the context indicates otherwise, and are to the best of my belief both true and correct in all respects.



*WJ*

*Mastering*

3

3. I have read and perused the founding affidavit deposed to by one **MOELLE** on behalf of the Applicant together with all annexures thereto, as well as the supporting and/or confirmatory affidavits of the other deponents, and wish to respond thereto in opposition to the relief sought against me by the Applicant.
4. In so doing, I shall deal only with those allegations that I am advised require a specific response, and with those paragraphs that need an answer, to the extent that I am advised is necessary. To the extent that I do not deal with any specific allegation such allegation is denied in so far as it is inconsistent with what I stated elsewhere in this affidavit. My failure to deal with any specific allegation contained in the founding affidavit should therefore not be construed as an acknowledgement or an admission as to the correctness, veracity or accuracy thereof and any averments to which I do not reply, such averments shall be deemed to be denied.
5. Where I rely on information conveyed to me by others, I attach confirmatory affidavits. Where I am not in a position to obtain such confirmatory affidavit, I nevertheless believe in the veracity, accuracy, reliability and creditworthiness of such information.



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*BM*

*Not sealed*

*Wasting*

4

6. Any submissions of law made herein or legal argument raised by me are in accordance with advice received from my legal representatives, and I associate myself therewith. Such legal advice is accepted and adopted by me for purposes of these proceedings.

7. Before I deal with the contents of the founding affidavit I deem it appropriate and necessary to refer to the historical chronological background as well as to raise certain preliminary issues, and to refer to the statutory matrix applicable.

**BACKGROUND:**

8. I am an adult male with identity number 700801 5615 087, residing at 8 Pollie-Pèrel Street, Pellissier, Bloemfontein.

9. I hold a doctorate degree conferred on me in 2004 by the Central University of Technology in agriculture with specific reference to the integration of environmental planning into communal grazing systems in the Free State.

10. I am employed as General Manager : District Services by the Provincial Department of Agriculture and Rural Development ( "the Department" or "the Department of Agriculture") with the following responsibilities:

*TJM*





*Not denied*

*Mastering*

5

10.1 ensuring the implementation of all departmental programmes and projects at the District Municipal and Mangaung Metro level;

10.2. implementing and facilitation of agricultural development in the Free State Province;

10.3 managing and executing the policies of the Department of Agriculture; and

10.4 managing the annual performance and operational and strategic plans for agricultural extension, farmer support and development.

11. I attach hereto as annexure "A" an organogram depicting the micro organisational structure of the Department of Agriculture and Rural Development in the Free State Province.

*A =*

12. In terms of the organisational structure, the member of the Executive Council responsible for the Department of Agriculture is the political head of that department.

*BM*



Wasting

6

13. The administrative Head of the Department ("the HOD") is the accounting officer and there are five general managers as well as the Chief Financial Officer ("the CFO") within the line-function of the department, reporting to the HOD.

14. As is depicted in the organogram, I am one of the general managers reporting to the HOD and as enunciated above, I am responsible for district services in the department.

15. No powers of the accounting officer and administrative head of the department (the HOD : the First Respondent) has been delegated to me.

16. Consequently, I can only act within the line-function of the department on the instructions of the HOD/Accounting Officer.

17. I have no decision-making powers. In my post I am only allowed to compile and to submit documents, proposals and submissions to the Chief Financial Officer who then recommends same to the Head of the Department for approval.



*BM*

Masifeng

Not done

7

18. All submissions of the line-managers go to the CFO for consideration and recommendation. Although on the same post level as myself, the chief financial officer is appointed in terms of the Public Finance Management Act and he/she is obligated to consider any and all financial implications embodied in documents and proposals, and to make recommendations thereon to the HOD.
19. In respect of the Vrede Integrated Dairy Agri-Business Project I therefore had no authority, power or competency to recommend or to approve the proposed project or to authorise any payments to be effected in pursuance of the project.
20. Furthermore, I do not sit in meetings of the Forum of Heads of Department (FOHOD). I also do not sit in meetings of the MEC's (Cabinet) in a meeting called EXCO, headed by the Premier.
21. I am not a member of FOHOD or EXCO, and accordingly have no input or say in any policy or executive resolutions, taken by any or both those forums.



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Not denied

Masiterg

8

22. My role and involvement in the Vrede Integrated Dairy Agri-Business Project were very limited as all the negotiations, deliberations, resolutions and implementation took place in my absence. Those activities in any event were not my functions and competencies.
23. On 9 June 2012 I left the Republic on an official visit on behalf of the Department to China and only returned on the 26<sup>th</sup> of June 2012.
24. Copies of my visum and passport stamps by the Chinese authorities are attached hereto as annexures "B" and "C" respectively.
25. The official visit was undertaken by myself on the instructions of the department with the approval of the Premier to attend a seminar on the management of the AGRICULTURAL TECHNOLOGY DEMONSTRATION CENTRE AIDED BY CHINA TO AFRICA, in connection with the Garlep Fish Hatchery, which is a joint venture of China and South Africa.
26. On the 5<sup>th</sup> of July 2012 I became involved in the Vrede Integrated Dairy Project for the first time when the HOD (the First Respondent) handed me the following documents and requested me to immediately draft a submission for his approval in execution of a resolution by EXCO for the implementation of the proposed

B =  
C =

BM



Not  
deleted.

Mac-feng

9

Integrated Vrede Dairy Agri-Business Project with entities known as Estina and Paras:

26.1 a submission to EXCO by Mr M Zwane, the MEC for Agriculture & Rural Development. (See: Exhibit 9, p. 421 – 427);

exh 9 =

26.2 a project proposal compiled by one Sanjeev Gautam on behalf of Estina (Pty) Ltd dated 15 May 2012, annexed hereto as annexure "D";

J =

26.3 a partnership agreement concluded between the department and Estina dated 5 June 2012 signed by the said Sanjeev Gautam on behalf of Estina and co-signed by the HOD (the First Respondent) on behalf of the department. (See: Exhibit 8, p. 405 – 420 and signatures on p. 417);

exh 8 =

26.4 an agreement between the department and Estina for the establishment and management of the Vrede Dairy Project dated 5 July 2012, signed by the HOD (the First Respondent) on behalf of the department, signed by the CFO (the Second Respondent) as witness, and signed by

JM



Not denied

Ulasitang

10

Sanjeev Gautam on behalf of Estina. (See: Exhibit 11, p. 430 – 449);

EXB 11 =

26.5 an EXCO (Cabinet) resolution dated 13 June 2012, annexed hereto for ease of reference, as annexure "E"; (and see Exhibit 9, p. 428).

E =

27. When I received the said documents, the decision had therefore already been taken by EXCO and the HOD for the Department of Agriculture to enter into a partnership with Estina in respect of the Vrede Dairy Project, the necessary contracts had already been signed and steps had already been taken to implement the agreements.

28.

28. I, however, had no prior personal knowledge of nor any direct or indirect involvement with any of these representations, submissions, proposals, negotiations, meetings, contracts, or resolutions but was merely asked to prepare a submission on the strength of these documents for the approval of the HOD (the First Respondent).

29. I reiterate that the authority of approval is vested in the Head of the Department : Agriculture as mentioned in paragraph 7 of my submission. I refer to Exhibit 12, p. 487.

29



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12 =

Not denied

Wasting

11

30. As enunciated above, the HOD (the First Respondent) instructed me to compile and submit a submission for the CFO's recommendation and for his (the HOD's) approval.

31. I prepared a submission on the same day, as I was required to do. (See: Exhibit 12, p. 485 – 488). The HOD (the First Respondent) in fact insisted that the submission be submitted on the same day (the 5<sup>th</sup> of July 2012).

Exhibit 12 =

32. In my written submission I dealt with the purpose of the proposal as follows:

*"The purpose is to obtain approval from the Head of Department to:*

- *accept the proposal from Estina/Paras with regard to the establishment of Integrated Dairy in Vrede, and*
- *enter into a Memorandum of Agreement with Estina/Paras to implement the Integrated Dairy Project in Vrede."*



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Not denied

Wagifeng

12

33. I handed my submission to the CFO (the Second Respondent) who recommended same under her signature and she took the submission to the HOD (the First Respondent) for his signature.

34. The First Respondent, however, came to me and said that those proposals put forward by me had already been recommended and approved. He asked me to confirm this with the Finance Unit in the Department. He furthermore told me that he does not want a submission that has already been approved but that he wants a proposal for his approval *"to deviate from the normal Supply Chain Management processes and procedure and appoint Estina/Paras to implement/establish Integrated Dairy in Vrede."*

35. I personally went to the finance unit in the Department and ascertained that a prior written submission dated 26 May 2012, annexed hereto as Annexure "F" had in fact already been approved by the HOD, to:

F =

- (a) "accept the proposal from Estina with regard to the Vrede Dairy project; and
- (b) "enter into a partnership with ESTINA to implement the Integrated Dairy Project in Vrede".

BM





Not denied

Mastering

36. I must point out that this submission (annexure "F") was not drafted, signed or submitted by me and that I had no prior knowledge of the contents thereof. I was not around and the document was prepared by the Acting Chief Director : District Services who signed on my behalf in my absence and without my knowledge or consent.

F =

37. I also ascertained from the Financial Unit in the Department that payments totalling an amount of R30 million had already been made by the Department of Agriculture to Estina on the 11<sup>th</sup> of June 2012, as is evident from annexures "G1", "G2" and "G3" hereto.

G1 =  
G2 =

38. I accordingly inserted an additional proposal, as requested by the HOD, in my submission as follows:

G3 =

- *"to deviate from the normal Supply Chain Management processes and procedure and appoint Estina/Paras to implement/establish Integrated Dairy in Vrede"*

as is evident from Exhibit 12, p. 485 and 488.

Exh 12 =

39. This submission was on the same day (the 5<sup>th</sup> of July 2012) recommended by the CFO Dlamini (the Second Respondent) and approved by the HOD Thabethe (the First Respondent), as appears more fully from Exhibit 12 on p. 488.

JM

Exh 12 =



Masiteg.

14

40.

To me this was not a strange or extra-ordinary request: my submission was done in the normal course of my employment and I did not suspect anything untowards as all actions had already been approved by the CFO, the HOD and EXCO, and the contract had already been implemented. My submission merely put forward proposals for the consideration and approval of the HOD.

41.

This was my only involvement with the initiation of the Vrede Dairy Project. I reiterate that I did not take any decision and apart from the submission that I was instructed to submit, I did not sign any other document either as witness or principal, in the procurement of Estina. I had no decision-making powers or any authority: the authority of approval is vested in the Head of Department as delegated, in consultation with the MEC.

42.

I did not have any control over payments to Estina or the flow of payments.

43.

I did not collude with Estina in any way. I do not know any of its employees or directors. On 15 February 2018 I saw the respondents (apart from the First and Second Respondents whom I know very well) and those allegedly connected with Estina and the other



Jm

Not denied

Masifeng.

15

companies, for the first time in my life when I appeared in the Regional Court, Bloemfontein.

44. ~~As is stated above, I had no control of or any authorisation role in the~~

payments made by the department to Estina. I also did not derive any benefit from the said payments. I had no knowledge of any alleged crime and consequently, I deny that I received any amount of money being the proceeds of crime and unlawful activities, or otherwise.

45. I was not involved in any unlawful activities and have not committed any crime nor benefited from any crime.

46. I am neither a key role-player nor even a key official in the Department.

47. Whether I like it or not, whether I agree or not, whether I approve or not, I have to implement instructions given to me in the normal course of my employment, otherwise I would be subjected to disciplinary proceedings and summarily dismissal for refusing to execute orders.

48. There are no reasonable grounds for believing that I may be convicted of any crime as charged or whatever, and/or that a confiscation order against my assets, may issue.



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*Not denied**Magister*

16

49. I reiterate that I have not benefited from any offence as charged or from any other criminal activity. There does not exist any reasonable grounds for any Court to believe that I may be convicted of an offence on the above facts and even if so, no reasonable grounds exist for the grant of a confiscation order.

50. There accordingly is no reasonable prospect for obtaining both a conviction in respect of some or all of the charges levied against me and a subsequent confiscation order.

51. It had not been shown by the Applicant, nor even suggested, that I could derive any benefit from the offences forming part of the charge sheet, even should I be found guilty of any of those charges, which I vehemently deny.

52. It had not been shown by the Applicant, nor even suggested, that I have derived or received any benefit from Estina, any of the other respondents, any individual or company or other entity.

53. It had further not been shown that there were any criminal activities relating to the charges from which I could have benefited.

54. If I were to be found guilty of any of the charges, it was furthermore highly unlikely that a confiscation order would be made.



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Mastering.

17

55. In this matter a provisional restraint order was granted *ex parte* in relation to my following assets:

- (a) Erf 19327, 8 Polite-Pérel Place, Pellissier, Bloemfontein;
- (b) Holding number 28, Agricultural Holding, Martindale Small Holdings, Bloemfontein;
- (c) Mitsubishi Triton vehicle L200 CR, registration number DSG 153 FS, Engine number 4D56UCBK6752;
- (d) Mercedes Benz W204, registration number DWN 177 FS, Engine number 27296131503673; and
- (e) Mercedes Benz W166, registration number FTV 126 FS, Engine number 64282641737622.

56.

There is no proof or suggestion that my assets under restraint, are the proceeds of unlawful activities. All my assets have been legitimately acquired. I repeat that I did not receive or retain any proceeds of any unlawful activities. I did not receive or retain any property or any service, advantage, benefit or reward which was derived, received or retained, directly or indirectly, in the Republic or elsewhere, at any time

irrelevant



BM

wasitang

18

in connection with or as a result of any unlawful activity carried on by any person.

57. I have not benefitted nor assisted the Estina / Paras consortium in any way, directly or indirectly, and has no personal knowledge of such entity / entities.

58. As explained more fully hereinlater, my wife has an interest in the property subject to the provisional order and is likely to be directly and adversely affected by the order. Our assets are not the benefits of crime, are not instrumentalities of crime and have not been acquired from the proceeds of crime.

59. I have a legal entitlement to my assets, which have not been derived from any criminal activity.

60. In any event, I do not intend to dispose of any property or transfer any funds or assets.

61. There is no longer any justification for a restraint order and the provisional order should be discharged along with the curator *bonis*, as far as I (the Third Respondent) am concerned.

62. I shall now deal *seriatim* with the averments in the founding affidavit and supporting affidavits.



JM

*Wassberg*

19

**AD FOUNDING AFFIDAVIT OF MOTLALEKHOTSO KNOX MOLELLE:**

**AD PARAGRAPH 1 THEREOF:**

63. The contents of this paragraph are denied.

**AD PARAGRAPHS 2 - 6 THEREOF:**

64. The contents of these paragraphs are noted.

**AD PARAGRAPH 7 THEREOF:**

65. The contents of this paragraph are admitted.

**AD PARAGRAPHS 8 - 17 THEREOF:**

66. The contents of these paragraphs are noted.

**AD PARAGRAPH 18 THEREOF:**

67. The contents of this paragraph are noted.

68. I admit ownership of the immovable property and movable property as set forth in annexure "B" to the notice of motion (see p. 25).



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*Wassberg*

**AD PARAGRAPH 19 - 22 THEREOF:**

69. The contents of these paragraphs are noted.

**AD PARAGRAPH 23 THEREOF:**

70. I admit that the above Court has jurisdiction to hear this application.

**AD PARAGRAPH 24 THEREOF:**

71. The contents of this paragraph are noted.

**AD PARAGRAPH 25 THEREOF:**

72. I shall deal with the contents of the affidavits deposed to by Schalkwyk and Mradla hereinlater.

**AD PARAGRAPH 26 THEREOF:**

73. The contents of this paragraph are noted.



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**AD PARAGRAPHS 27.1 – 27.6 THEREOF:**

74. I have no knowledge of the correctness of these allegations, as I was not involved in any of those processes.

**AD PARAGRAPH 27.7 THEREOF:**

75. This is correct.

**AD PARAGRAPH 28.1 THEREOF:**

76. This is correct.

**AD PARAGRAPHS 28.2 AND 28.3 THEREOF:**

77. The contents of these paragraphs are denied. It is clear that there are no reasonable grounds to believe that I will be convicted of any offence, and no reasonable grounds to believe that a confiscation order will be granted against me.



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**AD PARAGRAPH 29 THEREOF:**

78. These allegations are irrelevant as far as I am concerned as I am not implicated at all.

**AD PARAGRAPH 30 THEREOF:**

79. I take cognisance of the provisions of section 26(2) of the Act.

**AD PARAGRAPH 31 THEREOF:**

80. The contents of this paragraph are noted.

**AD PARAGRAPH 32 THEREOF:**

81. I cannot comment as I am not implicated at all.

**AD PARAGRAPH 33 THEREOF:**

82. The contents thereof are noted. It does not have a bearing on me.



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**AD PARAGRAPH 34 THEREOF:**

83. The contents of this paragraph are noted.

**AD PARAGRAPH 35 THEREOF:**

84. I deny that any grounds existed for an apprehension that I might have dissipated any of my assets. I accordingly deny that the Applicant was entitled to bring an *ex parte* urgent application against me.

**AD PARAGRAPHS 36 - 37 THEREOF:**

85. The contents of these paragraphs are noted.

**AD PARAGRAPH 38.1 THEREOF:**

86. I repeat that I did not collude with any individual, company or entity whatsoever to commit any offence and I repeat that I was not involved in any acts of theft, fraud, money laundering or authorising any payments to any entities or individuals or any respondents.



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**AD PARAGRAPHS 38.2 – 38.4 THEREOF:**

87. I was never involved with and had no dealings with the Bank of Paroda. I do not have an account with that bank. I never received any money from the Bank of Paroda, nor from anybody else and nowhere in the papers is it so alleged or suggested.

**AD PARAGRAPH 38.5 THEREOF:**

88. I have no knowledge of these averments.

**AD PARAGRAPH 38.6 THEREOF:**

89. I reiterate that I have no intention, desire or inclination to dispose of any of my assets.

**AD PARAGRAPHS 38.7 – 38.10 THEREOF:**

90. I have no knowledge of these averments.
91. I am not implicated and the contents of these paragraphs are not applicable to me.



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**AD PARAGRAPH 38.11 THEREOF:**

92. I reiterate that I have no intention, desire or inclination to dispose of any of my assets.

**AD PARAGRAPH 38.12 THEREOF:**

93. I have no knowledge of these averments.

**AD PARAGRAPH 38.13 THEREOF:**

94. No case has been made out by the Applicant for a reasonable apprehension that I may dissipate my assets. There is not such allegation or even suggestion and the contents of this paragraph are baseless as far as I am concerned. There was no justification for an urgent *ex parte* application against me for an order to restrain me from dealing with my assets.

**AD PARAGRAPH 38.14 THEREOF:**

95. The contents of this paragraph are denied as far as I (the Third Respondent) is concerned.



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**AD PARAGRAPHS 39.1 – 39.2 THEREOF:**

96. The contents of these paragraphs are noted.

**AD PARAGRAPH 39.3 THEREOF:**

97. The contents of this paragraph are noted. I point out that nowhere in the papers is it alleged that I received any benefit from anybody in respect of the Vrede Dairy Project.

**AD PARAGRAPH 40 THEREOF:**

98. The contents of this paragraph are noted. I deny that I received any benefit.

**AD PARAGRAPH 41 THEREOF:**

99. The contents of this paragraph are noted.

**AD PARAGRAPH 42 THEREOF:**

100. The contents of this paragraph are denied.



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101. I submit that no case has been made out for the preservation of my property as set out in the provisional order.

**AD AFFIDAVIT OF SAMSON JOHN SCHALKWYK:**

**AD PARAGRAPH 1 THEREOF:**

102. The contents of this paragraph are denied.

**AD PARAGRAPHS 2 - 6 THEREOF:**

103. The contents of these paragraphs are- noted.

**AD PARAGRAPH 7 THEREOF:**

104. I take cognisance of the contents of the allegations.

**AD PARAGRAPHS 8 - 9 THEREOF:**

105. I take note of the citation of the accused and the contents of the charge sheet (annexure "SJS1").

106. I have only been charged with two counts out of 12 charges specified in the charge sheet.



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107. The only allegations in the preamble and introduction to the charge sheet, in connection with my alleged involvement, are the following:

107.1 Paragraph 27 on p.146:

"27. Masiteng submitted a document dated 5 July 2012 with the heading 'APPROVAL TO ACCEPT THE PROPOSAL FOR THE ESTABLISHMENT OF INTEGRATED DAIRY IN VREDE FROM ESTINA' FOR APPROVAL.'" (See p. 146).

107.1.1 I have already dealt comprehensively with this aspect and do not wish to repeat same.

107.1.2 Suffice to say that I merely included in the submission (which I could not approve myself) "to deviate from the normal Supply Chain Management Process and Procedure and appoint Estina/Paras" on the instructions of the First Respondent after the proposal from Estina/Paras had already been accepted and a memorandum of agreement with Estina/Paras had already been entered into by the Department of Agriculture.



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## 107.2 Paragraphs 31 – 35 of the introduction to the charge sheet

(p. 146 – 147) deal with an approach to the National Department of Agriculture, Forestry and Fisheries by me and Mrs Christa Klick during 30 – 31 January 2013 for a CASP grant for the Vrede Integrated Dairy Project.

107.2.1 In fact, it was an annual delegation, a team comprising of myself, Mrs Clinck, Mr Andries Fourie, Mr T Khaeane and Mr A Radebe, all of whom in the employment of the Free State Department of Agriculture, with a brief to obtain funding for a number of projects in the Free state, as instructed by the Accounting officer (the First respondent) as is evident from Annexure "H" hereto.

107.2.2 This is a compliance requirement of DORA (the Division of Revenue Act) for each province to submit its business plan to a National Assessment Panel (NAP) of the DAFF (Department of Agriculture, Forestry and Fisheries).



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107.2.3 No misrepresentations whatsoever were made and I attach hereto the Business Plan as Annexure "J", the Presentation as Annexure "K" and the List of Projects as Annexure "L", the contents of which are self – explanatory.

107.2.4 I was never involved in the process of identifying beneficiaries for the Vrede Dairy project. I have subsequently however learnt that at least 85 beneficiaries were identified and listed as presented to NAP on 30 January 2013 and attached hereto as Annexure "M".

107.2.5 As is evident from Annexure "N" hereto, the MEC Zwane and the HOD Thabethe (the First Respondent) visited the Vrede Community on 29 March 2012 in this regard. I did not attend this meeting.

107.2.6 As is evident from Annexure "O" hereto, the MEC Zwane and the HOD Thabethe (the First Respondent) together with a delegation visited the Vrede Community on 12 June 2012 in this regard



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again, and presentations to the farmers of Vrede were made by the Department, as well as the Estina / PARAS partnership (see item 10). I was not present: I was in China on official Departmental business as stated previously.

107.2.7 An amount of R53 million was indeed allocated to the Vrede Integrated Dairy Project in 2013/2014 from CASP but was withdrawn, as is evident from paragraph 35 of the charge sheet (p. 147).

107.2.8 The above facts form the basis of count 2 against me (see pp. 163 – 164) but do not amount to any misrepresentations at all.

107.2.9 No money exchanged hands as far as I know.

107.2.10 I reiterate that I only executed instructions, was not a key role-player or even a key employee and had no authority to approve or allocated any monies.

107.2.11 There is no possibility that any Court will grant a forfeiture order against me based on these facts.



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107.3 In paragraph 78 on page 159 of the charge sheet it is alleged that *"at all material times hereto the accused acted in the concert and execution of a common purpose to commit the crimes hereunder."*

107.3.1 I repeat that there are no allegations or averments in the papers or in the charge sheet to substantiate this bald statement.

107.3.2 I have already comprehensively dealt with this aspect and denied same, and do not wish to repeat what I have already stated in this regard.

108. I repeat that there is no reasonable prospect that any competent Court would find me guilty of counts 1 and 2 as charged and even if so, to issue a confiscation order against my assets.

**AD PARAGRAPH 10 THEREOF:**

109. This is correct.



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**AD PARAGRAPH 11 THEREOF:**

110. This is correct.

**AD PARAGRAPH 12 THEREOF:**

111. I knew about the idea to create job opportunities in the Vrede community. I, however had no knowledge of any business proposal submitted by Estina, save for the document handed to me on 5 July 2012 (annexure "D") by the HOD.

**AD PARAGRAPH 13 THEREOF:**

112. I have already comprehensively dealt with this aspect in paragraph 26 above and do not wish to repeat same.

113. Suffice to say that on the 5<sup>th</sup> of July 2012, such actions had already been approved by the HOD, as is evident from the submission dated 26 May 2012 (annexure "F" hereto).



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114. On 5 July 2012 the HOD (the First Respondent) sought a deviation from the normal Supply Chain Management Processes and Procedure in the appointment of Estina, as explained by me in paragraph 34 above.

**AD PARAGRAPH 14 THEREOF:**

115. I had no prior knowledge of such agreement and was not involved in any such process.

**AD PARAGRAPHS 15 - 17 THEREOF:**

116. The contents of these paragraphs are noted.

**AD PARAGRAPHS 18 - 35 THEREOF:**

117. The procurement requirements are noted.

**AD PARAGRAPH 36 THEREOF:**

118. The contents of this paragraph are noted.



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119. No adverse finding was made about me in either the **ENS** forensic investigation or the National Treasury's report into the Vrede Dairy Project.

**AD PARAGRAPHS 37 - 38 THEREOF:**

120. The contents of these paragraphs are noted.

**AD PARAGRAPH 39 THEREOF:**

121. I never went to India.

**AD PARAGRAPHS 43 - 49 THEREOF:**

122. I had not prior knowledge of any business proposals by Estina and/or Paras, apart from the document (exhibit "D") which I received from the HOD on 5 July 2012.

**AD PARAGRAPHS 50 - 53 THEREOF:**

123. I have already dealt with this aspect and the contents of exhibit 12.



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**AD PARAGRAPHS 54 - 56 THEREOF:**

124. The contents of these paragraphs are noted.

**AD PARAGRAPHS 57 - 71 THEREOF:**

125. I had no prior knowledge of any agreement and was not involved at all.

126. I am not implicated in any of the paragraphs.

**AD PARAGRAPH 72 THEREOF:**

127. I have no knowledge of the contents of **Thabethe's** affidavit.

128. I reiterate that I never travelled to India, did not meet the CEO of Paras or any employee of Estina, and had no knowledge of the conclusion of any agreements between those entities or with the Department of Agriculture or of any alleged lease agreement.

129. I was never involved with Estina/Paras and did not know them.

130. I am not implicated in this paragraph.



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**AD PARAGRAPH 73 - 82 THEREOF:**

131. The contents of these paragraphs are noted.
132. I have no knowledge of the correctness of the contents of these paragraphs.
133. I am not implicated in any of the paragraphs.

**AD PARAGRAPHS 83 - 104 THEREOF:**

134. The contents of these paragraphs are noted.
135. I have no knowledge of the correctness of the averments contained in these paragraphs.
136. I am not implicated in any of the paragraphs.

**AD PARAGRAPHS 105 - 110 THEREOF:**

137. I have taken cognisance of the curator's report.



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138. The curator does not allege that I received any money.

139. I am not implicated in this report at all.

**AD PARAGRAPHS 111 - 114 THEREOF:**

140. The contents of these paragraphs are noted.

141. I do not have any knowledge of the correctness of the averments contained in these paragraphs.

142. It is not alleged that I received any benefits or payments.

**AD PARAGRAPHS 115.1 AND 115.2 THEREOF:**

143. This is a subjective opinion and will be dealt with in argument, if necessary.

**AD PARAGRAPH 115.3 THEREOF:**

144. I wish to point out that the submission to accept the proposal of Estina (annexure "F") was not signed by me but by somebody acting



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in my post. I had no knowledge of the contents thereof and the submission was signed without my knowledge, authority or consent.

145. The only person who could have and did in fact sign the approval was the HOD, Mr Thabethe (the First Respondent).

**AD PARAGRAPHS 115.4 – 115.5 THEREOF:**

146. The contents of these paragraphs are noted.

**AD PARAGRAPH 115.6 THEREOF:**

147. This is a subjective opinion and legal argument, which will be dealt with, if necessary, at the hearing of the application.

**AD PARAGRAPH 115.7 THEREOF:**

148. The contents of this paragraph are noted.
149. I am not implicated.



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**AD PARAGRAPH 115.8 THEREOF:**

150. This is a subjective opinion.

151. I have no knowledge of the correctness of the contents of this paragraph.

**AD PARAGRAPH 115.9 THEREOF:**

152. This is a subjective opinion.

**AD PARAGRAPH 115.10 THEREOF:**

153. The contents of this paragraph are noted.

154. I am not implicated at all.

**AD PARAGRAPH 115.11.THEREOF:**

155. There is no basis for this inference and the contents of this paragraph are denied.



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*ABM*

**AD PARAGRAPH 115.12 THEREOF:**

156. ~~This is a subjective opinion and is denied.~~

**AD PARAGRAPH 115.13 THEREOF:**

157. This is a subjective opinion and is denied.

**AD PARAGRAPH 115.14 THEREOF:**

158. No foundation has been laid for such averment.

**AD PARAGRAPH 115.15 THEREOF:**

159. I did not authorise any payments to Estina. At all relevant times, this was the function of the HOD to authorise any payments.

**AD PARAGRAPH 115.16 THEREOF:**

160. This is a subjective opinion.



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**AD PARAGRAPHS 115.17 – 115.18 THEREOF:**

161. I have no knowledge of the correctness of the averments under reply.

162. I am not implicated at all.

**AD PARAGRAPH 115.19 THEREOF:**

163. The contents of this paragraph are noted.

164. I have no knowledge of the correctness of the averments contained in this paragraph.

**AD PARAGRAPHS 115.20 – 115.21 THEREOF:**

165. The contents of these paragraphs represent subjective opinion and jurisdictional facts to be proven at the trial.

**AD PARAGRAPH 116 THEREOF:**

166. These allegations are unfounded and are vehemently denied.



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**AD PARAGRAPH 117 THEREOF:**

167. This is a subjective opinion and subject to proof thereof.

**AD PARAGRAPH 118 THEREOF:**

168. I have already dealt with these averments.

**AD PARAGRAPH 119 THEREOF:**

169. The contents of this paragraph are denied, as far as I am concerned.

**AD PARAGRAPHS 120 - 123 THEREOF:**

170. The contents of these paragraphs represent subjective opinion, and are subject to proof.

**AD PARAGRAPH 124 THEREOF:**

171. There is no factual evidence that I committed a crime or that a confiscation order against my assets, may ensue.



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**AD AFFIDAVIT OF NKOSIPHENDULE MRADLA:**

172. I only respond to paragraphs that warrant a response.

**AD PARAGRAPH 10 THEREOF:**

173. Nowhere in the papers is it alleged or even suggested that I received or retained any amounts of monies as a result of any unlawful activities.

174. The entire approach and premise of the application against me is baseless and without merit.

**AD PARAGRAPH 14.1 THEREOF:**

✓ 175. This immovable property had been sold many years ago.

**AD PARAGRAPH 14.2 THEREOF:**

✓ 176. This immovable property has been sold many years ago.

Replying  
all par 77.  
78



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**AD PARAGRAPH 14.3 THEREOF:**

177. Consequently this property report is not correct.

**AD PARAGRAPH 14.4 THEREOF:**

178. The contents hereof are admitted.

179. The vehicles are registered in my name and so also the immovable properties mentioned in annexure "B" to the restraint order, to wit -

(a) Erf 19327, 8 Pollie-Pêrel Place, Pellissier, Bloemfontein; and

(b) Holding no 28, Agricultural Holding, Martindale Small Holdings, Bloemfontein.

180. Items 15 and 16 of the list of known assets are, however, not correct.  
(See p. 1424).

181. It will not be fair, just and equitable to confirm the restraint order in respect of my assets as set forth in annexure "B" to the restraint order.



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182. As enunciated above, there is no real possibility that the Court may find that I am guilty of any of the offences brought against me or that a confiscation order may ensue.

183. I also reiterate that my assets have not been derived or acquired from the proceeds of illegal activities and are not instrumentalities in any criminal activities.

184. The Mitsubishi Triton vehicle is a 2009 model, was purchased and settled in 2009.

185. The Mercedes Benz 350 model vehicle is a 2010 model, was purchased in 2010 and settled in 2013.

186. Through the hard work and financial discipline of myself and my wife, we managed to purchase a Mercedes Benz 350 GLE in 2015.

187. I am a Chief Director Level 14 in the employment of the Department of Agriculture & Rural Development and my wife is employed as a Director : IT Level 13 in the same department, based at the Glen Agricultural College. On average we travel 80 kilometres per day to transport our children to different schools and to go to our work. We are compelled to use different vehicles because we also use transport



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47

to attend to different work related tasks in the province and I also travel outside the province to attend to meetings, workshops, conferences, etc. On an average I am travelling more than 2 500 kilometres per month. Transport is a tool to execute my tasks and my wife also use transport to attend to work related issues in the province and outside the province.

188. We also use the transport to collect my son, Thato, from the school on weekends off and to attend to pressing issues at school should the need arise.

189. We also collect my grandson every fortnight should the need arise: he is staying with my daughter at Lourier Park and my daughter doesn't have transport. I also assist when my grandson is sick to take him to the hospital or clinics.

190. My mother is in a serious deteriorating health status and every now and then I must attend to her to take her to my place in Bloemfontein and to her doctor and take the grandchildren to her as she demands. When she is seriously ill, we are compelled to take her to stay with us until we are comfortable that her situation is better. My wife also assists a lot in taking care of her in the form of transport when I am not available. My mother is still staying in Qwa Qwa even though



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most of the time she spends in Bloemfontein. I must every now and then also take her to Qwa Qwa and bring her back.

191. My mother-in-law is also in a deteriorating health status and she is staying at Viljoenskroon. My wife must every now and then attend to her and sometimes bring her along to our home. When she is better my wife would return her to Viljoenskroon.

192. We (myself and my wife) must also attend to other family responsibilities, since I am the only son at home with five sisters who are much dependent on me.

193. It is therefore clear that we need our motor vehicles for our day-to-day activities.

194. Through our hard work and financial discipline my wife and I managed to purchase a smallholding in Martindale to the extent of 4 hectares in Bloemfontein, during 2010. As an agriculturist I use my plot (a smallholding) to experiment grains, vegetables, large and small stock (cattle, sheep, goats, fowls, etc).



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195. Through our hard work and financial discipline my wife and I also managed to purchase a house at Pellissier, Polite-Pêrel Place, house no. 8 in 2016. My wife contributed financially, when purchasing the house.

**CONCLUSION:**


196. I reiterate that there is no longer any justification for a restraint order and I pray that the provisional order should be discharged along with the curator *bonis*, as far as I (the Third Respondent) am concerned.
197. It will not be fair, just and equitable for me to bear the costs or any portion thereof. These proceedings were brought on an urgent *ex parte* basis where no grounds for urgency existed and there was no apprehension even suggested, that I may dissipate my assets.
198. There is not even a suggestion that I benefitted or received any money from the proceeds of the alleged crimes or from the Vrede Integrated Dairy Project or from Estina or from Baroda Bank: the application against me is baseless and without any substance or foundation.



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199. As is clear from the above, there is no reasonable possibility that any Court would find me guilty of any offence; and even if so, to issue a confiscation order. In the premises I accordingly submit that the provisional order should be discharged with costs, on the scale as between attorney and own client.

SIGNED at BLOEMFONTEIN on this 14<sup>th</sup> day of MAY 2018.

  
DEPONENT: TJ MASITENG

I certify that the deponent has acknowledged that he understands the contents of this affidavit, that he has no objection to taking the prescribed oath, that he has declared that he considers the oath to be binding on his conscience and that he has sworn to the veracity of the contents of this affidavit before me at BLOEMFONTEIN on this 14 day of MAY 2018 and signed the affidavit in my presence; the regulations contained in Government Notice No. 1258 of 21 July 1972, as amended by Government Notice No. 1648 of 17 August 1977, as amended, having been complied with.



51

  
05303320  
DAVID JACOBS SDT

COMMISSIONER OF OATHS

FULL NAMES:

DAVID JACOBS

ADDRESS:

22 PARK ROAD WILLOW

CAPACITY:

DATA TYPIST

AREA:

BLOOMINGTON



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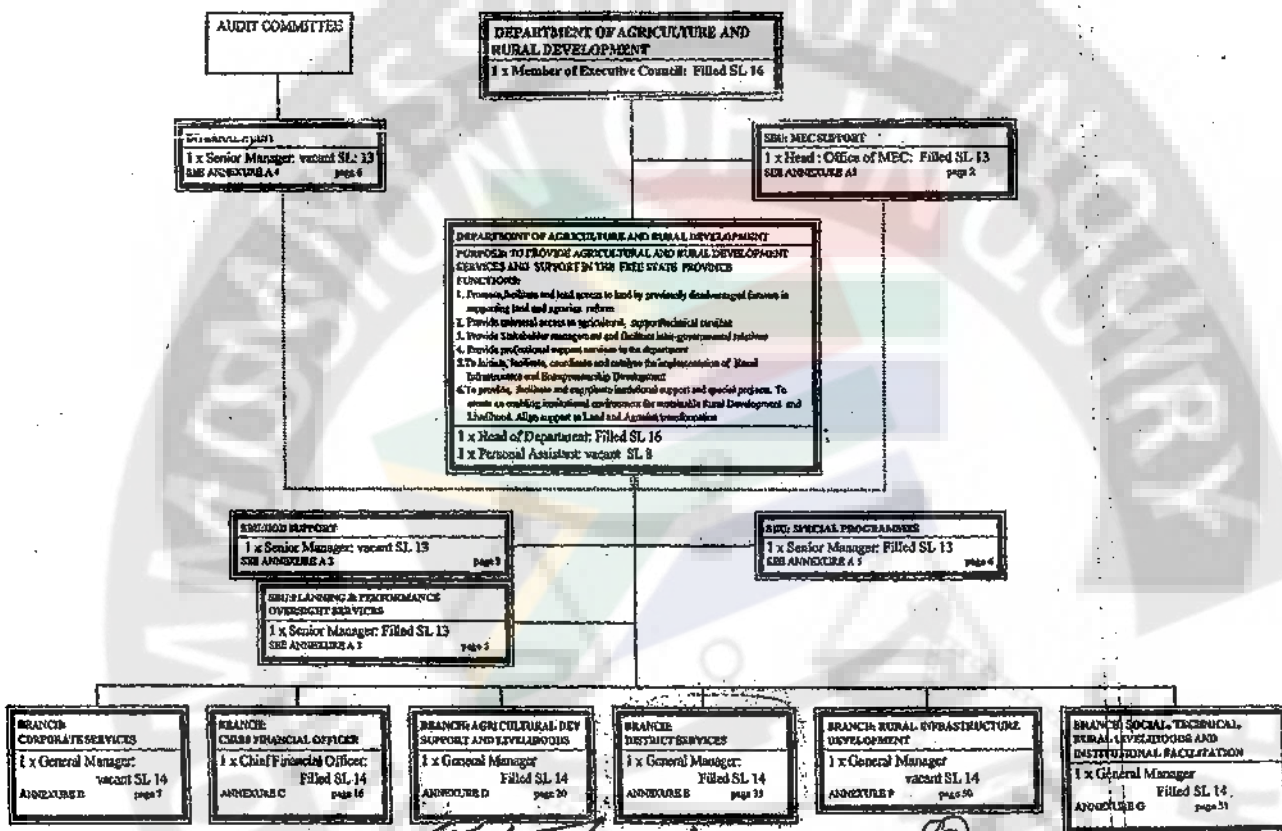






MICRO ORGANISATIONAL STRUCTURE: DEPARTMENT OF AGRICULTURE & RURAL DEVELOPMENT: FREE STATE

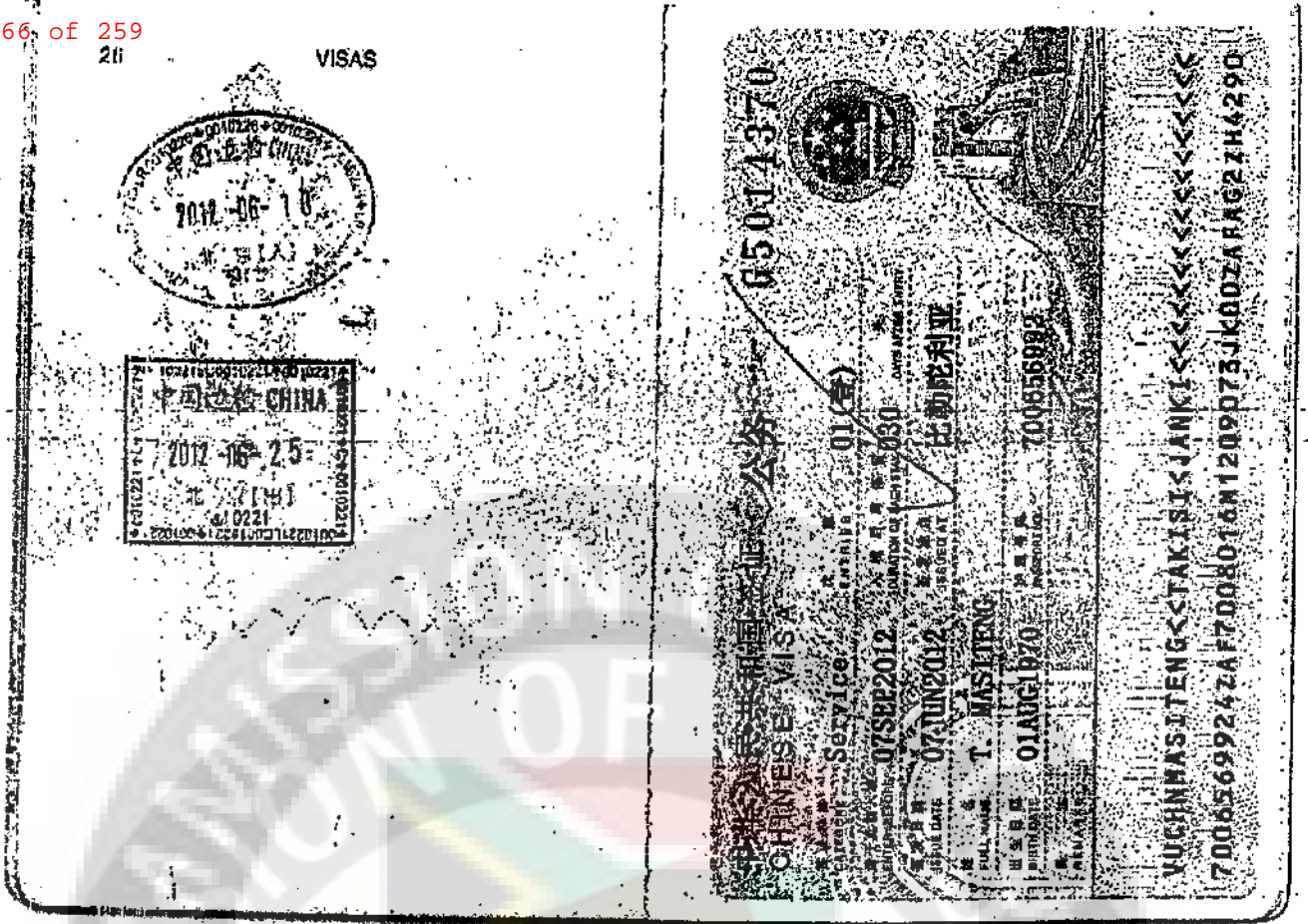
PAGE 1



RECOMMENDED BY: HOD AGRICULTURE & RURAL DEVELOPMENT  
DATE: 21/07/2013

APPROVED BY: MEC AGRICULTURE AND RURAL DEVELOPMENT  
DATE: 21/07/2013





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32.

THE BEARER MUST COMPLETE THE PASSPORT APP BELOW.  
LE TITULAIRE EST PRIÉ DE COMPLÉTIER LES DÉTAILS  
CI-DESSOUS :

Passer's place of permanent residence:  
Résidence permanente du titulaire:

Siret — Rue

Facio — Lieu

Country — Pays      Telephone — Téléphone

In case of accident or death notify:  
En cas d'accident ou de décès, please advise:

Name — Nom

Relationship — A titre de

Siret — Rue

Place — Lieu

Country — Pays      Telephone — Téléphone

Signature of bearer — Signature du titulaire

(Stamp)





Legal "D" 4



## agriculture & rural development

Department of  
Agriculture and Rural Development  
FREE STATE PROVINCE

### PROJECT PROPOSAL

Vrede Integrated Dairy Agribusiness project: Proposed integration of Dairy and other elements of production and processing with the emphasis on value-addition and beneficiation, such as a range of processed dairy products

*aligned with the Agri-BEE business norms stipulated by Govt.*



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Project :: Vrede Dairy Project Proposal



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4. Detailed Project costing for a large scale Dairy Unit:.....	6
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6. Optimising the development potential of this flagship project.....	7
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## 1. Preamble

The Department of Agriculture and Rural Development (DoARD), in line with the vision of the Mohoma Mobung initiative, has identified the implementation of a Dairy Project in Vrede as its flagship Project. To this end DoARD had recently commissioned a detailed study which validates the implementation of such a Project. The DoARD subsequently commissioned a high-level team to visit India, the largest milk-producer in the world, to explore the possibilities of attracting investments in this area. The DoARD team met with PARAS Dairy, the largest private milk producer in India and have agreed in principle to work with them on this prestigious project.

## 2. Executive Summary

ESTINA PTY LTD is proud to inform the Department of Agriculture and Rural Development that it has signed a Memorandum of Understanding with PARAS DAIRY, the largest private milk producer in India, to deploy a flagship Dairy Project in Vrede. The Agreement covers setting up of Dairy Plants to produce milk and related Dairy products in South Africa. Although the DoARD team have already met with PARAS, it may be pertinent to list some of their strengths here :

- ☼ Biggest Private Milk processors in India & the only Co. In North India to market Bactofuged Milk
- ☼ 5 State of the Art ISO 9001-2000 and HACCP Certified Manufacturing Facilities
- ☼ Total Liquid Milk Intake of more than 720 Million Litres Per annum
- ☼ Processing capacity of 3 million Liters Per Day.
- ☼ Network Covering more than 5000 villages & a strong procurement base at village level
- ☼ Amongst the Largest Suppliers of Liquid Polypack Milk (250,000 Litres/Day supplied locally)
- ☼ Fleet of 300 Stainless Steel Insulated road milk tankers
- ☼ Modern Dairy Ingredients plant in collaboration with WESTFALIA SEPERATORS,  
A.G.GERMANY, FILTRATION ENGINEERING Inc. USA., APPLEXION FRANCE, ALFA LAVAL,
- ☼ Accredited as a 2 Star Export House by the Govt of India



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Project :: Vrede Dairy Project Proposal



### 3. Proposed DARD flagship project

**Thabo Mofutsanyana District :: Vrede Integrated Dairy Agribusiness project:**

*Proposed integration of Dairy and other elements of production and processing with the emphasis on value-addition and beneficiation, such as a range of processed dairy products*

A large-scale integrated commercial agribusiness project is being envisioned for implementation at Vrede in the Thabo Mofutsanyana District of the Free State, which would be highly sustainable and which can make a significant contribution towards general development in the area.

The objectives with the project are to:

- Utilise the existing natural and other resources to create a viable large-scale Integrated agro-industrial enterprise;
- Broaden the agro-industrial production base of the district;
- Improve the food security situation for a number of rural communities;
- Create a number of small enterprises; and
- Alleviate the poverty of the surrounding communities.

Despite the fact that a large-scale dairy operation is under threat of a number of risks, those risks can be mitigated by the deployment of a highly skilled management team. A well-planned dairy operation presents a number of opportunities for the integration of other activities and downstream value-adding and beneficiation.

For the planned Integrated dairy project to be sustainable over the long term, it is planned to ensure that:

- The dairy over the long term, maintains at least 1 000 cows-in-milk, implying that another 1 000 non-producing followers, mainly female animals are fed, namely young or pregnant heifers and dry cows;
- The dairy cows are sheltered against the sun and heat stress during the summer months as well as against extreme cold during the winter months;
- Proper milking equipment and buildings are created;
- Milk processing equipment needed for pasteurising, cold storage, yoghurt, cheese and Amazi production, as well as distribution vehicles are in operation;
- Effluent usage on crop fields to reduce the use of chemical fertilizers;
- Feed production in the form of grains, annual legume crops, hay, lucerne and silage under dry land and 1 000 hectare of irrigation;

*gm*



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Project :: Vrede Dairy Project Proposal



- Creation of facilities for the orderly storage, refrigeration, transport and marketing of the respective products; and
- Integration of small holder farmers on the periphery to produce various products under contract to the nucleus project.

In the short-term, the milk will be procured from the local farmers and then processed in-house. This operation will then gradually be expanded to include in-house rearing and milking of cows over the long-term. In this manner, the risks envisaged in a large scale dairy operation will be mitigated by the gradual scaling up of the operation.

This project is designed to be the flagship of DoARD developments for the Free State in order to demonstrate the significant advantages to be enjoyed by the skillful integration of various elements in the agro-industrial value-adding system.

In Table 1 below a short summary is provided of the salient figures which apply to the planned project.

#### Project Information table

TM33: Estimated figures for the Vrede Project: Dairy, grains, beans, oilseeds, livestock production, processing, value addition, etc.	Estimated values
Total area available for project operations (hectare):	4 450
Natural veld grazing (hectare):	3 100
Arable area (hectare):	1 350
Irrigable area (hectare):	1 000
Initial Fixed capital to be invested to render project viable (R'million):	500.00
Turnover (R'million):	80.00
Net profit (R'million):	16.00
Employment opportunities:	600

All above figures are excluding VAT

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Project :: Vreda Dairy Project Proposal



#### 4. Detailed Project costing for a large scale Dairy Unit:

FIXED & WORKING CAPITAL	UNITS	BUDGET VALUE
Irrigation & mechanisation	1,000 ha	R45,000,000
Rain fed mechanisation	1,350 ha @ R20,000	R32,000,000
Dairy cattle – "Cows in Milk" (CIM)	500 ea @ R25,000	R12,500,000
Dairy cattle – Rest of herd (Followers)	500 ea @ R25,000	R12,500,000
Dairy bulls / A.I		R500,000
Milking parlour – 1,000 CIM unit	1,000 ea @ R5,000	R5,000,000
Bulk cooling tanks		R25,500,000
Dairy products manufacturing		R60,000,000
Pasteurizer		R60,000,000
UHT Long Life Milk Plant		R149,000,000
Other dairy equipment		R15,000,000
Feedlot		R14,000,000
Grain & oilseed mill		R19,000,000
Animal feed plant		R10,000,000
IP/Working Capital Requirement		R40,000,000
<b>Total Funding Required</b>	<b>Excluding VAT</b>	<b>R500,000,000</b>
<b>Total Funding Required</b>	<b>Including VAT</b>	<b>R570,000,000</b>
<b>Proposed Source of funding:</b>		
Capital Injection/IP/Equipment etc	ESTINA / PARAS	R228,000,000
Grants of R114m/yr for 3 Years	DoARD	R342,000,000

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Project :: Vrede Dairy Project Proposal



## 5. Phases for Project Deployment

In discussions with the Department, the Department has brought to the fore the problem of lack of funding for this Project which has been a major stumbling block in the execution of this project in the past. With a view to crystalizing the vision of the Department, Estina together with Paras Dairy are proposing a phased approach to the Project, whereby the Department will release available funds and Estina will ensure the implementation of the project in a modular form with technical know-how inputs from Estina/PARAS and when required, financial participation as well. Estina will prepare a project plan with clear deliverables based on the available funds released by the Department and will work with the Project Management Unit of the Department to ensure maximum returns on the amounts invested by the Department over a period of time. It is envisaged that as the project is delivered in phases, additional funding can be procured from various stakeholders when the viability of the project is demonstrated through the actual deployed working model.

## 6. Business Model

In line with the Agri-BEE business norms stipulated by Government, Estina proposes that a new Special Purpose vehicle (SPV) be created in which ESTINA will hold a 49% share while the remaining 51% shares will be distributed to at least three selected Grant recipients. Estina will provide the required capital injection as well as the technical know-how, which will be provided by Paras. Estina will endeavour to fund the entire Project itself and is requesting the Government to commit to an annual Grant of R100m per year for FIVE years to ensure that the Project remains sustainable and commercially viable.

## 7. Optimising the development potential of this flagship project

It is envisaged that this DARD integrated agribusiness project will become a centre of excellence for the entire Free State and even the neighbouring provinces.

Eventually this Project will provide:

- On-site, in-service practical agricultural training for aspirant farmers to equip them for the profitable operation and management of their own DARD projects, albeit:
  - Primary production of livestock and agricultural produce, or
  - Value-adding and beneficiation to livestock and agricultural produce
- Basic business, financial and management skills training and in-service application

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- Cooperative processing, value-adding and beneficiation of livestock and agricultural produce for all DARD projects in the Free State

Cooperative marketing facilities into the major consumer markets of South and Southern Africa for all DARD projects in the Free State thus creating the necessary critical mass and economies of scale which will unlock additional financial benefit for all DARD project participants.

## 8. The need for the chosen Dairy Project

It can be concluded that there is an urgent need for this project based on the following facts:

- The sale of milk provides extra income on a regular basis to rural people who often have just enough to get by. Milk sales also improve the nutritional status of rural populations, though not necessarily the urban needy. Milk is also one of the few agricultural products which can be supplied and marketed regularly by non-landowners. A dairy plant creates jobs in rural areas, and thus helps check urban migration.
- Milk and milk products are thought of as staple foods in Europe. Favourable production conditions mean that everyone can consume large amounts of milk and dairy products. For many of the world's peoples, however, even though milk plays no role in the diet, if balanced food is available in sufficient quantities, neither health nor welfare should be affected by the lack of milk. Recommended Third World dairy policies fall somewhere between these two extremes. Milk protein can enhance plant protein and in a diet combining several foods, a compensatory balance is established among the various sources of proteins. Animal proteins supply essential amino acids, plant proteins can then economically top up the total supply.

*S. Gautam*

Sanjeev Gautam  
Managing Director

Date: May 15, 2012

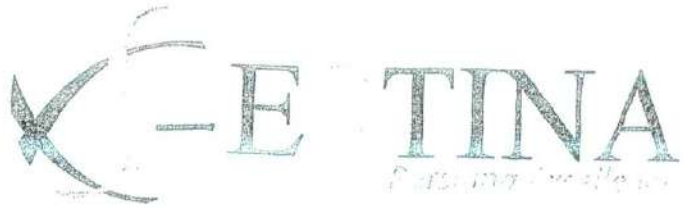
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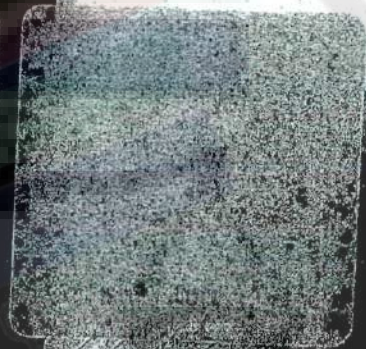
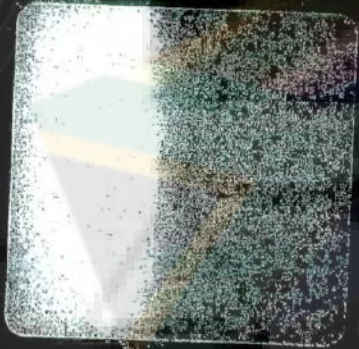
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# COMPANY PROFILE



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## COMPANY PROFILE

### Introduction

Estina Pty Ltd was established in 2010 to provide the highest calibre support in the areas of Project Implementation, Management and Consulting services to its Clients. It was also mandated to explore investment opportunities in South Africa with emphasis on partnerships that would conform to the broad-based Black Economic empowerment policies of the Government. The founder of the company has extensive public and private sector experience. Estina works with a wide network of associates around the world to deliver best of breed solutions to its clients

### Company Profile

Estina was formed to deliver customized solutions to Clients that resolve their most significant issues and create lasting competitive advantage.

Estina recently entered into a Memorandum of Understanding with PARAS India, the largest private producer of milk in India, to represent their interests in the country. The



Company, by virtue of its association with PARAS, now intends to invest heavily in the Free State in the area of Dairy processing and to this end has acquired a 49% stake in a BBBEE entity in which the investment will vest. Paras will also acquire a stake in Estina to ensure that the Vision of the Company and its stated objectives are met.

*The new Dairy project with a capital outlay of almost R600 million, is expected to be the largest investment of its kind in the Province and is expected to lead to much needed job creation and stimulation of economic growth.*





Estina's consultants have decades of industry experience and functional expertise, enabling it to look beyond standard solutions to develop new insights, drive tangible results, and deliver projects that will lead to true transformation

### Contact details

The Company is headquartered in Sandton and the address details are as below:

Block-A, 1<sup>st</sup> Floor

Grayston Ridge Office Park, 144 Katherine Street, Sandton

Tel: (011) 021 6000, website details are: [www.estina.co.za](http://www.estina.co.za),

e-mail: [estina.sa@gmail.com](mailto:estina.sa@gmail.com)



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**FREE STATE PROVINCE  
EXECUTIVE COUNCIL  
RESOLUTION**



FREE STATE PROVINCE

**PROVINSIE VRYSTAAT  
UITVOERENDE RAAD  
BESLUIT**

CABINET MEETING: 13.06.2012

RESOLUTION NO. 62/2012

**SUBJECT: VREDE INTEGRATED DAIRY AGRI-BUSINESS PROJECT; PROPOSED  
INTEGRATION OF DAIRY AND OTHER ELEMENTS OF PRODUCTION AND  
PROCESSING WITH EMPHASIS ON VALUE-ADDITION AND BENEFICIATION**

(Department of Agriculture and Rural Development)

- a) The Executive Council approved the following recommendations:
  - i) The implementation of the proposed Integrated Vrede Dairy agri-business project.
  - ii) Supports the Sourcing of additional funding of R84 million for this current FY from the province.
- b) The Executive Council further agreed that:
  - i) Where possible the department should meet the costs and will be later refunded and engage other relevant departments.
  - ii) The matter be further discussed in the Treasury Committee as a matter of urgency.
  - iii) FDC should also play a role, especially from the business point of view.
  - iv) For the next 3 years Department of Agriculture will have to pay R113 000.

*[Signature]*  
SECRETARY, EXECUTIVE COUNCIL

*[Signature]*  
MEMBER OF AGRICULTURE & RURAL  
DEVELOPMENT

*[Signature]*  
PREMIER

13/06/2012  
DATE

13/6/2012  
DATE

13/6/2012  
DATE

13 JUN 2012

BLOEMFONTEIN

UITVOERENDE RAAD



FREE STATE PROVINCE





" F "



## agriculture & rural development

Department of  
Agriculture and Rural Development  
FREE STATE PROVINCE

Reference: C. Klinck

DATE: 26 May 2012

### CHIEF DIRECTORATE DISTRICT SERVICES

#### SUBMISSION

**SUBJECT:** To accept the proposal from ESTINA with regard to the Vrede integrated Dairy project and to entered into a partnership with ESTINA.

#### 1. PURPOSE

The purpose is to obtain approval to

- Accept the proposal from ESTINA with regard to the Vrede Integrated Dairy project
- To enter into a partnership with ESTINA to implement the Integrated Dairy Project in Vrede.

#### 2. BACKGROUND

A large-scale integrated commercial agribusiness project is being envisioned for implementation at Vrede in the Thabo Mofutsanyana District of the Free State. Such a project can make a significant contribution towards general development in the area.

The objectives with the project are to:

- Utilize the existing natural and other resources
- Broaden the agro-industrial production base of the district
- Improve the food security situation for surrounding rural communities
- Create a number of small enterprises and
- Alleviate the poverty of surrounding communities

To this end DoARD had commissioned a detailed study which validates the implementation of such a project. The DoARD subsequently commissioned a high-level team to visit India, the largest milk-producer in the world, to explore the possibilities of attracting investments in this area. The DoARD team met with PARAS Dairy, the largest private milk producer in India and has agreed in principle to work with them on this project.

*gm*



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ESTINA-PTY LTD has signed a Memorandum of understanding with PARAS DAIRY to deploy a flagship Dairy project in Vrede. The Agreement covers setting up of Dairy Plants to produce milk and related dairy products in South Africa.

ESTINA made a proposal with regard to this to the DoARD. Please find copy of proposal attached.

It is recommended that the DoARD entered into a partnership with ESTINA in order to implement a Dairy project in Vrede as a flagship project.

### 4. FINANCIAL IMPLICATIONS

For the current financial year 2012/13 a total of R30 000 000-00 is allocated for the implementation of the Vrede Dairy project.

### 5. COMMUNICATION IMPLICATIONS

All relevant role players will be informed on the outcome of this submission.

### 6. PARTIES CONSULTED

HOD  
CFO  
Chief Director District services  
District Director

### 7. AUTHORITY FOR APPROVAL

The authority of approval is vested in the Head of Department as delegated in consultation with the MEC.

*TJM*



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**8. RECOMMENDATION**

It is recommended that approval is granted to

- Accept the proposal from ESTINA with regard to the Vrede Integrated Dairy project
- To enter into a partnership with ESTINA to implement the Integrated Dairy Project in Vrede.

<p><b>SUBMITTED BY</b></p> <p><i>PP [Signature]</i></p> <p><b>DR TJ Masiteng</b> Chief Director: District Services</p> <p><b>DATE:</b> <u>26.05.2012</u></p>	<p><b>RECOMMENDED/ NOT RECOMMENDED</b></p> <p><i>[Signature]</i></p> <p><b>MS. S. DHLAMINI</b> CFO</p> <p><b>DATE:</b> <u>26/05/2012</u></p>	<p><b>APPROVED / NOT APPROVED</b></p> <p><i>[Signature]</i></p> <p><b>MR. P.M. THABETHE</b> HOD: Agriculture</p> <p><b>DATE:</b> <u>[Signature]</u></p>
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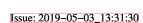
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# ALLOCATION ATTACHMENT

DEPARTMENT NAME:

OFFICE:

FUNCTIONAL AREA:

ALLOCTIONS PER SOURCE DOCUMENT LINE ITEM

FUNCTIONAL AREA No:

SEGMENT TYPE

SEGMENT DETAIL

FUND

OBJECTIVE

PROJECT

RESPONSIBILITY

ITEM

MATCHING FIELD1

MATCHING FIELD2

NET ASSET

REGIONAL IDENTIFIER

CASP  
Farmer Settlement Services  
Vrede Dairy Farm C 12-13/706) Cap  
Farmer Settlement  
Duts Contrctr: New Buil & OT Fix Stru  
Processing Facility  
Phumelela FS195

☒ Debit

☐ Credit

Allocation Amount

Rand

Cents

121400000-00

Allocation Percentage

%

SEGMENT TYPE

SEGMENT DETAIL

FUND

OBJECTIVE

PROJECT

RESPONSIBILITY

ITEM

MATCHING FIELD1

MATCHING FIELD2

NET ASSET

REGIONAL IDENTIFIER

CASP  
Farmer Settlement Serv  
Vrede Dairy Farm C 12-13/706) Cap  
Farmer Settlement  
Duts Contrctr: New Buil & OT Fix Str  
Agricultural Fence  
Phumelela FS195

☒ Debit

☐ Credit

Allocation Amount

Rand

Cents

1000000-00

Allocation Percentage

%

SEGMENT TYPE

SEGMENT DETAIL

FUND

OBJECTIVE

PROJECT

RESPONSIBILITY

ITEM

MATCHING FIELD1

MATCHING FIELD2

NET ASSET

REGIONAL IDENTIFIER

CASP  
Farmer Settlement Serv  
Vrede Dairy Farm C 12-13/706) Cap  
Farmer Settlement  
Duts Contrctr: New Buil & OT Fix Str  
Water Supply / Reticul  
Phumelela FS195

☒ Debit

☐ Credit

Allocation Amount

Rand

Cents

1000000-00

Allocation Percentage

%

SEGMENT TYPE

SEGMENT DETAIL

FUND

OBJECTIVE

SIBILITY

NG FIELD1

NG FIELD2

NET

REGIONAL IDENTIFIER

CASP  
Farmer Settlement  
Vrede Dairy Farm C 12-13/706) Cap  
Farmer Settlement  
Duts Contrctr: New Buil & OT Str  
Farm / Agriculture Equipment  
Phumelela FS195

☒ Debit

☐ Credit

Allocation Amount

Rand

Cents







# ALLOCATION ATTACHMENT

DEPARTMENT NAME:

OFFICE:

FUNCTIONAL AREA:

ALLOCTIONS PER SOURCE DOCUMENT LINE ITEM

FUNCTIONAL AREA No:

SEGMENT TYPE

SEGMENT DETAIL

FUND

OBJECTIVE

PROJECT

RESPONSIBILITY

ITEM

MATCHING FIELD1

MATCHING FIELD2

NET ASSET

REGIONAL IDENTIFIER

Lima/Letsema  
Agricultural Production  
Vrede Dairy Farm (12-13/706) Cap  
Agricultural Production  
Duts Contrctr: Upgrad & Add Bio ASS  
Dairy Cattle  
PHUMELELA FS 195

☒ Debit

☐ Credit

Allocation Amount

Rand

Cents

Allocation Percentage

SEGMENT TYPE

SEGMENT DETAIL

FUND

OBJECTIVE

PROJECT

RESPONSIBILITY

ITEM

MATCHING FIELD1

MATCHING FIELD2

NET ASSET

REGIONAL IDENTIFIER

Lima/Letsema  
Agricultural Production  
Vrede Dairy Farm (12-13/706) Cap  
Agricultural Production  
Duts Contrctr: Upgrad & Add Bio ASS  
Non Assets Related  
Phumelela FS 195

☒ Debit

☐ Credit

Allocation Amount

Rand

Cents

Allocation Percentage

SEGMENT TYPE

SEGMENT DETAIL

FUND

OBJECTIVE

PROJECT

RESPONSIBILITY

ITEM

MATCHING FIELD1

MATCHING FIELD2

NET ASSET

REGIONAL IDENTIFIER

Lima/Letsema  
Agricultural Production  
Vrede Dairy Farm (12-13/706) Cap  
Agricultural Production  
Duts Contrctr: New Build & OT Fix C  
Processing Facility  
PHUMELELA FS 195

☒ Debit

☐ Credit

Allocation Amount

Rand

Cents

Allocation Percentage

SEGMENT TYPE

SEGMENT DETAIL

FUND

OBJECTIVE

PROJECT

ITY

IELD1

IELD2

ENTIFIER

☐ Debit

☐ Credit

Allocation Amount

Rand

Cents

Allocation Percentage



BM





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Department of  
Agriculture and Rural Development  
FREE STATE PROVINCE

**FREE STATE PROVINCIAL GOVERNMENT:  
DEPARTMENT OF AGRICULTURE**

**APPLICATION FOR OFFICIAL VISIT OUTSIDE THE FREE STATE**

(VISITS ABROAD EXCLUDED)

**1. PARTICULARS OF THE VISIT**

PURPOSE: NAP Presentation on CASP and Ilima/ Letsema business plan

(2013/14)

PLACE : PRETORIA

DEPARTURE (DATE): 29/01/2013

RETURN (DATE): 01/02/2013

**2. APPLICANT(S)**

INITIALS & SURNAME	PERSAL NUMBER	DIRECTORATE / COMPONENT	RANK	SALARY LEVEL	CONTACT NO. (CELL OR TELEPHONE)
Mrs C Klnck	127 429 02	District Services	Principal Development Expert		072 600 5090
Mr A Fourie	802 855 71	Agric Econ dev and planning	Snr Agric Econ		083 557 2331
Mr T Khaeane	824 771 08	Finance	Manager		078 205 7490
Mr A Radebe	816 870 87	Structured Agric. Education and training	Assistant Director		022 398 3100

**3. MOTIVATION**

See attached documents

(NB: ATTACH COPY OF REQUEST / INSTRUCTION / NOTICE / INVITATION / SUBMISSION)

**4. MEANS OF TRANSPORT**

(APPLICANTS WHO DO NOT HAVE ALLOCATED VEHICLES, MAY APPLY TO TRAVEL BY GG VEHICLE OR AIR, IN LINE WITH POLICY)

VEHICLE TYPE	DRIVER'S INITIALS & SURNAME	AIR ( MARK WITH ✓ )	TRANSPORT AT DESTINATION	MARK WITH ✓
ALLOCATED GG			GG VEHICLE	
GG POOL			PRIVATE HIRE	
SUBSIDISED	✓		BUS	
PRIVATE			TAXI	
SENIOR OFFICERS			POINT TO POINT(AIRPORT TAXI)	

**5. ADDITIONAL COST (INDICATE E.G. REGISTRATION OR ENROLMENT FEE & RELEVANT COST)**

ADDITIONAL COST PER APPLICANT:

TOTAL COST: R

**6. RECOMMENDATION / APPROVAL**

	APPLICANT	RECOMMENDED / NOT RECOMMENDED	RECOMMENDED / NOT RECOMMENDED	APPROVED / NOT APPROVED
SIGNATURE				
S & ME	C. Klnck	T. MASITENG	M.P. Thabane	
	Prin Dev. Exp	CD	HOD	
	23/1/2013	23/01/2013	28/01/2013	



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# VREDE DAIRY PROJECT

**PHUMELELA  
THABO MOFUTSANYANE DISTRICT**

**2013/14 CASP BUDGET R 53 950 000**

## SPENDING ACCORDING TO CASP PILLARS

CASP pillar	Activity/s / Deliverable	Cost/ Budget
1 On & Off Farm Infrastructure	10 point dairy parlour 72 rotating dairy parlour 2x 500 cow sheds Bio gas plant Cattle feed plant Road construction-+/- 2 km gravel road Entrance safety gate	R 53 950 000
2 Training & Capacity Building		
3 Marketing & Business Development		
4 Financing Mechanisms		
5 Technical Advice Assistance		
6 Information & Knowledge Management		
<b>TOTAL CASP</b>		<b>R 53 950 000</b>
7 Production inputs		
8 Mechanization		
9 Other- Infrastructure and revenue enhancement		
<b>TOTAL OTHER (DARD)</b>		<b>R 60 050 000</b>
<b>TOTAL AVAILABLE BUDGET</b>		<b>R 114 000 000</b>

### COMMENTS:



project is in the second year of implementation.

DARD appointed ESTINA as implementing agent to implement the project. The total estimated project cost is

R570, 000, 000.00 (Five Hundred and Seventy Million).

The phased implementation of the above Dairy Project is based on an initial Grant of R30m (thirty million rand) by the Department whereby a total of R114 million is required per year.

This will add up to a total committed Grant of R340m (three hundred and forty million rand) over a period of three years.

# 1. PROJECT IDENTIFICATION

Name of Province	Free State
Project Name	Vrede Dairy Project
Type of Project	Dairy
Project acronym/ nickname	Vrede Dairy
Main Deliverable	Dairy products
Start Date	April 2013
End Date	March 2014
Key Results area (Reflected in DARD Strat Plan)	Animal and plant health, food safety and effective risk management, job creation
Key Objective (linked to KRA's in DARD Strat Plan)	Agribusinesses support through entrepreneurial development.
Type of Benefaction	Dairy processing
District Municipality	Thabo Mofutsanyane
Nodal Area Name	n/a
Local Municipality	Phumelela
Specific Location (Town/ village)	Vrede
Nearest Business Center / Town	Vrede
Distance to Business Center / Town	5 km
Land classification (LRAD, Commonage etc)	Municipal Land
District Coordinator	AC Meyer
Contact Details	058 714 1439
Project Leader (Coordinator)/ Contacts	Mr Mphahlele
Position – Beneficiary	
No. of Beneficiaries	Male Female Youth Total
	Currently 80 ( to be increased to 100)



BM



## 2. LIST OF BENEFICIARIES.

See beneficiary list attached

## 3. EXECUTIVE SUMMARY

### 3.1 History

The project is implemented in partnership with ESTINA, an investor from India. The project is identified as the Department's flagship project after a visit to India, the largest milk producer in the world to explore possibilities of attracting investments in the area.

The project is in the implementation phase on the farm Krynauslust, the property of the Phumelela local Municipality. The size of the farm is 4 450 ha. (Natural grazing- 3100 ha; arable land – 1350 ha; 1000 ha is irrigation).

### 3.2 Project Description

The Vrede Dairy project is a large scale integrated self-sustainable Dairy Project in the Eastern Free State for the benefit black farmers and to build a self-sustainable business model that will open up employment opportunities for farmers at grass-root level and fuel economic growth in the Province.

The department of Agriculture and Rural Development is setting up of an Integrated Dairy Project at Vrede in the Eastern Free State under the Mohoma Mobung initiative as outlined the concept document.

A phased investment by partners in the project is based on a total projected investment of R570 million (five hundred and seventy million rand). The implementation of the above Dairy Project is based on an initial Grant of R30m (thirty million rand) by the Department whereby a total of R114 million is required per year. The

Department has a shortfall of R84 million per year over the next three years to implement this high level project. This will add up to a total committed Grant of R340 million (three hundred million rand) over a period of three years.



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The following high-level outcomes will be produced and delivered by the end of the project:

## DAIRY INFRASTRUCTURE

The Department have identified 4,400 Hectares of Municipal Land in Phumelela Local Municipality in Vrede where the project will be established. Procure and setup a Dairy farm infrastructure for 500 Cows in Dairy at the location identified by the Department in Vrede. The dairy construction will include amongst others the Dairy Parlour, Feed Storage, Feed-Lots and Land cultivation for Feed.

## COMMUNITY DAIRY

Procure and facilitate the distribution of 500 Cows to members of the Community who will be identified by the Department. Identification of 100 members of the Community who will receive 5 Cows each as donation from the project. Community Milking Centres to be setup with easy access to members and will members will have access to Feed, Vet Services and Training. The scheme Members will be paid for milk from the cows donated to them which will be collected by the milk processing plant at the milking centres.

## PROCESSING PLANT

State of the Art ISO 9001-2000 and HACCP Certified Facility to be set up at the identified site. The initial processing capacity of 100,000 litres per day will be constructed. Initial targeted milk intake of 40,000 litres per day. Products to include Liquid Milk, UHT Milk, Cheese and other products.

### 3.3 Beneficiaries

Beneficiaries from all 3 towns in the Phumelela Municipality were identified with the most people staying in Vrede.

### 3.4 Partnerships

D has a partnership with ESTINA to implement the project



### Costs and Budgets

The total cost of the Project is estimated at R570 million. The initial investment for the establishment of the

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Dairy will be through Government funding of R114 million per year and the investment for the establishment of the Processing plant will be funded by Estina/Paras.

The department is requested to commit financially on the operations of the Dairy over a period of three years. Detailed technical Plan is being prepared and will be submitted to the Department.

# DETAILED PROJECT COSTING FOR A DAIRY UNIT:

Irrigation & mechanisation	1,000 ha	R45,000,000
Rain fed mechanisation	1,350 ha @ R20,000	R32,000,000
Dairy cattle – "Cows in Milk" (CIM)	500 ea @ R25,000	R12,500,000
Dairy cattle – Rest of herd (Followers)	500 ea @ R25,000	R12,500,000
Dairy bulls / A.I		R500,000
Milking parlour – 1,000 CIM unit	1,000 ea @ R5,000	R5,000,000
Bulk cooling tanks		R25,500,000
Dairy products manufacturing		R60,000,000
Pasteurizer		R60,000,000
UHT Long Life Milk PLant		R149,000,000
Other dairy equipment		R15,000,000
Feedlot		R14,000,000
Grain & oilseed mill		R19,000,000
Animal feed plant		R10,000,000
IP/Working Capital Requirement		R40,000,000

## Proposed Source of funding:

Capital Injection/IP/Equipment etc

ESTINA / PARAS

R228,000,000

Grants of R114m/yr for 3 Years

DoARD

R342,000,000



6

### Capital costs

Description	Number	Cost/unit	Total cost	
<b>Capital needed for livestock</b>				
Total cows in herd	240			
Lactating cows	208	18000	R 3 744 000	
Dry cows	28	14400	R 403 200	0.8
Replacement heifers	144	9000	R 1 296 000	
			<b>R 5 443 200</b>	

### Capital needed for infrastructure

Capital item	Cost per lactating cow	Total capital cost	
Rotating parlour	R 18 000	R 3 744 000	
Holding and feeding pens (4.5m2/lact. cow)	R 1 500	R 1 404 000	
Additional storing capacity			
Feed procured/tons/annum	1999.27		
Storage for 2 weeks	76.89		
Capital required per ton stored	R 4 000	R 307 579	
Electricity supply (1 km)		R 300 000	
Water supply (assume sufficiency)			
Litres per lactating cow per day	150		
Total litres per day	31200		
Storage capacity (7 days)	218400		
Capital cost per litre storage capacity	2.3	R 502 320	
<b>On-farm processing:</b>			
Milk production per year (litre)	2083919		
Pasteurization Equipment (10 000/day)	300 000		
Pasteurization Building (72 square m)	R 4 500	R 324 000	
		<b>R 6 581 899</b>	
Mechanization (tractor, feed mixer and trailer)		<b>R 1 000 000</b>	
		<b>R 13 025 099</b>	
Investment required per lactating cow		<b>R 62 621</b>	

### Production costs

	per litre	total	per lactating cow
Gross income per litre	3.8	R 7 918 891	R 38 072
Estimated production cost per litre excl. capital cost	3.5	R 7 293 715	R 35 066
Margin per litre excl. management remuneration	0.3	R 625 176	R 3 006
ROI			<b>4.80%</b>



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### 3.6 Institutional Arrangement and Management

The project was initiated by the Free State Department of Agriculture and will thus be managed and implemented by the department and its officials. Coordination of the project activities will be done by the responsible extension officer in coordination with the district office (Project Coordinator).

### 3.7 Impact

#### OVERARCHING BENEFITS FOR THE PROVINCE AND THE NATION

- In line with the Agri-BEE business norms stipulated by Government, Estina proposes that a new Special Purpose vehicle (SPV) be created in which ESTINA will hold a 49% share while the remaining 51% shares will be distributed to selected Grant recipients.
- Estina will provide the required capital injection as well as the technical know-how, which will be provided by Paras.
- It is envisaged that this integrated agri-business project will become a centre of excellence for the entire Free State and even the neighbouring Provinces.
- Eventually this Project will provide On-site, In-service practical agricultural training for aspirant farmers to equip them for the profitable operation and management of their own DARD projects, albeit:
  - Primary production of livestock and agricultural produce, or
  - Value-adding and beneficiation to livestock and agricultural produce
- Basic business, financial and management skills training and in-service application
- Cooperative processing, value-adding and beneficiation of livestock and agricultural produce for all DARD projects in the Free State
- Cooperative marketing facilities into the major consumer markets of South and Southern Africa for all milk projects in the Free State thus creating the necessary critical mass and economies of scale which will unlock additional financial benefit for project participants



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## 4. BACKGROUND

### 4.1 Background of the area

Coordinates: 27.45°S; 29.14°E; the area utilized for the project is 3 285 ha. The balance of the farm is used to rent out to residents for grazing. The Vrede piggery project is also located on the same farm.

The vegetation is part is sour veld. The average annual rainfall is 730 mm which falls mainly in summer in the form of heavy thunder storms. The average summer temperature is 26°C. Minimum winter temperatures fluctuate between -3°C and -11°C

The Department of Agriculture and Rural Development, in line with the vision of the "Mhoma Mobung" initiative, has identified the implementation of a Dairy Project in Vrede as its flagship Project. To this end DoA had recently commissioned a detailed study which validates the implementation of such a project. The DoA subsequently commissioned a high-level team to visit India, the largest milk-producer in the world, to explore the possibilities of attracting investments in this area. The department met with PARAS Dairy, the largest private milk producer in India and have agreed in principle to work with them on this prestigious project.

Dairying is an important source of subsidiary income to small/marginal farmers and agricultural labourers. Since agriculture is mostly seasonal, there is a possibility of finding employment throughout the year for many persons through dairy farming. The dairy will also provide employment throughout the year. The main beneficiaries of dairy programme are small/marginal farmers and landless labourers and groups keep their animals in different areas where they raise them.



STATE CAPTURE  
INTO STATE CAPTURE

## 4.2 Available Resources

Available resources are land and labour.

## 4.3 Project measurable objectives

To have 500 cows –in-milk; implying that another 500 non-producing cows are also fed, mainly young or pregnant heifers and dry cows

- To shelter the dairy cows against sun and heat stress during summer and against extreme cold winter conditions.
- To construct proper infrastructure and equip it with proper milking and agro processing equipment needed for pasteurization, cold storage, yoghurt, cheese and Amazi production.
- To provide a fleet of vehicles to distribute dairy products.
- To reduce the use of chemical fertilizers by effluent usage on field crops.
- To produce feed in the form grains, annual legume crops, hay, Lucerne and silage on 1000 ha of irrigation.
- To involve 100 small holder local farmers to produce milk to be processed in the Vrede Dairy project.

## 4.4 Provincial Involvement

The province will be involved through the activities of the district department. The project will receive Extension support from the Vrede ward office and other (Animal Health or Economics) relevant support will be given where required.



DP alignment

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Improvements planned for the project is aligned with the objectives as set out in the IDP document of the District municipalities, which is the development of sustainable Agricultural projects.

#### 4.6 Community involvement / Stakeholders

The project will create employment for the local community. They will be supported by the local municipality, Department of Agriculture and Rural Development and other government departments.

#### 4.7 Policy issues / alignment

This project is aligned with the objectives of outcome 7: "Vibrant, Equitable and Sustainable rural communities and Food Security for all." The deliverables of this project are aimed at driving "Sustainable Agrarian reform" as stipulated in output 1 of this policy.

### 5. GOVERNANCE

The shareholding Company will be structured according to the Agri-BEE norms stipulated by Government and Estina/Paras will be responsible for Project implementation and will also be responsible for the operational management of the Project during its life cycle.

### 6. PRODUCT MARKETING & SALES

Products will be branded "Mohoma Mobung" and aggressive marketing campaigns using celebrities and Sports icons as brand ambassadors. Supply of Bulk Milk to Hospitals and UHT Milk to Schools will form part of the marketing strategy.

#### 6.1 Training Requirements

The group will require training on the following areas:

- Group dynamics.
- Production Management and record keeping
- Marketing of Agricultural produce
- Financial and business management



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## 7. BUDGET

Refer to above tables for budget information

### 7.1 Other Funding Sources e.g. Provincial Top up, Donor etc. and amount.

The strategic partner will contribute R 228 000 000 to implement the project

## 8 Resources

### 8.1 Available Resources

The size of the farm is 4 450 ha. (natural grazing- 3100 ha; arable land – 1350 ha;1000 ha is irrigation) labour.

### 8.2 Resources Required

- Rotating parlour
- Holding and feeding pens (4.5m<sup>2</sup>/lact. cow)
- Additional storing capacity
- Feed procured/tons/annum
- Electricity supply (1 km)
- Water supply (assume sufficiency)
- Safety entrance gate
- 2 km gravel road

## 9 Reporting



Department of Agriculture and Rural Development is primarily responsible for overseeing the implementation of the project. Reports should be made to the District Project coordinator on the following aspects:

- Progress with achievement of the stated project objectives



- Schedule performance in terms of how the project is progressing along its planned time frames
- Financial performance with regards to expenditure against the budget.

Reports will be forwarded to Provincial head Office which will report to the bodies higher on the hierarchy on the projects progress.

## 10. Monitoring and Evaluation.

### 10.1 Monitoring

The progress of the projects implementation will be monitored on an on-going basis by the relevant Departmental staff. The reports on these visits will be communicated to the Project Coordinator and district management through reports.

### 10.2 Evaluation

The impact of the planned activities will be evaluated on a quarterly basis against the set objectives. If there is any deviation from the set objectives remedial action will be taken to correct the situation.

## 11 ASSUMPTIONS AND RISKS

### 11.1 Assumptions

- The business plan was drafted with the following assumptions:
- No major price increases will occur;
- The government personnel situation will not change from the current situation;
- The offices will have all the communication systems;



ands will be made available when required.

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## 11.2 Risks

- Natural Risks (Acts of God);
- Funds not available in time;
- Diseases

## 11.3 Weaknesses

- The department will strive to ensure that all departmental processes are executed as quickly and as efficiently as possible.
- Farmers will be advised on good animal care practices. Alternative markets are to also be identified.

## 11.4 Strengths

The strategic partner is viewed as the best in its field in the World

## 11.5 Opportunities

Marketing



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**12 APPROVAL****12.1 PROJECT PROTOCOL**

This document requires the following approvals.			
Name	Signature	Date of Signature	Responsibility
			Project coordinator
			CASP Provincial Coordinator
			Head Agricultural Economics
			Chief Director/Director
			CFO
			HOD

**12.2 Declaration**

*The recommendations and proposals made in this document are based on information obtained from various sources. Neither the Department of Agriculture nor the Author can be held responsible for the appropriateness of information contained herein. It must be emphasised that although the author has acted with the utmost good faith and to the best of her ability, it cannot be guaranteed that the recommendations or proposals or any part thereof is the best, or only solution to any or all the problems identified in this report or furthermore that these problems are the only ones present.*

*Any decision taken to either accept or reject the above recommendations and proposals as well as any decision as to whether or not to implement them and the risk attached thereto rest entirely with you.*



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# **CASP/ILIMA-LETSEMA, COLLEGE & DISASTER (FLOODS) 2013/14**

**NAP - SOUTHERN SUN HOTEL-  
PRETORIA**

**30 JANUARY 2013**



agriculture  
Department of  
Agriculture, Forestry and Fisheries  
FREE STATE PROVINCE

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- SUMMARY OF LAND SIZE, POPULATION, LOCAL MUNICIPALITIES AND REGISTERED TOWNS PER DISTRICT AREA
- CURRENT LAND USE AND ENTERPRISE EXTENT
- FREE STATE AGRICULTURAL SECTOR
- AGRICULTURAL POTENTIAL
- OVERALL APPROACH (SOP) - FOCUS AREAS: IDENTIFIED AGRO-PROCESSING OPPORTUNITIES
- ANCHOR PROJECTS / COMMODITIES
- PLANNING SCHEDULE: SOP
- PROJECT ALLOCATION COMMITTEES AND PROCESS - ACTIVITY FLOW DIAGRAM
- FARMER SUPPORT
- CASP: BP-2013/14
  - CASP TRAINING & MENTORSHIP PROGRAMME
  - ERP PILLARS
  - GLEN COLLEGE
  - ILIMA/LETSEMA
  - DISASTER ASSISTANCE SCHEME



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## INTRODUCTION

① **MOHOMA MOBUNG/"ZERO HUNGER STRATEGY":** To respond to the Challenges and Opportunities for Social and Economic Growth and Development.

① The overarching goal is to increase agricultural production and profitability inclusive of value adding, agro-processing and marketing.

① Central to the approach taken is to provide support to efforts that promote and support Broad Based Agri-BEE, Job Creation and Poverty Reduction.

① The Strategy is informed by the Presidential Outcomes (4: Decent Work through Inclusive Economic Growth; 7: Vibrant, Equitable Rural Communities Contributing Towards Food Security for All... and 10: Natural Resource Development & Management). The State of the Province Address: Agro-processing and Aquaculture as well as Agri-Villages and the Policy and Budget Vote: Strategic Partnerships, Farmers and or Community Participation, Food Security, Jobs Creation etc.



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### SUMMARY OF LAND SIZE, POPULATION, LOCAL MUNICIPALITIES AND REGISTERED TOWNS PER DISTRICT AREA

	3 424 966	1 399 864	3 193 028	2 834 556	2 130 146
Size in Ha					
Population size	135,791	837,379	657 952	727 403	460 703
Number of local municipalities	3	MM	5	5	4
Number of registered towns	17	10	18	19	15

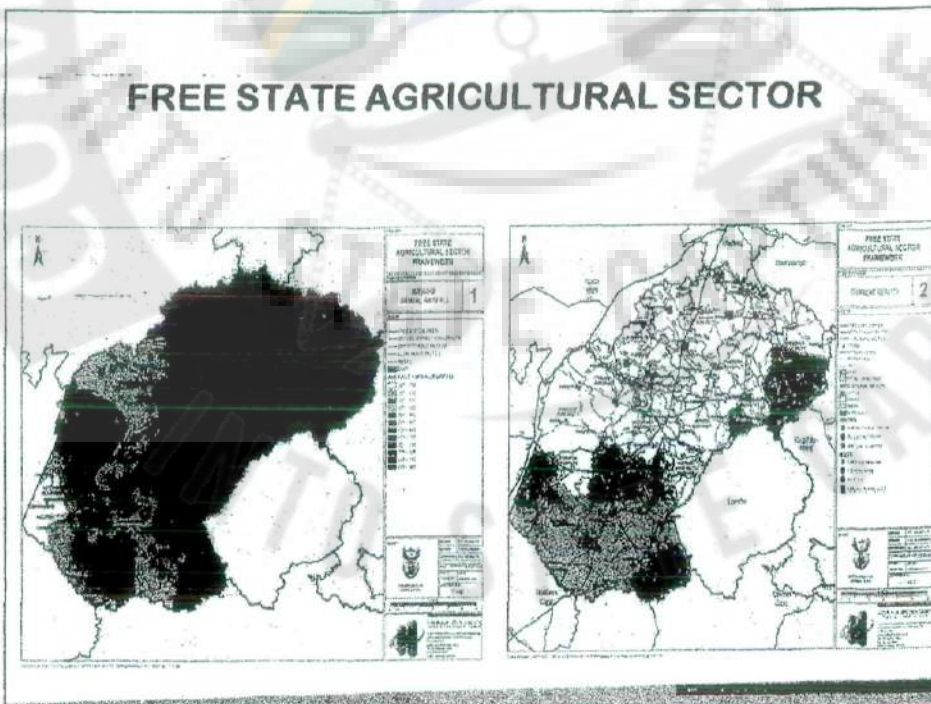


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## CURRENT LAND USE AND ENTERPRISE EXTENT

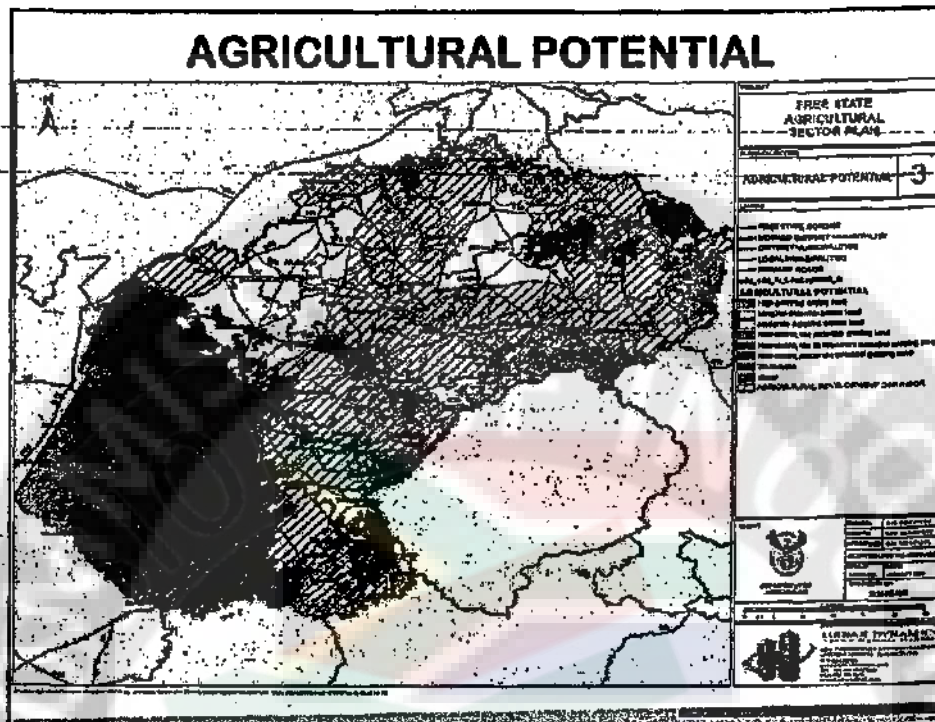
Crops (Maize, wheat, sunflower, etc.)	3 100 000 Ha
Livestock	7 400 000 Ha
Horticulture	190 000 Ha
Irrigation (Crops & Orchards)	140 000 Ha
Mixed farming	650 000 Ha
Others	1 468 000 Ha
<b>TOTAL SURFACE AREA (HECTARES)</b>	<b>12 948 000</b>

## FREE STATE AGRICULTURAL SECTOR



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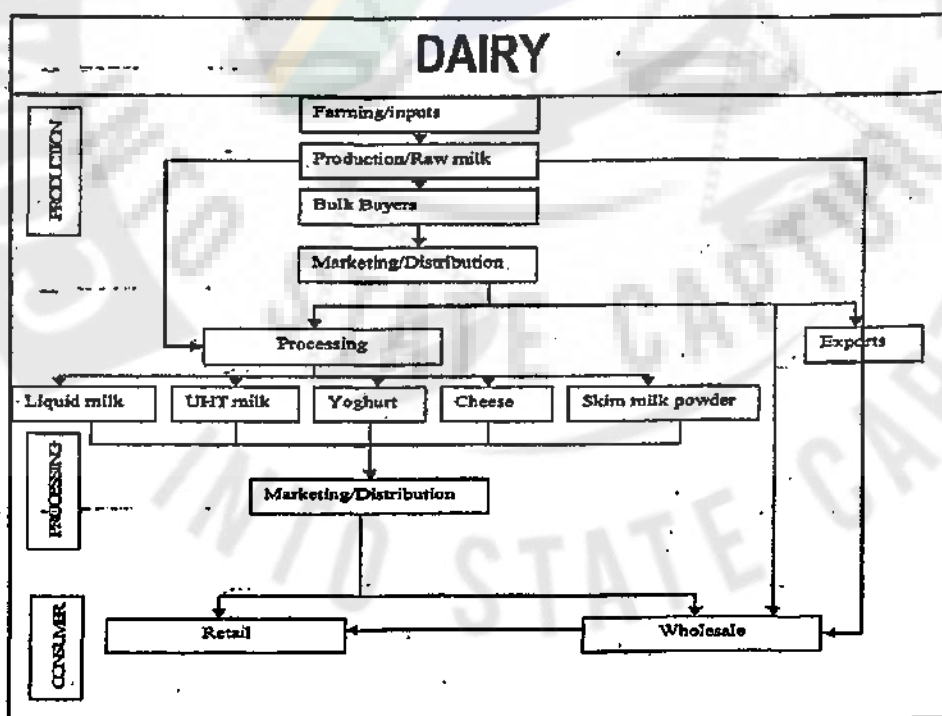


OVERALL APPROACH (SOP) – FOCUS AREAS : IDENTIFIED AGRO-PROCESSING OPPORTUNITIES	
Xhariep	<ul style="list-style-type: none"> <li>• Livestock / game (incl. processing)</li> <li>• Feed production and processing</li> <li>• Fish production (incl. processing)</li> </ul>
Mangaung Metro	<ul style="list-style-type: none"> <li>• Livestock value chain (incl. processing)</li> <li>• Production support (incl. processing)</li> <li>• Essential oils &amp; Soya Processing Plant</li> </ul>
Lejweleputswa	<ul style="list-style-type: none"> <li>• Vegetables (incl. processing)</li> <li>• Poultry hub (incl. processing)</li> <li>• Groundnuts</li> <li>• Salt production (incl. processing)</li> </ul>
Thabo Mofutsanyane	<ul style="list-style-type: none"> <li>• TM Dairy Hub</li> <li>• Bethlehem Soya Processing</li> <li>• Livestock value chain (incl. processing)</li> </ul>
Fezile Dabi	<ul style="list-style-type: none"> <li>• Grain projects</li> <li>• Poultry hub</li> <li>• Vegetable projects</li> </ul>



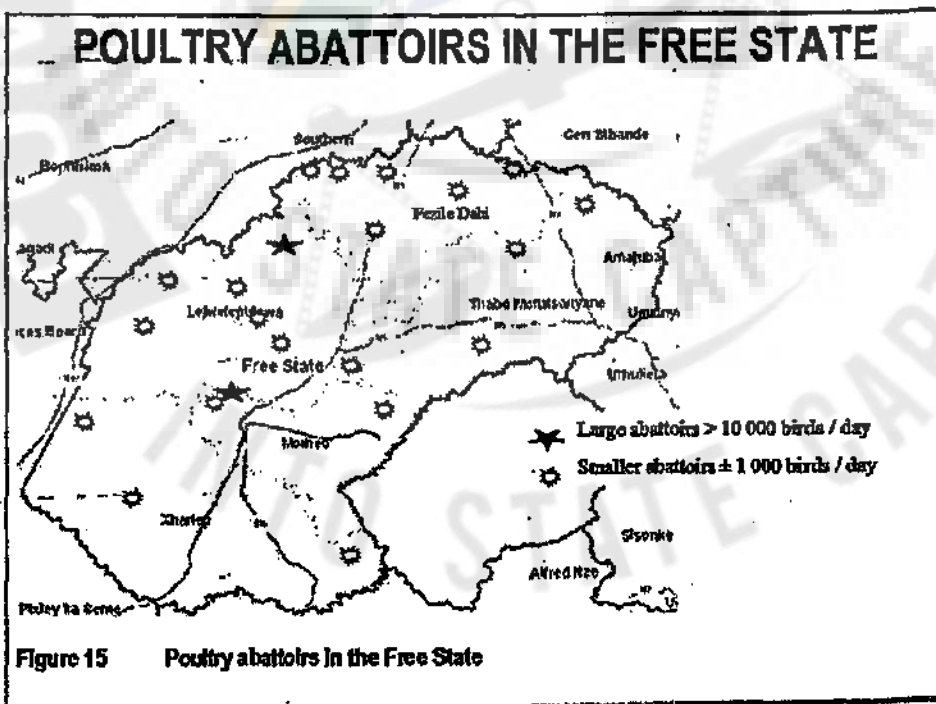
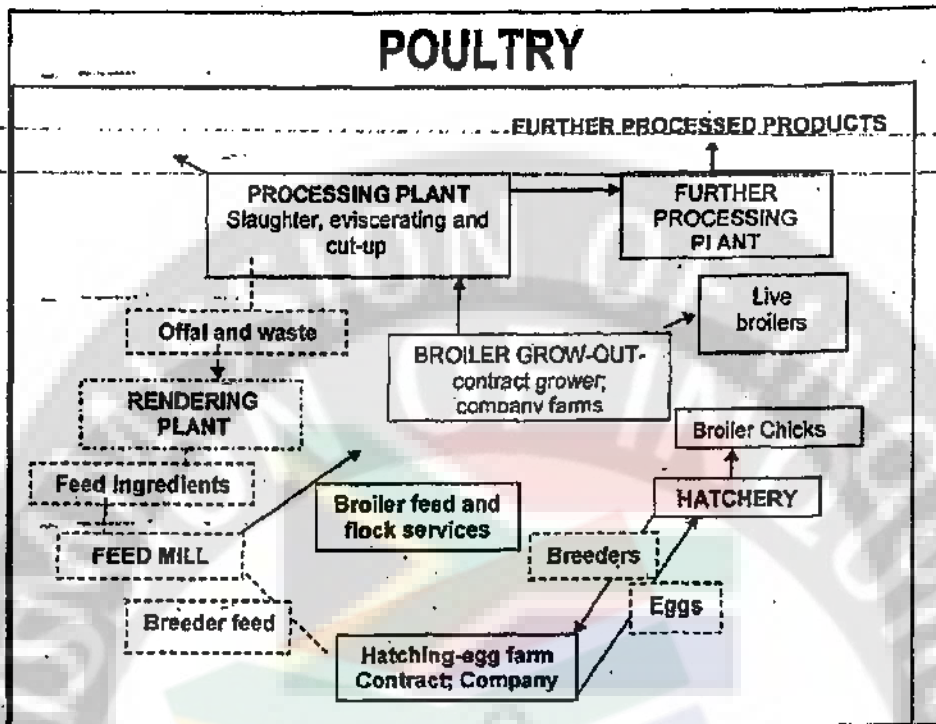
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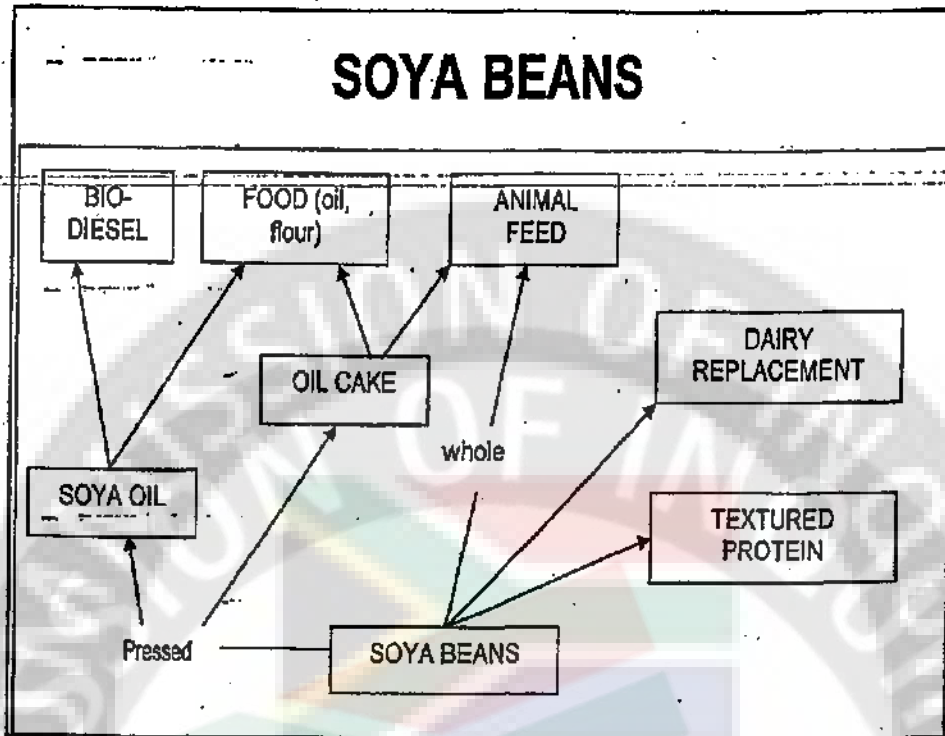
ANCHOR PROJECTS / COMMODITIES	
Xhariep	<ul style="list-style-type: none"> <li>• Aquaculture – Fish (PPP)</li> <li>• Game – Ostrich (PPP)</li> </ul>
Mangaung Metro	<ul style="list-style-type: none"> <li>• Livestock – Mangaung Livestock</li> <li>• Soya Processing Plant</li> </ul>
Lejweleputswa	<ul style="list-style-type: none"> <li>• Poultry – Hub</li> <li>• Crops – Groundnuts (PPP)</li> </ul>
Thabo Mofutsanyane	<ul style="list-style-type: none"> <li>• Dairy Production &amp; Processing (PPP)</li> <li>• Soya Processing (PPP)</li> </ul>
Fezile Dabi	<ul style="list-style-type: none"> <li>• Field Crops</li> <li>• Poultry Hub (PPP)</li> </ul>



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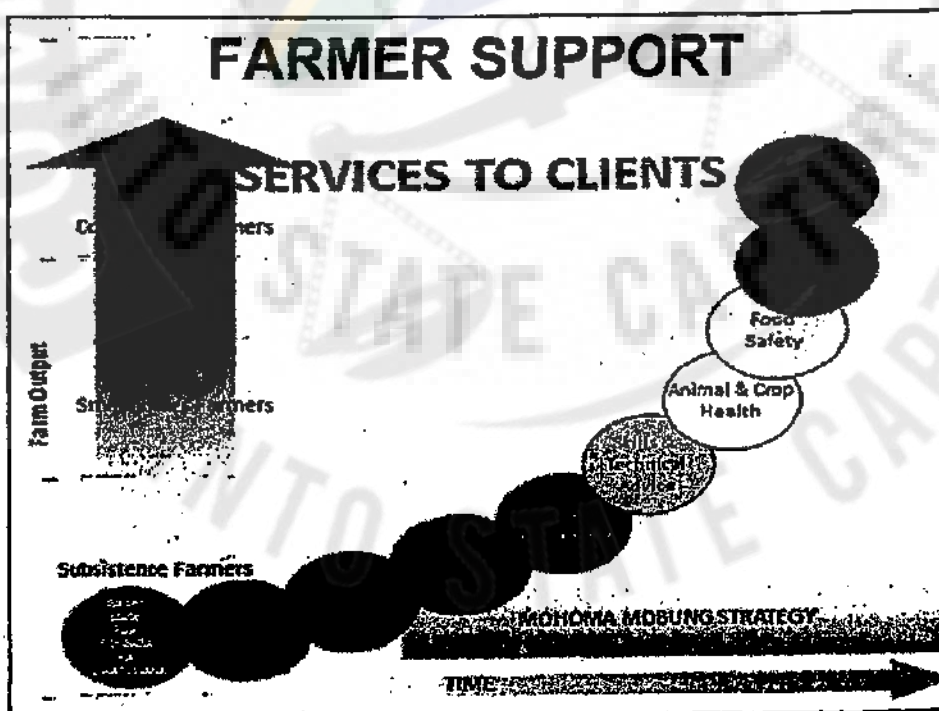


PLANNING SCHEDULE: SOP					
Activity	Fin Year	Quarter 1 (Apr – Jun)	Quarter 2 (Jul – Sept)	Quarter 3 (Oct – Dec)	Quarter 4 (Jan – March)
Compile SOP document	2012/13				
Establish PFAC per focus area	2012/13				X
Establish support packages per focus area	2013/14				
Advertise SOP	2013/14				
Applications received	2013/14				
Amend / Review SOP	2013/14				
Advertise SOP	2014/15				
Applications received	2014/15				

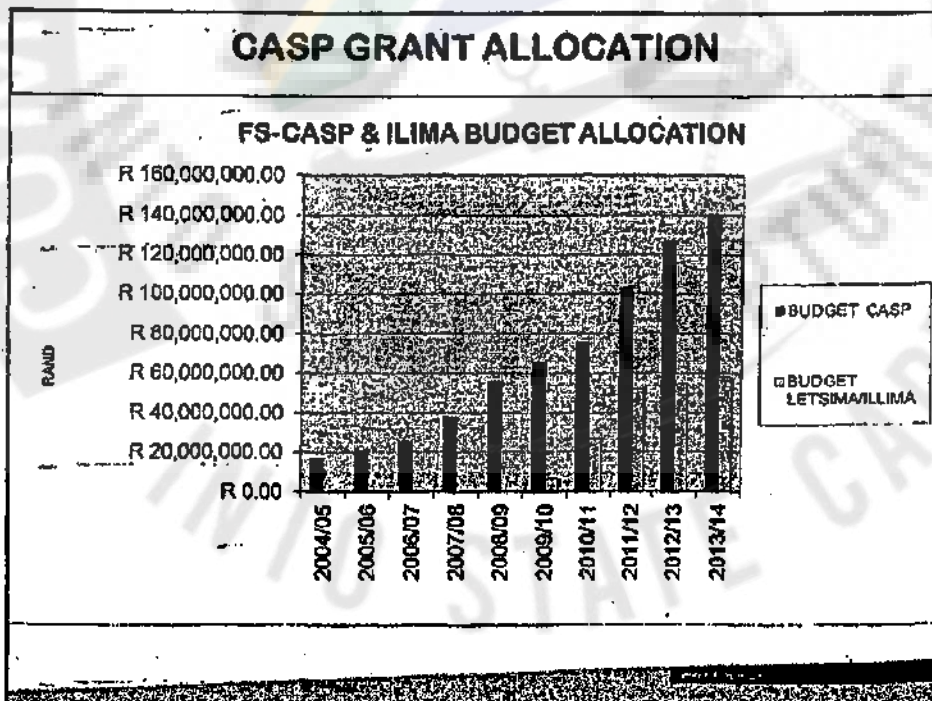
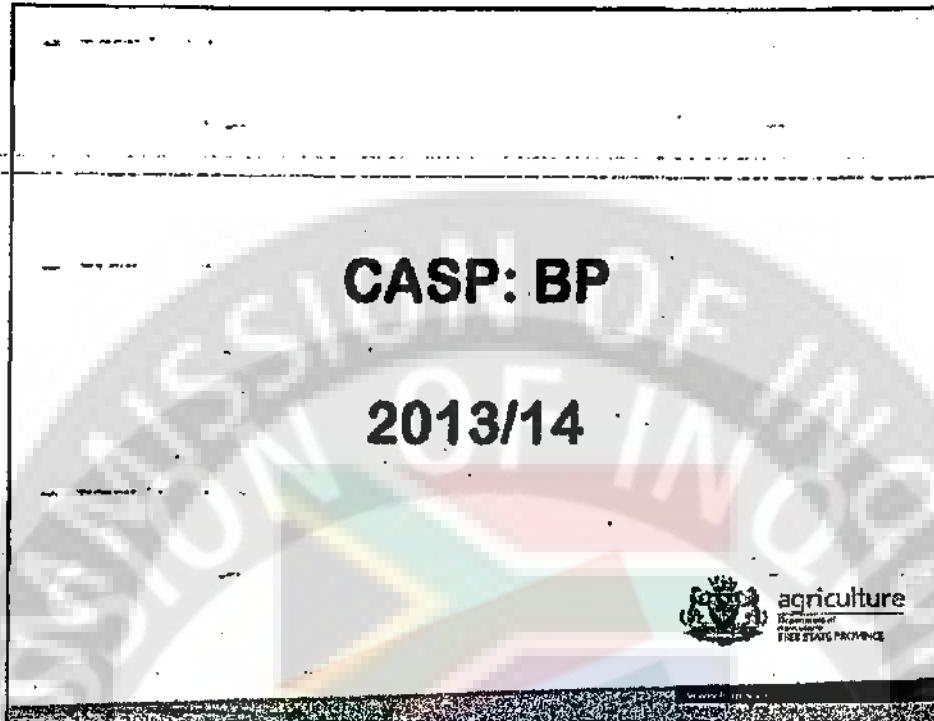


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PROJECT ALLOCATION COMMITTEES AND PROCESS - Activity flow diagram												
Activity	Jan	Feb	Mrt	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012/13 - Establish PFAC committees per focus area												
2013 - Advertisement												
2013 - Receiving and registering of applications												
2014 - Closing date for applications												
2013 - Pre-feasibility report												
2014 - Pre-feasibility report												
DAC & PAC meeting												
Preparation of detail business plans												
PFAC meeting												
Present proposed project list to EXCO												
Prepare CASP project list and business plan for Treasury and National												

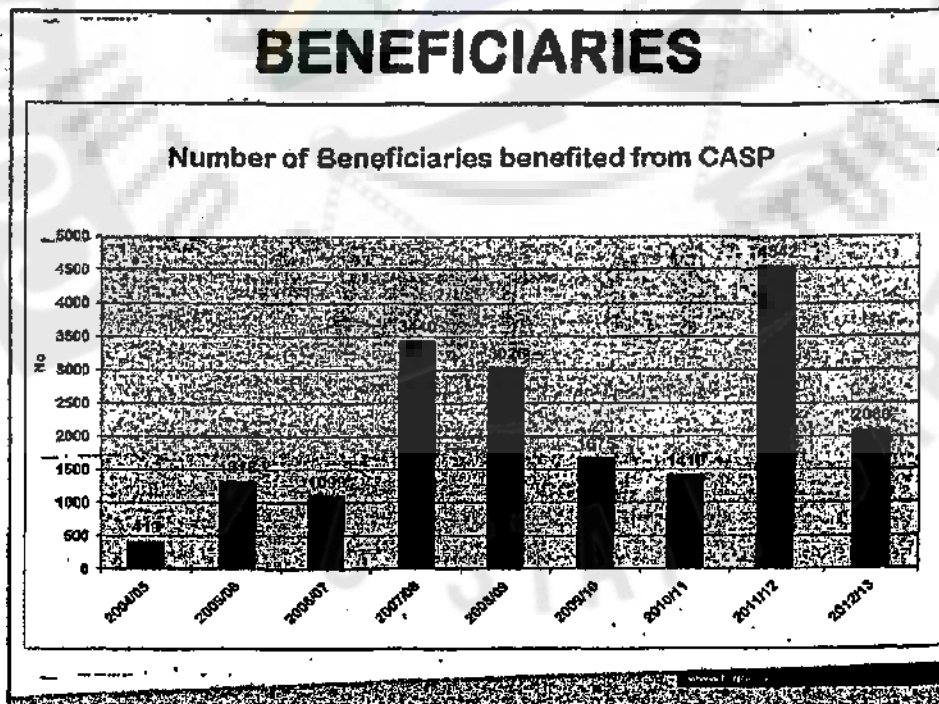
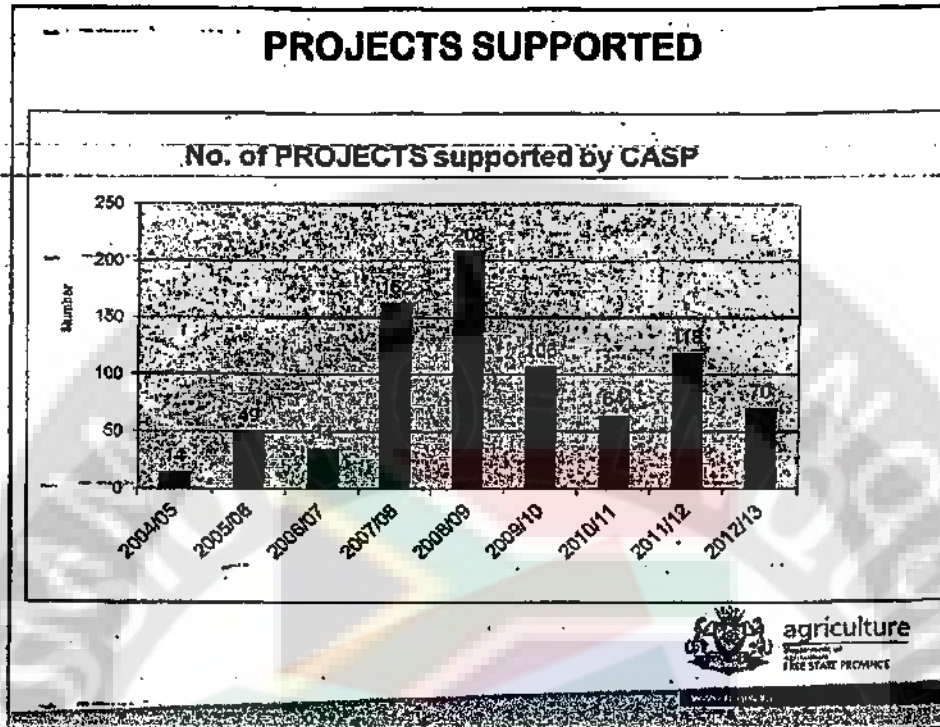


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FINANCIAL YEAR GRANTS (2013/14)		
1. Comprehensive Agricultural Support Programme	140 274	100
1.1 Glen College	4 819	3.4
1.2 Training and Mentorship	8 700	6.2
1.3 Extension Recovery Plan (ERP)	26 854	19.1
1.4 Disaster Relief Funds	9 059	6.5
1.5 Projects	90 873	64.8
2. Ilima/Letsema Project grant	57 999	100
3. LandCare	8 571	100
Total	206 844	100

DISTRICT BUDGET BREAKDOWN			
Xhariep	Ostrich, Fish	R 550 000	0.39
Mangaung Metro	Essential oils	R 1 750 000	1.24
Lejweleputswa	Poultry	R 3 000 000	2.14
Thabo Mofutsanyane	Dairy, Pigs, Soya	R 66 950 000	47.7
Fezile Dabi	Poultry	R 5 900 000	4.2
Provincial (Incl. Training & Mentorship, Vets, Project Assessment & AIMS)		R 21 392 000	15.3



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<b>EXPENDITURE PER PILLAR</b>			
<b>On farm Infrastructure</b>	Construction / procurement of outputs	Fences, Boreholes, Water reticulation, Irrigation systems, Animal handling facilities, Agro-processing facilities (incl. abattoirs), Equipment	<b>R 78 150 000</b>
<b>Training &amp; Capacity Building</b>	Mentoring, Training	Technical training: Generic training:	<b>R 8 700 000</b>
<b>Technical &amp; Advisory Assistance</b>	Veterinary activities, Conduct CASP & Impact Assessment Study	Laboratory equipment, Impact Study Report	<b>R 5 798 000</b>
<b>Knowledge and Information Management</b>	Design & Implement Agricultural Information Management System (AIMS)	<ul style="list-style-type: none"> <li>Agricultural Information Management System</li> <li>ICT equipment</li> </ul>	<b>R 6 894 000</b>

<b>COMMODITIES SUPPORTED</b>			
<b>Game (Ostrich)</b>	<b>1</b>	<b>R 50 000</b>	<b>—</b>
<b>Livestock (Pigs)</b>	<b>2</b>	<b>R 8 000 000</b>	<b>21</b>
<b>Dairy</b>	<b>1</b>	<b>R 53 950 000</b>	<b>150</b>
<b>Poultry</b>	<b>4</b>	<b>R 9 900 000</b>	<b>11</b>
<b>Agro-processing</b>	<b>2</b>	<b>R 10 500 000</b>	<b>82</b>
<b>Essential oils</b>	<b>1</b>	<b>R 1 750 000</b>	<b>10</b>
<b>TOTAL</b>	<b>11</b>	<b>R 83 150 000</b>	



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TARGETED BENEFICIARIES									
Xhariep	26	17	43	1	1	2	1	0	1
Mangaung Metro	1	2	3	1	2	3	0	0	0
Lejweleputswa	7	6	13	0	0	0	0	0	0
Thabo Mofutsanyane	74	32	106	20	26	46	3	2	5
Fezile Dabi	1	15	16	4	3	7	0	0	0



**CASP TRAINING & MENTORSHIP PROGRAMME**  
**(10%)**  
**(R 8,7 Million)**



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## 2013-14 TRAINING PLAN SUMMARY

Number of projects to receive training	13
Number of projects to receive mentorship support	40
Number of learnerships to be implemented	2
Number of learners targeted for learnerships	40
Total Number of farmers targeted for training	800
Total Number of farmers targeted for mentorship	40
Number of mobilization programmes implemented	10

## BUDGET BREAKDOWN

- ❖ Accredited training. = R1 950 000
- ❖ Implementation and support for mentorship \*(40% ) Appointment of and maintenance of 30 mentor contracts. = R3 480 000
- ❖ Implementation of learnerships. = R 1 000 000
- ❖ Implementation of training needs and training impact analysis (\*1% ). = R 870 000
- ❖ Implementation of community mobilization programmes (e.g. Female farmer training bursary, excursion tours for projects in niche markets). = R 400 000
- ❖ Training and related activities - logistical support. = R 1 000 000



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### EXAMPLE OF ENVISAGED LEARNERSHIP QUALIFICATIONS TO BE OFFERED

- ☐ The following qualifications are planned for implementation:
  - National Certificate: Animal production NQF level 4 (dairy)
  - National Certificate : Poultry Processing NQF level 2.
  - National Certificate: Fisheries in shore NQF level 4
  - National Certificate: Fruit Packaging and Grading Processes NQF level 3



### EXAMPLES OF COURSES

#### Technical Courses

- Pasture Establishment
- Animal Husbandry (various)
- Tractor Maintenance
- Asparagus production
- Basic Poultry abattoir management etc.

#### Generic Courses

- Farm management
- Farm Products Marketing
- Fire Fighting
- Group Dynamics
- Farm Finance etc.



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National Certificate: Animal production (dairy)	2	Thabo Mofutsanyane	20	April - December 2013	R500 000
National Certificate: Poultry processing	2	Lejweleguilewa	20	April - December 2013	R500 000
Cash crops on dryland	1	Xhariep	10	August 2013	R20 000
Fodderbank management	2	Xhariep	10	April 2013	R20 000
Agricultural products marketing	1-2	Xhariep	10	May 2013	R15 000
Animal husbandry	1-3	Thabo Mofutsanyane	53	Sept 2013	R20 000
Agricultural products marketing	1-2	Thabo Mofutsanyane		May 2013	R15 000
Farm finance & administration	2	Thabo Mofutsanyane		June 2013	R15 000
Animal husbandry (beef)		Xhariep	10	Sept 2013	R20 000
Agricultural products marketing	1-2	Xhariep		June 2013	R15 000
Farm finance & administration	2	Xhariep		June 2013	R15 000

### IMPLEMENTATION PLAN (WORK BREAKDOWN)

Construction of marketing / agro-processing facilities	Monitoring & Evaluation	& Availability of Marketing infrastructure and facilities	12 months	District Coordinators	Project
Construction/renovate and equipping poultry infrastructure	Monitoring & Evaluation	& Availability of equipped poultry houses and abattoirs	12 months	District Coordinators	Project
Construction of animal handling facilities	Monitoring & Evaluation	& Livestock improvement	12 months	District Coordinators	Project
Construction of Aquaculture infrastructure	Monitoring & Evaluation	& Operational aquaculture infrastructure	12 months	District Coordinators	Project
Training and mentoring of farmers	Monitoring & Evaluation	& Skilled and capacitated farmers	12 months	Director Agricultural Institute	Glen



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## ERP PILLARS (R 26,854 Million)



## ERP PILLARS (R 26,854 Million)

- Pillar No. 1:** ENSURE ACCOUNTABILITY AND VISIBILITY OF EXTENSION (2%), R 536 900.
- Pillar No. 2:** PROMOTE PROFESSIONALISM AND IMPROVE IMAGE OF EXTENSION (3%), R 805 350.
- Pillar No. 3:** RECRUITMENT OF PERSONNEL (56%), R 15 033 200.
- Pillar No. 4:** RE-SKILLING AND RE-ORIENTATION OF EXTENSION (7%), R-1 879 150.
- Pillar No. 5:** PROVISION OF ICT INFRASTRUCTURE AND OTHER RESOURCES (32%), R 8 590 400.



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ACTIVITIES	INDICATORS	TARGET DATES	COSTS/ BUDGET
Ensure that farmers know their extension officers or advisers, where to find them and how to communicate with them.	<ul style="list-style-type: none"> <li>➤ 100% of extension and advisory personnel are easily identified and visible- ( sign boards and name tags)</li> <li>➤ 100% of Ward Offices fully operational Comply with minimum standards (furniture, telephones etc.)</li> </ul>	July 2013  July 2013	R 150 000  R 370 000
Refine a service charter outlining the role of extension and advisory services	<ul style="list-style-type: none"> <li>➤ A service charter has been developed and was endorsed by the MEC for Agriculture and Rural Development, FS</li> </ul>	August 2013	R 16 900

ACTIVITIES	INDICATORS	TARGET DATES	COSTS/ BUDGET
Hosting the Annual Extension & Advisory Services Conference	<ul style="list-style-type: none"> <li>➤ 300 Extension &amp; Advisory Services personnel attends Annual Extension &amp; Advisory Services Conference</li> <li>➤ Best performers rewarded by the MEC</li> </ul>	February 2014  February 2014	R 500 000  R 100 000
Organize a learning network and exposure tour to targeted provinces or commodities for benchmarking purposes	<ul style="list-style-type: none"> <li>➤ Extension personnel practically equipped through benchmarking with other Provinces &amp; Commodities</li> </ul>	August 2013	R 160 350



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ACTIVITIES	INDICATORS	TARGET DATES	COSTS/ BUDGET
Payment of compensation for already appointed Extension and Advisory Staff under the ERP Programme	<ul style="list-style-type: none"> <li>➤ Continued remuneration of 43 officials employed under the ERP Programme over the past 4 years</li> </ul>	April-14	R12 304 370



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ACTIVITIES	INDICATORS	TARGET DATES	COSTS/ BUDGET
Recruitment of new personnel	<ul style="list-style-type: none"> <li>➤ Filling of the following posts under the ERP Programme:                             <ul style="list-style-type: none"> <li>1 x Manager: Xhariep Aquaculture Demonstration Centre</li> <li>1 x Agricultural Development Officer</li> <li>2 x Agricultural Scientist</li> <li>1 x Aquaculture Specialist</li> <li>1 x Training Coordinator</li> <li>2 x Aquaculture Researcher</li> </ul> </li> </ul>	April-13	R 2 465 330
Support provided to ERP personnel with basic tools to be able to perform efficiently & effectively	<ul style="list-style-type: none"> <li>➤ Maintenance &amp; provisioning of transport, subsistence &amp; travelling support to ERP personnel</li> </ul>	April-13	R 263 500



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ACTIVITIES	INDICATORS	TARGET DATES	COSTS/ BUDGET
Officials-awarded bursaries.	<ul style="list-style-type: none"> <li>&gt; 13 Bursaries maintained.</li> <li>&gt; 10 New Bursaries awarded</li> </ul>	November-2013	R 400 000
Agricultural Technical skills training programmes implemented through accredited training in production, business and extension and communication techniques.	<ul style="list-style-type: none"> <li>&gt; Extension personnel trained in all courses as identified and dictated by prevailing conditions:                             <ul style="list-style-type: none"> <li>• Report writing (100 officials)</li> <li>• Farm Resources Management (25 officials)</li> <li>• Aquaculture (25 officials)</li> <li>• Hydroponics (25 officials)</li> <li>• Digital pen &amp; Extension Suite – on – line (100 officials)</li> </ul> </li> </ul>	April-2014	R 1 479 150

ACTIVITIES	INDICATORS	TARGET DATES	COSTS/ BUDGET
Maintenance ICT Support Systems:			R 8 593 280
<ul style="list-style-type: none"> <li>• Project Management Software</li> </ul>	Extension officers and Advisory services	April 2013	R 500 000
Maintenance of ICT Equipment, new laptops, desktop, GPS	Extension officers and Advisory services	April 2013	R 500 000
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ACTIVITIES	INDICATORS	TARGET DATES	COSTS/ BUDGET
Cell phone contracts (include handsets and airtime vouchers)	Extension officers and Advisory services	April 2013	R 500 000
Maintenance and procurement of Smart/Magic Pen System (include training)	Extension officers and Advisory services	April 2013	R 1 000 000
Maintenance of Mobile services, Emails, 3Gs, Internet services	Extension officers and Advisory services	April 2013	R 600 000
Anti-Virus Solution	Extension officers and Advisory services	April 2013	R 500 000
Procurement and Maintenance of • ICT Asset Management System • Contract Management System • Network Management Tool • Backup System	Extension officers and Advisory services	April 2013	R 500 000
Implementation of Virtual Private Network	Extension officers and Advisory services	April 2013	R 3 300 000

**GLEN COLLEGE  
(R4,819MILLION)**



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## AGRICULTURAL TRAINING COLLEGE (GLEN)


- The Glen College is an integral part of the Department of Agriculture and Rural Development and aiming to develop skilled and knowledgeable clients through provision of formal training to students.
- Short courses are also provided to farmers.
- The Glen College of Agriculture is one of three agricultural training institutions in the Free State providing training at higher education level.
- The College has one programme, the Diploma in Agriculture, which is a three year qualification of higher education level. It is rated as a NQF level 6.
- The content of the programme supports the Agro-ecological environment of the majority of farms in the Free State. Students who have completed their studies can study further at CUT and are employed in any of the Agricultural Industry sectors or can go farming.

## BUDGET BREAKDOWN




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<b>BUDGET BREAKDOWN</b>	
<b>Infrastructure &amp; facilities:</b> <ul style="list-style-type: none"> <li>➤ Renovation of soccer fields and College terrain</li> <li>➤ Tractor (X1)</li> <li>➤ Centre Pivot</li> </ul>	<b>R 4 339 000</b>
<b>Governance and ICT:</b> <ul style="list-style-type: none"> <li>➤ Review notes</li> <li>➤ Design website for College</li> <li>➤ Supply computers</li> </ul>	<b>R 480 000</b>
<b>TOTAL</b>	<b>R 4 819 000</b>
 <b>agriculture</b> <small>Department of Agriculture and Rural Development</small>	

**ILIMA/LETSEMA**  
**(R 57,999 MILLION)**


**agriculture & rural development**  
Department of Agriculture and Rural Development




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### PROJECTS/INPUTS/BUDGET INFORMATION SUMMARY

Xhariep	4	56	28	R 7 500 000	Infrastructure, Production inputs
Motheo	7	5 303	226	R 7 450 000	Infrastructure, Production inputs
Lejweleputswa	7	1 916	250	R 6 050 000	Infrastructure, Production inputs
Thabo Mofutsanyane	1	3 500	100	R 22 550 000	Production inputs
Fezile Dabi	2	0	26	R 4 950 000	Infrastructure, Production inputs
Provincial	3	0	30	R 9 499 000	Equipment, Production inputs

### BUDGET PER DELIVERABLE/OUTCOME

On farm infrastructure	Procure production inputs and livestock	Livestock (cattle, sheep, pigs, poultry), production inputs (Seed, fertilizer, chemicals, diesel)	R 51 099 000
Technical & Advisory Assistance	Procure mechanization support items	Implements and production inputs	R 6 900 000
 <b>agriculture</b> <small>Department of Agriculture FREE STATE PROVINCE</small>			





ILIMA/LETSEMA 2013/14 PROJECTS						
Mechanisation Support	Mechanisation: Running costs for the 72 Tractor Packages.	Whole province	6 900	5 000	20 000	20 000
PROVINCIAL PROJECTS - TOTAL			6 900	5 000	20 000	20 000

DELIVERABLES			
REDUCED POVERTY THROUGH INCREASED PRODUCTION INITIATIVES	Household gardens and households supported with inputs	1	R 599 000
	School, Community and public gardens supported		
	Farmers supported (hectares planted, livestock purchased)	22	R 27 600 000
	Provincial high impact projects	1	R 22 550 000
	Other (processing plants etc.)	4	R 7 250 000
	TOTAL	28	R 57 999 000



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## LETSEMA CATEGORIES OF FARMERS

Smallholder	1	1	2	206	226	432
Subsistence	0	0	0	70	68	138
Commercial	69	49	118	0	0	0

## TARGETED BENEFICIARIES

Xhariep	21	4	25	2	0	2	1	0	1
Mangaung Metro	83	114	197	19	10	29	0	0	0
Lejweleputswa	98	112	210	23	16	39	1	0	1
Thabo Mofutsanyane	33	32	65	25	5	30	2	3	5
Fezile Dabi	7	11	18	2	6	8	0	0	0



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# **IMPLEMENTATION PLAN ON THE R 9.095 MILLION SPENDING FOR 2013 – 2014**

## **2011 FLOOD DISASTER ASSISTANCE SCHEME FOR THE FREE STATE**



## **MTEF BUDGET SUMMARY FOR THE FREE STATE**

<b>2011/12</b>	<b>R4.736 068</b>	<b>MILLION</b>
<b>2012/13</b>	<b>R12.066</b>	<b>MILLION</b>
<b>2013/14</b>	<b>R9.059</b>	<b>MILLION</b>
<b>2014/15</b>	<b>R9.038</b>	<b>MILLION</b>
<b>TOTAL</b>	<b>R34.899 068</b>	<b>MILLION</b>



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## BACKGROUND INFORMATION

### MAIN LOSSES THAT OCCURRED WAS INDICATED:

1. SOIL LOSSES
2. CROP DAMAGES
3. LIVESTOCK LOSSES
4. INFRASTRUCTURE DAMAGES (MOSTLY FENCING/MATTING, DAMS, PUMPS, FARM ROADS/BRIDGES, IRRIGATION LINES, WEIRS AND SHEDS)

**342 Farmers affected linked to 404 Farms.**



## FARMS DAMAGED

- ❖ **OUT OF 404 FARMS THE FOLLOWING LOSSES OCCURRED:**  
-BUDGET NEED IS AFTER SUBSIDY WAS DEDUCTED.
- ❖ **FENCING = 143 FARMS (SUPPORTED IN 2011/12)**  
= R4.7 Million.
- ❖ **PRODUCTION INPUTS = 140 FARMS**  
= R2.942 69 Million.
- ❖ **PUMPS/ELECTRICS = 21 FARMS**  
= R 0.81455 Million.
- ❖ **SOIL/WATER WAYS LOSSES = 61 FARMS**  
= R3.3151 Million.
- ❖ **OTHER INFRASTRUCTURE = 140 FARMS**  
= R16.6856 Million.



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## 2013/14 ROLL OUT LINKED TO THE R9.059 MILLION

**STAKEHOLDERS MEETING OF 16 AUGUST 2012  
HAS PROPOSED:**

- **COMPLETE DAMS, WATER-WAYS, WEIRS  
AND ACCESS FARM ROADS NOT  
COMPLETED IN 2012/13.**



## BUDGET ALLOCATION PER GROUPING TO FIT THE R9,059 MILLION BUDGET DERIVED FROM FARMER ESTIMATES

❖ Dams	=	R2 250 000
❖ Water Ways	=	R6.250 000
❖ Infrastructure: Weirs	=	R 59 000
❖ Access Farm Roads and Bridges	=	R 500 000

**TOTAL = R 9 059 000**

**248 farmers will be supported in this financial year and 100  
temporary jobs will be created.**



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<b>2013/14 ROLL OUT R9.059 MILLION</b>	
<b>CASH FLOW PROJECTIONS 2013/2014</b>	
<b>ACTIVITY : SOIL/WATERWAYS REHABILITATION, REPAIR OF DAMS, FARM ACCESS ROADS AND FARM ROAD BRIDGES:</b>	
➤ JUNE	R 1 000 000
➤ JULY	R 1 000 000
➤ AUGUST	R 1 000 000
➤ SEPTEMBER	R 2 059 000
➤ OCTOBER	R 2 000 000
➤ NOVEMBER	R 1 500 000
➤ DECEMBER	R 500 000
➤ JANUARY	R 0 000 000
<b>TOTAL</b>	<b>R 9 059 000</b>



<b>IMPLEMENTATION PLAN APPROVAL</b>
❖ AN IMPLEMENTATION PLAN ON THE PRESCRIBED FORMAT FROM DAFF HAS BEEN COMPILED.
❖ CONFIRMATION OF RECEIVAL FROM DAFF RECEIVED
❖ Next meeting with Stakeholders will be on 22 February 2013
❖ AgriBEE will be promoted by using appointed BEE Implementing Agents and Contractors.
❖ A registered dam engineer is used for planning, designing and building of dams.



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## RISK MANAGEMENT AND RISK MANAGEMENT STRATEGIES

- The PD will ensure that measures are in place to minimize or prevent the risks and threats that may hinder implementation of the scheme and the sustainability of the completed projects.
- The table below indicates the risks that may be experienced during implementation of the scheme as well as the measures in place to manage the identified risks.

RISK	LIKELIHOOD			IMPACT			RISK MANAGEMENT/ STRATEGY/CONTINGENCY PLAN
	Low	Med	High	Low	Med	High	
1 Financial irregularities		x		x			Follow PFMA and Prescripts
2 Supply of poor quality/service by service providers		x			x		Farmers to do repairs themselves
3 Inability to spend or implement the scheme			x			x	Farmers to do repairs themselves
4 Vandalism/lack of maintenance to completed projects	x			x			On farmers own land that they manage
5 Failure to assist farmers		x			x		Approve initiative or using the Soil Conservation Scheme as basis for implementation
6 Non reporting by POA	x			x			Manage processes.
7 Others							

## CONCLUSIONS AND RECOMMENDATIONS

- Over the period in which the Ifima/Letsema grant has been implemented, numerous successful (sustainable) projects have been established/supported. These in turn have contributed towards the mandate of the Department to contribute towards job creation and food security for all..... Among these successful projects a number of Agro-processing initiatives have also been supported/introduced.
- The department has adopted "Mokoma Mobung/Zero Hunger" strategy as a framework to implement all agricultural initiatives in the province. The total budget required to implement the strategy is about R1.2 billion over the four year period which leaves the shortfall of about R1.0 billion and the initiative has got the potential of creating more 10 000 permanent jobs and 100 000 spinoffs.
- Any further guidance to better the Implementation Plan (Floods) will be welcomed in order to ensure roll out is completed satisfactorily.



*BM*

**I THANK YOU!**



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GRANT 2013/14								BUDGET 2013/14	
STATE									
Project / Programme	Subprojects / specific projects	Form name	Local Municipality	iparty	Village/ Location (Nearest Town)	Project description	Project intervention Activities e.g livestock, production inputs etc.	CASP Budget (4)	
Projects									
Map Rob Hub								R	500 000
	Sharpe Fish Production Support	Sharpe Demonstration Center	ALL		Gariep Village	Agro-processing	Maintenance for Fish Tanks	R	500 000
TOTAL KHARIEP DISTRICT								R	500 000
Metro Projects									
Veterinary services	Upgrading of Thaba Moko Vet lab	Thaba Moko	MM		MM		Upgrading of Thaba Moko Vet lab	R	1 000 000
Essential Oils	Thabapoko Essential Oils	Thabapoko	Mantsoeng		Thabapoko	Essential Oils	Mentorship Program, Distribution point and equipment, mechanisation (implements, production inputs establishing 11 ha Essential Plants & Barn Renovation	R	1 750 000
TOTAL MANGAUNG METRO								R	2 750 000
Mantsoeng Projects									
Upgrading poultry hub	Mantsoeng poultry	Corrooneng	Mantsoeng		Mantsoeng	Broilers & Layers	Upgrades & equip houses & abattoir, add in extra layer housing, off line area, office & pollution facilities	R	3 550 000
TOTAL LEWELAPUTSWA								R	3 550 000
Mofutsanyane Projects									
Veterinary services	Upgrading Qwaqwa animal health clinic	Qwaqwa	TM		TM	Upgrading	Upgrading of Qwaqwa Animal health Clinic	R	4 000 000
TOTAL DABO								R	53 830 000
Vrede Dairy									
	Vrede Dairy	Phuthaditjhaba	Phuthaditjhaba		Vrede	Dairy production and processing	Dairy construction	R	53 830 000
TOTAL VREDE DISTRICT								R	53 830 000
Peka Dairy Projects									
	Vrede and Warden pigs	Vrede town lands	Phuthaditjhaba		Vrede	Piggery	Completion of Production inputs support and infrastructure development for Vrede and Warden pigs	R	3 500 000
TOTAL VREDE DISTRICT								R	57 330 000
Dabi Projects									
	Transfont Poultry Project		Mogale		Transfont	Poultry	Construction of 7 broiler houses	R	5 400 000
TOTAL FEZILE DABI								R	5 400 000
Total projects									
Marketing, Business Development and planning (incl. Agric. Management Information System)	Provincial		Provincial		Provincial	Cooperatives and Marketing	Agricultural Management Information System, Business development support	R	6 832 000
Training & Capacity Building	Training courses		Provincial		Provincial			R	2 700 000
	Market & impact analysis - 10% of training allocation		Provincial		Provincial			R	4 350 000
								R	870 000

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VREDE

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List of Vrede Dairy Beneficiaries	
Name & Surname	ID No
<b>Males:</b>	
1. Mpumefelo Ngubeni	5610315434085
2. Kenneth Radebe	4701065226083
3. Jun David Mahlaba	7605305426081
4. Dhlamini Ephraim Makhosini	6310215284081
5. Meshack Mphaheni	5701255870089
6. Velly Dhlamini	6405165452082
7. Paulus Khumalo	6202075315081
8. Josias Mahlaba	5005165235081
9. Samuel Msimanga	6210065759082
10. Sangweni Petrus	6508185455082
11. Sibeko Phumulane	8007285969082
12. Mokoena Plet	5412025377088
13. Dlamini Samuel	6405015327088
14. Makhosane Jantji Mphuthi	4001015257094
15. Motaung Moses	6603285521089
16. Makhosini Joshua Mokoena	4501135433087
17. Tshabalala Buti Andries	
18. Tshabalala Fanla	
19. Moloi Doctor Abednigo	7506105753080
20. Mbele Johannes	9002225454088
21. Twala Pickup Michael	3801085130084
22. Mfuphi Jan	590314542088
23. Twala Jim	6106135419082
24. Khumalo David	7505155357081
25. Molefe Petrus	7603056068087
26. Nala Teboho	6908185737085
27. Mgqosini James	7905065878087
28. Sigaza David Siphon	8501195648083
29. Mkhwanazi Mandla	7310315309804
30. Khubheka Eric	6301155790088
31. Motahane Teboho	9105105319089
32. Ntshingila Samson	4906105465086





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▲ VREDE

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No. 2550 P. 2

33. Mokoena Jacob	6309285340088
34. Tshabalala Oupa	
35. Malinga Amos	5306265473088
36. Mabula Thabo	861175322084
37. Mazibuko Velaphi	6209015443089
38. Mokoena Simon	4003285172086
39. Seblloane Matebesi	6306305283082
40. Mbele M. J.	6110105559083
41. Selepe Adam	8402175322080
42. Tshabala Elija	6310025749083
43. Khanye Lucas	6308075354085
44. Twala Motialepule	8202215257084
45. Manganzi Khehla Jim	5112285601082
46. Khanye Willem	4811225218086
47. Motokeng Jose	3505145183088
48. Ngwenya Phillimon	6501255887086
49. Khumalo Julia	5107015645086
50. Zwilithini Cambridge Seblloane	7705275289087
51. Motloung B. H.	3702025207083
52. Mollo Moses	4302145359085
53. Khumalo Elliot	
54. Mokonehatsi Silas has cattle	6202126013081
55. Mkwabane Isaac has cattle	5605175719088
56. Radebe Khehla Prankop	6103305491082
57. Ngubeni Meshack	8609046362083
58. Tshabalala Richard	7805285272089
59. Motaung Simon Ntueng	6907045288081
60. Mkhwanazi Thokozani	8304206072082
61. Kabinde Mbuyiswa	81111058630085
Females:	
1. Mkhanye Anna	6209130431084
2. Mzizi Nomusa	7705200356084
3. Masiteng Lindiwe	6706160213084
4. Mthabeta Selina	5402040733084
5. Mbele Aletta	4806150564082



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No. 2550 P. 3.

6. Radebe Josina Limakatso	5604090835 087
7. Ntshingila Agnes	5007240393 082
8. Tshabalala Thersia	6702110286080
9. Motahane Leah	6202020739088
10. Molei Lizzy	4803300414085
11. Masibeng Ruth Selina	4812050438 088
12. Dhlamini Maria Phindile	6812030316 089
13. Matse Paulina	8212050295081
14. Twala Nomshado Ireen	7410160439 083
15. Sebiloane Lily Emma	5908230647082
16. Molei Maki Mtsotki	7009120408087
17. Mdala Lungile Favonita	7611060248082
<b>Youth:</b>	
1. Mngosini James	7905065878087
2. Sigaza David Sipho	8501195648083
3. Motahane Teboho	9105105319089
4. Mabula Thabo	861157322084
5. Selepe Adam	8402175322080
6. Tshabalala Richard	7805285272089
7. Nkabinde Mbuyiswa Johan	81111058630085
<b>Total no of M; F; &amp; Y=85</b>	

### Management Committee

**Chairperson:** Jun David Mahlaba

Cell: 08259972557

**Secretary:** Zephia Lindiwe Masiteng

Cell: 0765807739

**Treasury:** James Dumalisile Ngqosini

Cell: 0724810423



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"N"



agriculture & rural development  
Department of  
Agriculture and Rural Development  
FREE STATE PROVINCE

To: General Managers  
Attention: Mr. Jacques Olivier and Dr. TJ Masiteng

From: Acting District Director Thabo Mofutsanyana  
Enquiries: AC Meyer  
Date: 18 May 2012

## RE: FEEDBACK ON VREDE -REQUEST TO ESTABLISH COOPERATIVES

### BACKGROUND

MEC Zwane and HoD Thabethe visited the Vrede community on 29 March 2012. They addressed the community on cooperatives. Names of people were taken and listed in groups according to the interests of the people.

The district was tasked to start with the registration of Cooperatives and to support the cooperatives with projects.

### PROGRESS

A discussion was held with field officials at Vrede on 10 April 2012 after they send the name list groups to the office of the MEC and HOD. It was picked up during that discussion that beneficiaries had expectations to receive cattle, pigs or inputs after they listed their names. Field officials were urged to kill all expectations of donations in the community.

A district team visited the Vrede Pig project site on the 17 April 2012. The issue of the formation of cooperatives was raised amongst the piggery beneficiaries. The piggery beneficiaries are already in 3 groups (Pig Zone, Mayibuye and individual people) who do not agree on issues. To force them into one cooperative at this stage may cause the failure of the project.

The district officials concluded that the groups continue to operate in their initial groupings. The project plan was also adjusted to fit into this decision which may cause lesser conflict. 3 x 400 weaner houses will be built. Each of the groupings will have their own house.

The groupings will be supported to form primary cooperatives.

The district economist and an Economist team (Maxwell and Dr. Awumey) from Bloemfontein visited Vrede during the week of 23 April 2012. The purpose was to provide training and information on the working of cooperatives. All people who attended the MEC and HOD meeting were invited for a follow up meeting.

On 15 May 2012, the Senior Admin Officer work shopped the Business people n Vrede. They were also listed as a potential cooperative. The aim was to inform businesses on conditions for providing services to Government. The business people will not be able to establish a cooperative because they do not have the same interest.



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*BM*

**Closing Remarks:**

Continuous information on cooperatives should be provided to potential cooperative members to realize the following fundamental conditions of successful cooperatives:

1. A cooperative is a collection of people with the same interest that agree on the same working principles.
2. It is entirely voluntary and all members should want to work towards the same goal.
3. Establishment of cooperatives should not be done only to obtain funding

The district economist and her colleagues in Bloemfontein are committed to provide continuous information sessions on the principles of operation and registration processes of cooperatives.

**Prepared and Submitted:**

AC Meyer  
Acting Director, TM

Date: \_\_\_\_\_



Issue: 2019-05-03 13:31:30

*BM*



agriculture & rural development

Department of  
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FREE STATE PROVINCE

**NOTES FOR HOD FOR MEETING BETWEEN HOD M.P THABETHE AND THE PHUMELELA LOCAL MUNICIPALITY AND THE FARMERS WITHIN PHUMELELA, NCOP BRIEFING.**

**DATE: 12 JUNE 2012**

**VENUE: THULAMELA COUNCIL CHAMBERS, TM DISTRICT OFFICE**

**1. ATTENDEES:**

- Mr MP Thabethe
- Mr M Gama
- Mr Mayor Motaung
- MEC: M.J Zwane
- Councilors
- Dr L. Moorosi
- NCOP Members
- Farmers (List attached)

**2. POINTS FOR DISCUSSIONS:**

- Vrede integrated Dairy
- Vrede Farmers Meeting
- NCOP

DISCUSSION	DELIBERATIONS
1. The Speaker opened the meeting and acknowledgment the delegation from the Department.	12. The Mayor indicated that he is indeed happy to welcome the delegation and also the pronouncements by the Premier and the MEC on the budget speech. The mayor mentioned that the HOD has visited the site along with the strategic partner. A resolution would be made in a few weeks to give effect to the construction of the project.
2. The meeting was opened with prayer by Cnr Wessels	13. Cnr Tshabalala advised that the project be implemented as it will help the economy of the area.
3. The MEC was welcomed by the Speaker.	14. Cnr Melusi, mentioned that the money earmarked should not go to waste.
4. No announcements or notices were mentioned by the Speaker.	15. Beneficiaries should be the poor community members; and the process should be transparent for ownership and project.
5. The Mayor was called to lead the meeting.	16. Cnr Wessels, Indicated support and that the beneficiaries should also be poor white farmers. Proposed that communities should be allowed to sell their beef cows in replacement and in turn receive dairy cows.
6. The HOD presented the concept of the Mohuma Mobung.	
7. The name of the project was given by the department but the Municipality could give a different name if it deems fit.	
8. Revitalization of the Vrede town as part the priorities of government, the project to contribute.	
9. Warden is centenary town and the	



*[Handwritten signature]*





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DISCUSSION	DELIBERATIONS
<p>town will benefits from some of the activities that the FS government will begin in a few months.</p> <p>10. The presentation of the Department of Agriculture and Rural Development, Paras and Estina partnership.</p> <p>11. The Speaker opened the floor for questions.</p>	<p>17. The department and the municipality will draft a resolution to be used for project initiation.</p> <p>18. The MEC congratulated the new council, speaker, and the Chief Whip.</p> <p>19. The MEC also mentioned that President Zuma will visit this town around October or next year.</p> <p>20. The MEC recommended that the delegation to visit strategic partners should include Councilors, Opposition parties, to travel to Germany as part of the delegation.</p> <p>21. The MEC indicated that it is envisaged that about 200 Jobs would be created from the project.</p> <p>22. The MEC emphasized that farmers or beneficiaries be selected from Memel, Vrede or at a radius of 100km from Vrede, even as far as Standerton.</p> <p>23. As part of the media drive to market the products the advertisements should include the councilors in advertisement in the media.</p> <p>24. The mayor acknowledged the effort, and accepted the project with the municipality. Community involvement.</p> <p>25. The speaker the closed the meeting</p>
<p>1. Will there be contracts given to the existing farmers?</p> <p>2. There was a question on the price of milk and whether the dairy would be competitive against existing dairies</p> <p>3. A farmer indicated that the industry was suppressed by the imports.</p> <p>4. How will he commercial farmers be involved in the project?</p> <p>5. Another farmer commented that dairy cows will have to be fed and milked next to the dairy.</p> <p>6. How are you going to manage the distribution of farmers?</p> <p>7. The feed lots and veterinary service needs to be provided?</p> <p>8. The trust relationship should be developed between the current farmers for them to leave their current contracts.</p>	<p>1. The existing famers will be given contracts to get back into dairy farming.</p> <p>2. The support will be provided to the community centers</p> <p>3. The HOD responded to say that there will be integration if the community parlours.</p> <p>4. The animals will be looked after at the cost of the state for until the farmers are sustainable.</p> <p>5. Government will make it cheaper for the farmers because the infrastructure will be provided.</p> <p>6. The MEC indicated that cheaper imports contributed to the dairy industry slump.</p> <p>7. The MEC indicated to the HOD that there is a need to appoint somebody at the level of DD to champion the project.</p> <p>8. Milk SA supported the initiative.</p> <p>9. The MEC indicated current dairy farmers must lead the project at their own respective farming groups and forums.</p> <p>10. The people working in the dairy should be given the cattle.</p>







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FREE STATE PROVINCE

DISCUSSION	DELIBERATIONS
<ol style="list-style-type: none"> <li>1. NCOP briefing by Alta Meyer on the Maluti dairy.</li> <li>2. What happened to the assets that were bought?</li> <li>3. What is the value of the project?</li> <li>4. Who owns the land where the dairy is located?</li> <li>5. When did the things start to deteriorate?</li> <li>6. Who is Daniel Majola?</li> <li>7. Pig Zone, the DG: DAFF was asked about the project.</li> <li>8. Brief on the structure of the BFT and timeframes.</li> <li>9. State of the pigs. The recommendations are not saleable and perhaps get a vet to look at the health of the pigs and the health of the sold.</li> </ol>	<ol style="list-style-type: none"> <li>1. A mentor was appointed to give train the beneficiaries.</li> <li>2. R102 million as a grant and registered and a trust and auditor was also appointed to run the affairs the project.</li> <li>3. The municipality has been working with the Department of Agriculture for three and then they withdrew and the project started to collapse.</li> <li>4. The land is owned by Public Works.</li> <li>5. The department further invested 800k to replace the parlour, feedlots and to resuscitate the promoted.</li> <li>6. 2009-2011 drilled a borehole, planted fodder</li> <li>7. The report from Agriculture is good but needs timeframes.</li> <li>8. A written submission is needed on the health of the pigs.</li> <li>9. The vets will be dispatched to monitor the health of the pigs</li> <li>10. Two cooperatives were developed to form a youth group and women group.</li> <li>11. A mentor will be appointed.</li> <li>12. The BFT will be restructured to allow the workers to be shareholders and not workers.</li> <li>13. A need to investigate the BFT in terms of the workers who were terminated and their grants given by government.</li> <li>14. A written report should be submitted with timelines.</li> </ol>

Compiled by:

Mfanafuthi Gama

Senior Manager: HOD Support

Date: 12 June 2013



BM



IN THE HIGH COURT OF SOUTH AFRICA  
FREE STATE DIVISION, BLOEMFONTEIN

Case Number: 1778/2018

In the matter between:

THE NATIONAL DIRECTOR OF  
PUBLIC PROSECUTIONS

Applicant

and

MBANA PETER THABETHE	1 <sup>st</sup> Respondent
SEIPATI DLAMINI	2 <sup>nd</sup> Respondent
TAKISI JANKI MASITENG	3 <sup>rd</sup> Respondent
ESTINA (PROPRIETARY) LIMITED	4 <sup>th</sup> Respondent
KAMAL VASRAM	5 <sup>th</sup> Respondent
OAKBAY INVESTMENTS (PROPRIETARY) LTD	6 <sup>th</sup> Respondent
ASHU CHAWLA	7 <sup>th</sup> Respondent
NAZEEM NOWA	8 <sup>th</sup> Respondent
VARUN GUPTA	9 <sup>th</sup> Respondent
RONICA RAGAVAN	10 <sup>th</sup> Respondent
AEROHAVEN (PROPRIETARY) LIMITED	11 <sup>th</sup> Respondent
PRECIOUS MPULE GUGU THABETHE	12 <sup>th</sup> Respondent
ARLENE VANESSA HOWA	13 <sup>th</sup> Respondent

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FILING NOTICE: APPLICANT'S REPLYING AFFIDAVIT

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KINDLY TAKE NOTICE THAT the Applicant herewith files its Replying Affidavit.

DATED at BLOEMFONTEIN on this 26<sup>th</sup> day of JULY 2018.



Issue: 2019-05-03 13:31:30



**J H ENGELBRECHT /mem**  
**ATTORNEY FOR APPLICANT**  
**C/O THE STATE ATTORNEY**  
**11<sup>th</sup> FLOOR, FEDSURE BUILDING**  
**49 CHARLOTTE MAXEKE STREET**  
**POSTAL ADDRESS:**  
**PRIVATE BAG X20830**  
**BLOEMFONTEIN, 9300**  
**TEL: 051-4004 323**  
**FAX: 051-4004 331 / 086 632 4992**  
**REF: 619/201800396 P6T**  
**E-mail: [jaEngelbrecht@justice.gov.za](mailto:jaEngelbrecht@justice.gov.za)**

**TO:**

**THE REGISTRAR**  
**HIGH COURT**  
**BLOEMFONTEIN**

**AND TO:**

**HF FOURIE**  
**MESSRS JACOBS FOURIE ATTORNEYS**  
**ATTORNEY FOR 1<sup>ST</sup> & 12<sup>TH</sup> RESPONDENTS**  
**11 BARNES STREET**  
**WESTDENE**  
**BLOEMFONTEIN**  
**TEL: 051-101 1680**

**Copy hereof received**  
**on the      day of July**  
**2018.**

**E-mail: [hflaw@telkomsa.net](mailto:hflaw@telkomsa.net)**  
**REF: THA2/0001**

**AND TO:**

**FF JACOBS**  
**MESSRS BOKWA INC.**  
**ATTORNEY FOR 2<sup>ND</sup> RESPONDENT**  
**169 GARSFONTEIN ROAD**  
**DELMONDO OFFICE PARK**  
**ASHLEA GARDENS**  
**PRETORIA**  
**REF: N SIMATAA/Ms Leso/BK0152**  
**c/o MESSRS BOKWA INC.**  
**121 PRESIDENT REITZ AVENUE**  
**WESTDENE**  
**BLOEMFONTEIN**

**Copy hereof received**  
**on the      day of July**  
**2018**

**FAX: 051-448 6369**  
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**E-mail: [caro@bokwa.co.za](mailto:caro@bokwa.co.za)**  
**REF: FF JACOBS/cb/CB0007**



**AND TO:**

**ZB MOLETSANE  
MESSRS ZB MOLETSANE ATTORNEYS  
ATTORNEY FOR 3<sup>RD</sup> RESPONDENT  
SUITE 9, GROUND FLOOR  
SOUTHERN LIFE BUILDING  
41 CHARLOTTE MAXEKE STREET  
BLOEMFONTEIN**

**Copy hereof received  
on the      day of July  
2018.**





**THE HIGH COURT OF SOUTH AFRICA  
FREE STATE DIVISION, BLOEMFONTEIN**

**CASE 1778/2018**

**In the matter between:**

**NATIONAL DIRECTOR OF PUBLIC PROSECUTIONS**

**Applicant**

**and**

**MBANA PETER THABETHE**

**First Respondent**

**SEIPATI DLAMINI**

**Second Respondent**

**TAKISI JANKI MASITENG**

**Third Respondent**

**ESTINA (PTY) LIMITED**

**Fourth Respondent**

**KAMAL VASRAM**

**Fifth Respondent**

**OAKBAY INVESTMENTS (PTY) LIMITED**

**Sixth Respondent**

**ASHU CHAWLA**

**Seventh Respondent**

**NAZEEM NOWA**

**Eighth Respondent**

**VARUN GUPTA**

**Ninth Respondent**

**RONICA RAGAVAN**

**Tenth Respondent**

**AEROHAVEN TRADING (PTY) LIMITED**

**Eleventh Respondent**

**PRECIOUS MPULE GUGU THABETHE**

**Twelfth Respondent**

**ARLENE VANESSA HOWA**

**Thirteenth Respondent**

---

**NDPP'S REPLYING AFFIDAVIT TO THE FIRST AND TWELFTH, SECOND AND  
THIRD RESPONDENTS' RESPECTIVE ANSWERING AFFIDAVITS**

---

**I, the undersigned,**



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*MKN*  
*Ⓢ*

**MOTLALEKHOTSO KNORX MOLLELE**

**declare herewith under oath as follows:**

**INTRODUCTION**

1. I am the Acting Special Director of Public Prosecutions in the Republic of South Africa. I have been duly appointed as such in terms of the National Prosecuting Authority Act 32 of 1998.
2. I am a functionary referred to in section 1 of the aforesaid Act who is under the control of the National Director of Public Prosecutions, as contemplated in section 1 of the Prevention of Organised Crime Act 121 of 1998.
3. I have read the answering/opposing affidavits of Mbana Peter Thabethe, Seipatl Dlamini and Takisi Janki Masiteng filed by the first, second, third and twelfth respondents ("the respondents") in an attempt to have the provisional restraint order granted on 11 April 2018 under this case number discharged and set aside against them.
4. The facts herein fall within my personal knowledge and belief, unless otherwise stated or the context indicates otherwise, and are true and correct.
5. I summarise, at the outset, why I submit this court ought not to set aside the provisional restraint order granted against the respondents and rather ought to confirm same. Then I deal with each of the answering affidavits separately, addressing only those portions thereof which require a response from the



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applicant ("the NDPP"), the remaining content, to the extent that it contradicts with my founding affidavit and the annexure thereto, being denied.

#### THE BASIS OF THE APPLICANT'S CASE

6. The NDPP obtained a provisional restraint order against the first, second and third respondents relating to their involvement, on behalf of the Free State Department of Agriculture and Rural Development ("the Department"), in awarding a contract and/or making payments to the fourth respondent, Estina (Pty) Ltd ("Estina") which actions amount to fraud alternatively theft and various offences under the Prevention of Organised Crime Act 121 of 1998 ("POCA").
7. It is contended that each of the respondents benefitted from the aforesaid unlawful activities because they received or retained any proceeds of unlawful activities, at the very least by enabling Estina to receive payments amounting to R250,202,652.00 which it was not entitled to and which were not used for designated purposes. In so doing, they shared a common purpose with Estina, to divert monies from the Department into the hands of various Gupta-related entities. The benefit referred to, at this early stage in the investigation, is the Conversion of funds under their control, to proceeds of crime by the successful execution of their plan to unlawfully divert it to Estina to the detriment of the Department.
8. While the twelfth respondent had no direct involvement in the said unlawful conduct, she is married to the first respondent in community of property and for



that reason is said to have an interest in the realisable property subject to the provisional restraint in that in law, she co-owns it with Thabethe.

9. It would appear that the respective grounds on which the respondents contend that they ought to be discharged from the provisional restraint are:

9.1. The first respondent did not act on a frolic of his own by concluding the agreements with Estina and implementing the Vrede Dalry Project. He further avers that he is not guilty of the crimes with which he has been charged, denies that there is a reasonable possibility of a conviction against him and denies he benefitted from unlawful activities.

9.2. The second respondent denies that she played any role in relation to the contractual arrangement between the Department and Estina and further denies that she was involved in any payments, as she was not authorised to make payments in excess of R1 million. Accordingly, she contends that the prospects of a criminal conviction against her are slim and she has not in any way benefitted from the alleged unlawful activities.

✓ 9.3. The third respondent claims his only role in relation to Estina was drafting a deviation from the supply chain management policy in order to comply with proper procedure; and this he did on the instructions of the first respondent. Otherwise he was overseas on official business during the time the Vrede Dalry Project was approved and is not responsible for making any payments to service providers.



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10. At the outset I believe it will be helpful to give a brief overview of the allegations concerning the respondents as set out in the founding papers and annexure as I submit this will place the crimes the first to third respondents are accused of, especially the common purpose and conspiracy aspects thereof, in context.

## **THE RESPONDENTS' CONDUCT RELATING TO ESTINA ON BEHALF OF THE DEPARTMENT**

### **Thabethe – first respondent**

11. Thabethe was Head of the Department until his suspension on 25 April 2018. In his aforesaid role he was the accounting officer of the Department for purposes of section 36 of the Public Finance Management Act 1 of 1999 ("PFMA") and responsible for complying with those duties and responsibilities set out in sections 38 to 40 of the PFMA which, generally speaking, require effective, efficient, economical and transparent uses of the resources of the Department and the taking of appropriate steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct.
12. In relation to the Vrede Dairy Project, he has been charged with the offences of fraud alternatively theft, further alternatively conspiracy to commit fraud or theft for misleading the Department in relation to the procedures, outcomes and payments made in respect of the Vrede Dairy Project and stealing the amount of R143,950,000.00 from the Department, and acting with a common purpose to commit fraud. Furthermore he is charged, in his capacity as accounting officer, for contravening section 86(1) read with 38(1)(b) of the PFMA,



contravening section 86(1)(c)(ii) read with section 38(1)(c)(ii) of the PFMA, contravening section 86(1)(c)(iii) read with section 38(1)(c)(iii) of the PFMA, contravening section 86(1)(g) read with section 38(1)(g) of the PFMA, contravening section 86(1)(j) read with section 38(1)(j) of the PFMA, contravening section 86(3) read with section 38(2) of the PFMA and contravening section 86(3) read with section 39(1) of the PFMA. These sections essentially hold accounting officers criminally liable for their failure to comply with the duties required of them under section 38 and 39 of the PFMA in a wilful or grossly negligent manner.

13. Thabethe avers, evasively, in his answering affidavit:

13.1. that it was "the Department" that identified a need for a processing plant in the province;

13.2. merely that Vrede Dairy Project was "ultimately identified and accepted";

13.3. that there was extensive research and various consultation processes involved in the implementation and establishment of the project, in contradistinction to his statements in his affidavit dated 10 August 2017,

"SJS5" to the founding papers;

13.4. the proposals were considered and approved by himself, but also Mr Zwane, then MEC for Agriculture in the province. Both these individuals



too approved a request to Provincial Treasury to "shift" funds between projects so as to fund the Vrede Dairy Project;

13.6. there was a valid departure from the Department's supply chain management policy because he approved a deviation in the circumstances of the matter (which the third respondent avers Thabethe himself asked for);

13.6. The Executive Council of the province and the province's legal advisors approved the project;

1st Resp.

✓ 13.7. In respect of payments made to Estina, these were approved by him but also by the second respondent and one of either SJ Moalosi, F Claasen and TT Khaeane. They were approved thereafter by the Acting Manager for Cash Management of Provincial Treasury;

13.8. Payments were not stopped, and his involvement not investigated any further, by the National Treasury despite the content of the ENS report becoming available in 2014.

14. It is submitted to be evident from the above that, notwithstanding his denial of any wrongdoing and reference made to the involvement of any other persons in his actions, at the very least, Thabethe, as accounting officer, did not comply with the strictures of the PFMA for the reasons set out in the charge sheet. No explanation is given as to why he, as accounting officer, did not heed the recommended actions as set out in the ENS report and continued to make



further payments relating to the project, notwithstanding the risk factors identified by ENS not having been cleared.

15. He was identified in the ENS report as playing a pivotal role in the Vrede Dairy Project (para 2.4.1 page 298). Nothing set out in his answer detracts from such finding; rather it confirms same. The allegations as to others' involvement furthermore displays his lack of appreciation of the additional legal duties he owed to the Department as accounting officer.

16. While the founding papers do not establish any direct benefit or proceeds from the alleged offences by Thabethe and/or his wife, it is submitted that he benefitted indirectly by taking unlawful control of funds under his control and diverting it to an entity of his choice, namely Estina assisting Estina further to receive payments, by completely disregarding supply chain management processes.

**Dlamini – second respondent**

17. Dlamini is said to be employed currently by the Department of Mineral Resources. At the times relevant to the Vrede Dairy Project she was however Chief Financial Officer of the Department. In her aforesaid role she claims she could recommend payments, but these had to be approved by the Head of Department, Thabethe.

18. In relation to the Vrede Dairy Project, she has been charged with the offences of fraud alternatively theft, further alternatively conspiracy to commit fraud or theft for misleading the Department in relation to the procedures, outcomes and





payments made in respect of the Vrede Dairy Project and stealing the amount of R143,950,000.00 from the Department and acting with a common purpose to commit fraud.

19. In relation to these charges, she does not pointedly state any specifics in her answering affidavit, except for making (rather bald) statements that:

19.1. There is a weak criminal case against her; and

19.2. It has not been established by the NDPP that she received any benefit or proceeds of unlawful activities.

20. Dlamini's lack of candour in dealing with the property subject to the order and her financial position generally is submitted to be indicative of a litigant who has something to hide. Had she been *bona fide* in her denials of any involvement in the alleged crimes, one would have expected full disclosure of this information. Furthermore, she admits she recommended payments being made to Estina and thus exercised control over the funds before they were directed to Estina's bank account; an indirect benefit. It is again submitted that she conspired with Thabethe, Masiteng and possibly others to further a common purpose to fraudulently direct funds under their control to an entity of their choice – in this instance, Estina.



**Masiteng – third respondent**

✓ 21. The third respondent is General Manager, District Services in the Department. In his role he *inter alia* implements agricultural development with the Province and manages and executes the policies of the Department.

✓ 22. In relation to the Vrede Dairy Project, he has been charged with the offences of fraud alternatively theft, further alternatively conspiracy to commit fraud or theft for misleading the Department in relation to the procedures, outcomes and payments made in respect of the Vrede Dairy Project and stealing the amount of R143,950,000.00 from the Department and acting with a common purpose to commit fraud.

23. In relation to these charges, he alleges in his answering affidavit:

✓ 23.1. He can only act within the line-function of the department on the instructions of the accounting officer and has no decision-making powers and can only make submissions to the Chief Financial Officer;

✓ 23.2. He had a limited role in the Vrede Dairy Project and visited China on official Departmental business over the period 9 to 26 June 2012;

✓ 23.3. He learnt of the project on 5 July 2012 for the first time having been asked by Thabethe to prepare a submission for his approval for implementing the project. This was at a time after the resolution had been taken to proceed with the project;



✓ 23.4. Having been informed this was not the required submission, a similar one dated 26 May 2012 having been prepared without his knowledge and approval, he records he was then asked by Thabethe to prepare a deviation from the normal supply chain management processes for the project. There was nothing out of the ordinary with the request as all role-players had in any event made the decision to proceed;

✓ 23.5. He played no role in making payments to Estina and knows no one involved with the entity. He received no benefits from the transaction and did not have knowledge of any crime and was simply following orders; something he is required to do, whether he agrees with them or not.

24. Quite how Masiteng regarded the deviation he prepared as possibly being lawful is not explained. It clearly does not comply with applicable laws and policies relative to procurement. It is submitted that he cannot rely on a supine stance that he is required simply to follow orders when it comes to conduct that may be regarded as criminal. } By preparing a deviation devoid of merit, Masiteng is said to have benefitted by exercising control over the funds before they were directed to Estina's bank account. } It is again submitted that she conspired with Thabethe, Masiteng and possibly others to further a common purpose to fraudulently direct funds under their control to an entity of their choice, in this instance Estina.

The submission for the approval of the H&D was done in execution of a resolution by the EXCO.

(See par 26 of Answering Aff.)<sup>11</sup>



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**REPLY TO FIRST AND TWELFTH RESPONDENTS' AFFIDAVIT, PARAGRAPH  
BY PARAGRAPH, WHERE NECESSARY**

**Ad paragraphs 14 to 16**

25. These allegations are denied.

26. Any annexures which were omitted were irrelevant and not relied upon by the NDPP alternatively were contained or referred to in the ENS Report which was attached to the application papers.

**Ad paragraphs 19 and 20**

27. These allegations are denied.

28. The test under section 25(1)(a)(ii) of POCA is whether there are reasonable grounds for believing that a confiscation order may be made.

29. The term "proceeds of unlawful activities" as defined in section 1 of POCA includes proceeds received or retained indirectly. "Property" is furthermore defined as "money or any other movable, immovable, corporeal or incorporeal thing and includes any rights, privileges, claims and securities and any interest therein and all proceeds thereof".

**Ad paragraphs 38 and 41**



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30. These allegations are denied to the extent that they contradict with the deponent's affidavit dated 10 August 2017 (annexure "SJS5" to the application commencing on page 722).

31. In particular, in relation to the "extensive research and various consultation processes" referred to. In his earlier affidavit, the first respondent admitted he simply conducted a Google search.

**Ad paragraph 42**

32. These allegations are denied.

33. The contradiction between this paragraph and paragraph 51.13 are highlighted. Here the deponent refers to considering various proposals but in paragraph 51.13 he alleges that it was impractical to invite competitive bids.

**Ad paragraph 47**

34. These allegations are denied.

35. The names of none of these individuals are mentioned in Thabethe's previous affidavit.

**Ad paragraphs 51.1 to 51.3**

36. Save for clarifying that the PFMA was a statute promulgated in 1999 and not 1991 as alleged, these allegations are admitted.

**Ad paragraph 51.4**



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37. While it is admitted that deviations from the standard supply chain management processes are permitted by the applicable legislation and policies, it is denied on the facts, that a deviation was warranted and that it was purportedly effected in accordance with applicable legislation and policies. The purported deviation was meaningless.

**Ad paragraph 51.10**

38. These allegations are denied.

39. The court is referred to Exhibit 10 (page 429) of the application where Adv Dlitira advised the CEO of Provincial Treasury that the contract may be invalid for a number of reasons.

**Ad paragraph 51.12**

40. These allegations are denied.

41. Purporting to approve a deviation only once a project has been approved makes a mockery of the entire purpose of section 38 of the PFMA. It is submitted that a competent deviation is required before any specific service provider is identified.

42. Furthermore, the lease agreement entered into in relation to the dairy project permitted Estina to use the farm free of charge for a period of 99 years and to do so for commercial purposes, utilising at least in part, the Department's funds.



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**Ad paragraphs 51.13 and 51.14**

43. It is denied that the purported deviation referred to is lawful.

**Ad paragraphs 57 and 58**

44. Save for admitting that the NDPP did not pursue a preservation order against the first and twelfth respondent, these allegations are denied.

45. Preservation orders fall under the provisions of chapter 6 of the POCA. The jurisdictional facts required for the granting of such orders differ markedly from the requirements for obtaining a restraint and then confiscation order.

46. Chapter 5 deals with criminal forfeiture of assets following the conviction of an accused for a crime. The first respondent is accused of various offences. The Chapter 5 procedure is more appropriate in these circumstances.

**Ad paragraph 70**

47. These allegations are admitted. This being the position, the first respondent's contentions as to where and when his property restrained were acquired are irrelevant to this application.

**Ad paragraphs 90 and 91**

48. These allegations are denied.

49. Mradia valued the assets of Thabethe at a combined total of R1,726,000.00.

The proceeds of the alleged crimes amount to more than R250 million.



*MKN*  
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50. Legal argument will be presented at the hearing of this matter to the effect that the value of the property to be confiscated must be readily ascertainable at this stage.

**Ad paragraphs 104 to 106**

51. While I have no knowledge of the accuracy of these allegations, and accordingly deny them, I find it noteworthy that despite the first respondent alleging his bond in respect of the property was paid off during 2013 (just after the Estina transaction had been approved by him) from proceeds of his farming activities, he chooses to refer to and attach financial information pertaining to the farming activities on the property concerned for 2017.

52. The 2013 financial information is what ought to have been attached had the first respondent been *bona fide* in his denial of receipt of any proceeds of unlawful activities.

**Ad paragraphs 107 and 108**

53. These allegations are denied.
54. Ownership of the property has not passed. I attach marked "RA1" a printout from the Deeds Office dated 24 July 2018 confirming this.

**Ad paragraph 116**

55. These allegations are denied.



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56. Ownership of the motor vehicle has not passed. I attach marked "RA2" a printout from the eNatis dated 24 July 2018 confirming this.

**Ad paragraph 123**

57. These allegations are denied.

58. No punitive costs order is warranted herein in the event of the discharge of the provisional restraint.

59. The first respondent's wrongdoing is clearly set out in the founding papers. That he would have breached the provisions of the PFMA in so many respects without receiving or retaining personal financial benefits from such conduct beggars belief. In addition, he benefitted by transferring the monies to Estina as he exercised control over that process by misappropriating funds under his control in furtherance of a common purpose to direct such funds to Estina. The NDPP acted reasonably in pursuing the restraint application against the first respondent and in those circumstances, a punitive costs order against him is not justified.

**Ad paragraph 126**

60. These allegations are denied.

61. Schalkwyk and Mradla conducted their own investigations based on the ENS report and other documents attached to the founding papers. Their evidence is accordingly not hearsay.



**REPLY TO SECOND RESPONDENT'S AFFIDAVIT, PARAGRAPH BY  
PARAGRAPH, WHERE NECESSARY**

**Ad paragraph 5**

62. These allegations are denied.

63. The legal position in relation to restraint orders set out herein is incorrect. It will be addressed during argument at the hearing of this matter, needless to say that the existence only of reasonable grounds for believing that a confiscation order may be made are sufficient and this involves an analysis of whether or not even an indirect receipt or retention of property constituting the proceeds of unlawful activities has been shown.

**Ad paragraph 9**

64. These allegations are denied.

65. At this stage of the proceedings the onus on the NDPP is comparatively light. Only reasonable grounds for believing that a confiscation order may be made are required to be present.

**Ad paragraph 29.2**

66. These allegations are denied.

67. It is clearly set out in the ENS report that the second respondent, as Chief Financial Officer of the Department at the time did not exercise any oversight of



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Estina's activities (paragraphs 3.2.1 to 3.2.4, pages 301 and 302) and of its alleged contributions towards the project.

68. The first respondent confirmed her involvement in making payments to Estina too.

Ad paragraph 35.1

69. These allegations materially contradict Diamini's contention in paragraph 33.1 that she never authorised any payment. She clearly admits herein that she took steps to ensure payment was made to Estina. A recommendation in and of itself confirms her involvement in making sure payments were made.

REPLY TO THIRD RESPONDENT'S AFFIDAVIT, PARAGRAPH BY PARAGRAPH, WHERE NECESSARY

Ad paragraph 40

70. These allegations are denied.

71. It is submitted that for the very reason that the request for deviation was prepared only after the actions had already been approved by the first and second respondents as well as EXCO, Masiteng's attention ought to have been drawn to the matter and extra caution and care taken by him. He ought to have had the matter reported to relevant officials at Treasury, or within the Department.



Ad paragraph 56

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Ad par. 56.

✓ 72. These allegations are denied.

✓ 73. It is submitted that the NDPP does not have to show proof that the assets restrained are the proceeds of unlawful activities. A confiscation order may be granted in relation to any property in the hands of the third respondent; there is no requirement for there to be a link between the property and the crime.

*Masiteng*  
Ad paragraph 58

✓ 74. These allegations are denied.

✓ 75. Masiteng is married to his wife out of community of property.

✓ 76. To the extent that his wife nevertheless contends for an interest in the matter, she was and is free to apply to court, as an interested party, to have her alleged rights protected, but she has not done so.

*Masiteng*  
Ad paragraphs 175 and 176

77. These allegations are admitted.

✓ 78. Given that Masiteng no longer owns the properties referred to, being Erf 15492 Sabata Khoathela Street, Bloemfontein and Erf 8184, Phuthadijhaba, Maluti A Phofung, the NDPP consents to having same released from the restraint order of 11 April 2018.





**CONDONATION**

79. I am advised that this affidavit was, initially, due on 17 July 2018. By agreement between the parties, this date was extended until 20 July 2018 and again until 24 July 2018. In this regard I attach correspondence confirming same, marked "RA3".

RA 3

80. The reason for the extensions sought and granted is that counsel who had settled the founding papers was overseas when an attempt had been made to brief him on 5 July 2018. Upon contacting alternative counsel, also familiar with the matter, my office was advised that he too was overseas and would only return on 17 July 2018, hence the request made for an extension until 20 July 2018.

81. Having consulted with counsel on his return, further instructions were required and thus the affidavit could not be settled prior to 24 July 2018.

82. Given the agreement having been reached between the parties and notwithstanding the court order in place, it is submitted that the parties potentially prejudiced, being the respondents, have consented to the extension and thus the prejudice falls away.

83. This matter is set down for 23 August 2018 and thus this court too will not be prejudiced by the slight delay in the filing of these papers as it will have sufficient time to peruse same and take them into consideration.



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84. In the above circumstances, and considering the importance too of placing the facts set out herein before this court, it is submitted that condonation for the late filing hereof ought to be granted.

WHEREFORE I pray that the applications to discharge the provisional restraint order in respect of the first, second, third and twelfth respondents be dismissed together with costs, including the costs of two counsel and that condonation for the late filing of this affidavit be granted.



DEPONENT

I CERTIFY that this affidavit has been sworn to and signed before me at Silverton this 24<sup>th</sup> day of July 2018 by the above-mentioned deponent who declared that he / she is acquainted with the contents of this affidavit and understands same, that he / she has no objection to taking the prescribed oath and further, that he / she considers the said oath as binding on his / her conscience, which oath was properly taken by me, as required by law.

1901974-2  
Merlon NO TC Masibi

COMMISSIONER OF OATHS



FULL NAMES : THWIBJ CELESTINE MASIBI  
ADDRESS : 1 CRESSWELL ROAD, SILVERTON  
CAPACITY : WARRANT OFFICER  
AREA : PRETORIA



"RAI"

# Deeds Office Document

T33505/1996 (PRETORIA)

Printed: 2018/07/24 07:52

**windeed**  
A LexisNexis® Product

GENERAL INFORMATION	
Document Number	T33505/1996
Deeds Office	PRETORIA
Date Requested	2018/07/24 07:51
Information Source	DEEDS OFFICE
Reference	

PROPERTY INFORMATION	
Property Type	ERF
Erf Number	1350
Portion Number	0
Township	ERMELO EXT 9
Local Authority	MSUKALIGWA LOCAL MUNICIPALITY
Registration Division	IT
Province	MPUMALANGA
Diagram Deed	T45337/1979
Extent	1547.0000SQM
Previous Description	

OWNER INFORMATION	
<b>Owner 1 of 2</b>	
Person Type	PRIVATE PERSON
Name	THABETHE MBANA PETER
ID Number	6512265421089
Title Deed	T33505/1996
Registration Date	1996/04/24
Purchase Price (R)	118,000 *
Purchase Date	1996/02/01
Share	*
Microfilm Reference	2007 0883 4164
Multiple Properties	YES
Multiple Owners	YES
<b>Owner 2 of 2</b>	
Person Type	PRIVATE PERSON
Name	THABETHE PRECIOUS MPULE GUGU
ID Number	7304220441082
Title Deed	T33505/1996
Registration Date	1996/04/24
Purchase Price (R)	118,000 *
Purchase Date	1996/02/01
Share	*
Microfilm Reference	2007 0883 4164
Multiple Properties	YES
Multiple Owners	YES

ENDORSEMENTS (1)				
#	Document	Institution	Amount (R)	Microfilm
1	B139712/2006	STANDARD BANK OF SOUTH AFRICA LTD	920,000	

HISTORIC DOCUMENTS (7)				
#	Document	Owner	Amount (R)	Microfilm
1	B33643/1996	ABSA BANK LTD	125,500	1996 0500 4280
2	T51150/1980	SMIT JOHANNES ALDARIS	UNKNOWN	1990 0590 4689
3	T41494/1990	MERWE JEANETTE VAN DER	65,000	1994 0404 2974
	T27576/1994	ROTHMANN GERHARDUS JOHANNES H	69,000	1995 0671 1639
	T27576/1994	ROTHMANN JOHANNA WILHELMINA C J	69,000	1995 0671 1639
	T46689/1995	BRONKHORST ADRIAAN	108,000	1996 0500 4251



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7	IT45669/1995	BRONKHORST MELINDA CELESTINE	Printed: 2018/07/24 07:52 108,000! 1996 0500 4251
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"RA2"

NPA/PCA (4427010)		Infrastructure Number 482121CB		NPA (Scrap) - Export Organization	
Vehicle Particulars				Page 3 of 5	
License number	F0002007	Chassis number/VIN	ADMTF220ANT00385		
Vehicle registration number	SPV007K	Engine number	6VD100001		
Previous license number	027757UP	Previous license number	K0022207		
Name	BUZZ	Year (Age)	7/03		
Series	K01	Gross vehicle mass (GVW) (kg)	2450		
Model description	380VSLX 02 DICAB				
Category	Light load vehicle (GVW 2500 kg or less)	Color	Black		
Drive	Self-propelled	Special classification	No		
Description	Pick-up	Licence expiry	2016-11-30		
Usage	Passenger	Licence class number	401000101E20		
Vehicle status	Licenced	Single capacity (kg)	5185		
Roadworthy status	Roadworthy	Local licence fee	R789.00		
Police mark	None	Locality of vehicle marking	Ethiopia		
Police clearance status	Cleared	Owner type	Owner		
Owner status	Current	Ownership start date	2010-12-23		
Name	THANEYME				
Identification type	RSAID document	Registration number	5512205421080		
Address	CASCONYRNGELAB BAYS WATER				
Suburb	BLOEMFONTEIN				
City/Town					
Postal code	9300	Chassis acceptable	Yes		
FI-Hub	FI-Job	FI-Link	FI-Club		
Release 17.2.0.2		Printed on 2018-07-28 08:10:53		Worksheet 06100035	



MR7

SEELIFE STAMP DUTY	175.00
FOOT FEE	

OPGESTEL DEUR MY,  
*[Signature]*  
TRANSPORTBESORGER  
H R STRAELI.

33643/96	EC 117747/06
VERBIND MORTGAGED	GEKANSELLEER CANCELLED
12580.00	BOOSTRUCHEWEGSTRAAT
30 08 08	
96	

T 33505196

AKTE VAN TRANSPORT NR.

HIERMEER WORD BEKEND GEMAAK LEON HENDRIK FERREIRA

DAT HANS RUBOLT STRAELI

verskyn het voor my, die REGISTRATEUR VAN AKTES te PRETORIA, hy die  
Kommissaris, behoort daartoe gemagtigde tragterse 'n Volmag aan hore verleen  
deur:

ADRIAAN BRONKHORST

Identiteitsnommer: 650631 6081 08 8

MELINDA CELESTINE BRONKHORST

Identiteitsnommer: 680620 0308 08 4

Getroud binne gemeenskap van goed met mekaar

geteken te ERMELO op 1 Februarie 1998  
welke Volmag hede aan my getoon is.

VAN VERBOOR ENDOOSSEENTE SIE FOR FURTHER ENDOSSEMENTS SEE	1
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EN die genoemde KOMPARANTE het verklaar dat hulle genoemde PRINSIPAAL waarlik en wettiglik verkoop het op 1 FEBRUARIE 1995 en dat hulle, die genoemde KOMPARANTE in hulle voornoemde hoedanigheid, onder hierdie AKTE sedert en voortaan, in wille en vrye eisers aan en ten behoewe van:

**MBANA PETER THABETHE**  
IDENTITEITSNOMMER: 651236 5421 08 9  
**FRECHODE MPHELE GUGU THABETHE**  
IDENTITEITSNOMMER: 730421 0461 08 2  
**GETROUD BINNE GEMEENSAP VAN GOED MET MEKAAR**

Hulle Eriensame, Ekerskous, Administrateur of Regverkygendes, alle reg, titel en belang in en tot-

ERG 1350 geleë in die dorp ERMELO, Uithoefing 9  
Registries Afdeling IT PROVINSIE MPUMALANGA:

GRROOT: 1547 (EENDUISEND VYPHONDERD SEWS EN VEERTIG)  
vierkante meter;

AANVANKELE OORGEDELA kragtens Akte van Transport T45337/1979 en tans gehou kragtens Akte van Transport T45669/93.

**ONDERHEWIG AAN DIE VOLGENDE VOORWAARDES:**

**A. ONDERWORPE AAN DIE VOLGENDE VOORWAARDES:**

Alle regte op minerale en edelgesteentes is deur die Stadsraad van Ermelo voorbehou welke regte oorgedra is in Sentifikant van Minerale regte Nr. 163/1968 R.M. gedateer 19 Maart 1968, ten opsigte van voormelde dorp ERMELO UITBREIDING 9, distrik Ermelo.

**B. ONDERWORPE aan die volgende verdere voorwaardes, opgele deur Administrateur as Proklamasie Nr. 128/68 gedateer 12 Mei 1968:**

1. a) Die plaaslike bestuur en enige ander persoon of liggaam van persone wat skriftelik deur die Administrateur daartoe gemaag is, het, met die doel om te sorg dat hierdie voorwaardes en enige ander voorwaardes genoem in Artikel ses-en-veertig bis van Ordonnansie Nr 11 van 1931, nagekom word, die reg en bevoegdheid om op alle redelike tye die erf te betree ten einde sodanige inspekte te doen of ondersoek in te stel as wat vir bovenmelde doel gedoen of ingestel moet word.



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- b) Nog die eienaar, nog enige iemand anders besit die reg om 'n enige deel hoërensand bakstene, talle of erdepepe of ander artikels van 'n soortgelyke aard op die erf te vervaardig of te laat vervaardig.
  - c) Die opstani van alle geboue moet voldoen aan die vereistes van goeie argitektuur sodat dit nie die aantreklikheid van die omgewing benadeel nie.
  - d) Nog die eienaar, nog enige iemand anders besit die reg om behalwe om die erf vir boudoeleindes in gereedheid te bring enige materiaal daarop uit te graawe sonder die skriftelike toestemming van die plaaslike bestuur.
  - e) Behalwe met die toestemming van die plaaslike bestuur mag geen dier, soos omskryf in die Skutregulasies van Plaaslike Bestuur, soos afgekondig by Administratiewenkennisgewing N° 2 van 1929, op die erf aangehou word nie.
  - f) Geen geboue van hout en/of sink of geboue van roosters mag op die erf opgerig word nie.
  - g) Waar dit volgens die mening van die plaaslike bestuur ondoenlik is om neerslagwater van erwe met 'n hoër ligging regsreeks na 'n publieke straat toe af te voer, is die eienaar van die erf verplig om te waar dat sodanige neerslagwater op sy erf vloei en/of toe te laat dat dit daaroor loop; met dien verstande dat die eienaar van erwe met 'n hoër ligging verstaan die neerslagwater oor 'n erf met 'n laer ligging loop. aanspreeklik is om 'n eweredige aandeel van die koste te betaal van enige pyplyn of afvoer wat die eienaar van sodanige erf met 'n laer ligging nodig mag vind om aan te lê of te bou om die water wat aldus oor die erf loop af te voer.
  - h) Behalwe met die skriftelike toestemming van die plaaslike bestuur en onderworpe aan sodanige voorwaardes as wat die plaaslike bestuur op lê mag nog die eienaar nog enige bewoner van die erf, putte of boorgate op die erf sink of enige ondergrondse water daaruit put.
2. a) Die erf mag slegs gebruik word om daarop 'n woonhuis op te rig met dien verstande dat, met die toestemming van die Administrateur na raadpleging



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met die Dorpsraad en die plaaslike bestuur 'n plek van openbare godsdiens oefening of 'n plek van onderlig, 'n gemeenskapspaal, 'n inrigting of ander geboue wat in 'n woongebied tuisloopt op die erf opgerig kan word; voorts met dien verstande dat die plaaslike bestuur sodanige ander geboue waarvoor 'n goedgekeurde dorpsaanlegkema voorleëning gemaak word, kan toelaat.

- b) Behalwe met die toestemming van die Administrateur wat sodanige voorwaardes, as wat hy nodig ag, kan voorskryf, mag nie meer as een woonhuis met sodanige buitegeboue as wat gewoonlik vir gebruik in verband daarmee nodig is op die erf opgerig word nie; met dien verstande dat as die erf onderverdeel word of as sodanige erf of enige gedeelte daarvan gekonsolideer word nist enige ander erf of gedeelte van 'n erf, hierdie voorwaarde met toestemming van die Administrateur van toepassing gemaak mag word op elke gevestigde gedeelte of gekonsolideerde area;

(i) Die waarde van die woonhuis, sonder buitegeboue, wat op die erf opgerig word, nist minstens R5 000,00 wees.

(ii) Die hooftgebou, wat 'n voltooiende gebou moet wees, en nie een wat gedeeltelik opgerig is en eens later voltooi sal word nie, moet behyktig met, of voor, die buitegeboue opgerig word.

- c) Indien die erf omhein of op 'n ander wyse toegemaak word, moet die heining of ander omheiningmateriaal opgerig of onderhou word tot voldoening van die plaaslike bestuur.

3. a) Geboue, met inbegrip van buitegeboue, wat hierna op die erf opgerig word moet minstens 4,57 meter van enige straatgrens daarvan geleë wees.
- b) Die erf is onderworpe aan 'n servituut vir riolerings- en ander munisipale doeleindes, ten gunste van die plaaslike bestuur 1,89 meter breed, lense net een van sy grense uitgesoekend 'n straatgrens soos bepaal deur die plaaslike bestuur.



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- a) Geen geboue of ander struktuur mag binne die voorgenoomde servituutgebied opgerig word nie en geen grootvergeboorte mag binne die gebied van sodanige servituut of binne 'n afstand van 6,89 meter daarvan geplant word nie.
- d) Die plaaslike bestuur is geregtig om enige materiaal wat deur hom uitgegrawe word tydens die aanleg, onderhoud en verwydering van sodanige rioolhoofpypleiding en ander werke wat hy volgens goedeenke noodsaadlik ag, tydelik te plaas op die grond wat aan die voornoemde servituut grans, en voorts is die plaaslike bestuur geregtig tot redelike toegang tot genoemde grond vir die voornoemde doel, met dien verstande dat die plaaslike bestuur enige skade vergoed wat gedurende die aanleg, onderhoud en verwydering van sodanige rioolhoofpypleiding en ander werke veroorsaak word.
- e) In voormelde voorwaardes beteken "woonhuys" 'n huis wat ontwerp is vir die gebruik as 'n woning deur een gesin.

EN VERDER ONDERHETWIG sal al sodanige voorwaardes as in genoemde Aktes vermeld staan of na verwys word.

W E S H A L W E die Komparant afstand doen van al die reg en aanspraak wat sy volgens die voormelde elendom gehad het, gevolglik ook erken dat hulle geheel en al uit die besit daarvan onthef is en nie meer daartoe geregtig is nie, en dat kragtens hierdie Akte, die genoemde

MBANA PETER THABETHE

en

PRECIOUS MPULE GUQU THABETHE

Getroud sake voormeld;

HUL ERFGENAME, Ekskuteurs, Administrateurs of Regverkrigendes tans en voortaan daartoe geregtig sal wees, ooreenkomstig plaaslike gebruik, behoudens die Regte van die Staat; en ten slotte erken hy dat die koopprijs van voormelde elendom die bedrag van R118 000,00 (EENHONDERD EN AGTIENDUISEND RAND) beloop.



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IN GETUENIS WAARVAN het ek, die genoemde REGISTRATEUR VAN AKTES, saam  
met die Komparant g.g., hierdie Akte onderteken en met die Ampseël bekragtig.

ALDUS GEDOEN en GETEKEN op die Kantoor van die REGISTRATEUR VAN AKTES te  
PRETORIA op

24 04 96

In my teenwoordigheid:

REGISTRATEUR VAN AKTES.

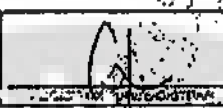


Issue: 2019-05-03 13:31:30

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DATE/TIME 7  
T 335015/96

VERIFIED		MORTGAGED	
VIA FOR R. 920 000 -00			
B	139712 06		
30 08 06			



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DYASON  
TEL: 222-1111

OPOESTEL DEUR MY,

TRANSPORTBESORGER  
H R STRAUDELI

PROKURASIE VIR TRANSPORT

Ek/Oms, die ondergetekende/s

ADRIAAN BRONKHORST

IDENTITEITSNOMMER: 560331 3081 08 8

MELINDA CELESTINE BRONKHORST

IDENTITEITSNOMMER: 690620 0305 08 4

GETROUD BINNE GEMEENSAP VAN GOED MET MEKAAR

betreft hiernaas

HANS RUDOLF STRAUDELI

LEON HENDRIK FERREIRA

met mag van subskripsie as ons ware en wetlige Gemagtigde en Agent te verskyn voor die REGISTRATEUR van AKTES, vir die TRANSVAAL te PRETORIA en daar te verklaar dat ons op die 1ste FEBRUARIE 1995 verkoop het aan:

MBANA PETER THABETHE

IDENTITEITSNOMMER: 651226 3421 08 9

PRECIOUS MPHELE GUGU THABETHE

IDENTITEITSNOMMER: 730422 0441 08 2

GETROUD BINNE GEMEENSAP VAN GOED MET MEKAAR

vir die soma van R118 000-00 (EENHONDERD EN AGTIEN DUISEND RAND) die ondergetekende EIGENDOM, naamlik:



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HRF 1330 geleë in die dorp ERMELO, UITBREIDING 9  
 Registrasie Afdeling LT PROVINSIE MPUMALANGA  
 (GROOT: 1347 (DRENDUISEND VYFHONDERD SEWEN EN VEERTIG)  
 vierkante meter;  
 GEHOUEKRAGTENS Akte van Transport T:45669/1995.

en om die genoemde EIGENDOM in volle en vrye eieendom te transporteer aan die genoemde  
 TRANSPORTNEMER/S en om afstand te doen van al die reg, titel en aanspraak wat die  
 TRANSPORTGEWERS vroeër in en tot genoemde eieendomme gehad het en alles te doen  
 om en kragtiglik in alle opsigte, as ons self kan doen of deur persoonlik teenwoordig en hierin  
 belooft ons hiermee ons te bekragtig en goed te sê dat alles wat ons genoemde prokureur  
 hieraantrant wettiglik doen uit krag van hierdie AKTE.

GETEKEN te ERMELO op hierdie 15DE DAG VAN FEBRUARIE 1996

AS GETUIGES:

1. Yvonne Koster [Handwritten Signature]
2. [Handwritten Signature] [Handwritten Signature]

10

[Handwritten Signature]



MKN  
 [Handwritten Mark]

**STADSRAAD ERMELO TOWN COUNCIL**

**PLAASLIK OORDEGINGSRAAD VAN ERMELO** 11. 19 2022

**TRANSITIONAL LOCAL COUNCIL OF ERMELO**

**UITKLARINGSBERTIFIKAAT / CLEARANCE CERTIFICATE: 2808**

Hiermee word gesertifiseer dat alle bedroe wat ingevolge artikel 60 van die Grondwet van die Republiek van Suid-Afrika, 1996, aan die Stadsraad van Ermelo verskuldig is ten opsigte van die grond of die reg in grond hieronder beskryf, aan die Raad betaal is.

This is to certify that all sums due in terms of Section 60 of the Local Government Ordinance, 1955, to the Town Council of Ermelo in respect of the land or the right in land described hereunder, have been paid to the Council.

Beskrywing van grond of reg in grond:  
Description of land or right in land:

BLK 135D UITBREIDING 2, 21146

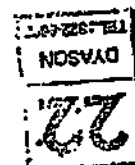
Registree in die naam van  
Registered in the name of A. BRONKHORST

Hierdie sertifikaat is geldig tot  
This certificate is valid until 30 APRIL 19 22

Onges onder my hand te Ermelo op hede die  
Given under my hand at Ermelo this 11 day of APRIL 19 22

Stadslerk / Town Clerk  
Abuchoqu

PLAASLIK OORDEGINGSRAAD VAN ERMELO  
TRANSITIONAL LOCAL COUNCIL OF ERMELO



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"R3"

**JP Willemse**

**From:** Rajendrie N. Naidoo  
**Sent:** 24 July 2018 02:35 PM  
**To:** JP Willemse; Nkosiphendule Mradla  
**Subject:** FW: BLOEMFONTEIN CASE NUMBER 1778/2018 NDPP V MP THABETHE AND 12 OTHERS

Dear JP

Kindly attach the e-mail below as annexure 3. This is where the state attorney is confirming that they agreed to the late filing.

Regards,

**Rajendrie Naidoo**  
 State Advocate  
 National Prosecuting Authority  
 Asset Forfeiture Unit – KZN  
 1<sup>st</sup> Floor Southern Life Building  
 88 Joe Slovo Street,  
 Durban  
 4001

Telephone: +27313345180  
 Mobile: +27 788028108  
 Fax: +27313073992

'Making sure that crime does not pay'

**From:** Engelbrecht Jaco [mailto:JaEngelbrecht@justice.gov.za]  
**Sent:** 16 July 2018 10:15 AM  
**To:** Sandra Freese <sfreese23@gmail.com> (sfreese23@gmail.com); Sharon Tong (stong@law.co.za)  
**Cc:** Thato K. Ntimutse; Rajendrie N. Naidoo  
**Subject:** BLOEMFONTEIN CASE NUMBER 1778/2018 NDPP V MP THABETHE AND 12 OTHERS

Good day

Please find attached brief for your attention.

I confirm that our Replying papers are due on 17 July 2018 but that we have asked for an extension till 20 July 2018 to which the parties agreed except one answer I am waiting for.

We will have to apply for condonation as the dates are recorded in the court order of 24 May 2018.

Regards.



**ENGELBRECHT**  
 SENIOR ASSISTANT STATE ATTORNEY  
 STATE ATTORNEY BLOEMFONTEIN  
 DIRECT LINE) 051 4004323

MKM  
 @

**(CELL) 0840566055****(FAX) 051 4004331/086 632 4992****JaEngelbrecht@justice.gov.za**

Privileged/Confidential information may be contained in this message. If you are not the addressee indicated in this message (or responsible for delivery of the message to such person) you may not copy or deliver this message to anyone. In such case, you should destroy this message and kindly notify the sender by reply E-Mail. Please advise immediately if you or your employer do not consent to e-mail messages of this kind. Opinions, conclusions and other information in this message that do not relate to the official business of the Department of Justice and Constitutional Development shall be understood as neither given nor endorsed by it. All views expressed herein are the views of the author and do not reflect the views of the Department of Justice unless specifically stated otherwise.



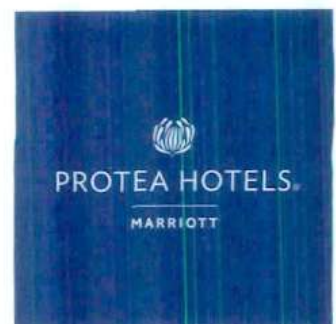


Issue: 2019-05-03\_13:31:30

Estina Phase 1 Completion Letter 18/01/2013  
 Dept of Agriculture / Estina Agreement.  
 6/07/2017



Issue: 2019-05-03 13:31:30







## agriculture & rural development

Department of  
Agriculture and Rural Development  
FREE STATE PROVINCE

Dated: January 18, 2013

**Estina Pty Ltd**

Vrede

**Subject: Confirmation of completion of Phase 1 of the Project**

**Ref: Contract signed between the Department and Estina dated July 2012**

We refer to the above Contract signed between the Department and Estina with regard to setting up of an Integrated Dalry Project in Vrede, Phumelela Municipality.

We are pleased to confirm that we have been receiving regular monthly and quarterly reports from Estina and are satisfied with the progress made so far. With regard to the obligations of Estina for Completion of Phase 1 of the Project by December 31, 2012, we are also pleased to confirm that all the obligations as required by the contract have been met as per details below:

### ESTINA OBLIGATIONS FOR FIRST PHASE:

No.	OBLIGATION	REMARKS
1	Land acquisition	Land registered at Deeds Office
2	Environmental Impact assessment	Applied and confirmation received from DETEA
3	Feasibility Study	Received by Dept. of Agriculture
4	Water Reticulation	Received by Dept. & forwarded to Municipality
5	Electricity connections	Awaiting full possession of Land from Farmers
6	Include Identified beneficiaries in AGRIBEE Entity	Done
7	Setup of AGRIBEE Entity and clarify roles of stakeholders (Department, AGRIBEE Entity and Estina)	Done
8	Draw a project plan in line with Estina proposals with milestones and timelines for Phase 2 as approved by the Dept.	Received by Dept. of Agriculture
9	Determine the dates for capital injection by Estina	Estina has already commenced Investments

Kind regards

Mr. M P Thabathe

HOD: Agriculture

Private Bag X02, Bloemfontein, 9300



*[Signature]*

*[Signature]*  
06/07/12

## AGREEMENT

entered into and between

**THE DEPARTMENT OF AGRICULTURE**  
(the "Department")

and

**ESTINA (PTY) LTD**

("Estina")



*[Signature]* SG.  
RS

SSA

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## 1. PARTIES

The Parties to this Agreement are -

1.1 **THE FREE STATE DEPARTMENT OF AGRICULTURE** a provincial **Department** as contemplated in section 7(2) of the Public Service Act, 1994 (Proclamation No.103 of 1994) read with Schedule 2 thereof (as amended), herein represented by the Head of the **Department**, being duly authorised thereto (the "**Department**") for the benefit of beneficiaries to be identified by the **Department**; and

1.2 **ESTINA**, a company with registration number 2008/015033/07, duly registered in accordance with the company laws of the Republic of South Africa, with its registered address at Block A, 1<sup>st</sup> Floor, Grayston Ridge, 144 Katherine Street Sandton, herein represented by Mr Sanjeev Gautam, Managing Director being duly authorised thereto ("**Estina**"),

who warrant that they are duly authorised hereto.

## 2. RECORDAL

It is recorded that –

2.1 The **Department** has in line with the vision of **Mohoma Mobung Initiative** identified the need to establish a **Diary Project** in **Vreda**.

2.2 The Governments of the Republic of South Africa and India entered into a Memorandum of Understanding on agricultural cooperation which include promotion of agricultural trade and investment.

2.3 The **Department** has met with **Paras Dairy** the largest private milk producer in India who have the technical know-how and has the rights to the internationally brand names and has agreed to work with the **Department**.

2.4 **Estina** is the counterpart of **Paras Dairy** in South Africa and is therefore sole provider who can execute the **Project**.



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SSD

SG.

RS

2.5 **Estina** is willing and able to execute the project (as defined in clause 3.1 hereunder), and has the necessary experience and expertise in connection therewith.

2.6 This Project shall also in effect to black economic empowerment in accordance with the AGRIBEE Charter on Black Economic Empowerment Issued by the Minister of Trade and Industry on 20 March 2008.

2.7 The Parties agree as set out herein.

### 3. DEFINITIONS AND INTERPRETATION

#### 3.1 Definitions

In this Agreement, unless the context otherwise requires, the following capitalised terms shall have the meanings assigned to them below and cognate expressions shall have corresponding meanings:

**"Agreement"** means this Agreement including Annexures and Addendum;

**"AGRIBEE entity"** means entity in line with AGRIBEE Charter on Black Economic Empowerment issued by the Minister of Trade and Industry on 20 March 2008;

**"beneficiaries"** are persons from the Vrede area which meets the requirements of the AGRIBEE Charter on Black Economic Empowerment issued by the Minister of Trade and Industry on 20 March 2008

**"Duration of Agreement"** three (3) years from date signature of the party signing last

**"Estina Proposal"** means Proposal in respect of the Project attached hereto as Annexure B;

**"Failure"** means any failure by Estina to perform its obligation in terms of this Agreement;



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**"Good Industry Practice"** applying, in relation to the manner in which the obligations are rendered, the standards, practices, methods and procedures conforming to applicable Law, and exercising that degree of skill, care, diligence, prudence and foresight that would reasonably and ordinarily be expected from a skilled and experienced person engaged in a similar type of undertaking under similar circumstances;

**"Law"** means all applicable laws, ordinances, regulations, judgments and orders of any competent court, governmental agency or authority in any relevant jurisdiction within the Republic of South Africa;

**"Obligations"** means obligations as set out in clause 6;

**"Parties"** means the Department and Estina, and any reference to "a Party" shall refer to one of the relevant Parties as required by the context;

**"Project"** means the Diary Project at Vrede;

**"the/this Agreement"** means this Agreement between the Parties together with the Annexures thereto.

### 3.2 Interpretation

This Agreement shall be interpreted according to the following provisions, unless the context requires otherwise:

- 3.2.1 References to the provisions of any Law shall include such provisions as amended, re-enacted or consolidated from time to time in so far as such amendment, re-enactment or consolidation applies or is capable of applying to any transaction entered into under this Agreement.
- 3.2.2 References to **"Parties"** shall include the Parties' respective successors-in-title and, if permitted in this Agreement, their respective cessionaries and assignees.
- 3.2.3 References to a **"person"** shall include an individual, firm, company, corporation, juristic person, responsible authority, and any trust, organisation, association or partnership, whether or not having separate legal personality.



SG  
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SSD RS

3.2.4 References to "clauses", "sub-clauses" and "Annexures" are references to the clauses, sub-clauses and Annexures of this Agreement.

3.2.5 References to any other contract or document shall include (subject to all approvals required to be given pursuant to this Agreement for any amendment or variation to or novation or substitution of such contract or document) a reference to that contract or document as amended, varied, novated or substituted from time to time.

3.2.6 Words in parentheses and italics appearing after a clause reference or a reference to a schedule are inserted for ease of reference only. If there is any discrepancy between the clause reference and the words in parentheses and italics, the latter shall prevail.

3.2.7 The headings of clauses, sub-clauses and Annexures are included for convenience only and shall not affect the interpretation of this Agreement.

3.2.8 The Annexures to this Agreement are an integral part of this Agreement and references to this Agreement shall include the Annexures.

3.2.9 The Parties acknowledge that each of them has had the opportunity to take legal advice concerning this Agreement, and agree that no provision or word used in this Agreement shall be interpreted to the disadvantage of either Party because that Party was responsible for or participated in the preparation or drafting of this Agreement or any part of it.

3.2.10 Words importing the singular number shall include the plural and vice versa, and words importing either gender or the neuter shall include both genders and the neuter.

3.2.11 References to "this Agreement" shall include this Agreement as amended, varied, novated or substituted in writing from time to time.

3.2.12 The number of days indicated to commit an act or indicated for any other purpose, is calculated by excluding the first day and including the last day.



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3.2.13 If any definition in clause 3.1 (*Definitions*) contains a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to such provision as if it was a substantive provision in the body of this Agreement.

3.2.14 In the event of an inconsistency between the provisions of this Agreement and the Annexures hereto, the provisions of this Agreement shall prevail,

#### 4. APPOINTMENT

The Department agrees that Estina will implement and manage the Project in accordance with the terms and conditions of this Agreement for the duration of the Agreement.

#### 5. CO-OPERATION

Each Party shall co-operate with the other in the exercise and performance of their respective rights and obligations under this Agreement.

#### 6. OBLIGATIONS OF ESTINA

- 6.1 Estina shall in phase 1 perform the obligations mentioned in Annexure A by 31 December 2012.
- 6.2 Estina shall provide a capital injection of R228 000 000 (South African currency).
- 6.3 Estina ensure that the beneficiaries own 51% of the AGRIBEE entity the remaining shares belongs to Estina: Provided that should Estina decide to sell its shares, the Department will have the right of first refusal.
- 6.4 No dividends shall be payable before the AGRIBEE entity is self-sustainable.
- 6.5 Estina shall in Phase 2 (setting up and management of dairy) and 3 (setting up and management of processing plant) perform its obligations in line with their Proposal as mentioned in Annexure B and in line the agreed milestone as envisaged in Annexure A and these must be included to the agreement as an addendum.



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- 6.6 **Estina** shall in execution of the Project, avoid undue hindrance, interruption or interference with the operations of the **Department** or otherwise hinder the activities of the **Department** and its employees, save to the extent entitled to do so in terms of this Agreement or as may be reasonably necessary for the performance of its obligations under this Agreement.
- 6.7 **Estina** shall devote the necessary time and attention to their obligations and not engage in any business or activity that will prevent **Estina** from performing its obligations effectively.
- 6.8 **Estina** shall not be relieved of any obligation, responsibility or liability under this Agreement by the appointment of any sub-contractor to carry out any part of its obligations. As between **Estina** and the **Department**, **Estina** shall be responsible for the payment, performance, acts, defaults, omissions, breaches and negligence of all sub-contractors. All references in this Agreement to any performance, payment, act, default, omission, breach or negligence of **Estina** shall be deemed to include any of the same by a sub-contractor.
- 6.9 The **Department** shall at all reasonable times and with prior written notice have access to the property, all records and documentation (including the right to reproduce) required of **Estina** to be kept in relation to the Project for purposes of auditing, quality control and monitoring of the Project by the **Department**.
- 6.10 **Estina** and the **Department** shall each take reasonable precautions (having regard to the nature of their other respective obligations under this Agreement) to preserve the integrity of the **Department's** data and to prevent any corruption or loss of the **Department's** data.
- 6.11 In the event that the **Department's** data is corrupted or lost as a result of any default by **Estina** the **Department** shall have the option, in addition to any other remedies that may be available to it either under this Agreement or otherwise, to elect either of the following remedies:
- 6.11.1 The **Department** may require **Estina** at its own expense to restore or procure the restoration of the **Department's** data;



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6.11.2 The Department may itself restore or procure restoration of the Department's data and shall be repaid by Estina.

6.12 Estina shall:

6.12.1 carry out its obligations (each as a separate and distinct obligation);

6.12.2 at its own cost, risk and expense and in accordance with Good Industry Practice;

6.12.3 in a manner which gives priority to health and safety in the performance of the obligations in order to protect life, health, property and the environment;

6.12.4 in compliance with the reasonable policies, procedures, protocols and directives of the Department (as may be amended from time to time) as indicated;

6.12.5 employ persons in connection with the performance of the obligations who have the necessary skills and experience as required by their respective professions, trades and callings and taking into account their roles and responsibilities in relation to the Project;

6.12.6 ensure that all aspects of the Project are supervised by sufficient numbers of persons having adequate knowledge of such matters for the satisfactory and safe performance of its obligations; and

6.12.7 shall upon receipt of a request by the Department within 5 (FIVE) days supply to the Department evidence substantiating its compliance with this clause.

## 7. GENERAL RIGHTS AND OBLIGATIONS OF THE DEPARTMENT

The Department –

7.1 shall assist Estina with adequate access to information and documentation available to the Department that will be required by Estina to implement the Project;

7.2 shall make payments in terms of clause 13 (Payment);



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- 7.3 shall identify beneficiaries for the AGRIBEE entity;
- 7.4 shall consider and approve the milestones determined by Estina for Phase 2 and 3;
- 7.5 shall inform Estina of its policies, procedures, protocols and directives as may be applicable to the Project and shall timeously inform Estina of any amendments thereto.

## 8. WARRANTIES

### 8.1 Estina warranties

Estina warrants that -

- 8.1.1 It is the counterpart of PARAS and the sole provider for the services in the Project;
- 8.1.2 the obligations of Estina under this Agreement are legal, valid and binding and enforceable against it in accordance with the terms of the Agreement;
- 8.1.3 It has satisfied itself as to the nature and extent of the obligations to be provided in terms of the Agreement; and
- 8.1.4 it has the necessary resources, skills, expertise and experience required to carry out the obligations in terms of this Agreement and will use reasonable care and skill in the execution of the same under this Agreement.

## 9. PERFORMANCE MONITORING

- 9.1 Estina shall monitor its performance in the delivery of the Project, and shall implement appropriate monitoring and management procedures in respect of the Project, including any reasonable monitoring procedures as the Parties may from time-to-time agree.
- 9.2 On the notification of any Failure or complaint regarding the quality of its performance, Estina shall attend to such notification with the urgency appropriate to the nature of the Failure or complaint.



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9.3 **Estina** shall on a monthly basis prepare and submit financial reports to the **Department** and a quarterly performance report in respect of its performance, including any Failures and such other information as the **Department** may reasonably require from time to time.

9.4 The **Department** shall monitor the performance of **Estina** and may at any time in addition to the report in clause 9.3 request any other information.

## 10. CONFIDENTIALITY

10.1 **Estina** shall not, during the term of this Agreement and thereafter, without the prior written consent of the **Department**, disclose any confidential information relating to the **Department** and the Project to anyone other than those persons who are connected to the **Department** and/or **Estina** and who are required or authorised to have access to such information.

10.2 The obligation to maintain the confidentiality of information shall survive the termination of this Agreement, but will not apply to confidential information which was in the public domain prior to being disclosed by **Estina** and has come into the public domain other than as a result of being divulged by **Estina** or is required to be disclosed by a court of law.

## 11. OWNERSHIP OF INTELLECTUAL PROPERTY

11.1 Information provided by the **Department** to **Estina** and any studies, reports and documentation produced by **Estina** in the performance, but excluding any materials that contain any of **Estina**'s pre-existing intellectual property rights, methodologies or know-how, shall belong to and remain the property of the **Department**, and will not be used by **Estina** for any purpose other than in accordance with this Agreement, unless by written permission of the **Department**.

11.2 Upon termination of this Agreement for any reason whatsoever, **Estina** must return without delay to the **Department** all materials in its possession, which belong to the **Department**, regardless of whether or not such materials were originally supplied by the **Department** to **Estina**.



SG  
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## 12. FINANCIAL CONTROL

This Agreement is subject to the provisions of the Public Finance Management Act, 1999 (Act No.1 of 1999).

## 13. PAYMENT

13.1 The Department shall make payment as follows:

13.1.1 to Estina an initial amount of R30 million to execute phase 1 as set out in Annexure A on the signature of the last party;

13.1.2 on certification that Annexure A has materially been complied with, as well as completion of milestones by Estina as set out in the Project Plan: Provided that advance payments may be made to Estina on properly motivated requests as approved by the Department.

13.2 The money payable by the Department during the term of this Agreement shall not exceed the amount of R342 million including Value Added Tax ("VAT") over a period of three years. To avoid doubt, the total amount of the invoices submitted throughout the term of this Agreement shall not exceed the aforementioned amount.

13.3 Estina shall pay R228 million towards the project payable as contemplated in clause 6.2 read with Annexure A.

### 13.4 Budget

13.4.1 Estina shall in all cases, irrespective of the basis payment, prepare an estimated budget (including allowance for VAT) for the cost of the Project for the various stages of the Project for approval by the Department in accordance with Annexures A, B and the contemplated Addendum; and

13.4.2 Such budgets must be revised and updated quarterly or as instructed by the Department and all potential additional expenditure and or over-expenditure must be with the consent and approval of the Department.



SG  
RS



### 13.5 Invoices

13.5.1 Estina shall submit to the Department invoices together with relevant reports in line with the Project Plan detailing description of the component of the Project completed by Estina for which payment is being claimed;

13.5.2 The Department shall pay the amount of the Invoice within 30 (THIRTY) days of its submission and delivery to the Department of a valid invoice in respect thereof, together with the relevant reports contemplated in clause 9 (*Performance and Monitoring*).

13.5.3 If the Department disputes, in good faith, any amount, or the calculation, composition or supporting information evidencing any amount, set out in a Invoice, the Department shall be entitled to withhold payment of the amount so disputed (the "Disputed Amount").

13.5.4 The Parties shall liaise and use reasonable endeavours to agree on the Disputed Amount. Where the Disputed Amount is not agreed upon within 10 (TEN) Business Days either Party may refer the matter to for resolution pursuant to clause 16 (*Dispute Resolution*).

13.5.5 All amounts payable in terms of this Agreement shall be inclusive of VAT.

### 14. INSURANCE

Estina shall maintain professional indemnity insurance with a limit of indemnity not less than the value of the Project for any claim in respect of any neglect, error or omission on the part of Estina in the performance of its obligations under this Agreement, for the duration of this Agreement.

### 15. TERMINATION

#### 15.1 Non-default termination

15.1.1 This Agreement shall automatically be terminated on the termination date, unless it has been terminated earlier in accordance with the provisions of this Agreement.



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## 15.2 Breach

15.2.1 A party commits breach if he fails or refuses to perform as agreed in terms of the provisions of the agreement.

15.2.2 Should any Party (the "guilty party") commit a breach of this Agreement and fail or refuse to rectify that breach within 14 (FOURTEEN) days after receipt of a written notice from the other Party (the "innocent party"), calling upon the guilty party to rectify that breach, the innocent party shall be entitled, without prejudice to any other of his rights, to forthwith cancel this Agreement by written notice to the guilty party.

## 15.3 Exhaustion of Funds

It is also agreed that should funds no longer be available to pay for the execution of the Project, the Department may terminate this Agreement in its own discretion or temporarily suspend all or part of the Project by notice to Estina who shall immediately make arrangements to stop the performance of the Project and minimize further expenditure: Provided that Estina shall thereupon be entitled to payment in full for the services delivered, up to the date of termination or suspension.

## 16. DISPUTE RESOLUTION

16.1 The dispute resolution procedure contained in this clause shall apply to any dispute, claim or difference between the Parties arising out of or relating to this Agreement ("a dispute").

16.2 A dispute will not be deemed to be a dispute until one of the Parties has provided a written notice conveying the nature and scope of the dispute to the other Party.

16.3 Parties will endeavour to solve all disputes amicably first.

16.4 If the Parties have been unable to resolve any dispute within 10 (TEN) working days of the date of the notice contemplated in clause 16.2.

16.5 Nothing in this clause prevent any Party to approach the Free State High Court having to obtain urgent relief which may be required by such Party.



SG.  
RS

## 17. INDEMNITIES

**Estina** indemnifies and shall keep the **Department** indemnified at all times against all losses sustained by the **Department** in consequence of -

17.1 any -

17.1.1 loss of or damage to property;

17.1.2 breach of a statutory duty arising under any applicable Law;

17.1.3 claim for or in respect of the death or personal injury of any individual; or

17.1.4 other claim, action, charge, cost, demand or expense,

(including, without limitation, any legal fees or costs) arising in connection with the performance or non-performance of any of the obligations, save to the extent caused by the gross negligence or wilful misconduct of the **Department** or by a breach by the **Department** of an express provision of this Agreement that is directly linked to the loss; or

17.2 any breach by **Estina** of any warranties given by it in this Agreement.

## 18. CONTRACT MANAGEMENT

Both Parties shall nominate and appoint Contract Managers from time to time by written notification of their appointment to the other Party to facilitate the implementation of the agreement.

## 19. MISCELLANEOUS

19.1 Save as expressly permitted hereunder, a Party shall not, without the prior written approval of the other Party, which shall not be unreasonably withheld, assign, cede, delegate, transfer or otherwise dispose of any right or obligation under this Agreement to any other person.



Handwritten signatures and initials: *SG*, *ESD*, and *RS*.

- 19.2 Estina shall not subcontract with any person for the carrying out of any of its obligations under this Agreement, without, in each case, the prior written consent of the Department, which consent shall not be unreasonably withheld or delayed.
- 19.3 This Agreement shall be governed by and construed in accordance with the laws of the Republic of South Africa. Each Party agrees that the Free State High Court of South Africa shall have exclusive jurisdiction to hear and decide any application, action, suit, proceeding or dispute in connection with this Agreement, and irrevocably submits to the jurisdiction of the Free State High Court, Bloemfontein.
- 19.4 No provision of this Agreement including, without limitation, the provisions of this clause may be amended, substituted or otherwise varied, and no provision may be added to or incorporated in this Agreement, except (in any such case) by an agreement in writing signed by the duly authorised representatives of the Parties.
- 19.5 Any relaxation, indulgence or delay (together "Indulgence") by either Party in exercising, or any failure by either Party to exercise, any right under this Agreement shall not be construed as a waiver of that right and shall not affect the ability of that Party subsequently to exercise that right or to pursue any remedy, nor shall any Indulgence constitute a waiver of any other right (whether against that Party or any other person).
- 19.6 Except where expressly provided to the contrary in this Agreement, this Agreement constitutes the entire agreement between the Parties in connection with its subject matter and supersedes all prior representations, communications, negotiations, understandings and agreements concerning the subject matter of this Agreement.
- 19.7 This Agreement may be executed in any number of identical counterparts, all of which when taken together shall constitute one agreement. Any single counterpart or a set of counterparts taken together which, in either case, are executed by the Parties shall constitute a full original of this Agreement for all purposes.
- 19.8 All notices and any other communications whatsoever (including, without limitation, any approval, consent, demand, query or request) by either Party in terms of this Agreement or relating to it shall be given in writing and sent by registered post, or delivered by hand, or transmitted by facsimile or electronic mail to the recipient Party at its relevant address set out below:



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SSD RS



19.8.1 the Department, at:

Address: Building No 4  
Glen Agricultural College  
Gielle Joubert Street  
Glen  
Postal address: PO BOX 01 Glen, 9360  
Facsimile number: 051 861 8454  
Marked for the attention of: The Head of Department

19.8.2 Estina, at:

Address: Block A, 1<sup>st</sup> Floor, Grayston Ridge, 144 Katherine Street Sandton  
Postal address: BLOCK A, 1<sup>ST</sup> FLOOR, GRAYSTON RIDGE  
144 KATHERINE STREET, SANDTON  
Facsimile number: 086 733 0022  
Marked for the attention of: Managing Director

19.9 Either Party may, by written notice to the other Party, change any of the addresses at which, or the designated person for whose attention those notices or other communications are to be given.

19.10 Any notice or other communication given by any Party to the other Party which –

19.10.1 is sent by registered post to the addressee at its specified address shall be rebuttably presumed to have been received by the addressee on the 7th (SEVENTH) day after the date of posting; or

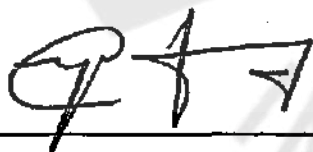
19.10.2 is delivered by hand during the normal business hours of the addressee at its specified address shall be rebuttably presumed to have been received by the addressee at the time of delivery; or



*Handwritten signature and initials: F, SG, RS*

- 19.10.3 is transmitted by facsimile copier to the addressee at the addressee's specified facsimile number shall be rebuttably presumed to have been received by the addressee on the date of transmission as indicated on the sender's facsimile transmission report; or
- 19.10.4 is transmitted by electronic mail to the addressee at the addressee's specified electronic mail address shall be rebuttably presumed to have received by the addressee on the date of transmission as reflected on the sender's electronic mail records.
- 19.11 The Parties choose their respective physical addresses in clause 19.8 as their respective *domicilia citandi et executandi* at which all documents relating to any legal proceedings to which they are a party may be served. If that address is changed to another address which is not a physical address in the Republic of South Africa, then the original address shall remain the *domicilium citandi et executandi* of the relevant Party until it nominates a new physical address within the Republic of South Africa in writing, to be its new *domicilium citandi et executandi*.
- 19.12 Each Party shall be responsible for paying its own costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement.
- 19.13 Nothing in this Agreement shall be construed as creating a partnership or a contract of employment between Estina and the Department. Save as expressly provided for in this Agreement, Estina will not be, or deemed to be, an agent of the Department and Estina shall not hold itself out as having authority or power to bind the Department in anyway.

Thus done and signed at Bloemfontein on this 05 day of July  
2012.....



THE HEAD OF DEPARTMENT

Name: Mr Peter Thabethe



WITNESS

Name in print: SS Shlamin



Thus done and signed at BLOEMFONTEIN on this 5<sup>TH</sup> day of JULY  
2012

S. Gautam

R. J. Sharma .

ESTINA

WITNESS

MANAGING DIRECTOR

Name in print: R. J. Sharma .

Sanjeev Gautam


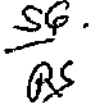


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**ANNEXURE A: OBLIGATION FOR FIRST PHASE**

Id	Tasks
1	Land acquisition
2	Environmental Impact Assessment
3	Feasibility study
4	Water reticulation
5	Electricity connections
6	Include identified beneficiaries in AGRIBEE entity
7	Set up of AGRIBEE entity and clarify roles of stakeholders (Department, AGRIBEE entity and Estina)
8	Draw a project plan in line with Estina Proposals which must have milestones and timelines for phase 2 as approved by Department
9	Determine the dates for capital injection by Estina



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**ANNEXURE B  
ESTINA PROPOSAL**



*[Handwritten signature]* *[Handwritten initials SF/RS]*



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**FREE STATE HIGH COURT, BLOEMFONTEIN**  
**REPUBLIC OF SOUTH AFRICA**

**CASE NO:**

In the *ex parte* application of:

**The National Director of Public Prosecutions      APPLICANT**

*In re: an application in terms of Section 38 of the Prevention of Organised Crime Act,  
No.121 of 1998 concerning certain property listed in "Annexure A".*

**AFFIDAVIT**

I, the undersigned;

**SAMSON JOHN SCHALKWYK**

do hereby state under Oath and say;

1. The facts contained herein, unless otherwise stated or the context indicates otherwise, are within my personal knowledge and to the best of my belief true and correct.
2. I am a Senior Financial Investigator employed by the National Prosecuting Authority (NPA) at the Asset Forfeiture Unit (AFU) with offices situated at 1<sup>st</sup> Floor, Southern Life Building, 88 Joe Slovo Building, Durban, Kwazulu-Natal.



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- 3 I have a B-Tech In Policing as well as a Diploma in Criminal Justice and Financial Investigations.
- 4 My duties as a Financial Investigator involve financial and asset investigations with the view of supporting the institution of asset forfeiture proceedings as contemplated in Chapters 5 and 6 of Prevention of Organised Crime Act 121 of 1998 (POCA).
- 5 The said investigations include, amongst others, the following:
- 5.1. identifying and determining the value of property representing the proceeds and benefit from unlawful activity and crimes contemplated in Sections 26 read together with Section 18 of POCA; and
  - 5.2. identifying and determining property that was used and concerned as an instrumentality of an unlawful activity as contemplated in Sections 38 read together with Section 48 of POCA;
  - 5.3. examining and analysing of financial information including transactions with the view of determining the value of proceeds of crime and the benefit derived thereon; and
  - 5.4. assisting and supporting other Law Enforcement Agencies, namely various Units of the South African Police Services (SAPS) in conducting financial investigations in support criminal investigations and criminal prosecutions; and



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- 5.5. supporting the institution of Asset Forfeiture proceedings in terms of either Section 26 or 38 of POCA.

### INTRODUCTION

- 6 During the course of my duties on or about 2017, I received a copy of a docket registered as Park Road CAS 200/07/2017. I investigated several allegations relating to several procurement irregularities and related criminal offences of theft, fraud and corruption, committed against the Free State Department of Agriculture and Rural Development (the department).
- 7 The said irregularities and criminal offences were allegedly committed by several individuals including government officials and entities, including but not limited to Estina (Pty) Ltd (Estina) and its related entities.
- 8 My investigations in this regard were to determine the following;
- 8.1. the unlawful activity and related criminality;
  - 8.2. the prejudice suffered by the department;
  - 8.3. the value of the proceeds and benefit derived from the said unlawful activity and related criminal activities; and
  - 8.4. to support the institution of asset forfeiture proceedings for the recovery of the proceeds and benefit from crime.



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The Allegations

9. The allegations that were investigated can be summarized as follows:

- 9.1. that the department, in contravention of its procurement processes, had irregularly awarded a contract for the establishment and management of a certain project, known and referred to as the *"Vrede Dairy Project"*;
- 9.2. the awarding of the said contract was preceded by the several irregularities and unlawful conduct, namely the deliberate and unlawful circumvention of the department's Supply Chain Management ("SCM") processes as well as the fraudulent misrepresentations;
- 9.3. that a result of the aforesaid irregularities and fraudulent misrepresentations, the department paid excessive amounts of monies to Estina and its related persons and entities, in respect of goods and or services that were never rendered;
- 9.4. that several substantial transactions including payments representing fraudulent payments and proceed of an unlawful activities were made to and on behalf of several entities and individuals.



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9.5. that as a result the department suffered financial prejudice in the amount of R220 202 652-00.

### **BACKGROUND**

- 10 On or about 2012, the department launched a provincial intervention, known and referred to as the *Mohoma Mobung*, which was aimed at the revitalizing the agricultural sector in the Province through investment in several agricultural initiatives.
- 11 On or about the same date 2012 the Free State Provincial Government, purporting to act in line with the *Mohoma Mobung Strategy*, identified the need for the establishment of a dairy project in Vrede area in the Phumulela local Municipality in the Free State Province.
- 12 The *Vrede Dairy Project* was identified as a flagship project that was intended for the upliftment of the Vrede community through sustainable job creation opportunities.
- 13 Pursuant to the said project and on or about April 2012, Estina submitted a business proposal for the establishment and management of the Vrede Dairy Project.
- 14 On or about 5 July 2012, the department submitted a request for the approval to accept Estina's business proposal and to enter into a Memorandum of Agreement with Estina for the establishment and management of the said Project.



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- 15 On the same date 5 July 2012 as the request for approval, the department appointed Estina and entered into a Memorandum of Agreement for the establishment and management of the *Vrede Dairy Project*.
- 16 Based on the abovementioned Agreement and arrangement and over a 29 months period commencing 18 April 2013 to 5 May 2016, the department paid Estina a total of R R220 202 652-00 in respect of services purportedly rendered and, or goods delivered for the establishment and management of the *Vrede Dairy Project*.
- 17 Despite the above arrangement, the Vrede Dairy Project never took off. The envisaged activities and operations never materialized to achieve the project's intended purpose and objective. A substantial portion of the funds were diverted and misappropriated and were never used for the project.
- 18 The abovementioned allegations have since become the subject of numerous investigations by several agencies such as the National Treasury, The Office of the Public Protector, the Financial Intelligence Centre (FIC) the Companies and Intellectual and Property Commission (CIPC) and the Directorate for Priority Crimes Investigations (DPCI) amongst others .The said allegations have further been the subject in various media platforms, both the print media in the form of several newspaper articles and as well as electronic media.



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**INVESTIGATIONS**

- 19 During the course of investigations, I had regard to and perused several documents and records including forensic investigation reports and articles relating to the aforementioned allegations and subject matter.
- 20 I shall now deal, in detail, with my investigations of the events and circumstances leading to the following;
- 20.1. the Vrede Dairy project being identified as a flagship project;
  - 20.2. the appointment of Estina as the service provider to establish and manage the Vrede Dairy Project; and
  - 20.3. the payments made to Estina in respect of the Vrede Dairy Project and the goods
  - 20.4. delivered and or services rendered to or on behalf of Estina.
- 21 I shall now set out hereunder my investigations and the findings thereof. I make mention, as will appear more fully hereunder, that the findings of my investigations include and incorporate information and documents used and referred to in other enquiries and investigations by the respective agencies referred to in paragraph 18 above.

**Investigations by National Treasury**

- 22.1. On or about August 2013, the National Treasury commissioned an investigation to determine the nature and extent of the aforementioned



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allegations. ENS Forensics (ENS) was appointed to assist in the said investigations.

22.2 I attach hereto marked, "SJS 1", a forensic Report by ENS which he sets out the factual findings of the said investigations.

#### The Vrede Dairy Project

23 As will appear from the paragraphs 1 and 2 of the ENS report (Executive Summary) the department played an instrumental role in identifying the Vrede Dairy Project as a flagship project.

24 On or about March 2012 a certain Mbana Peter Thabethe (Thabethe) was appointed as the department's HoD.

25 The said Thabethe was tasked to establish and oversee the execution of the Vrede Dairy Project.

26 Thabethe identified the Vrede Dairy Project as a flagship project.

#### Interview with Thabethe

27 Thabethe was interviewed and requested to explain the circumstances under which the department identified the Vrede Dairy Project and the process that was followed in appointing Estina as the service provider for the establishment and management of the Vrede Dairy Project.

28 His account of events can be briefly summarized as follows;



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- 28.1 that shortly after his appointment, he became aware of a report compiled by the National Agricultural and Marketing Council (NAMC) highlighting amongst others, that the Free State Province was ranked second in terms of its suitability in dairy farming and that there was a decrease in the numbers of dairy farmers nationally;
- 28.2 that the department saw an opportunity of the province becoming a large player in the dairy industry if it found the correct location as it would benefit from the proximity of Kwazulu Natal and Mpumalanga Provinces, the idea being that KZN and Mpumalanga could assist with their dairy industries or processing of milk.
- 28.3 that he conducted research on the dairy industry and identified India, Germany and Sweden as suitable partner countries and that he subsequently discounted Germany and Sweden because they were first world countries and were too advanced;
- 28.4 that he chose India because it has similar economic conditions to South Africa and he was impressed by Paras Dairy, an Indian company producing dairy products, because it collected milk from local producers and then processed it profitably;
- 28.5 that on or about March 2012, shortly after his appointment as the department's HoD, he visited India on a fact finding mission where he visited the Paras Dairy. Paras made a presentation to him and further expressed an interest in becoming involved in South Africa;



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28.6 that the presentation provided to him by Paras Dairy forms part of the presentation he made to the Free State Provincial Executive Committee;

28.7 that on or about 24 April 2012 the representatives of Paras accompanied by representatives of Estina visited the department to meet with the department's senior officials to present a joint presentation of the proposal, to the department; and

28.8 that he was assured by Paras's CEO during his visit in South Africa, that the alleged business relationship between Estina and Paras existed.

*Pages 7 to 10, paragraphs 2.2.1 to 2.2.13 of the report.*

29 As will appear from paragraphs 2.2.7, Thabethe was requested to provide supporting documentation to the research he conducted in identifying a suitable partner. He was unable to provide such documents, instead, he indicated that he conducted research on the Internet and could provide the website addresses he had accessed during his research. Despite the said request, he failed to do so.

*Page 8, paragraph 2.2.7 of the ENS report.*

30 Thabethe was further requested to provide proof that Paras were part of the joint presentation, during the visit. Despite his undertaking that he would provide such proof, Thabethe failed to provide the required proof.



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31 As is further evident from paragraph 2.2.15 of the report Thabethe was further requested to provide the details of the Para's CEO, who was allegedly part of the team that presented the proposal to the department in South Africa. Again, despite his undertaking to do so, he failed to provide such details.

**Page 10, paragraph 2.2.15 of the ENS report**

**Estina's Business Proposals**

32 From the body of documents obtained from the investigations, there appears to be at least three documents that purported to be Estina or Para's business proposals. Pages 10 – 11, paragraphs 2.2.14 and 2.2.16 of the ENS report. (Exhibit 4, 5 and 6 of the ENS report)

**Exhibit 4 of the ENS Report**

33 I provide hereunder a brief description of the some of the contents and features of the said documents, as follows;

33.1 the cover page is, titled "Vision and Mission" states, amongst others the following;

- "Our Vision is to create a large scale integrated self- sustainable Dairy Project in the Free State Province to benefit black farmers;
- Our mission is to build a self- sustainable business model that will;
- Open up employment opportunities for black farmers at grass- roots level; and
- Fuel economic growth in the Province.



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- *We are committed to our values of Trust, Honesty and Integrity as the core of our approach to business.*

33.2 The second page, titled *"Company Profile"* contains, amongst others, the following representations;

- In operation since 1960 – 51 years of experience;
- one of the leading milk processing plants in India
- biggest private milk processors in India; and
- **Estina** is the local representative company which has been appointed by Paras to engage with the department on the Vrede Project.

34 The tenth page is titled *"Vrede Dairy Project – High Level Outline"* states amongst others, the following;

- **"Dairy Infrastructure"**
- **Land – identified at Vrede**
- **Cattle – 500 cattle / Dairy Cows to be donated;**
- **Infrastructure – Dairy Parlour/Feed Storage/feedlot land cultivation for feed.**

### 35 **Community Dairy**

- Identify 100 members of the Community who will receive 5 cows each.
- Community milking centres to be set up with easy access to members;
- Members will have access to feed, Vet services and Training;
- Members will be paid for milk from the cows donated to them.



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### 36 Processing Plant

- *State of the Art ISO 9001 – 2000 and HACCP Certified Facility to be set up.*
- *Initial Processing capacity of 100 000 litres per day;*
- *Initial targeted milk intake of 40 000 litres per day.*
- *Products to include liquid milk, Cheese and other products.*

### 37 Product Marketing & Sales

- 37.1 *Products will be marketed "Mohoma Mobung"*
- 37.2 *Aggressive marketing campaigns using celebrities and Sports icons as brand ambassadors.*
- 37.3 *Supply of bulk milk to hospitals and UHT Milk to schools.*

38 The fourteenth page, titled *Management & Financial Model – High* states amongst others, the following representations;

#### 38.1 Management

- *the shareholding company will be structured according to the Agr-BEE stipulated by government.*
- *Estina will be responsible for project implementation.*
- *Estina/ Paras will also be responsible for the operational management of the project during its life cycle.*



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**39 Deployment Model**

- *It is envisaged that the project will be split into two phases.*
- *Phase 1 will involve the deployment of the Dairy & Community Dairy Projects and it is expected to be complete within 1 year of commencement.*
- *Phase 2 will involve the deployment of the processing plant and is expected to be complete within 2 years of commencement;*

**40 Financial Model**

- *The total cost of the project is estimated at R500 million;*
- *The initial investment for the establishment of the Dairy will be through government funding;*
- *The investment for the establishment of the processing plant will be funded by Estina/Para.*
- *Government is requested to commit financially on the operations of the Dairy over a period of 5 years.*

**41 Exhibit 5 of the Report**

- 41.1 The contents of the said documents are identical and can be summarized as follows;
- 41.2 Paragraph 1 of the said document, titled *Preamble* contains, amongst others the following representations;
- 41.3 *"The Department of Agriculture and Rural Development, in line with the vision of the "Mohoma Mobung" Initiative, has identified the implementation of a Dairy Project in Vrede as its flagship Project.*



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41.4 To this end the DOA has recently commissioned a detailed study which validates the implementation of such project.

41.5 The DOA subsequently commissioned a high level team to visit India, the largest milk producer in the world, to explore the possibilities of attracting investments in this area;

41.6 The department met with PARAS Dairy, the largest private milk producer in India and have agreed in principle to work with them on this prestigious project;

42 Paragraph 2 Titled the "Executive Summary" states, amongst others, the following;

42.1 Estina Pty Ltd is proud to inform the Department of Agriculture and Rural Development that it has signed a Memorandum of Understanding with Paras Dairy, the largest private milk producer in India, to deply a flagship project in Vrede.

42.2 The agreement covers setting up of dairy plants to produce milk and related dairy products in South Africa.

43 Paragraph 4, titled "Detailed Project costing for a large scale Dairy Unit" provides for what appears to be a detailed projected costing for the dairy plant, which states amongst others, that R500 million for capital injection/IP/Equipment



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would be sourced from Estina/ Paras and R500 Million in grants would be sourced over a five year period from the department.

44 Paragraph 6 titled *Business Model*, states, amongst others, the following;

44.1 *"In line with the Agri BEE business norms stipulated by government, Estina proposes that a new Special Purpose Vehicle (SPV) be created in which Estina will hold 49% shares while the remaining 51% shares will be distributed to at least three selected Grant recipients.*

44.2 *Estina will provide the required capital injection as well as the technical know how, which will be provided by Paras.*

44.3 *Estina will endeavour to fund the entire project itself and is requesting government to commit to an annual grant of R100 million per year for five years to ensure that the project remains sustainable and commercially viable".*

44.4 While the aforementioned documents are identical, there were some notable differences in some of the aspects of the contents and they are as follows;

44.5 **Exhibit 4 of the ENS Report states the proposed budget as is R500 million (excluding VAT) and R570 million (including VAT), further stating that the department is responsible for contributing R342 million to the project and Estina R228 million.**



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44.6 Exhibit 5 of the ENS Report was signed by one Sanjeev Gautem (Gautem) and dated 15 June 2012 while the annexure Exhibit 6) unsigned and undated.

44.7 Exhibit 6 of the ENS Report states that both the department and Estina are responsible for sourcing a budget of R500 million per entity.

45 On or about 5 July 2012 and pursuant to one or more of Estina's aforementioned proposals the department submitted, to the Executive Council, a request for the approval to accept Estina's proposal for the establishment and management of Vrede Dairy Project. I shall now briefly deal hereunder with the salient aspects of the said document.

46 The first page of the said document is titled *"Approval to accept the Proposal for the establishment of Integrated DAIRY in Vrede from Estina"*. Paragraph 1 of the said document titled *"Purpose"* states amongst others, the following;

46.1 *"The purpose is to obtain approval from Head of the Department to;*

46.2 *accept the proposal from Estina/Paras with regard to the establishment of Integrated Dairy in Vrede; and*

46.3 *enter into an Memorandum of Agreement with Estina/Paras to implement the Integrated dairy project in Vrede*

47 Paragraph 2 titled *Background* states amongst others, the following;

47.1 *"The department has introduced "Mohoma Mobung Strategy" and "zero hunger"strategy. Therefore the identified and*



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prioritised projects have been carefully analysed and selected to contribute to the Mophma Mobung strategy. In line with the value adding approach, the department has identified Thabo Mofutsanyane as a dairy hub. Vrede integrated Dairy project was identified and accepted a multi year mega project that will contribute to income generation, decent job creation and the creation of on and off farm agri-business and value chain enterprises.

47.2 The department in consultation with Estina/Paras have identified 4,400 hectares of Municipality land in Vrede as the general location where the project can be suitably established. The Municipality have agreed to avail the land for implementation of the project. The PARAS is the largest private milk producer in India and have the technical know-how and has agreed to work with the department.

47.3 PARAS's involvement in milk industry will improve productivity locally, provincially, nationally and internationally. It is against this background that the department is seeking to enter into a Memorandum of Agreement with ESTINA/PARAS. ESTINA/PARAS will be responsible for the project implementation and operational management of the project during its life cycle..."



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48 Paragraph 4, titled *Financial Implication* states amongst others, the following;

48.1 *The department has set aside R30 million under Mohoma Mobung in the financial year 2012/13 for this initiative. The intended period of completion of this initiative is over a period of three years."*

**Page 19 paragraph 2.2.40 Exhibit 12 of ENS Report**

49 As will appear from Paragraph 8 of the said document, a recommendation was made to accept Estina/Paras proposal for the establishment of the dairy project and to further enter into a Memorandum of Agreement.

49.1 On 27 May 2012, Thabethe addressed an acceptance letter to Gautem wherein he advises the said Gautem that the department has accepted Estina's proposal subject to signing of a partnership agreement.

**Page 14, paragraph 2.2.20 of the ENS report (Exhibit 7)**

**Agreements entered into between the Department and Estina**

50 From the body of documents gathered during the course of the investigations, several documents purporting to be agreements between the department and Estina were identified and obtained. I shall deal with hereunder the said agreements.



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Partnership Agreement dated 5 June 2015

51 On or about 5 June 2012, the department concluded a partnership agreement. I shall briefly deal with the said agreement and the essence of the contents thereof.

51.1 The said agreement is titled *"A Partnership Agreement between the Department of Agriculture and Estina in relation to the Implementation of a Dairy Project at Vrede, through a Special Purpose Vehicle (SPV) created to fulfil stipulated Agri BEE business norms, called Zayna Investment PTY Ltd Trading as Mohoma Mobung Dairy Project (MMDP).*

52 The Preamble part of the agreement, titled. "Whereas" amongst others, the following: "Whereas:

52.1 The Department requires the provision of certain services for the purposes of implementing a Dairy Project at Vrede ("the services").

52.2 Estina have proposed an Agri BEE business model to the Department for the proposed Dairy Project wherein a new entity titled Mohoma Mobung Dairy Project (MMDP) will be formed, with Estina holding 49% and the Department 51% shares in MMDP).

52.3 "Estina will function as the Implementing Agent (IA) for MMDP and will also manage the operations of the project until the project becomes self-sustainable.



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52.4 *The IA has fully informed itself on all aspects of the work required to be performed and has submitted a commercial proposal to the Department dated May 15 2012.*

52.5 *The Department has agreed and accept Estina's offer dated 15 May 2012 for the implementing agent to execute the Project for the benefit of the Department upon the terms and conditions contained in this Agreement."*

*Page 14 para 2.2.21 of the report. (Exhibit 8)*

53 *Paragraph 2 of the titled, "Provision of Services" states amongst others, the following;*

53.1 *"That the IA shall execute the project in accordance with and as described in item A of Schedule 1 at a high standard of industry practice and to the satisfaction of DoA (the Department).*

53.2 *"The Implementing Agent warrants that, it, its Agents and subcontractors have the necessary expertise, experience, capacity and facilities required to perform its obligations and responsibilities in accordance with this Agreement and will use care and due diligence in the performance of the Services".*

54 *"Schedule 1 attached to the said agreement is" titled "Obligations and Services" to be performed. Part A of the said document sets out Services to be performed as follows;*



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**54.1 "Setting up of an Integrated Dairy Project at Vrede in the Free State Province under the Mohoma Mobung Initiative at a total project cost of R570 million as outlined in the commercial proposal of the implementing Agent.**

**54.2 Setting up of a BEE business as per the Agri BEE Business norms stipulated by the Government called Zayna Investment Pty Ltd, trading as Mohoma Mobung Dairy Project to be the beneficiary of the grants envisioned in this Agreement".**

**54.3 Phased Investment of R228 million (the Implementing Agent) in the Project based on a total projected investment of R570 Million (Rands Five hundred and seventy million) including VAT; and**

**54.4 Phased implementation of the above Dairy Project based on an initial Grant of R30 000 000 (Rands Thirty million) by the department and a total Grant of R342m (Rands Three hundred and forty two million) including VAT over a period of between two to three years.**

**55 Part B identifies the high level outcomes as follows;**

**55.1 Procure and facilitate the distribution of Cows to members of the community who will be identified by the Department.**

**55.2 Procure and set up a Dairy farm at the location in Vrede identified by the Department;**



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55.3 *setting up milk procurement centers at various district levels to enable creation of a procurement base for milk producers and farmers;*

55.4 *the processing of raw milk collected at the Centres into packaged milk and other indigenous products such as clarified butter, Yogurt, cheese etc.*

56 **Section D, titled Fees, Allowances and Assistance, state as, amongst others, the following;**

56.1 **Grant** *The grant payable to the beneficiary, Mohoma Mobung Dairy Project, by the Department shall be based on the Commercial proposal submitted by the Implementing Agent.*

56.2 **Payment Terms** *Transfer against the initial grant amount for the kick start of the project, amounting to R30 000 000.00 (Rands Thirty million only) including VAT will be made by the Department to the Implementing Agent as an advance upon signing of this Agreement.*

57 *The balance of the Initial Grant amount will be made to the beneficiary, Mohoma Mobung Dairy Project and will be within 30 days of completion of the monthly Project milestone and sign off by the Project Office.*



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**Total Grant Payable under Contract**

58 *The total amount payable to the beneficiary under this Agreement over a two to three year period shall not exceed R342 000,000.00 (Three hundred and forty two million Rands only) including VAT will be made by the Department to the Implementing Agent as an advance upon signing of this Agreement.*

59 *The initial grant amount for the first year of operation shall not exceed R114, 000 000-00 (One hundred and fourteen million Rands only) including VAT.*

**Payment Arrangements**

60 *Both, the Implementing Agent and the beneficiary will open individual dedicated bank accounts for payments related to this project and will intimate the same to the Department.*

61 *The initial transfer payment of R30 000,000.00 (Thirty million Rands only) shall be paid to the account of the Implementing Agent Estina Pty Ltd.*

61.1 *The said agreement was signed by Gautem on 5 June 2012 on behalf of Estina and by Thabethe on 7 June 2012 on behalf of the department.*

**Agreement dated 5 July 2012**

62 *On 5 July 2012, the department entered into an agreement with Estina for the establishment and management of the Vrede Dairy Project. I shall now briefly deal with the salient features and contents of the said agreement.*

62.1 *Paragraph 2 titled Recordal, states amongst others, the following;*



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*It is recorded that;*

**62.1.1** *"The Department has met with Paras Dairy, the largest milk producer in India who have the technical know how and has the rights to internationally brand names and has agreed to work with the department".*

**62.1.2** *"Estina is the counterpart of Paras Dairy in South Africa and is therefore sole provider who can execute the project."*

**62.1.3** *"Estina is willing and able to execute the project (as defined in clause 3.1 hereunder) and has the necessary experience and expertise in connection herewith".*

**63** *Paragraph 6 titled Obligations of Estina, states amongst others, the following;*

**63.1** *"Estina shall in Phase 1, perform the obligations mentioned in Annexure A by 31 December 2012. (Para 6.1).*

**63.2** *"Estina shall provide a capital injection of R228 000 000 000 (South African currency". (Para 6.2).*

**63.3** *"Estina ensure that the beneficiaries own 51% of the Agri BEE entity, the remaining shares belongs to Estina....) (Para 6.3).*

**64** *Paragraph 8, titled, Warranties states amongst others, the following;*

*"Estina warrants that-*

**64.1** *it is the counterpart of Paras and the sole provider for the services in the Project. (Para 8.1.1).*



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64.2 "it has the necessary resources, skills, expertise and experience to carry out the obligations in terms of this Agreement and will use reasonable care and skill in the execution of the same under this Agreement." (Para 8.1.4).

65 Paragraph 13, titled *Payment*, states, amongst others, the following:

*"The Department shall make payment as follows;*

66.1 "to Estina an initial amount of R30 million to execute Phase 1 as set out in Annexure A on signature of the last party." (Para 13.1).

66.2 "on certification that Annexure A has materially been complied with, as well as completion of milestones by Estina as set out in the Project Plan: Provided that advance payments may be made to Estina on properly motivated requests as approved by the department." (Para 13.2).

66.3 The money payable by the department during the term of this Agreement shall not exceed the amount of R 342 million including Value Added Tax (VAT) over a period of three years. To avoid doubt, the total amount of the invoices submitted throughout the terms of this Agreement shall not exceed the aforementioned amount". (Para 13.2).

65.4 This agreement was dated 5 July 2012 and signed by Thabethe on behalf of the department and by Gautam on behalf of Estina.  
*Page 16 - 17 paragraph 2.2.30 of the ENS (Exhibit 11)*

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**ESTINA PTY LTD (Registration Number 2008/015033/07)**

- 66 According to the CIPC ESTINA was a registered on 24 June 2008 with its registered business address at 4 Oak Court, Caledon Street, Somerset West, 7129. One Anthony Last was the sole Director and director therein and the entity's core business was stated as *Business Consultant*. On or about 1 August 2008 the said Anthony Last resigned as Director.
- 67 As at that date (1 August 2008) Kamal Vasram, Id No.79062551 78080 (Vasram) assumed the sole Directorship in Estina and on or about 31 March 2011 its registered business address was changed to 111 Shimbali Sands, Sunninghill, Johannesburg 2157. I have enquired and established that prior to assuming Directorship in Estina, Vasram was the retail sales manager at Sahara Computers. I further established that he had no farming and or agricultural experience.
- 68 On or about 19 October 2012, Estina's core business was changed to *Agriculture, farming and related activities* and its registered business address and the registered business address changed to 144 Katherine Street, Block A 1<sup>st</sup> Floor, Grayston Ridge Office Park, Sandton, 2146.
- 69 On or about 1 July 2015 Vasram resigned as the director and one Soo Young Jeon (Jeon) was appointed as the sole Director therein.
- 70 On or about 4 May 2017, Estina went into applied for Voluntary Liquidation. In their statement of declaration of their Statement of Affairs, they declared as follows; that their liabilities exceed their assets by R34 200.



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- 70.1 that their total assets were R10 000
- 70.2 that their total liabilities were R34 200; and
- 70.3 that their liabilities were R24 100 in excess of their assets.

71 In support of the above I attach hereto marked **SJS 2**, records obtained from CIPC.

#### **PAYMENTS MADE TO ESTINA**

72 Pursuant to the aforementioned agreements entered into by the department and Estina for the establishment and management of the Vrede Dairy Project, the department, over a 29 month period, commencing April 2013 and ending on 18 May 2016, made 7 payments to the total amount of R220 202 652.00 to Estina.

73 The said payments were made into Estina's two bank accounts as follows:

- 73.1 the total amount of R106 252 652.00 to the First National Bank account number 62505753906
- 73.2 the amount of R113 950 000.00 to Standard Bank account number 3100664860.

#### **THE PROCUREMENT OF GOODS AND SERVICES**

74 The procurement of goods and services in government is governed by procurement framework regulated by the *Section 217 (1) Constitution of the Republic of South Africa Act 108 of 1996 (The Constitution), Public Finance Management Act PFMA Act 1 of 1999 (the PFM), Treasury regulations and related prescripts, policies and procedures.*



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Section 217 of the Constitution

75 Section 217(1) of the Constitution of the Republic of South Africa Act 108 of 1996 (the Constitution), which states "when an organ of state in national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective".

PFMA

- 76 In terms of Section 3(1), read with the definitions in Section 1 of the Public Finance Management Act 1 of 1999 (the PFMA), this Act applies to all national and provincial government departments. The PFMA applies concerning the determination of a framework for an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective. This is to ensure that Government receives value for money in any procurement process.
- 77 In terms of Section 79 of the PFMA, the National Treasury may on good grounds approve a departure from a treasury regulation or instruction or any condition imposed in terms of the PFMA relating to the procurement process and must promptly inform the Auditor-General in writing when it does so. The relevant department may therefore not on its own deviate from the Treasury regulations or instruction notes.



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Treasury Regulations

78 In terms of Treasury Regulation 16A6.1 promulgated in Government Gazette number 27388, which came into effect on 15 March 2005, procurement of goods and services, either by way of quotations or through a competitive bidding processes, must be within the threshold values as determined by the National Treasury.

79 In terms of Treasury Regulation 16A6.3 (d), which also entered into effect on 15 March 2005, the accounting officer must ensure that awards of contracts/tenders made subsequent to advertising are published in the *Government Tender Bulletin* and in the media where the bids were originally advertised.

80 Regulation 16A.8 sets out the ethical standards which must be complied with by all officials and role players in the Supply Chain Management System. *Inter alia*, the regulation requires that conflicts of interests be disclosed, that all suppliers be treated equally and that official positions are not to be used for private gain or to improperly benefit other persons.

81 My enquiries regarding the normal procedure for the procurement of goods and services revealed that the following;

81.1 **Identification of the Need:** The process is preceded by the identification of the need to procure such goods or services. In this regard a proper assessment including a feasibility study is undertaken to determine the nature and extent of the required goods and services.



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- 81.2 **Bid Specification:** The next step would be to determine the nature and extent of the goods and services required. In this regard the type, quantity and quality of the required goods are determined.
- 81.3 **Invitation for bids:** Once the nature of goods and or services required has been established, invitation is extended to prospective bidders to submit their respective bids. The purpose of this is to test the market for competitive bids.
- 81.4 **Evaluation of bids:** Once the bids are received a process for evaluation of the said bids will be undertaken to determine the most competitive bid to ensure value for money.

#### Interview with Levy Moshoele

- 82 I interviewed and obtained an affidavit of Mr. Levy Moshoele (Moshoele) relating to the procurement of goods and services by state institutions and departments. Moshoele is the Director: Internal Control Systems Audit employed by the Department of National Treasury (National Treasury).
- 83 Moshoele sets out in detail the Supply Chain Management (SCM) procurement framework, policies and prescripts relating to the procurement of goods and services both at Provincial and National Government. An affidavit by Moshoele is attached hereto and marked as annexure SJS 3.
- 84 I shall now briefly deal with the contents of Moshoele's affidavit which provides a brief framework of government procurement processes and Supply Chain Management.



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- 85 Practice Note number 2 of 2005 was issued pursuant to Treasury Regulation 16A6.1. It lays down the financial threshold for the invitation of bids. This Practice provides the practice was issued and came into effect on 10 May 2005. The Practice Note stated that accounting officers/authorities should apply the following threshold values when procuring goods and services, hiring or letting anything, acquiring or granting any right or disposing of movable state property.
- 86 Above the estimated value of R200 000 (VAT included), Accounting Officers had to invite competitive bids. The bids had to be advertised in the *Government Tender Bulletin*. Should an Accounting Officer deem it necessary to ensure greater exposure to potential bidders, then in addition use should be made also of other appropriate media. This would justify advertising in the national media in appropriate circumstances.
- 87 Should it be impractical to invite competitive bids for specific procurement, e.g. in urgent or emergency cases or in case of a sole supplier, the Accounting Officer could procure the required goods and service by other means, such as price quotation or negotiations. The reasons for deviating from inviting competitive bids should be recorded and approved by the Accounting Officer or his/her delegate. The obligation to obtain quotations or to conduct negotiations is to ensure that Government is not exploited by virtue of the sole supplier or other emergency.



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- 88 A list of prospective suppliers per commodity had to be compiled by the Accounting Officers inviting prospective suppliers to apply for evaluation and listing as prospective supplier. Once the list has been compiled per commodity, price quotations would be invited from that list. The invitation of price quotations from the compiled list of prospective suppliers per commodity should be done on a rotation basis in such a manner that ongoing competition amongst suppliers is promoted.
- 89 Goods, works or services may not deliberately be split into parts or items of lesser value merely for the sake of procuring the goods, works or services otherwise than through the prescribed procurement process. When determining transaction values, a requirement for goods, works or services consisting of different parts or items must as far as possible be treated and dealt with as prescribed.
- 90 The Practice Note referred to in paragraph 64.6 above provides that if it is impractical to invite competitive bids for specific procurement, then the required goods or services must be procured by means of price quotations or negotiations in accordance with the above Treasury Regulation. It is important to note that although the Practice Note permits the accounting officer to lower the thresholds, it specifically prohibits the increasing of the thresholds. Finally, it is also crucial to note that Accounting Officers are required to report progress in the implementation of Supply Chain Management on a monthly basis on the award of all bids above the value of R100 000 (VAT included). These reports had to be submitted to the Directorate: Norms & Standards at National Treasury.



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91 Section 16.3.1 of the Treasury regulation provides that as soon as the institution identifies a project that may be concluded as a Public Private Partnership (PPP), the accounting officer or accounting authority must in writing-

- 91.1 register the PPP with the relevant treasury;
- 91.2 inform the relevant treasury of the expertise within that institution to proceed with a PPP;
- 91.3 appoint a project officer from within or outside the institution; and
- 91.4 appoint a transaction advisor if the relevant treasury so requests.

92 Section 16.4.1 of the Treasury regulation provides that in order in to determine whether the proposed PPP is in the best interests of an institution, the accounting officer or the accounting authority of that institution must undertake a feasibility study that-

93 explains the strategic and operational benefits of the proposed PPP for the institution in terms of its strategic objectives and government policy;

- 93.1 describes in specific terms in the case of a PPP involving the performance of an institutional function, the nature of the institutional function concerned and the extent to which this institutional function, both legally and by nature, may be performed by a private party; and



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93.2 in the case of a PPP involving the use of state property, a description of the state property concerned, the uses, if any, to which such state property has been subject prior to the registration of the proposed PPP and a description of the types of use that a private party may legally subject such state property to;

93.3 in relation to a PPP pursuant to which an institution will incur any financial commitments, demonstrates the affordability of the PPP for the institution;

93.4 sets out the proposed allocation of financial, technical and operational risks between the institution and the private party;

93.5 demonstrates the anticipated value for money to be achieved by the PPP; and

93.6 explains the capacity of the institution to procure, implement, manage, enforce, monitor and report on the PPP

94 Section 16.4.2 of the Treasury regulation provides that an institution may not proceed with the procurement phase of a PPP without prior written approval of the relevant treasury for the feasibility study.

95 Section 16.5.3 of the Treasury regulation provides that the procurement procedure –

95.1 must be in accordance with a system that is fair, equitable, transparent, competitive and cost-effective; and



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95.2 must include a preference for the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination in compliance with relevant legislation.

96 Section 16.5.4 of the Treasury regulation provides that after the evaluation of the bids, but prior to appointing the preferred bidder, the Institution must submit a report for approval by the relevant treasury, demonstrating how the criteria of affordability, value for money and substantial technical, operational and financial risk transfer were applied in the evaluation of the bids, demonstrating how these criteria were satisfied in the preferred bid and including any other information as required by the relevant treasury.

97 Section 16.6.1 of the Treasury regulation provides that after the procurement procedure has been concluded but before the accounting officer or accounting authority of an institution concludes a PPP agreement, that accounting officer or accounting authority must obtain approval from the relevant treasury –

97.1 that the PPP agreement meets the requirements of affordability, value for money and substantial technical, operational and financial risk transfer as approved in terms of regulation 16.4.2 or as revised in terms of regulation 16.4.4;

97.2 for a management plan that explains the capacity of the institution, and its proposed mechanisms and procedures, to effectively implement, manage, enforce, monitor and report on the PPP; and



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97.3 that a satisfactory due diligence including a legal due diligence has been completed in respect of the accounting officer or accounting authority and the proposed private party in relation to matters of their respective competence and capacity to enter into the PPP agreement.

**AFFIDAVIT BY THABETHE**

98 During the course of my investigations, I obtained a statement from Thabethe dated 10 August 2017, in his capacity as the HoD. In support hereof I attach a copy of Thabethe's affidavit marked as annexure SJS 4. A summary of Thabethe's affidavit is as follows:

98.1 During 2012 the department introduced the project namely "MOHUMA MOBUNG STRATEGY" (meaning plough in the soil), as an approach when implementing agricultural initiatives and "ZERO HUNGER STRATEGY". Projects were carefully selected to contribute to the "MOHUMA MOBUNG STRATEGY". The concept was to develop a dairy project in the Free State.

98.2 The Vrede Integrated Dairy Project was identified and accepted as a Multi-year mega project that will contribute to income generation.

98.3 Subsequent to the acceptance proposal he started the consultative process for investment opportunities with local farmers both black and white as intended by the department.



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- 98.4 In terms of their analysis India was identified as the highest milk producer.
- 98.5 During 29 February 2012 until 4 March 2012, Thabethe and Mr Narayana, an advisor to the office of the premier at the time, had taken a trip to India in an effort to conduct a research into how they produced milk. The trip was at the expense of the State.
- 98.6 Thabethe identified the company by the name of PARAS dairy upon where the research was going to be conducted. PARAS was identified through the aid of internet assistance.
- 98.7 Thabetha met the Chief Executive Officer of PARAS Dairy whose name will be divulged at a later stage and who explained the whole value chain of milk production in India.
- 98.8 After the trip to India, Mr Narayana went back to office of the Premier as he was not part of the team. He merely accompanied Thabethe to India.
- 98.9 Upon Thabetha's return from India, he developed an Executive Council's Report carrying recommendations into the concept of the dairy project identified in India. The Executives Council's report was approved.
- 98.10 The Chief Executive officer of PARAS arrived and toured the place where the project was intended to happen and that is Vrede. Upon the CEO's visit, he developed an interest to participate and invest in the project. A partnership agreement was developed between





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PARAS and Estina. The PARAS CEO confirmed one Mr Rajev Gautum. There was a written agreement with an agreement between PARAS and Estina.

98.11 A drafted agreement entered into between the department and Estina was sent to the State Legal Advisor for perusal.

98.12 The original budget allocation was from Comprehensive Agricultural Support Program (CASP). This was done due to the allocated amount by Provincial Government was not sufficient to carry and complete the project.

98.13 In terms of the agreement, Estina was requested to develop a feasibility study and a business plan that informs the implementation of the project.

98.14 It was for the implementation of the project that the department had to deviate from the normal procurement process given the reason that the investor as such herein called PARAS was also making a financial investment into the second phase of the project.

98.15 In the first phase of the project in 2013 an amount of R84 million was paid to Estina by the department. However the payment was reversed due to the none availability of the lump sum.

98.16 He can confirm that the file marked Vrede Dairy Project is containing invoices that serves as accountability by Estina with regard to the request of the next payment to continue with the Project construction. Every authorisation that the department made to Estina was



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justified by the submitted file. If the file containing the invoices might suggest upon investigation that the invoices are fictitious. He can confirm that the department was or is defrauded by the Estina.

98.17 The money allocated for the project was classified and Gazetted as a transfer payment.

98.18 Some of the monies were paid to Dubai and some to consultancy in Dubai.

98.19 The land in Vrede belonged to Phumelela local Municipality it is not registered under Municipality but under the Municipality Trust. For the implementation of Vrede project the land was transferred from the Municipality to Public Works. Subsequently it was leased to the project for 99 years. The lease was registered with the Deeds Office, which was since terminated when the contract with the department and Estina was terminated. After the termination of a Vrede Project, between the department and Estina, the land was taken back to Public Works.

#### AFFIDAVIT BY DUMISANI CELE

99 During the course of my investigation I interviewed and obtained a statement from Dumisani Cele (Cele), a former director as a Specialist Audit Services (SAS) at National Treasury states that National Treasury received complaint as a result of a Mail and Guardian report that appeared on the newspaper of 10 June 2013 relating



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to the misuse of funds on the Mohoma Mobung Project. In support hereof I attach an affidavit by Cele marked as annexure SJS 5.

100 Cele was assigned to the Investigations with the assistance of ENS forensic services (Pty) (Ltd). Cele's Investigations dealt with the following:

- 100.1 Whether the Project was a PPP or a sole provider engagement;
- 100.2 To verify supply chain processes followed in the appointment of Estina;
- 100.3 To verify how much the department committed and the source of the funds; and if there was any capital injection by the service provider of the Project;
- 100.4 To investigate the reasons and supporting documents for the BAS payment made in excess of the R30 Million, which was said to be available by the department;
- 100.5 To verify if there were any beneficiaries identified for the AGRIBEE and who they were;
- 100.6 To establish, through liaising with AGRI.SA whether there was value for money to the State on this Project;
- 100.7 To establish the state of the Project and provide recommendations.

101 Cele went to the PPP section of National Treasury and established that there was no registration and approval of Mohoma Mobung and therefore it was not a PPP.



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- 102 During his investigations, Cele signed a letter of request for information requesting information relating to allegations of irregularities between Estina/Paras for the establishment of the Vrede dairy Project and addressed it to the HoD Thabethe.
- 103 Cele met with Thabethe together with the officials of ENS and there was resistance to co-operate from the department. Cele alleges that when he delivered the letter to Thabethe, Ms Seipati Dlamini, the Chief Financial Officer (CFO) of the department said to her 'Dumisani Basotho ba tlau bolaea' meaning the 'Basotho people are going to kill him'.
- 104 Thabethe told Cele that he had no powers to investigate his department and when Cele informed him that he National Treasury had powers to investigate SCM processes, Thabethe informed Cele that he would declare an inter-departmental dispute. Cele left the office of Thabethe without the documents he had requested. Later some of the documents Cele had requested were delivered to him.
- 105 During his investigations, Cele established that no SCM processes were followed in the appointment of Estina and that the department of deviated from procurement processes. There were, however no reasons for deviation provided. Despite this the CFO concurred and signed the letter for deviation.
- 106 There was therefore no supply chain processes followed and no reasons for deviation provided.



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107 Cele concluded that that Thabethe and the CFO abused their powers when appointing Estina.

108 The other part of Cele's investigations included Identification of AGRIBEE beneficiaries and the investigation discovered that there were no beneficiaries identified in the project.

#### **AFFIDAVIT OF SUSANNA FOURIE**

109 During the course of my investigations, I further obtained an affidavit from Anna Susanna Fourie (Fourie). Fourie is employed as a Deputy Director in Financial Governance at the Free State Provincial Treasury. Her responsibilities include accounting services, financial statements, internal audit, risk management, norms and standards. Fourie's mandate is derived from Section 18 and 19 of the PFMA. In support hereof I attach an affidavit by Fourie marked as annexure SJS 6 A summary of her affidavit as follows:

109.1 On 15 June 2012, she attended a staff function in which the Chief Executive Officer, Mr Kgomongwe was present and she was requested to assist colleagues from the Free State Provincial Treasury to consider the funds required by the department.

109.2 She had to leave the staff function to go back to the office. At the office the CFO produced the contract between the department and



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**Estina**, as well as a request from the department for an amount of R30 000 000.

109.3 The maximum amount which was available if the payment should proceed is only R5 million. There was insufficient funds from Provincial Revenue Fund to effect the payment of R30 000 000.

109.4 She was concerned about the contract between the department and **Estina**.

109.5 She noted that normal procurement processes were not followed in procuring **Estina's** services.

109.6 The contract was not drafted in the interest of the department. On 18 June 2012, she went to the State Law Advisors in the Department of the Premier of review of the contract dated and signed by HoD Thabete on the 7 June 2012.

109.7 On 19 June 2012, Adv Ditira from the State Law Advisors advised the CEO that procurement process was not followed. The contract may be invalid. The agreement and the procurement documents be sent for a review.

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**AFFIDAVIT BY ITUMELENG JAMES MOSES**

110 In the course of my investigations, I further obtained a statement from Itumeleng James Moses (Moses). Moses is employed as the Director Economic Analysis within the Free State Provincial Treasury. His duties entailed economic research within the department. In support hereof I attach an affidavit by Moses marked as annexure SJS 7 A summary of his affidavit is as follows:

110.1 On or about May/June 2012 Provincial Treasury was presented with an Ex-co memorandum regarding the implementation of a Dairy Project in Vrede for the Department of Agriculture under the "Mohoma Mobung" initiative.

110.2 The total cost of the project was estimated at R570 million of which the department of Agriculture was going to contribute an amount of R114 million per year for three years. The balance of R228 million was to be contributed by Estina.

110.3 The Vrede Dairy project was conceptualised as part of the Mohama Mobung initiative.

111 The earmarking of R30 million for Vrede was premised on the shift of funds from other projects which according to the letter from the department dated 19 June 2012 had been discussed with the Department of Agriculture Forestry.



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112 In view of the agreement between the department and Estina had undertaken to pay R114 million. The R30 million presented and 84 million shortfall for the 2012/2013 financial year.

113 The department provided Treasury with a copy of the partnership agreement between itself and Estina dated 7 June 2012. The agreement was signed by Thabetha and the then CFO. The contract was signed by Mr Sanjeey Gautam and witnessed by Sasha Pillay on behalf of Estina.

114 At the time, Provincial Treasury did not budget for this project.

115 The contract between Estina and the department was referred to office of Legal Services in the Free State for advice.

116 The legal advice received on 19<sup>th</sup> June 2012 stated that the procurement process was not followed and the contract may be invalid.

#### **PROCEEDS OF UNLAWFUL ACTIVITIES**

117 In summary the facts showing the property as stated in annexure A to the draft order is the proceeds of unlawful activities are the following:

117.1 the contract entered into between the department and Estina was unlawful as the HoD and the CFO were not entitled to commit the department to the contract.

117.2 No SCM processes as well as related prescripts were followed contravention of the PFMA.



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- 117.3 There was never an intention on the part of Estina to comply with the terms of the agreement.
- 117.4 To date the Thabethe has failed to provide either the police or National Treasury with proof of PARAS's involvement in the Project.
- 117.5 No beneficiaries were identified at the beginning of the contract and a year after the contract was entered into, there was still no beneficiaries for the project.
- 117.6 All monies paid by the department to Estina are proceeds of crime.
- 117.7 All monies equal to the amount paid by the department to Estina and presently in the bank accounts of Linkway paid from Estina represent direct proceeds of crime.
- 117.8 Thabethe, the CFO as well as the Directors of Estina entered into a corrupt relationship to the benefit of the Thabethe, the Directors of Estina as well as the Directors of Linkway.
- 117.9 The department did not derive any benefit from the contract.
- 117.10 Theft was committed when R220 202 652-00 was paid by the department to Estina after the ENS report was compiled and presented to the department as well as to the Free State Provincial Government.
- 117.11 Thabethe, the CFO, the Directors of Estina as well as the Directors of Linkway misrepresented to the department as well as to National Treasury that the contract was entered into for the benefit of beneficiaries, when they well knew that the contract was entered into



SJS 8

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for the their own benefit and by causing prejudice of R220 202 652 to the department, including National Treasury.

#### THE 99 YEAR RENT FREE LEASE AGREEMENT

118 The 99 year lease agreement relates to an immovable property to which the Vrede Dairy Project was to be established. The immovable property is described as follows: *Farm Krynaauws Lust 275 district Vrede, Free State Province. Measuring 4439, 5122 (Four Thousand Four Hundred and Thirty Nine comma Five One Two Two) Hectares Held by Deed of Transfer T43752/1893 (hereinafter referred to as the farm)*

119 The registered owner of the farm is Phumelela Local Municipality.

120 On 12 September 2012, the Free State Provincial government represented by Thabethe, entered into a lease agreement with Estina, represented by one Kamal Vasram. The salient terms of the lease agreements is the following:

120.1 The lease agreement was entered for a period of 99 years.

120.2 no monthly rental was payable by Estina to the department for the entire term of the lease agreement.

121 On 14 December 2012, the Phumelela Local Municipality ceded and assigned it's rights, title, interest and obligations to the Free State Provincial Government. In



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support hereof I attach a copy of the Notarial Lease agreement marked as annexure SJS 8.

122 During the course of an interview between ENS and Thabetha, Thabetha was asked by ENS several times whether or not a 99 year rent-free lease agreement was signed with Estina. He was clear that such a lease had not been signed.  
paragraph 2.2.53, page 23 of the ENS Report, (Exhibit 15)

123 It is evident that despite Thabetha's denial that the lease agreement was signed, the notarial lease agreement was in fact signed and dated. The lease agreement that was entered into was detrimental to the interests of the state and benefitted Estina unjustly.

124 The National Department of Agriculture, Forestry and Fisheries (DAFF) withheld its CASP allocation for the project for 2013/2014 financial year because it is dissatisfied with the elements of the project.

*Page 14, paragraph 14 of the ENS Report*

125 Thabetha was initially interested in establishing the dairy project in an area near Sasolburg but when MEC Zwane, advised him of the availability of the land in the Vrede area and Thabetha decided to establish the project there.

*Page 8, paragraph 2.2.5 ENS Report*



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**INSTRUMENTALITY OF CRIME**

126 In summary the facts showing the farm is an instrumentality of an offence listed in schedule 1 of the POCA as item 19 and 17 is as follows:

- 126.1 The feasibility study represents that the location for the Vrede Farm project is not suitable and viable. Thabethe used the land based merely on Zwane's recommendations of availability.
- 126.2 The farm is located in a remote area and was specifically chosen in order to avoid detection.
- 126.3 Through the entire process of the initiation of the Vrede Farm up to the point where the department paid funds to Estina, there was apparent collusion between Estina's officials and the departments officials.
- 126.4 The respective parties worked jointly and tirelessly in forcing the department to make financial commitments in a business idea that
- 126.5 The project played an active role in the fraud and theft of money because its integral in the commission of the offence because there would have not been the commission of this offence in the absence of this project.
- 126.6 The project laid the basis for the illegal and void agreement legitimacy on the face of it for anyone scrutinising the agreement.
- 126.7 The project was used as conduit through which money was siphoned off from the department and into the accounts of parties who had no interest in farming.



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- 126.8 The project was specifically chosen on the advice of then MEC even though no thorough feasibility study had been conducted prior to it being chosen.

### CONCLUSIONS

- 127 On the basis of the above, I submit that it is quite evident that Thabete, the CFO, the Directors of Estina as well as the Directors of Linkway were involved in a series of irregularities and acts of criminality wherein they colluded in with each other to circumvent the department of Agriculture's SCM processes.
- 128 The aforesaid persons' conduct was in contravention of the principles of public procurement as set out in Section 217(1) of the Constitution, the provisions of Section 38(1)(a)(i) and (iii) of the PFMA relating to public procurement and financial management.
- 129 The aforesaid's conduct was in contravention of the Prevention of Corrupt activities Act (PRECA). The aforesaid's conduct was commission of the crime of fraud, alternatively fraud.
- 130 Their conduct further rendered the Department of Agriculture's SCM processes unfair, biased, uncompetitive and ultimately prejudicial to the Department of Agriculture and other prospective bidders.



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INTO STATE CAPTURE

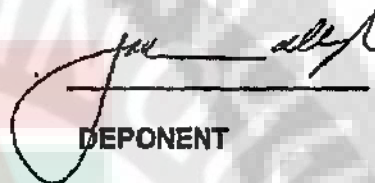
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131 In conclusion, I respectfully submit that the factual and legal requirements for the granting of an order under section 38 of POCA have been satisfied and I thus request this Honourable Court to grant the order in terms of this draft.

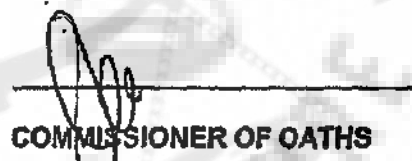
*I know and understand the contents of this statement*

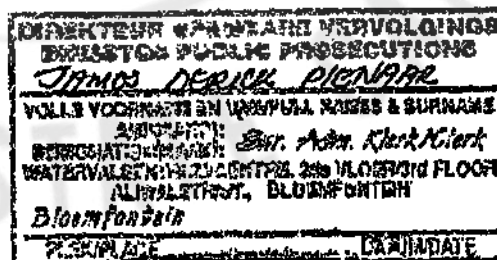
*I have no objection to taking the prescribed Oath.*

*I consider the prescribed Oath binding on my conscience*

  
DEPONENT

I hereby certify that the Deponent has acknowledged that he knows and understands the contents of this affidavit which was sworn to and signed before me on this 8<sup>TH</sup> DECEMBER Day of November 2017, the Deponent having further acknowledged that he has no objection to taking the prescribed Oath which he considers binding on his conscience.

  
COMMISSIONER OF OATHS  
NAME:  
DESIGNATION:  
ADDRESS:



"TMZ"



**AUDIT COMMITTEE**

1 x Senior Manager: vacant SL 13  
SEE ANNEXURE A 4  
page 6

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**  
1 x Member of Executive Council: Filled SL 16

1 x Head : Office of MRC: Filled SL 13  
SEE ANNEXURE A 1  
page 2

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**  
MEMBERSHIP TO POLYTECHNIC AGRICULTURAL AND RURAL DEVELOPMENT  
SERVICES AND SUPPORT IN THE THREE RURAL PROVINCES  
FUNCTIONS:  
1. Develop, maintain and fund actions to lead by priority, development equal services to  
supporting food and nutrition system  
2. Provide technical support in agricultural, agro-forestry, agro-pastoral and  
agro-fishing management and business development activities  
3. Provide production support services to the Department  
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1 x Senior Manager: Filled SL 13  
SEE ANNEXURE A 1  
page 5

1 x Senior Manager: Filled SL 13  
SEE ANNEXURE A 5  
page 4

1 x Senior Manager: Filled SL 13  
SEE ANNEXURE A 1  
page 5

1 x General Manager: vacant SL 14  
ANNEXURE 3  
page 7

1 x Chief Financial Officer: Filled SL 14  
ANNEXURE C  
page 16

1 x General Manager: Filled SL 14  
ANNEXURE D  
page 20

1 x General Manager: Filled SL 14  
ANNEXURE E  
page 23

1 x General Manager: vacant SL 14  
ANNEXURE F  
page 26

1 x General Manager: Filled SL 14  
ANNEXURE G  
page 31

RECOMMENDED BY THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT:  
DATE: 29/07/2013

APPROVED BY THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT:  
DATE: 29/07/2013



*Orlando*



agriculture & rural development  
Cooperative Agriculture Rural Development  
FREE STATE PROVINCE

Enquiries: MP Thabethe

Head of Department: Agriculture & Rural Development

Ref: Beneficiary Agreement

To: Dr T.J Masiteng

General Manager: District Services

Dear Dr TJ Masiteng

**RE: DELEGATION OF AUTHORITY TO SIGN BENEFICIARY AGREEMENTS**

I MP Thabethe: Head of Department Agriculture and Rural Development hereby delegate my authority to sign beneficiary agreement to Dr TJ Masiteng, General Manager: District Services for all agricultural related projects on behalf of the Department.

Sincerely Yours,

Mr. MP Thabethe

HoD: Agriculture and Rural Development

Date: 29/03/2012

**OFFICE OF THE HOD**

Private Bag X02, Bloemfontein, 9300  
Chemistry Building First Floor, Room 211 Glen  
Tel: (051) 861 8509 Fax: (051) 861 8452  
E-mail: pa.hodagric@fs.agric.za

"TMS"





agriculture & rural development  
Department of  
Agriculture and Rural Development  
FREE STATE PROVINCE

## PERFORMANCE AGREEMENT

### BETWEEN

**MR M.P THABETHE**  
**HEAD OF DEPARTMENT FOR AGRICULTURE**

**AND**

**DR T.J MASITENG**  
**CHIEF DIRECTOR DISTRICT SERVICES**

**FOR THE PERIOD:**  
**1 April 2012 to 31 March 2013**



**JOB DETAILS**

**Name** : Dr T.J Masiteng  
**Persel Number** : 159313168  
**Department** : Agriculture  
**Location** : Bloemfontein, Glen  
**Salary level** : 14  
**Designation** : Chief Director

**DESCRIPTION OF AGREEMENT**

This agreement signifies commitment on the part of the Chief Director: District Services to ensure that the strategic objectives of the department are met so as to realise the vision of the department. The agreement further provides for a systematic evaluation of the performance of the Chief Director: District services in achieving the strategic objectives.

Whilst the Chief Director: District Services undertakes to deliver on the strategic goals described in Appendix A, the HoD: Agriculture undertakes to oversee that an enabling and supportive environment is created by the HOD to deliver against key result areas.

**STRATEGIC CONTEXT****VISION OF THE DEPARTMENT**

"A dynamic, prosperous agricultural sector and a better life for rural communities"

**MISSION OF THE DEPARTMENT**

To empower the agricultural sector through the provisioning and facilitation of efficient agricultural development support and investment solutions in order to ensure rural development, constant economic growth and sustainable livelihoods"

4.

#### OVERALL RESPONSIBILITIES OF THE HEAD OF DEPARTMENT

The Chief Director: District Services in supporting the HoD: Agriculture and the MEC in realizing the above-mentioned visions and missions, has the following core responsibilities:

- Administrative:** It involves the co-ordinate the Chief Directorate's activities and giving strategic direction to Senior Managers in the Chief Directorate in terms of the line functions pertaining to the Department, participating in meetings of the Inter Departmental Management Committee and its Technical Committees, etc.
- Outreach:** It involves Publicizing and marketing the Department to all stakeholders, provision of information and periodic reporting to the public and liaison and communication with communities.

5.

#### KEY RESPONSIBILITIES OF HEAD OF DEPARTMENT AND ENABLING CONDITIONS

5.1. Within the strategic framework as determined by the MEC: Agriculture & Rural Development, the Head: Agriculture:

- (i) Assist and advise the Member of the Executive Council in terms of her executive powers in relation to the Department of Agriculture so as to ensure effective service delivery within the legal mandates of the Department;
- (ii) Manage and administer the Chief Directorate efficiently in terms of the provisions of the Public Service Act, 1994 (as amended), including the effective utilization and training of staff, the maintenance of discipline, the promotion of sound labour relations and the proper use and care of State property;
- (iii) Manage the budget vote of the Chief Directorate to execute all responsibilities as set out in Section 38 of the Public Finance Management Act, 1999 (Act 29 of 1999);
- (iv) Assist the HoD: Agriculture by means of the Inter Departmental Management Committee as well as its Technical Committees to ensure coherent governance in the FSPG as a corporate entity;
- (v) Attend various Committees related to Agriculture and other matters of the Department so as to improve service delivery to the community;
- (vi) Participate with the development and implementation of the Free State Development Plan so as to improve the corporate functioning of the department;
- (vii) Implement Outcome-based performance system and annual priorities of the department and Province as a whole; and
- (viii) Timeously alert the HoD of any emerging factors that could preclude the achievement of any performance agreement undertakings, including the contingency measures that she/he proposes to take to ensure the impact of such deviation from the original agreement is minimized.

- 5.2. The Chief Director: District Services is directly accountable to the HoD: Agriculture for the overall management of the Chief Directorate and is subject to the overall direction and control of the HoD: Agriculture. The HoD: Agriculture determines the policy framework within which the Chief Director: District Services operates and in broad terms its scope and activities. The HoD: Agriculture will further determine in broad terms the resources available to the Chief Director: District Services.
- 5.3. He shall –
- (i) act in accordance with the Constitution, and
  - (ii) provide the HoD with full and regular reports concerning matters under his control.
- 5.3. The Chief Director: District Services shall provide the Head of Department with full and regular reports concerning matters under his control.
- 5.4. The Chief Director: District Services as Responsibility Manager for the Chief Directorate is responsible to ensure that accounts are kept and that financial procedures are being adhered to, and for the proper, effective and efficient use of the Chief Directorate's resources within the law as well as to provide such information as may be requested by the HoD: Agriculture, to enable an internal audit of the Chief Directorate's books.
- 5.5. To enable his District Management to manage their functions effectively and efficiently, the Chief Director shall provide all District Senior Managers with appropriate powers and authority by means of appropriate delegations and authorizations, where necessary as authorized and recorded in writing by the HOD: Agriculture.
- 5.6. The Chief Director: District Services shall further be responsible for ensuring a consultative and participative approach to the policy process with the relevant stakeholders.
- 5.7. In order to enable the Chief Director: District Services to perform his duties and exercise the power entrusted to him, the HoD: Agriculture undertakes to:
- (i) create an enabling environment;
  - (ii) ensure a policy and planning framework that provides a specific reference context for the key responsibilities of the Chief Director;
  - (iii) ensure effective communication on all relevant matters with the Chief Director: District Services and work in co-operation with the Chief Director on all matters of key importance; and

- (iv) provide a basis for ongoing dialogue and debate, including a regular means to review progress.

5.8 The relationship between the HoD: Agriculture and the Chief Director: District Services is pivotal to good administration of the Chief Directorate. Within this relationship, the Chief Director: District Services shall act in accordance with the Code of Conduct prescribed by the Public Service Regulations and may not:-

- (i) undertake any other paid work without declaring,
- (ii) act in any way that is inconsistent with his department, or expose himself to any situation involving the risk of a conflict between his official responsibilities and private interest, and
- (iii) use his position or any information entrusted to him, to enrich himself or improperly benefit any other person.

6.

#### DELEGATIONS

- 6.1 The Chief Director shall adhere to the approved delegation of powers and authority by the Department of Agriculture.
- 6.2 Delegations will be added or removed in writing from this agreement only after proper consultation and mutual agreement between the HoD: Agriculture and the Chief Director: District Services.
- 6.3 The Chief Director: District Services shall, where necessary, delegate the powers vested in him to sub-ordinate officials without lessening the responsibility and accountability for actions taken on his behalf.

7.

#### DIMENSIONS AND ACCOUNTABILITY

- 7.1. The Chief Director: District Services shall be responsible for managing the Chief Directorate. The HoD: Agriculture has a right to assume that the Chief Directorate is being run in compliance with the law, precepts and within its budget. The Chief Director: District Services shall be responsible to the HoD: Agriculture for carrying out the functions and duties of the Chief Directorate, rendering free and frank advice to the HoD: Agriculture, the general conduct of the Chief Directorate and the efficient, effective and economical management of the activities of the Chief Directorate.
- 7.2. The Chief Director: District Services is overall responsible for managing a total number of 365 personnel.
- 7.3. The Chief Director has financial management responsibility for an allocated budget of R282 499 million under Budget programme of the Chief Directorate: District Services.

9



8.

**OUTPUTS FOR PERIOD 1 APRIL 2012 TO 31 MARCH 2013**

In pursuance of the strategic direction the Department has taken, I Talsi. J Masiteng: Chief Director: District Services commits myself to achieve the outputs as contained in the Performance Plan for the period 1 April 2012 to 31 March 2013.

9.

**DEVELOPMENTAL REQUIREMENTS**

In order to support the achievement of the above-mentioned outputs, the Chief Director: District Services undertakes to address the development needs herein attached as Annexure C, provided that the HoD: Agriculture creates the necessary development opportunities.

10.

**REPORTING REQUIREMENTS**

The Chief Director: District services shall report to the HoD: Agriculture on all parts of this agreement, particularly where performance differs from expectations. The Chief Director shall:-

- (i) Alert the HoD: Agriculture to any emerging factors that could preclude the achievement of any performance agreement undertakings, enabling the HoD to sensitize the MEC accordingly;
- (ii) Establish and maintain appropriate internal controls and reporting systems in order to meet performance expectations, and
- (iii) Provide written quarterly reports to the HoD: Agriculture on revision of targets if necessary and progress towards the achievement of performance agreement undertakings.

## PERFORMANCE APPRAISAL FRAMEWORK

11.1 Performance will be assessed according to the information contained in the Performance Plan (attached as Annexure A) and the Core Management Criteria (CMC) Framework (attached as Annexure B). The specific KPAs and CMCs together with their weightings are, for example, as follows:

11.1.1 The KPAs and CMCs during the period of this agreement shall be as set out in the table below.

### Key Result Areas and Core Management Criteria

The Chief Director's performance will be reviewed and evaluated against the set objectives and performance indicators as detailed in the Performance Plan (attached as Annexure A) and the Core Management Criteria (attached as Annexure B). These objectives include the assumptions being made at the time the outputs are set. The Key Result Areas and Core Management Criteria, together with their weightings, for this period are as follows:

#### (a) Key Performance Areas

List the Key Performance Areas (KPAs) as indicated in the Performance Plan. A weight should be attached to each of the KPAs to show its relative importance in relation to the other KPAs. The weight is shown as a percentage:

Key Performance Areas (KPAs)	Batho Pele Principles	Weight (%)
<b>1. Strategic management enforced</b> ✦ Ensure that outputs/outcomes as specified in Strategic Plan and Annual Performance Plan are achieved.	✦ Consultation ✦ Service standards ✦ Access ✦ Information ✦ Openness ✦ Transparency ✦ Courtesy ✦ Redress ✦ Value for money	50
<b>2. Integrated Governance ensured</b> ✦ Maintain good working relationships between the Chief Director, HoD, MEC and other stakeholders	✦ Consultation ✦ Service standards ✦ Access ✦ Information ✦ Openness ✦ Transparency ✦ Courtesy ✦ Redress ✦ Value for money	10

3. Regional integration ensured Supporting the corporate functioning of the Department	<ul style="list-style-type: none"> <li>Consultation</li> <li>Service Standards</li> <li>Courtesy</li> <li>Information</li> </ul>	10
4. Implementation of the Minimum Information Security Standards (i.e. MISS) and overall accountability for security in the Department	<ul style="list-style-type: none"> <li>Consultation</li> <li>Service Standards</li> <li>Courtesy</li> <li>Information</li> </ul>	10
5. Compliance with Legislative and Regulatory Requirements applicable to the Department	<ul style="list-style-type: none"> <li>Service Standards</li> <li>Information</li> <li>Openness &amp; Transparency</li> <li>Value for money</li> </ul>	10
6. Ensure sound financial management in the Chief Directorate	<ul style="list-style-type: none"> <li>Consultation</li> <li>Service standards</li> <li>Access</li> <li>Information</li> <li>Openness &amp; Transparency</li> <li>Courtesy</li> <li>Redress</li> <li>Value for money</li> </ul>	10
<b>TOTAL</b>		<b>100%</b>

## (b). Core Management Criteria

The Chief Director's assessment will be based on his performance in relation to the duties / outputs outlined in the attached Performance Plan as well as the CMCs marked here-under. The following seven CMCs are applicable for the Chief Director's job:

Core Management Criteria (CMC)	Description	Batho Pele Principles	Weight (%)
Strategic Capability and Leadership	Provides a vision, sets the direction for the organization and/or unit and inspires others to deliver on the organizational mandate	<ul style="list-style-type: none"> <li>Consultation</li> <li>Service standards</li> <li>Information</li> <li>Openness &amp; Transparency</li> <li>Value for money</li> </ul>	15
Programme and Project Management	Plans, manages, monitors and evaluates specific activities in order to deliver the desired outputs and outcomes	<ul style="list-style-type: none"> <li>Consultation</li> <li>Service standards</li> <li>Openness &amp; Transparency</li> <li>Value for money</li> </ul>	10
Financial Management	Compiles and manages budgets, controls cash flow, Institute risk management and administers tender procurement processes in accordance with generally recognized financial practices in order to ensure the achievement of	<ul style="list-style-type: none"> <li>Value for money</li> </ul>	15

	Strategic organizational objectives		
4. Change management	Initiates, supports and champions organizational transformation and change in order to successfully implement new initiatives and deliver on service delivery commitments	<ul style="list-style-type: none"> <li>Consultation</li> <li>Service standards</li> </ul>	10
5. Knowledge Management	Obtains, analyses and promotes the generation and sharing of knowledge and learning in order to enhance the collective knowledge of the organization	<ul style="list-style-type: none"> <li>Information</li> <li>Openness &amp; Transparency</li> </ul>	5
6. Service Delivery Innovation	Champions new ways of delivering services that contribute to the improvement of organizational processes in order to achieve organizational goals	<ul style="list-style-type: none"> <li>Consultation</li> <li>Service standards</li> <li>Information</li> <li>Openness &amp; Transparency</li> <li>Access</li> <li>Redress</li> </ul>	5
7. Problem solving and Analysis	Systematically identifies, analyses and resolves existing and anticipated problems in order to reach optimum solutions in a timely manner	<ul style="list-style-type: none"> <li>Consultation</li> <li>Information</li> <li>Openness &amp; Transparency</li> </ul>	10
8. People Management and Empowerment	Manages and encourages people, optimizes their outputs and effectively manages relationships in order to achieve organizational goals	<ul style="list-style-type: none"> <li>Consultation</li> <li>Service standards</li> <li>Value for money</li> </ul>	10
9. Client Orientation and Customer Focus	Willing and able to deliver services effectively and efficiently in order to put the spirit of customer service (Batho Pele) into practice	<ul style="list-style-type: none"> <li>Consultation</li> <li>Service standards</li> <li>Information</li> <li>Access</li> <li>Openness &amp; Transparency</li> <li>Redress</li> </ul>	10
10. Communication	Exchanges information and ideas in a clear and concise manner appropriate for the audience in order to explain, persuade, convince and influence others to achieve the desired outcomes	<ul style="list-style-type: none"> <li>Consultation</li> <li>Information</li> <li>Access</li> <li>Redress</li> </ul>	5
11. Honesty and integrity	Displays and builds the highest standards of ethical and moral conduct in order to promote confidence and trust in the Public Service	<ul style="list-style-type: none"> <li>Openness &amp; Transparency</li> </ul>	5
<b>TOTAL</b>			<b>100%</b>



## 11.2 Review

- (i) The Chief Director: District Services performance will be reviewed on a quarterly basis by the HoD: Agriculture. This review will take the form of a meeting at which verbal and written information on progress to date will be discussed.
- (ii) The review discussion will address all activities identified within the Chief Director's attached Performance Plan and consider opportunities and constraints being experienced. Where necessary, a revised output will be agreed. The review discussion will be recorded on the official Performance Review format and signed by both parties to this agreement.

## 11.3 Annual Evaluation

The annual evaluation will be conducted by the HoD: Agriculture. The outcome of the evaluation will be recorded on the official Performance Evaluation forms and signed by both parties to this agreement.

## 12.

### TIME TABLE FOR ASSESSMENTS

Date for bi-annual review:	30 September 2012 (formal)
Date of annual evaluation:	31 March 2013 (But not later than 31 May 2013)

## 13.

### PERFORMANCE OUTCOMES AND REWARDS

If the Chief Director: District Services performs acceptably he will qualify for a salary increase in line with the guidelines provided by the Minister for Public Service and Administration. In the event that the Chief Director: Agricultural Development Support Services performed above average or contributed significantly in an area which the HoD: Agriculture deems it necessary to reward the Chief Director: District services, a cash bonus as a % of his basic salary is payable.

Poor performance will be addressed in accordance with the Incapacity Code and Procedures for Members of the Senior Management as set out in the SMS handbook.

14.

**DISPUTE SETTLEMENT**

**14.1 Disputes about the nature of the Chief Director's key responsibilities, priorities, methods of assessment and/or salary increment in this agreement:**

- (i) shall be mediated initially by the MEC: Department of Agriculture and Rural Development, and
- (ii) If this mediation fails, the dispute-resolution procedures referred to in Chapter 4 of the SMS Handbook will apply.

**14.2 Disputes about the Chief Director: District services' assessment in terms of this agreement:**

- (i) shall be mediated initially by the MEC: DARD, and
- (ii) If mediation fails, the dispute resolution procedures referred to in Chapter 4 of the SMS Handbook will apply.

15.

**AMENDMENT OF AGREEMENT**

Amendments to the agreement should be in writing and can only be effected after discussion and agreement by both parties.

16.

**SIGNATURE OF PARTIES TO AGREEMENT**

*The contents of this document have been discussed and agreed between:*

Name : MR MBANA PETER THABETHE  
HOD: AGRICULTURE

Signature :

Date :

22/05/2012.

AND

Name : DR TAKISI JANKI MASITENG

CHIEF DIRECTOR: DISTRICT SERVICES

Signature :

Date :

08/05/2012

**ENDORSEMENT AND DECLARATION OF COMMITMENT TO THE IMPLEMENTATION OF THE PERFORMANCE AGREEMENT:**

Name : MR MBANA PETER THABETHE

HOD: AGRICULTURE

Signature :

Date :

22/05/2012.

Q