

**IN THE HIGH COURT OF TANZANIA  
(DAR ES SALAAM SUB-REGISTRY)  
AT DAR ES SALAAM  
WINDING UP CAUSE NO. 17448 OF 2025  
IN THE MATTER OF THE COMPANIES ACT, [CAP. 212 OF 2023]  
AND  
IN THE MATTER OF GATEWAY GAMING LIMITED  
AND  
IN THE MATTER OF WINDING-UP PETITION BY  
GATEWAY GAMING LIMITED PETITIONER**

**RULING**

*30th September & 9th October, 2025*

**MWANGA, J.**

This ruling concerns a petition filed by Gateway Gaming Limited, a private company limited by shares, incorporated under the Companies Act [Cap. 212 R.E. 2023], with Certificate of Registration No. 90017, and its registered office at Plot No. 64, Block 4, House No. 4, Kinondoni Road, Lugalo Street, Upanga Ward, Ilala CBD, Dar es Salaam. The petition is brought under Sections 279(1)(a), 282(1)(a) and (d) of the Companies Act [Cap. 212 R.E. 2023], and Rules 90(1) and (2) of the Companies (Insolvency) Rules, 2005. An affidavit and accompanying documentary evidence support it.

The petitioner, being the company itself, seeks a winding-up order on the following principal grounds:(a) The company is unable to pay its debts, with Simba Sports Club Company Limited identified as the most significant creditor; and(b) The company has operated under persistent financial distress, incurring cumulative losses over recent financial years. Accordingly, the petitioner prays for: An order that this Court wind up Gateway Gaming Limited; The appointment of the Official Receiver as liquidator; the Realization of the company's assets to satisfy outstanding debts; and any other relief this Honourable Court deems fit and to grant.

In support of the petition, the petitioner has annexed inter alia: the Sponsorship Agreement with Simba Sports Club Company Limited, audited financial reports for the years ending 2023 and 2024, management accounts reflecting cumulative losses, and a summary of liabilities, chief among them being the debt owed to the said creditor.

The petition is vigorously opposed by Simba Sports Club Company Limited (Simba Sports Club), a principal creditor of the petitioner. In its affidavit in opposition, affirmed by its Chief Executive Officer, the respondent alleges that the petition was filed in bad faith and constitutes an abuse of

the court process. He states that on 1st July 2022, Simba Sports Club entered into a Sponsorship and Marketing Agreement with the petitioner, under which it agreed to provide marketing services under the petitioner's trade name "M-Bet" for a five-year term. The agreement required the petitioner to pay escalating annual sponsorship fees totalling over TZS 15 billion, including taxes, performance-based bonuses, and contributions to club events. Simba Sports Club contends that the petitioner defaulted on payments beginning in January 2025, despite issuing tax invoices and EFD receipts. The default continued until the agreement's termination on 30th June 2025. It was claimed that the petitioner's failure to pay sponsorship fees severely disrupted its operations and resulted in unpaid tax liabilities, prompting enforcement actions by the Tanzania Revenue Authority (TRA).

Consequently, Simba Sports Club requested TRA's intervention to recover over TZS 770 million directly from the petitioner. Further, the respondent alleges that the petitioner, without notice or consent, improperly transferred or disposed of its key business asset, the M-Bet brand, to third parties (Gadesubora Ltd and/or Nannovas (T) Ltd), in violation of Clause 20.2 of the agreement, which prohibits unilateral assignment. Nannovas (T) Ltd has denied any liability towards Simba Sports Club, raising concerns

about asset dissipation and frustration of legitimate debt recovery. Simba Sports Club maintains that the petitioner currently owes TZS 1,696,206,558 in unpaid sponsorship fees and bonuses. It intends to pursue recovery through legal proceedings, including a creditor's winding-up petition. The respondent averred further that this petition is a strategic attempt to evade creditor obligations, particularly towards Simba Sports Club and the TRA, and prays that it be dismissed with costs unless the petitioner proves solvency and ability to meet its liabilities.

The petition was heard orally. Mr. Elisante Frank, a learned Advocate, represented the petitioner. In contrast, the interested parties, Simba Sports Club Company Limited and the Tanzania Revenue Authority (TRA), were represented by Mr. Hosea Chamba, a learned Advocate, and Ms. Grace Letao, a State Attorney, respectively.

It was Mr. Frank's submission that the petition for winding up Gateway Gaming Limited is brought under sections 297 and 288(1)(a) and (d) of the Companies Act, R.E. 2023, primarily on the ground of the company's inability to pay its debts as per section 288(1)(a) and (b). According to him, all statutory requirements have been duly met, including the advertisement of

the petition, service on interested parties, and filing of a certificate of compliance per Rule 102 of the Companies (Insolvency) Rules, which was filed on 20th August 2025. In compliance with Rule 105, he submitted that a list of appearances was filed on 8th September 2025, with Simba Sports Club and the Tanzania Revenue Authority (TRA) entering appearances to oppose the petition, while BRELA supports it. He told the court that the petition is accompanied by a special resolution of the company's board approving the filing of the petition and recommending the appointment of Mr. Dhiresh Kaba, or another suitable person, as liquidator. An audited financial report was also annexed. Counsel submitted that the petitioner has satisfied all procedural and substantive legal requirements and prayed for the winding-up order and appointment of Mr. Dhiresh Kaba as liquidator.

In response, Mr. Jumbe for Simba Sports Club strongly opposed the petition and sought leave of the Court to adopt the affidavit filed pursuant to Rule 106(1) of the Companies (Insolvency) Rules, 2004, and its annexures. He submitted that the petition was filed in bad faith, particularly against Simba Sports Club, a creditor claiming TZS 1.7 billion from the petitioner under sponsorship and marketing agreements. This amount includes unpaid taxes due to the Tanzania Revenue Authority (TRA),

resulting from invoices and receipts issued by Simba but unpaid by the petitioner. Reference was made to specific annexures covering the relevant periods. He submitted that Simba Sports Club had informed TRA of its inability to meet tax obligations due to the petitioner's non-payment. TRA wrote to the petitioner on 3rd June 2025, but no action was taken. Further, he added, the petitioner allegedly disposed of key assets, notably the M-Bet brand and betting platform, its main source of income, transferring them to Gadesubora Ltd, a Malta-based company. This was revealed only after Simba Sports Club's demand letter and the petitioner's subsequent response in June 2025, which shifted liabilities to the third party. Mr. Jumbe argued that the petition is a strategic attempt to pre-empt Simba Sports Club from pursuing legal action against the company and its directors, protecting the petitioner's interests at creditors' expense, demonstrating bad faith.

Concerning the nomination of Mr. Dhiresh Kaba as liquidator, Mr. Jumbe objected, citing his directorship in the company and prior dealings with Simba Sports Club, which cast doubt on his impartiality. Again, the claim that BRELA supports the petition was challenged, noting that BRELA had not filed any affidavit either in support or opposition as required by Rule 106(1), and thus its support cannot be presumed. Mr. Jumbe further contended the

petition should be dismissed under section 285(1) of the Companies Act, arguing that only creditors, not the company itself, can petition for winding up on grounds of inability to pay debts. He added that the petitioner did not serve any statutory notice, and proper procedure would be voluntary winding up or settling liabilities. In his view, the petitioner seeks to avoid paying creditors, leaving creditors like Simba Sports Club and TRA without recourse, and no undertaking to contribute to liabilities under section 271(1) was provided.

Further, it also argued that the disposal of assets breached clause 20(2) of the sponsorship and marketing agreement, which requires notice and consent before transfer. He submitted that Simba Sports Club was not informed, and the alleged assignee has denied liability. In closing up his submission, Mr. Chamba cautioned that granting the petition would: Bar Simba Sports Club from legal action for the fraudulent asset disposal and outstanding debts; Prevent recovery of the debt; and risk the collapse of Simba Sports Club due to TRA liabilities. He therefore urged the Court to dismiss the petition under section 285(1), emphasizing that winding up on these grounds is reserved for creditors, not the company.

In support of the above submissions, Ms. Letao, learned State Attorney for the Tanzania Revenue Authority (TRA), filed a counter-affidavit pursuant to section 281 of the Companies Act, which was adopted into the record. She states that the petitioner owes TRA TZS 789,113,998.19, arising from multiple tax audits. In light of this outstanding liability, counsel prayed that the Court order the petitioner to settle its tax obligations.

In rejoinder, counsel for the petitioner submitted that the respondents failed to cite any legal provision barring the Court from granting the winding-up order. It was argued that section 271 of the Companies Act does not prevent the Court from issuing such an order, nor does it require any member to provide an undertaking guaranteeing debt payment prior to winding up. Regarding BRELA's involvement, counsel clarified that Rule 104 of the Companies (Insolvency) Rules governs appearances. BRELA complied by filing a notice of appearance in support, while opposing parties must file affidavits or counter-affidavits, which BRELA has not done, indicating its support. On the grounds for winding up, counsel emphasized that section 288 of the Companies Act authorizes the Court to order winding up for inability to pay debts. He added that Simba Sports Club had issued a notice of demand, satisfying the requirement under section 283.

Concerning the proposed liquidator, counsel noted that while the company nominated Mr. Dhiresh Kaba, the Court retains discretion to appoint any qualified person, including one nominated by creditors. Finally, counsel submitted that issues relating to debt payment will be addressed in the liquidation process, whereby the liquidator will collect and realize assets for creditors' benefit, including Simba Sports Club and TRA. Counsel reaffirmed earlier submissions and prayed that the petition be granted.

I have dispassionately considered the submission by the counsels for the parties and have availed myself of the law regarding a petition of this nature. The issue is whether the petitioner has established sufficient legal and factual grounds under the Companies Act, R.E. 2023, to justify the winding up of Gateway Gaming Limited based on its inability to pay debts, whether the petition was filed in bad faith and in accordance with the applicable legal procedures, and whether the interests of creditors will be prejudiced by granting the winding-up order.

In the start-up, Section 282 (1) of the Companies Act, among other things, provides for the circumstances under which a company may be wound up. Paragraph (d) is particularly relevant as it allows for a

circumstance where the company fails to pay its debts, with section 283 outlining the circumstances in which a company may be deemed unable to pay its debts. One of the conditions outlined is that it must be proved to the court's satisfaction that the company cannot pay its debts as they fall due. After that, the next question that follows is how it is determined whether a company is unable to pay its debts. According to section 280 of the Companies Act, a company shall be deemed to be unable to pay its debt if a demand is made to the company to pay the sum due within 21 days, and the company fails to do so, or offers an unsatisfactory explanation of its failure to do so.

In this very petition, the petitioner relied on the provision of section 278 (1) of the Companies Act, which states that the Court may order the winding up of a company that is unable to pay its debts. The same is supported by documentary evidence, including an audited financial statement and a demand notice issued by Simba Sports Club. The petitioner's evidence demonstrates persistent indebtedness and inability to satisfy outstanding liabilities. The interested party, Simba Sports, disputes the bona fides of the petition, asserting that it constitutes an abuse of process aimed at evading legitimate creditor claims. Alleging further

wrongful disposition of company assets in breach of contractual obligations allegedly frustrates debt recovery.

I have passed through the application and its annexures. I believe that the petitioner has complied with all statutory prerequisites, including publication, service of the petition, and filing of the certificate of compliance as mandated by the Companies (Insolvency) Rules, 2005. The issuance of a statutory demand by a creditor, as per section 283 of the Companies Act, constitutes prima facie proof of insolvency. While the interested parties argue that this ground is reserved for creditors, this Court finds no such restriction in the Act. Section 271 clearly allows a company itself to initiate winding up on the grounds of inability to pay debts.

Moreover, the other issue raised is the petitioner's allegations of bad faith and improper conduct, such as disposing of core assets without notice to key contractual partners like Simba Sports Club and the letter dated 10/6/2025 purporting to transfer liabilities without consent. I agree with Mr. Chamba that this raises serious ethical and legal concerns. Nevertheless, bad faith must be proven with cogent evidence. While the circumstances raise suspicion, the Court is not persuaded that the entire petition is a sham. These

concerns may be more appropriately examined during liquidation proceedings, and parties retain the right to pursue claims for fraudulent trading or misfeasance. The Court is therefore not persuaded that the petition is vexatious or an abuse of the Court's process to a degree that would justify dismissal of the petition at this stage.

Henceforth, the Court is satisfied that the petitioner has demonstrated sufficient legal and evidential grounds, as required under the Companies Act, R.E. 2023, to justify the winding up of Gateway Gaming Limited on the ground of insolvency, specifically its inability to pay its debts. As held in the case of **The Board of Trustees of National Social Security Fund as Creditor of M/S Katani Limited**, winding up Cause No. 5 of 2021 (unreported), where the Court faced a case like the one at hand and held:-

*"And since the liabilities of the respondent company exceed its assets, and because there were unheeded demand notices, and it is evident that the Court gave orders for the Petitioner (Creditor) to take other courses to realize its debts against the respondent Company which proved that the latter is incapable or meeting its liabilities, it is just and equitable to grant winding up order"*

Further to the above, there is an issue with Mr. Dhiresh Koba's appointment as liquidator. I have carefully considered these serious allegations of conflict of interest and Mr. Koba's alleged role as a director. This Court finds it inappropriate to appoint him as liquidator at this stage. The integrity and independence of the liquidator are vital to ensure a fair distribution of assets.

Above all, there is also an issue regarding prejudice to creditors: In principle, the winding up of an insolvent company is designed to protect creditors, not to defeat them. If properly conducted, liquidation will result in an orderly realization of assets and payment according to law. However, this Court is mindful of the risk of abuse and emphasizes the need for an independent liquidator.

In view of the foregoing, I grant the petition and further make the following orders:-

- i. The petitioner herein, **Gateway Gaming Limited**, with certificate of incorporation vide No. 90017 is hereby ordered to be wound up under the supervision of the Court under section 282 (1)(d) of the Companies Act.

- ii. The nomination of **Mr. Dhiresh Koba** as liquidator is declined. The Court appoints **Mr. SENI MALIMI** advocate from K&M Advocates TAC Associates Building Plot No. 114 Malik Road, Upanga Area, P.O.Box 71394 DSM, Tel 0753224935, as an independent and qualified liquidator.
- iii. The appointed liquidator shall, within three months of appointment, subject to the control of this court, submit to this Court a report on the company's affairs and for the practical winding up of the petitioner herein.
- iv. The rights of all creditors, including Simba Sports Club and TRA, are reserved, and they may lodge their claims with the liquidator.

It is so ordered accordingly.

Dated this 9<sup>th</sup> October, 2025.



**H.R. MWANGA**

**JUDGE.**

**09/10/2025**

**COURT:** The ruling was delivered at Dar es Salaam on the 9th day of October, 2025, in the presence of Mr. Elisante Frank, advocate for the Petitioner, and Mr. Hosea Chamba, advocate for the Creditors, Simba Sports Club, and TRA.



**H.R. MWANGA**

**JUDGE**

**09/10/2025**

