



THE REPUBLIC OF UGANDA
IN THE MATTER OF THE COMPANIES ACT CAP. 106
AND
IN THE MATTER OF THE COMPANIES (POWERS OF THE REGISTRAR)
REGULATIONS SI NO. 71 OF 2016
AND
IN THE MATTER OF GENERAL MACHINERY LTD.
PETITION NO. 40911 OF 2025
BRN: 80010000040911

SAMUEL JOHN KIBUUKA:.....PETITIONER

VERSUS

GENERAL MACHINERY LIMITED:.....RESPONDENT

RULING

Before: Daniel Nasasira - Assistant Registrar of Companies

A. Representation.

1. *Birungyi, Barata & Associates represented the Petitioner, while Dentons Advocates (formerly Kyagaba & Otatiina Advocates) represented the Respondent.*

B. Introduction and Background

2. The Petition before the Registrar of Companies concerns General Machinery Ltd, a company limited by shares duly incorporated in Uganda on 19th March 1965 (hereinafter referred to as 'the Company'), and the Respondent in this matter. The Petitioner, Samuel John Kibuuka, is an adult Ugandan of sound mind and a shareholder in the Respondent Company.
3. This Petition was filed on 22nd July 2025, following the Petitioner's discovery that the Respondent had purportedly convened a shareholders' meeting on 9th April 2021, wherein it was allegedly unanimously resolved to appoint certain persons as directors of the Respondent Company.

4. The Petitioner contends that, as a member, he was not notified of the said meeting, did not receive the requisite notice or agenda, and was not provided with a copy of any resolutions. He accordingly challenged the validity of the appointments. The Respondent, on the other hand, averred that the Petitioner was duly notified of the meeting, participated therein, and that the Board appointments were effected without any procedural impropriety.

C. Petitioner's Case

5. The Petitioner challenged the validity of the process through which the current Board of Directors of the Respondent Company was appointed. In paragraph 9 of the Statutory Declaration supporting the Petition, the Petitioner averred that the Respondent Company purportedly convened a shareholders' meeting in 2021, at which it was allegedly unanimously resolved to appoint certain persons as directors of the Respondent.

6. Further, in paragraph 10 of the Statutory Declaration supporting the Petition, the Petitioner stated that, as a shareholder of the Respondent, he was not duly notified of the alleged shareholders' meeting, did not receive the requisite notice or agenda, and was not availed copies of any resolutions arising therefrom.

7. Under paragraphs 4, 5, 6, and 7 of the Statutory Declaration in support of the Petition, the Petitioner averred that the affairs of the Respondent company were governed by its Memorandum and Articles of Association. He further stated that Article 57 of the Company's Articles of Association mandatorily requires that written notice of not less than twenty-one (21) days be given to all shareholders prior to any meeting, specifying the date, time, venue, and the nature and substance of the business to be transacted.

8. The Petitioner contended, under paragraph 12 of his Statutory Declaration, that the said meeting and the resulting Board appointments were therefore conducted in breach of the Company's governing instruments and without proper notice to shareholders.

9. The Petitioner contended, under paragraph 14 of his Statutory Declaration supporting the Petition, that upon relying on the impugned shareholders' resolution, the said individuals subsequently appointed themselves and other third parties as authorized signatories to the Respondent Company's bank accounts and assumed authority over the Company's financial instruments. The Petitioner specifically challenged the following resolutions;

- a. *Board Resolution filed on 18th June 2021 in respect of Mercantile Credit Bank Limited.*
- b. *Board Resolutions filed on 18th June 2021 and 28th July 2022 in respect of Stanbic Bank Ltd.*
- c. *Board Resolutions filed on 13th October 2022 and 22nd May 2025 in respect of DFCU Bank Limited.*

10. The Petitioner contended that the shareholders' meeting appointing the said Directors was invalidly convened and that any resolutions allegedly passed thereat were null and void *ab initio*.

11. The Petitioner, under paragraph 1 of the Petition, while referring to Regulation 8 of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016, prayed that the Registrar rectify the register and file of General Machinery Limited by expunging the shareholders' resolution dated 9th April 2021 (filed on 26th April 2021). In addition, that all subsequent and consequential filings made in reliance thereon, including bank mandate resolutions and Form 20 filings be expunged as well.

D. Respondent's Case

12. The Respondent, through the Statutory Declaration of one of its Directors, Gad Wilson, noted under paragraph 3 that the Petition was without merit and ought to be dismissed with costs. The Respondent asserted that, contrary to the Petitioner's allegations, proper notice of the Annual General Meeting and the subsequent adjournment were issued to the Petitioner and his duly appointed proxy.

13. Further, under paragraph 4 of the Statutory Declaration, the Respondent maintained that, at the time of the impugned meeting in 2021, notice of the scheduled shareholders' meeting was issued to all shareholders of the Respondent Company. That pursuant to the said notice, the Petitioner appointed a proxy to attend the meeting, and a link to the general meeting was shared with the Petitioner.
14. The Respondent further asserted under paragraph 5(g) of the Answer to the Petition that the shareholders of the Respondent Company duly passed the resolution appointing the Directors in accordance with Articles 107 and 109 of the Respondent's Articles of Association.
15. Under paragraph 8 of the Answer to the Petition and its accompanying Statutory Declaration, the Respondent averred that the Petition was brought in bad faith and constituted a scheme by the Petitioner to wrest control of the Respondent Company and advance private interests inconsistent with the business interests of the Respondent. The Respondent cited the following grounds in support of this contention;
- a. That Samuel John Kibuuka, the Petitioner, was a director, chairman, shareholder and CEO of the Respondent Company for 41 years, apparently until he unceremoniously resigned as CEO, director, and Chairman.*
 - b. That the Petitioner resigned to allow for a forensic audit into the Respondent's affairs. The audit was necessitated by suspected financial impropriety.*
 - c. That in 2024, the Petitioner sought to irregularly transfer his shares in the Respondent Company to a Ben Micheal Kiiza, a person who had allegedly previously defrauded the Respondent of its shares in Victoria Motors Rwanda Limited, a subsidiary of the Respondent.*
16. The Respondent contended, under paragraph 3 of the Answer to the Petition, that the Petitioner applied to transfer his shares in the Respondent Company to a one Ben Michael Kiiza, which application was lawfully rejected by the Board of Directors. That being aggrieved by that decision, the Petitioner

subsequently instituted Company Cause No. 03 of 2025, challenging the Board's refusal to register the said share transfer. The Respondent further argued that the present Petition was filed as an attempt to remove the very Board whose decision was being challenged, and to secure the appointment of the Petitioner as a director. According to the Respondent, the objective of this appointment was to influence the Board into approving the previously rejected share transfer, thereby completing what it described as a fraudulent scheme.

17. The Respondent asserted that the Petition was barred by the doctrine of *lis pendens*, contending that it concerned the core issue of corporate control of the Respondent Company and that any determination thereof would prejudice the matter pending in Company Cause No. 03 of 2025, which was yet to be heard and determined on its merits. The Respondent further contended that the Petitioner was estopped from challenging the impugned Board appointments, having acquiesced in the said appointments by recognizing the Directors, dealing with them, and benefiting from their services allegedly for over five years, including making his application to transfer his shares to the same Board.
18. The Respondent averred that the Petition was motivated by personal vendetta, constituted an abuse of process, and that the Petitioner was therefore not entitled to any of the remedies sought. The Respondent accordingly prayed that the Petition be dismissed with costs to the Respondent.

E. Rejoinder

19. The Petitioner, under paragraph 3 of the Reply to the Answer to the Petition, responded to the Respondent's allegations under paragraph 3 of the Answer to the Petition by contending that the Petition was neither an abuse of process nor brought in bad faith. He maintained that the Petition was a lawful and legitimate exercise of a shareholder's right to seek redress against shareholders' resolutions lodged with the Companies Registry, which were misleading, inaccurate, erroneous, and illegally obtained. He further asserted that the Petition was intended to ensure that the affairs of the Respondent Company

were conducted in strict compliance with the Companies Act and the Company's Articles of Association.

20. The Petitioner contended that the Respondent's plea of *lis pendens* was misconceived, arguing that the matter before the Registrar of Companies was distinct from that pending before the High Court in terms of cause of action, facts, and reliefs sought. The Petitioner explained that the present Petition sought the expungement of shareholders' resolutions allegedly passed and filed without due regard to shareholders' rights, whereas the High Court matter concerned alleged prejudicial conduct by the Board, particularly the abuse of discretion in refusing to register a share transfer. He maintained that the determination of the present Petition would not prejudice or determine the issue before the High Court.
21. Further, through the Petitioner's Statutory Declaration in support of the Reply, the Petitioner admitted that shares had been sold and transferred to Mr. Ben Michael Kiiza. He stated, however, that the refusal of the Respondent's Board to register the said transfer was the subject of ongoing litigation before the High Court (Commercial Division), where the refusal was being challenged on grounds of bad faith, illegality, irrationality, and abuse of discretion.
22. The Petitioner contended that the Respondent could not continue to exercise authority derived from an illegal or improperly registered resolution, as the continued existence of such impugned resolutions in the Companies Registry amounted to condonation and perpetuation of an illegality. He further argued that the matter before the Registrar of Companies and that pending before the High Court were distinct, involving independent causes of action, and that the Respondent had not demonstrated how the Registrar's determination in this matter would prejudice or interfere with the High Court proceedings.
23. With respect to the Respondent's assertion that notice was issued to all shareholders for the scheduled meetings, the Petitioner, under paragraph 5 of the Rejoinder, maintained that no proof of service had been produced showing

that they received the notice in accordance with the Company's Memorandum and Articles of Association and the Companies Act.

24. The Petitioner, under paragraph 4 of his Statutory Declaration supporting the Rejoinder, contended that his interests as a minority shareholder were unlawfully frustrated and overridden during the period leading up to and in the voting in the Annual General Meeting, which he claimed was directly relevant to the bad faith and improper process underlying the resolution's adoption. He further asserted that the impugned resolution was not, as claimed by the Respondent, unanimously passed, and that this misrepresentation formed the basis for the erroneous registration of the impugned resolution. The Petitioner reiterated that the appointment of directors was conducted in violation of the Companies' governing instruments and the Companies Act, specifically stating that:

- a. No information regarding the qualifications, experience, or background of the proposed directors was made available to the Petitioner prior to the meeting to enable due diligence and make an informed decision.*
- b. The Petitioner, as a shareholder, was unlawfully denied the right to participate in the meeting deliberations and voting process.*
- c. The Resolution extract of the meeting falsely indicates that the Directors' appointments were 'unanimously passed', whereas that was not the case.*
- d. The contested shareholders' resolution extract bears no endorsement or authentication by the shareholders.*
- e. The Respondent did not produce any verified, signed, adopted, and properly registered minutes with the Companies Registry*

25. Regarding the Respondent's assertion that the Petitioner had served as director, chairman, shareholder, and CEO of the Respondent Company for 41 years, the Petitioner denied holding the position of CEO for that period. He acknowledged being a shareholder and director, but clarified that his professional involvement with the Respondent Company was as follows;

- a. *Finance and Marketing Manager - General Machinery Ltd. (1981-1985)*
- b. *Business Partner and Director - General Machinery Ltd. (1985 - 2020)*
- c. *General Manager - Victoria Motors Ltd. (1990 - 2014); and*
- d. *Chief Executive Officer - General Machinery Group (2014 - 2020)*

26. The Petitioner stated in paragraph 7 of his Statutory Declaration supporting the Rejoinder that his departure as CEO was orderly and communicated in advance, motivated by personal health considerations and the need to plan for his estate. In response to the Respondent's allegations that his resignation was intended to allow a forensic audit into the Company's affairs, purportedly necessitated by suspected financial impropriety, the Petitioner contended that such allegations were false, irrelevant to the matters before the Registrar, and intended merely to divert attention from the issues properly in dispute.

27. Regarding the Respondent's allegation that the Petitioner, Samuel John Kibuuka, sought to irregularly transfer his shares in the Respondent Company to Ben Michael Kiiza, who was alleged to have previously defrauded the Respondent of its shares in Victoria Motors Rwanda Limited, the Petitioner denied the allegations in their entirety. He contended that the assertions were false, defamatory, and intended to tarnish the reputation of Mr. Ben Michael Kiiza. The Petitioner further noted that the matter had been litigated in Rwanda (RCOM No. 00239/2025/TC) and was determined in favour of Mr. Ben Michael Kiiza.

28. In response to the Respondent's allegation that the Petitioner sought reappointment as a Director in order to influence the Board to approve previously rejected share transfer and complete a purported fraudulent scheme, the Petitioner categorically denied the allegations, stating that they were false, unfounded, and unsubstantiated.

29. The Respondent argued that the Petitioner was estopped from challenging the Board appointments, having acquiesced to the same. In rejoinder, the Petitioner

contended that the doctrine of estoppel could not be invoked to justify or condone a continuing illegality.

30. The Petitioner contended that the Respondent's assertions were deliberate falsehoods, maliciously intended to tarnish his reputation and to mislead the Honourable Registrar. He maintained that the Petition was well-founded in both law and fact and prayed that the reliefs sought therein be granted.

F. Schedules

31. At the closure of the hearing of this matter, I instructed both counsel to present written submissions and issued schedules as follows;

a) Written submissions from the Petitioner were to be filed and served by the 22nd day of December, 2025.

b) Written submissions from the Respondent were to be filed and served by the 16th day of January 2026.

32. The parties were informed that the ruling would be issued on notice.

G. Issues

33. The dispute before the Registrar of Companies concerns the appointment of the Board of Directors of General Machinery Limited. The Petitioner challenges the validity of the process through which the current Board of Directors of the Respondent Company was appointed, alleging that as a shareholder, he was not notified of the said meeting and did not participate in the same. Having considered the evidence and submissions of both parties, I find that two issues are sufficient to address the concerns in this matter.

a) Whether the Board of Directors of General Machinery Limited was properly appointed in accordance with the prescribed procedures; and

b) What remedies, if any, are available to the parties

H. Determination

a. Whether the Board of Directors of General Machinery Limited was properly appointed in accordance with the prescribed procedures?

34. The Petitioner challenged the validity of the process through which the Board of Directors of the Respondent Company was appointed. He asserted that although the Respondent claimed that a shareholders' meeting was convened in 2021 at which directors were unanimously appointed, the Petitioner, as a shareholder, was neither notified of such a meeting nor furnished with copies of any resolution allegedly passed thereat. He contended that the purported meeting was convened without his knowledge or participation.
35. The Petitioner further averred that the alleged meeting and resulting appointments were conducted in breach of the Respondent's Memorandum and Articles of Association, which mandatorily require at least twenty-one (21) days' written notice to all shareholders specifying the details and business of the meeting. On that basis, he contended that the impugned meeting was invalidly convened and that the resolution appointing the directors was null and void *ab initio*. Consequently, the Petitioner prayed that the Registrar, pursuant to Regulation 8 of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016, rectify the register by expunging the impugned shareholders' resolution and all subsequent filings made in reliance thereon.
36. The Respondent, under paragraph 5 of its Answer to the Petition and paragraph 4 of the Statutory Declaration of Gad Wilson, a Director of the Respondent Company, contended that due notice of the Annual General Meeting was issued to all shareholders. He intimated that the Petitioner was duly notified of the meeting and, in support thereof, attached evidence demonstrating the Petitioner's awareness of the scheduled meeting, including email correspondence and a letter appointing a proxy to attend the meeting on behalf of the Petitioner.
37. The Respondent attached a letter marked Annexure "A" whose contents included the Agenda for the Annual General Meeting scheduled for 19th March 2021 at 11:30 a.m. The Respondent further attached a proxy notice dated 16th March 2021, marked Annexure "B", whose contents include verbatim; *'I Samuel*

John Kibuuka...being a shareholder of General Machinery Limited hereby appoint Mr. Joshua Ogwal...as my proxy to vote for me on my behalf at the Annual General Meeting to be held on the 19th day of March, 2021 at 11:30 am and at any adjournements there of.'

38. The Respondent also attached a letter dated 17th March 2021 from the said Petitioner's proxy, Joshua Ogwal, addressed to General Machinery Limited, which expressly stated *"I make reference to the Notice issued in respect of the Annual General meeting scheduled for 19th March 2021 ..."*.
39. In this letter, Joshua Ogwal, acting in his capacity as a proxy for the Petitioner, requested that the Agenda of the scheduled Annual General Meeting be amended to include the presentation of the Group Accounts of General Machinery Limited. In addition, the Respondent attached an email thread in which both the Petitioner and his proxy were copied, communicating the adjournment of the Annual General Meeting to 9th April 2021, communicating a reminder on the day preceding the meeting, and the meeting link was circulated prior to the meeting.
40. The Petitioner, argued that the Respondent failed to furnish proof that notice of the Annual General Meeting was issued in the manner and within the timeframe prescribed by the Companies Act and Article 57 of the Company's Articles of Association, i.e., 21 days' notice however, Article 57 of the Company's Articles of Association further provides that, *'...a meeting of the Company shall, notwithstanding that it is called by a shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed by all the members entitled to receive notice thereof.'* This provision implies that where a meeting is convened on shorter notice than the prescribed period, it will nonetheless be valid if the members, either expressly or by conduct, consent to the shorter notice.
41. The Respondent attached an email of 26th March 2021 marked annexure 'G' to the Answer to the Petition, which clearly indicates notice to the Petitioner of

the Annual General Meeting scheduled for 9th April 2021. Whereas the notice calling the meeting was shorter than twenty-one (21) days, the Petitioner's conduct in appointing a proxy who attended the meeting amounts to implied consent to the shorter notice. Had the Petitioner been dissatisfied with the stipulated notice period of twenty-one (21) days, he would have raised an objection at the time and demanded compliance with the stipulated notice requirements. The failure to object to the shorter notice, taken together with the participation through an appointed proxy, amounted to implied consent to the notice given.

42. I therefore find that the Petitioner was duly notified of the meeting in accordance with the Company's Articles of Association and participated in the meeting through his proxy, as evidenced by the proxy notice attached to the Respondent's Answer to the Petition. The documentary record demonstrates not only receipt of the meeting notice but active engagement with the process through the formal appointment of a proxy, correspondence expressly acknowledging the notice, and participation in discussions relating to the meeting agenda and adjournment.

43. Further, the record demonstrates that the Petitioner continued to engage with and recognise the impugned Board for over five years, including formally applying to the same Board for approval of a share transfer. Such conduct is inconsistent with the assertion that the Board was unlawfully constituted.

44. Consequently, and in resolution of the first issue, I find that the Board appointments arising from the shareholders' meeting of General Machinery Limited held on 9th April 2021, and the resulting resolution, were valid.

b. What remedies are available to the parties?

45. Having ascertained that the Petitioner was notified of the meeting and took part in the same through his proxy and that the Board of Directors of General Machinery Limited was accordingly properly appointed, I find that the Petitioner is not entitled to any of the reliefs sought.

46. Upon careful review of the Company's Articles of Association, Articles 107–109 provide that all Directors of the Company shall retire from office at every Annual General Meeting. It therefore follows that the Company elects its Directors on an annual basis. Consequently, if the Petitioner is dissatisfied with the current Board, he may raise this concern at the next Annual General Meeting, where the issue of directorship is ordinarily considered.
47. Alternatively, Article 111 of the Company's Articles of Association provides that *"The Company may by ordinary resolution of which a special notice shall be given remove any Director before the expiration of his period in office, and may by ordinary resolution appoint another person in his stead."* Thus, the Petitioner, as a member of the Company, possesses the requisite authority to raise concerns regarding the conduct or suitability of the current Board or any specific Director, upon which the Company may convene a meeting to address such concerns in accordance with its Articles.
48. Accordingly and pursuant to Regulation 32 of the Companies (Powers of the Registrar) Regulations, SI No. 71 of 2016, this Petition is dismissed with no order as to costs.

I so Order.

Given under my hand this 02nd day of March 2026

Daniel Nasasira
Assistant Registrar of Companies