

**IN THE HIGH COURT OF THE UNITED REPUBLIC OF
TANZANIA
(COMMERCIAL DIVISION)
AT DAR-ES-SALAAM**

**COMMERCIAL CAUSE NO.37 OF 2023
ON THE MATTER OF COMPANIES ACT, No.12 of 2002
AND
IN THE MATTER OF PETITION FOR COMPULSORY SALE
OF SHARES BY OPERATION OF LAW
BETWEEN**

STAR INFRASTRUCTURE DEVELOPMENT (T) LTD --PETITIONER

VERSUS

THE REGISTRAR OF COMPANIES -----1ST RESPONDENT

LAVENDER INFRASTRUCTURE PTE LTD-----2ND RESPONDENT

CONSENT RULING

Date of Last Order: 15/11/2023

Date of Ruling: 17/11/2023

NANGELA, J.:

The Petitioner petitioned to this court seeking for the following, that this Honourable Court be pleased to:

1. grant an order for compulsory sale
of shares of the 2nd Respondent
(untraceable shareholder);

2. issue an order directing the Board of Directors of the Petitioner to dispose 901,248 shares held in the Petitioner by the 2nd Respondent at a discounted rate of TZS 400.
3. Order that the existing shareholders be granted first right of purchase at a discounted rate of TZ S400 per share and, in the event they fail, to purchase within 30 days, the shares be offered to any interested 3rd party at a total value of TZS 364,099,200.00).
4. Order that the proceeds of the sale amounting to TZS 364,099,200.00 be deposited in an escrow account to be jointly managed by the Petitioner and Joachim & Jacobs Attorneys to be held at Exim Bank Ltd until such time as they are claimed by the rightful beneficiaries or as the court may direct.
5. Issue an order compelling the 1st Respondent to record and

recognize all changes in the Petitioner's company shareholding structure as shall be made pursuant to the orders of the court sought in paragraph (1) above.

6. Any other order that this Honourable Court may deem fit and just to grant.

On the 15th of November 2023 this matter was set for orders. On the material date, Ms. Dainess Simkoko, learned advocate appeared for the Petitioner. She also told this court that she was also holding the brief of the 1st Respondent's counsel Mr. Lameck Nyangi Samson who was away in Mwanza. The 2nd Respondent has all along never appeared as it is stated that she has never been responsive. The matter was thus proceedings *ex-parte* against the 2nd Respondent.

In her submission, Ms. Simkoko told this court that, the Petitioner and the counsel for the 1st Respondent have agreed that, among orders prayed for, i.e., Prayer (b), (c) and (d) of the Petition be read as follows:

(b) That the court should appoint an auditor who will do valuation of shares in order to determine the fair market value of shares as of the present time market value.

(c) That, after valuation of shares is determined the shares should be sold according to their market value.

(d) The proceeds of the sold shares be deposited with the administrator General.

What I gathered from Ms. Simkoko is that the 1st Respondent is in support of the Petition and thus I should proceed to grant it. That being the case, the matter was scheduled of a consent ruling which I hereby issue and deliver to the parties present settling for the following as orders of the court:

1. That, an Order of this Court is hereby granted for a compulsory sale of shares of the 2nd

Respondent (untraceable shareholder).

2. That, the Petitioner and the 1st Respondent shall select three competent auditing firms of their choice who are ready and willing to be appointed by the court to do valuation of the shares of the 2nd Respondent and the three names shall be forwarded to the Court for it to appoint one among them to be assigned the duty to carry out the valuation exercise in order to determine the fair market value of shares as of the present time market value.

3. That, after valuation of shares is determined and a report thereto submitted to the Petitioner and the 1st Respondent, the shares should be sold according to their market value.

4. That, the proceeds of the sold shares be deposited with the Administrator General in an account to be availed to the parties by the Administrator General.

5. That, after the sale of the shares and deposit of the proceeds in the account sated in No.4 hereabove, the 1st Respondent shall proceed to record and recognize all changes in the Petitioner's company shareholding structure as shall be made pursuant to the orders of the court sought in paragraph (1) above.

It is so ordered.

DATED AT DAR-ES-SALAAM ON THIS 17TH DAY OF NOVEMBER
2023



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DEO JOHN NANGELA
JUDGE