



IN THE MATTER OF THE COMPANIES ACT CAP 106

IN THE MATTER OF THE COMPANIES (POWERS OF THE REGISTRAR)

REGULATIONS SI NO. 71 OF 2016

PETITION CAUSE NO. 88053 OF 2025

IN THE MATTER OF LOOKS PICTURES & DESIGNS LIMITED

DERRICK KIRABO:..... PETITIONER

VERSUS

1. ALFRED OKOT

2. LOOKS PICTURES & DESIGN LIMITED :.....RESPONDENTS

RULING

Before: Daniel Nasasira – Assistant Registrar of Companies

A. Representation

1. Counsel Edwin Busuulwa from M/S Buwule & Mayiga Advocates represented the Petitioner while Counsel Lubwo Ray David from Novus Advocates represented the first and second Respondents.

B. Background

2. This petition was filed on 22nd May 2025 seeking various orders among which included an order to appoint an inspector to investigate the conduct and financial affairs of the Company and an order directing the first Respondent to compensate

the company it's would be funds received under the RTI International and Café Pap Contracts and other diverted monies.

3. The second Respondent Company was incorporated on the 17th day of August 2016 with Alfred Okot and Derrick Kirabo owning fifty (50) shares each.
4. The Applicant argues that the first Respondent purporting to act as the authorized representative of the Company in a bidding process, signed and submitted bidding documents for provision of services for Graphics Design Consultancy to RTI International in February, 2023 and Design and Production of Tourism Media informational and promotional materials.
5. The Company was consequently awarded the contract by RTI International pursuant to the signed bidding documents and the contract was performed and concluded.
6. The Applicant contends that since the award of the contract, the first Respondent withheld/concealed to himself, every information regarding the contract and finances in form of payment for work done under the contract and never informed/involved the Applicant if payments were effected by RTI International.
7. The Applicant argued that all efforts to obtain information about this contract were frustrated by the first Respondent who maintained that the contract with RTI International was a private/personal dealing and that all information and proceeds from this contract were due to him personally and not to the second Respondent Company.
8. The Applicant contends that other various services/supplies were rendered to Café Pap by the second Respondent Company and in some instances, invoices were raised but the first Respondent as the person in charge of the management of the Company also withheld information regarding payments from Café Pap.
9. The Applicant argues that this conduct of concealing vital information about business dealings by the first Respondent has made it impossible for him to have

a true and clear picture of the financial standing of the Second Respondent Company. The Applicant contends that this conduct needs to be investigated and unearthed for a meaningful way forward.

10. The Applicant additionally deponed that the first Respondent established a rivalry graphics design company in the name of Blakstyn Holding Co. Ltd with similar objectives and aspirations, creating competition with the Second Respondent Company that has gravely affected its operations and customer base.
11. The Applicant argues that all these facts were brought to the attention of the first Respondent and as opposed to addressing the allegations, the second Respondent instead requested for a dissolution/winding up of the Company.
12. The first Respondent on the other hand argued that the allegations concerning the RTI International and Café Pap Contracts were unfounded and misleading as the Applicant and the first Respondent are joint signatories to the Company Accounts and no withdrawal of finances was ever made without the Petitioner's signatures on the Company Bank Accounts.
13. That the Applicants accusation regarding the establishment of Blakstyn Holdings Co Limited as a rival entity is legally untenable. The first Respondent argued that there is no non-compete or Restraint of trade agreement between himself, the company and the Petitioner that would prevent the first Respondent from entering into any lawful business venture, including one in the same industry. The first Respondent further contended that he never transacted any business with Looks Pictures Clients in Blakstyn Holdings Co. Limited.
14. The first Respondent argued that Blakstyn Holdings Co. Limited was formed to advance his professional interests and expertise in the creative and design industry and does not in law or fact create a conflict of interest in the affairs of Looks Pictures & Design Limited.

15. The first Respondent avers that the allegations of concealment of company affairs and financial mismanagement are baseless, malicious, and designed to thwart an amicable and fair resolution to the Company's internal deadlock.
16. The first Respondent further argued that there is no way a joint signatory can raise fraud and malicious conduct into the affairs of the Company when all finances were drawn with his knowledge and participation.
17. The first Respondent asserted that for the affairs of the Company to be investigated, there is need for appointment of an External Auditor jointly appointed by all shareholders and/or directors.
18. The first Respondent averred that the reliefs sought by the Applicant were marred with falsehoods and are untenable and prayed that the entire suit be dismissed with costs.
19. This matter came up for hearing on the 17th day of July 2025 and a question of jurisdiction arose which is a preliminary issue that ought to be disposed off at the initial stage. I instructed both counsel to present written submissions and issued schedules as follows;
 - a) Submissions from the Applicants were to be filed and served by the 28th day of July 2025
 - b) Submissions from the Respondent were to be filed and served by 12th day of August 2025
 - c) Any rejoinder was to be filed and served by the 15th day of August 2025.

I informed the parties that a decision would be issued on notice.

C. Determination

20. I carefully read the submissions of both counsel and will proceed to determine the preliminary issue.

Whether the Registrar of Companies has jurisdiction to determine the present application?

21. It is trite that jurisdiction is a creature of statute and no Court or tribunal can confer upon itself jurisdiction and where a court that has no jurisdiction entertains a matter any proceedings arising therefrom are a nullity. (*See Baku Raphael & Anor V AG SCCA No.1 of 2005 cited with approval in National Medical Stores V Penguins Ltd HCCS No. 29 of 2010*). The learned Justice Musa Ssekaana in Company Cause No.13 of 2020 **Bryan Xsabo Strategy Consultants (Uganda) Limited & 2 Ors V Great Lakes Energy Company N.V** found that, *'the exercise of power by the Registrar of Companies contemplates the adjudication of rival claims... they decide both questions of fact as well as of law and determine a variety of applications, claims, controversies and disputes.'* It follows from this authority that the Registrar of Companies possesses jurisdiction to entertain and adjudicate over questions of both fact and law.
22. The Registrar of Companies statutory jurisdiction relates to the exercise of two distinct powers, firstly is the power to hear and determine complaints by an oppressed member under Section 243 of the Companies Act Cap 106, and secondly is the power to rectify a company's register and expunge documents that constitute an error, are misleading, inaccurate, issued in error, contain entries or endorsements made in error, contain an illegal endorsement, are illegally or wrongfully obtained or which a court has ordered the registrar to expunge from the register all pursuant to Regulation 8 of the *Companies (Powers of the Registrar) Regulations SI No 71 of 2016*.
23. The Companies Act expressly provides that a company's member who is oppressed may petition the Registrar of Companies for reliefs. Section 243 (1) of the Companies Act Cap 106 provides that, *'a member of a company who complains that the affairs of the company are being conducted in a manner oppressive to...the*

*members, may make a complaint to the Registrar by petition for an order under this section.’ These powers are indeed reechoed in **Tumuhimbise V Turyamwijuka & 4 Others 2024 UGRSB 14** where the Registrar of Companies held as follows, ‘Jurisdiction of the Registrar is spelt out in the Companies Act Cap 106. It includes actions for minority oppression ...the parameters of this claim have been defined by numerous cases and include mainly situations where a minority is treated unjustly... other claims where the Registrar has jurisdiction include applications for rectification of the Register under the Companies (Powers of the Registrar) Regulations SI No 71 of 2016 and jurisdiction to order an investigation under Sections 173-187 Companies Act No.1 of 2012.’*

24. The question to resolve in this matter is whether the present application presents unique questions of fact and law for determination by the Registrar of Companies.
25. This application was commenced under Section 170 (b) (ii) & (iii) of the Companies Act Cap106 and Regulations 20, 21 & 38 of the *Companies (Powers of the Registrar) Regulations SI o. 71 of 2016*. The parent provision for commencing a Petition before the Registrar of Companies, Section 243, that has already been discussed in the preceding paragraphs above was not relied on by the Applicant in commencing this Application. The main order sought by the Applicant was an order for appointment of an inspector to investigate the conduct and financial affairs of the Company.
26. Section 170 provides that, *‘without prejudice to his or her powers under Section 169, the Registrar, a) shall appoint one or more competent inspectors to investigate the affairs of a company and to report thereon in such manner as the Registrar directs, if the company by special resolution declares that its affairs ought to be investigated by an inspector appointed by the Registrar; and (b) may appoint one or more competent inspectors to investigate the affairs of a company, if it appears to the Registrar that there are circumstances suggesting (i) that the company’s business is being conducted with intent to defraud its creditors or the creditors of any other person or otherwise for a*

fraudulent or unlawful purpose or in a manner oppressive of any part of its members or that it was formed for any fraudulent or unlawful purpose; (ii) that persons concerned with its formation or the management of its affairs have, in connection with formation or management, been guilty of fraud, misfeasance or other misconduct towards it or towards the company or its members; (iii) that its members have not been given all the information with respect to its affairs which they might reasonably expect; or (iv) that it is desirable to do so.'

27. It is key for me to state that the main controversy in this matter revolves around a contractual dispute in relation to a contract entered into by the Company and RTI International. The second complaint revolves around the creation of a rival company Blakstyn Holding Co. Ltd that was allegedly created to compete with the Second Respondent Company. The investigational powers of the Registrar of Companies under Section 170 of the Companies Act Cap 106 are administrative in nature and not quasi-judicial. It is important to distinguish between the administrative and quasi-judicial powers of the Registrar of Companies. The claims made by the Applicant in this case neither relate to the power of the Registrar to rectify the Register under the *Companies (Powers of the Registrar) Regulations SI No. 71 of 2016* or minority oppression as envisaged under Section 243 of the Companies Act Cap 106.

28. It would have been different if the Applicant had initiated a claim under Section 170 together with Section 243 of the Companies Act Cap 106. In this case, the Registrar of Companies can order for an investigation in order to make a judgement call on whether there has been oppression occasioned to a minority member in a company. But even then, in respect to the evidence presented in this matter, I find that the Applicant has not presented compelling evidence to demonstrate that he has been oppressed by the actions of the Respondents. Oppression should be distinguished from prejudicial conduct whose jurisdiction

lies with the High Court under Section 244 of the Companies Act Cap 106. For oppression to be said to exist, the Petitioner needs to present justifiable evidence that shows not just one act but a series of actions leading up to the unjust conduct that can be deemed oppressive. While just one act can qualify as prejudicial, for conduct to be deemed oppressive there must be a series of actions that lead to such oppression. Justice Ssekana Musa in *Cliff Masagazi v. Afriland First Bank Company Cause No.08 of 2020* advanced that oppressive conduct involves a course of conduct and not merely isolated events continuing up to the time of the petition involving an evasion of legal rights, displaying a lack of probity on the part of those conducting affairs of the company and affecting the petitioner in his capacity as a member .

29. The Registrar of Companies jurisdiction is restrictive in nature and only addresses matters pertaining to the rectification of the register and alleged minority oppression of the Petitioner. Jurisdiction is a key feature and I am alive to the fact that any proceedings that result from a forum without jurisdiction are a nullity.

D. Remedy

30. In light of the above analysis, I find that lack of jurisdiction is a preliminary point of law which if argued successfully disposes of the whole matter. (See. *Mukisa Biscuit Manufacturing Co. Ltd versus West End Distributors Ltd [1969] EA 696*). The preliminary issue regarding lack of jurisdiction having been resolved in the affirmative, I do not find it necessary to go into the merits of the matter to resolve other issues in this matter and this Application is therefore dismissed for want of jurisdiction. I make no order as to costs.

I so order

Given under my hand, this 02nd day of September 2025.

DANIEL NASASIRA

Ass. Registrar of Companies