

THE REPUBLIC OF UGANDA
IN THE HIGH COURT OF UGANDA AT KAMPALA
(CIVIL DIVISION)
COMPANY CAUSE NO. 20 OF 2018
IN THE MATTER OF THE COMPANIES ACT 2012
AND
IN THE MATTER OF KAIJA & SONS LIMITED
AND
IN THE MATTER OF AN APPLICATION BY MONICA KATURAMU

BEFORE HON. JUSTICE SSEKAANA MUSA

RULING

This is an application is brought under sections 142 of the Companies Act and Order 38 r 6(h) of the Civil Procedure Rules.

The applicant was represented by Oine Ronald.

The applicant is seeking orders;

1. That An Extra-ordinary meeting be duly convened by the applicant.
2. A quorum of one shareholder (Applicant) be provided as sufficient to conduct an Extra-Ordinary General Meeting of the Company.
3. The costs of this application be provided for.

The main grounds for this application are;

- a) That Kaija & Sons Limited was incorporated on the 30th day of June 1972 with two shareholders: Kaija Katuramu and Monica Katuramu each holding 50% of the shares.

- b) That on 1st day of July 1979 one of shareholders and director Kaija Katuramu passed away.
- c) That following the demise of the second shareholder, the company is unable to make sufficient quorum for both General meetings and Board Meetings to transact any company business.
- d) That an Administrator of the estate of the late Kaija Katuramu was appointed but the company was unable to transmit her share in accordance with the law due to lack of quorum for the meetings.
- e) That the applicant wishes to convene an Extra-General Meeting of the company to handle the company matters in accordance with the Memorandum and Articles of Association and the law.

This court entertained the matter and heard the submissions of counsel for the applicant. The applicant's counsel made submissions based on the application and the supporting affidavit. They also filed brief submissions in court and this court has considered them in arriving at this decision.

This court under section 33 of the Judicature Act is empowered to give any remedies sought in a matter if properly brought before the court. It provides;

The High Court shall, in the exercise of the jurisdiction vested in it by the Constitution, this Act or any written law, grant absolutely or on such terms and conditions as it thinks just, all such remedies as any of the parties to the cause or matter is entitled to in respect of any legal or equitable claim properly brought before it, so that as far as possible all matters in controversy between the parties may be completely and finally determined and all multiplicities of legal proceedings concerning any of those matters are avoided.

The applicant's problem or dilemma in this matter is in simple terms, she cannot hold a meeting to direct the affairs of the company since one of the shareholders died and this left only one shareholder who cannot convene a general meeting.

The **Companies Act** envisages such situations and is ably provided for under section 142 which provides as follows;

(1) Where for any reason it is impracticable to call a meeting of a company in any manner in which meetings of that company may be called or conduct the meeting of the company in the manner prescribed by the articles of this Act, the court may of its own motion or on application of any director of the company or of any member of the company who would be entitled to vote at the meeting order a meeting of the company be called, held and conducted in the manner the court thinks fit.

The applicant has set out the reasons why she is unable to hold a meeting in order to enable the company operate smoothly and convene the necessary company meetings and this court is satisfied with the said reasons.

In the circumstances, the applicant is directed to hold an Extra General meeting for the purpose of accepting the new shareholder(s) through transmission of shares or allotting of shares to any other shareholder.

The costs of this application are to be met by the company.

It is so ordered.

SSEKAANA MUSA
JUDGE
31st /08/2018