

TANZANIA / JUDGMENT

COMMERCIAL CASE NO

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TANZLIIDECIDED
1 January 2025

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IN THE HIGH COURT OF THE UNITED REPUBLIC OF TANZANIA (COMMERCIAL DIVISION) AT DAR ES SALAAM COMMERCIAL CASE NO. 00403 OF 2025 THE OFFICE OF ATTORNEY GENERAL..... 1ST PLAINTIFF SUGAR BOARD OF TANZANIA 2ND PLAINTIFF VERSUS TPC LIMITEDDEFENDANT JUDGMENT BY CONSENT Date of last Order: 19/03/2025 Date of Judgment: 19/03/2025 GONZI, J. The 1st and 2nd Plaintiffs jointly sued the Defendant for the non- payment of sugar levy in the total sum of One Billion Four Hundred Thirteen Million and Three Hundred Forty Thousand Shillings Only (TZS. 1,413,340,000/=) being a sugar and sugar-by products levies for the period of four months of July, August, September and October 2024 in accordance with the provisions of section 4(2) (e) of the Sugar Industry Act, CAP 251 of 1 2001 as amended by the Finance Act No. 6 of 2024 and its Regulations published through GN No. 539A on 30th June 2024. The Plaintiffs prayed for the following orders:

- (i) An order for payment of TZS 1,413,340,000 being unpaid sugar and sugar by-products levies for a period of four months from July, August, September and October 2024. (ii) An Order for payment of interest at commercial rate of 30% of (i) above from the date instituting this Summary Suit to the date of delivery of judgment. (iii) An order for payment of interest at the Court rate of 12% on the decretal sum from the date of judgement to the date of full payment, (iv) An order for payment of general damages to be assessed by this Court,
- (v) Costs of this suit be borne by the Defendant, (vi) Any other order(s) that this Honorable Court may deem fit and just to grant. 2 The Defendant initially, made an application for leave to defend the Summary Suit but later on decided to enter into an amicable settlement with the Plaintiffs whereby the Defendant acknowledged the said debt by the 2nd Plaintiff and the Defendant made partial payments of the said debt at the tune of TZS. 500,000,000.00 (Five Hundred Million Tanzanian Shillings) on 22nd January 2024 on Control Number 995300014628 and transaction related reference 1948e09eb98b687e through the Defendant's CRDB Bank Account No. 01J1039051200 registered in the name of TPC Limited; and subsequently payment of TZS. 500,000,000.00 (Five Hundred Million Tanzanian Shillings) on 20 February 2024 on Control Number 995300014765 through the Defendant's Stanbic Bank Account No. 9120001501044 registered in the name of TPC Limited. On 13th March 2025 the parties herein entered into a Deed of Settlement for the remainder of the Debt obligation of the Defendant. On 19th March 2025, Mr. Edwin Joshua Webiro, Learned State Attorney

appeared in Court for the Plaintiffs and Mr. David Shilatu, Learned Advocate appeared in court for the Defendant. The Learned Counsel addressed the Court that their respective clients had already settled and prayed that a Consent Settlement Order be issued followed by Judgment and Decree pursuant to the terms contained in the Deed of Settlement. The Court does hereby mark the suit compromised and settled pursuant to the Deed of Settlement executed by the parties and filed in court on 13th March 2025, and proceeds to enter Judgment and Decree in favour of the Plaintiffs against the Defendant as follows:

- (a) That parties are partners as the Government of United Republic of Tanzania has a stake in the Business of the Defendant as a shareholder, holding 25% of Shares. It is therefore in the interest of all parties that this matter be resolved out of court.
- (b) That the Defendant acknowledges the outstanding debt of TZS. 1,413,340,000 to the 2nd Plaintiff being sugar and sugar-by products levies for the period of four months of 2024 from July, August, September and October in accordance with the provisions of section 4(2) (e) of the Sugar Industry Act, Cap 251 of 2001 as amended by the Finance Act No. 6 of 2024 and its Regulations published through GN No. 539A on 30th June 2024, but the Defendant's failure to effect payment resulted from the Defendant's inability to impose the same levy to sugar consumers and remit the same to the 2nd Plaintiff due to unfavorable market conditions. 4
- (c) That the 1st and 2nd Plaintiffs acknowledge payment to the tune of TZS 1,000,000,000/= (One Billion shillings only) made by the Defendant out of the total debt of TZS. 1,413,340,000/= being sugar and sugar-by products levies due for the period of four months of 2024 from July, August, September and October 2024.
- (d) That the Defendant shall pay the 2nd Plaintiff the remaining outstanding balance of TZS. 413,340,000/= (Shillings Four Hundred Thirteen Million Three Hundred Forty Thousand Only) on or before 30th March 2025.
- (e) That the Defendant shall pay the said outstanding amount of TZS. 413,340,000/= on or before 30th March 2025 through a control number to be issued by the Sugar Board of Tanzania immediately after the deed of settlement is executed.
- (f) That Upon receipt of the full payment of the said TZS. 413,340,000/= from the Defendant, both the 1st and the 2nd Plaintiffs shall have no further claims regarding the sugar levy 5 from the Defendant for the period of four months of 2024 from July, August, September and October 2024.
- (g) That the 1st and the 2nd Plaintiffs agree to waive other claims in this suit against the Defendant. The Claims waived are interest, general damages and costs of the suit.
- (h) The parties herein have irrevocably agreed that, upon its execution, the Deed of Settlement lodged in Court shall be recorded as a consent judgement and decree of the Court so as to mark the suit finally settled amicably pursuant to its terms and conditions.

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- (i) That in the event that the Defendant fails to pay the remaining balance within the agreed timeframe, the 1st and 2nd Plaintiffs reserve the right to apply for execution of the consent decree against the Defendant in order to realize the outstanding amount.
- (j) That the Deed of Settlement executed by the parties and filed in court constitutes the entire agreement between the parties regarding the subject matter hereof, and supersedes all prior 6 discussions, agreements, or understandings related to the same.
- (k) That each party shall bear its own costs. It is so ordered. A.H.GONZI JUDGE 19th March, 2025 Judgment is delivered in Court this 19th day of March, 2025 in the presence of Mr. Edwin Joshua Webiro, State Attorney for the Plaintiffs and Mr. David Shilatu, Advocate for the Defendant. A. H. GONZI JUDGE 19th March, 2025 7
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