



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 VICTORIA MOTORS LIMITED
PETITION NO. 40768 OF 2025
BRN: 80010000040768

SAMUEL JOHN KIBUUKA
MERCANTILE EXECUTIVE SERVICES LTD:.....PETITIONERS

VERSUS

M/S VICTORIA MOTORS LIMITED:.....RESPONDENT

RULING

Before: Daniel Nasasira - Assistant Registrar of Companies

A. Representation.

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

B. Introduction and Background

2. The Petition before the Registrar of Companies concerns Victoria Motors Limited, a company limited by shares duly incorporated in Uganda on 29th December 1964, and the Respondent in this matter (hereinafter referred to as 'the Company').
3. Samuel John Kibuuka, the First Petitioner, is an adult Ugandan of sound mind and a shareholder in Victoria Motors Limited, the Respondent. Mercantile Executive Services Ltd, the Second Petitioner, is a company limited by shares, duly incorporated under the laws of Uganda, and also a shareholder in Victoria Motors Limited.

4. This Petition was filed on 22nd July 2025, following the Petitioners' discovery that the Respondent, Victoria Motors Limited, had purportedly convened a shareholders' meeting on 23rd February 2021, wherein it was allegedly unanimously resolved to appoint certain persons as directors of the Respondent Company.
5. The Petitioners contended that as members, they were not notified of the said meeting, did not receive the requisite notice or agenda, and were not availed copies of any resolution arising therefrom and accordingly challenged the validity of the appointments. The Respondent, on the other hand, asserted that the Petitioners were duly notified of the meeting and fully participated therein, and that the appointments were effected without any procedural impropriety.

C. Petitioners' Case

6. The First and Second Petitioners, under paragraphs 8 and 9 of their respective Statutory Declarations supporting the Petition, 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.
7. The Petitioners under paragraphs 1(i) and (k) of the Petition challenged the validity of the process through which the Board of Directors of the Respondent Company was appointed narrating under paragraph 10 of their respective Statutory Declarations in support that they were not duly notified of the said shareholders' meeting, did not receive the requisite notice of agenda as required by Article 57 of the Company's Articles of Association which requires written notice of not less than twenty-one (21) days to 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 Petitioners contended, under paragraph 12 of their respective Statutory Declarations, that the said meeting and the resulting appointment of directors

were conducted in breach of the Respondent Company's governing instruments and without proper notice to shareholders.

9. The Petitioners further contended, under paragraph 14 of their respective Statutory Declarations 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's bank accounts and assumed authority over the Company's financial instruments. They challenged the following resolutions;

a. *Board Resolutions filed on 20th February 2023 in respect of ABSA Bank (U) Ltd, Centenary Rural Development Bank Ltd, DFCU Bank Ltd, Mercantile Credit Bank Ltd, and Stanbic Bank Ltd.*

b. *Board resolutions filed on 25th September 2024 and 9th May 2025 in respect of Stanbic Bank (U) Ltd.*

10. The Petitioners contended that the purported shareholders' meeting held on 23rd February 2021, appointing the said Directors, was invalidly convened and that any resolutions allegedly passed thereat were null and void *ab initio*.

11. The Petitioners, while referring to Regulations 3 and 8 of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016, prayed that the Registrar rectify the register and file of Victoria Motors Ltd, by expunging the shareholders' resolution dated 23rd February 2021 (filed on 25th February 2021). In addition, that all subsequent and consequential filings made in reliance thereon, including bank mandate resolutions and Form 20 filings, be expunged.

D. Respondent's Case

12. The Respondent, through the Statutory Declaration of one of its Directors, Gad Wilson, contended that the Petition was without merit and ought to be dismissed with costs. Under paragraph 3 of his Statutory Declaration supporting the Answer to the Petition, the Respondent asserted that, contrary to the Petitioners' allegations, proper notice of the Annual General Meeting at

which the Directors in question were appointed was duly issued, and that the Petitioners appointed proxies who attended the said meeting on their behalf.

13. Further, under paragraph 4 of the Statutory Declaration in support of the Answer to the Petition, the Respondent maintained that, at the time of the impugned meeting in 2021, notice of the scheduled shareholders' meeting was issued to all shareholders. The Respondent further intimated that pursuant to the said notice, the Petitioners appointed proxies to attend the meeting, and a link to the annual general meeting was shared with the Petitioners. The Respondent asserted that the shareholders of the Respondent Company duly passed the resolutions appointing the Directors in accordance with Articles 107 and 109 of the Company's Articles of Association.

14. Under paragraph 8 of the Statutory Declaration supporting the Answer to the Petition, the Respondent averred that the Petition was brought in bad faith and constituted a scheme by the First Petitioner to usurp control of the Respondent Company and advance private interests inconsistent with the business interests of the Respondent. The following grounds were cited in support of this contention;

- a. *That the First Petitioner, who is also a director and controlling shareholder of the Second Petitioner, was a director, chairman, shareholder and CEO of the Respondent for 41 years, until he allegedly unceremoniously resigned as CEO, director, and Chairman.*
- b. *That the First 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 First 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, its subsidiary.*

15. The Respondent contended, under paragraph 3 of the Answer to the Petition, that the Petitioners applied to transfer their shares in the Respondent Company to a one Ben Michael Kiiza, which applications were lawfully rejected by the Board of Directors. The Respondent asserted that, being aggrieved by this decision, the Petitioners subsequently instituted Company Cause No. 04 of 2025 and Company Cause No. 08 of 2025, challenging the Board's refusal to register the share transfers. 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 First Petitioner as a director. According to the Respondent, the objective of this appointment was to influence the Board into approving the previously rejected share transfers, thereby completing what they described as a fraudulent scheme.
16. 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 matters pending in Company Cause No. 04 of 2025 and Company Cause No. 08 of 2025, which were yet to be heard and determined on their merits. The Respondent further contended, under paragraph 10 of the Statutory Declaration supporting the Answer, that the Petitioners were 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 five years, including submitting applications to transfer their shares to the same Board.
17. The Respondent averred that the Petition was motivated by personal vendetta, constituted an abuse of process, and that the Petitioners were therefore not entitled to any of the remedies sought. They accordingly prayed that the Petition be dismissed with costs to the Respondent.

E. Rejoinder

18. In their Reply to the Answer to the Petition, the Petitioners denied the allegations raised by the Respondent under paragraph 3 of the Answer, contending that the Petition was neither an abuse of process nor brought in bad faith. They maintained that the Petition constituted a lawful and legitimate exercise of a shareholder's right to seek redress against misleading, inaccurate, erroneous, and illegally obtained shareholders' resolutions lodged with the Companies Registry, and was intended to ensure that the affairs of the Respondent Company were conducted in strict compliance with the Companies Act and the Company's governing instruments.
19. The Petitioners contended that the Respondent's plea of *lis pendens* was misconceived, arguing that the matter before the Registrar of Companies was distinct from those pending before the High Court in terms of cause of action, facts, and reliefs sought. They 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 matters concerned alleged prejudicial conduct by the Board, particularly the abuse of discretion in refusing to register share transfers. They maintained that the determination of the present Petition would not prejudice or determine the issues before the High Court.
20. Further, the Petitioners admitted that shares had been sold and transferred to Mr. Ben Michael Kiiza. They stated, however, that the Respondent Board's refusal to register the said transfers 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.
21. The Petitioners 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. They further argued that the matter before the Registrar of Companies and those 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.

22. With respect to the Respondent's assertion that notice was issued to all shareholders for the shareholders' meeting, the Petitioners 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.

23. The Petitioners contended under paragraph 5 of their rejoinder that they were unlawfully prevented from participating in and voting at the Annual General Meeting, and that their interests were overridden and disregarded. They further asserted that the impugned resolution appointing the said Directors was not, as claimed by the Respondent, unanimously passed, and that this misrepresentation formed the basis for the erroneous registration of the resolution. The Petitioners, under paragraph 6 of their rejoinder, reiterated that the appointment of directors was conducted in violation of the Company's 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 Petitioners prior to the meeting to enable due diligence and make an informed decision.*
- b. *The Petitioners, as shareholders, were unlawfully denied the right to participate in the meeting deliberations and voting process.*
- c. *The Resolution extract of the meeting of 23rd February 2021 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.*
24. Regarding the Respondent's assertion that the First Petitioner had served as director, chairman, shareholder, and CEO of the Respondent Company for 41 years, the First 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)*
25. The First Petitioner stated in his Statutory Declaration supporting the Reply 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 First 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.
26. Regarding the Respondent's allegation that the Petitioners sought to irregularly transfer their shares in the Respondent Company to Ben Michael Kiiza, who was alleged to have previously defrauded the Respondent of shares in Victoria Motors Rwanda Limited, the Petitioners denied the allegations in their entirety. They contended that the assertions were false, defamatory, and intended to tarnish the reputation of Mr. Ben Michael Kiiza. The First 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.
27. In response to the Respondent's allegation that the First Petitioner sought reappointment as a Director to influence the Board to approve the previously

rejected share transfers and complete a purported fraudulent scheme, the Petitioner categorically denied the allegations, stating that they were false, unfounded, and unsubstantiated.

28. The Respondent argued that the Petitioners were estopped from challenging the Board appointments, having acquiesced to the appointment of the Board of Directors. In rejoinder, the Petitioners under paragraph 9 contended that the doctrine of estoppel could not be invoked to justify or condone a continuing illegality.

29. The Petitioners intimated that the Respondents' assertions were deliberate falsehoods, maliciously intended to tarnish the reputation of the First Petitioner and to mislead the Honourable Registrar. They maintained that the Petition was well-founded in both law and fact and prayed that the reliefs sought therein be granted.

F. Schedules

30. At the closure of the hearing of this matter, I issued schedules as follows;

a) The Respondent was granted leave to file a supplementary Statutory Declaration by the 08th day of December 2025.

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

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

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

G. Issues

32. The dispute before the Registrar of Companies concerns the appointment of the Board of Directors of Victoria Motors Limited. The Petitioners challenge the validity of the process through which the current Board of Directors of the Respondent Company was appointed, alleging that as shareholders, they were 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 Victoria Motors 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 Victoria Motors Limited was properly appointed in accordance with the prescribed procedures**

33. The Petitioners assert that although the Respondent claimed that a shareholders' meeting was convened on 23rd February 2021, at which directors were unanimously appointed, the Petitioners, as shareholders, were neither notified of such a meeting nor furnished with copies of any resolutions allegedly passed thereat. They further averred that the alleged meeting and resulting appointments were conducted in breach of the Company'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, they contended that the impugned meeting was invalidly convened and that the resolution appointing the directors was null and void *ab initio*. Consequently, they 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 resolution and all subsequent filings made in reliance thereon.

34. The Respondent, under paragraph 5 of the 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 the respective shareholders. The Respondent asserted that the Petitioners were duly notified of the meeting and, in support thereof, attached evidence demonstrating the Petitioners' awareness of the scheduled

meeting, including email correspondence and letters appointing proxies to attend the meeting on their behalf.

35. The Respondent attached proxy notices marked annexures "A" and "B", dated 8th February 2021 and 22nd February 2021, respectively, appointing Mr. Joshua Ogwal and Dr. Daniel Iga as proxies for the First and Second Petitioners. Both notices expressly authorized the said proxies "to vote for and on behalf" of the respective Petitioners at the Annual General Meeting of the Company scheduled for 23rd February 2021, "and at any adjournment thereof."
36. The Respondent further attached minutes of the Annual General Meeting held on 23rd February 2021 via Zoom, in which Mr. Joshua Ogwal and Dr. Daniel Iga, as proxies for the respective Petitioners, were recorded as having attended. While I agree with the Petitioners' contention that the said minutes were not confirmed, verified, signed, or formally adopted, the substance of the minutes is corroborated by the Statutory Declarations sworn by the respective proxies in support of the Petitioners' Rejoinder, in which both deponents expressly acknowledge having attended the Annual General Meeting of the Company on 23rd February 2021.
37. Section 148 of the Companies Act Cap. 106 requires companies to maintain accurate minutes of all proceedings at general meetings and directors' meetings, which serve as the official record of decisions and deliberations. These minutes, when properly recorded, are considered *prima facie* evidence of the proceedings unless challenged. The Petitioners did not dispute the contents of the minutes and, indeed, relied on the same minutes in an attempt to buttress their argument that they were unlawfully frustrated from participating in the meeting.
38. The foregoing demonstrates that the Petitioners were duly notified of the Annual General Meeting scheduled for 23rd February 2021 and, through their appointed proxies, participated in the same.

39. The Petitioners, in their Rejoinder, 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 the Company's Articles of Association, which is a minimum of twenty-one (21) days.
40. Whereas the Petitioners raised the issue of the minimum twenty-one (21) days' notice required under Article 57 of the Company's Articles of Association, I find that by appointing proxies who indeed attended the meeting, the Petitioners were properly notified and participated in the meeting. 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. Applying this provision to the facts of the present case, even if the notice calling the meeting was shorter than the stipulated twenty-one (21) days, the Petitioners' conduct in appointing proxies and participating in the meeting amounted to implied consent to the shorter notice. Had the Petitioners been dissatisfied with the notice period, they would have raised an objection at the time and demanded compliance with the stipulated notice requirements. Their failure to object to the notice, taken together with their participation through appointed proxies, amounted to implied consent to the notice given.
42. Having found that notice of the meeting was given in accordance with the Company's Articles of Association, the Petitioners attended through proxies, as evidenced by the proxy notices, meeting minutes, and attendance record attached to the Respondent's Answer to the Petition. I find that the Petitioners were duly notified of the meeting and participated in the same. Further, the record demonstrates that the Petitioners continued to engage with and

recognise the impugned Board for over five years, including formally applying to the same Board for approval of share transfers. This conduct is inconsistent with the claim that the Board was unlawfully constituted.

43. Consequently, the Board appointments arising from the shareholders' meeting of Victoria Motors Limited held on 23rd February 2021, and the resulting resolution, are valid.

b. What remedies are available to the parties?

44. Having ascertained that the Petitioners were notified of the meeting and were duly represented by their appointed proxies, and that the Board of Directors of Victoria Motors Limited was accordingly properly appointed, I find that the Petitioners are not entitled to any of the reliefs sought.

45. 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 Petitioners are dissatisfied with the current Board, they may raise their concerns at the next Annual General Meeting, where the issue of directorship is ordinarily considered.

46. Further, 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.*" Accordingly, the Petitioners, as members of the Company, possess 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.

47. Accordingly and pursuant to Regulation 32 of the Companies (Powers of the Registrar) Regulations, SI No. 71 of 2016, the 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