

THE REPUBLIC OF UGANDA
IN THE HIGH COURT OF UGANDA AT KAMPALA
(CIVIL DIVISION)
COMPANY CAUSE NO. 19 OF 2018
IN THE MATTER OF THE COMPANIES ACT 2012
AND
IN THE MATTER OF MACHAME HEALTH AND LEISURE CLUB LIMITED
AND
IN THE MATTER OF AN APPLICATION BY IRRAH MUWANGA

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 is seeking orders;

1. That An Extra-ordinary meeting of Machame Health and Leisure Club Limited be held and conducted with Irrah Muwanga solely constituting the quoram.
2. Irrah Muwanga be able to co-opt another shareholder and appoint Director.
3. The costs of this application be provided for.

The main grounds for this application are;

- a) That Machame Health and Leisure Limited was incorporated on the 5th day of January 2006 with two shareholders: Mrs Irrah Muwanga and Mr. Emmanuel Sedduge Muwanga each holding 50 shares each.
- b) That the registered office of the company is located at Plot 9, Naguru Vale.
- c) That the nominal capital of the company is 1,000,000/= divided into 100 shares of 10,000/= which are all paid up.
- d) That the main objectives of the company are the provision of health and leisure facilities such as a gym, swimming pool, spa and a restaurant and other objectives as set forth in the Memorandum of Association of the company.
- e) That both served as the only two Directors of the Company.
- f) That on the 14th day of March 2015, Mr. Emmanuel Muwanga Sedduge suffered from Cardiac Failure and passed on.
- g) That upon the passing on of Mr Emmanuel Sedduge Muwanga, Mrs Irrah Muwanga remained as the sole Director of the company.
- h) That as the widow of the Mr Emmanuel Sedduge Muwanga, Mrs Irrah Muwanga went ahead and obtained letters of administration for the estate of Mr Emmanuel Sedugge Muwanga and administered the 50 shares that belonged to him.
- i) That following the demise of Mr. Sedugge Muwanga, the company is unable to make sufficient quorum for both General and Board meetings to transact company business.

- j) 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 are 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
25th /09/2018