

REPUBLIC OF UGANDA
IN THE HIGH COURT OF UGANDA HOLDEN AT KAMPALA
COMMERCIAL COURT DIVISION
HCT-00-CC-CS-0274-2005

Mohanlal K Radia

Plaintiff

Versus

1. **Rose Kato Nakeyenga**
2. **Henry Kayondo**
3. **Kisekka Kayondo George**
4. **Kayondo Kayemba Fred**
5. **Katerega Rogers Joseph**
6. **Gorete N Kayondo**
7. **Uganda Shoe Co. Ltd**

Defendants

BEFORE: THE HONOURABLE MR. JUSTICE FMS EGONDA-NTENDE

JUDGMENT

1. The plaintiff, Mohanlal K Radia, brings this action to protect, in his own words, ‘derivative interests’ ‘rights and interest’ as a shareholder, holding 135 shares in Uganda Shoe Co. Ltd, defendant no.8, against the 8 defendants, of whom the first 7 are shareholders in defendant no.8. The plaintiff seeks multiple relief including:
 - ‘(i) a declaration that the defendants managed the affairs of defendant no.8 in a manner that is contrary to law and oppressive prejudicial to the interests of defendant no.8 and the plaintiff;
 - (ii) a declaration that the defendants mismanaged the affairs of the company by among others illegally mortgaging company property to Cairo Bank Ltd and Centenary Rural Development Bank;
 - (iii) An order that resolutions passed by the directors authorising the company to borrow money from Cairo Bank Ltd and Centenary Rural Development Bank are null and void;
 - (iv) a declaration that the defendants should produce for inspection of the company the original land titles derived after the subdivision of the company land into various plots;

(v) an order that the company should convene an extra ordinary meeting to resolve matters pertaining to defendant no.8;

(vi) an order that an account be taken in respect of the company's affairs from 1997 till judgment;

(vii) an order that the defendants give account of the company's rental income collected;

(viii) an order that the defendants return to the company its original certificates of title in their possession;

(ix) an order that the plaintiff be paid dividends if any;

(x) Damages for breach of fiduciary duty to defendant no.8;

(xi) General damages and

(xii) costs of the suit.'

2. It is the contention of the plaintiff that when he appointed his son Radia Atul as his attorney to represent him on the board of directors, the defendants ignored Mr. Radia Atul, and did not invite him to meetings of the company. The defendants further, as directors and shareholders of the defendant no.8, jointly and severally, engaged in a series of activities that were fraudulent, illegal and prejudicial to the interests of defendant no.8.

3. Particulars of fraud, illegality, and bad faith are stated to be;

'(a) On 15/8/1999, the defendants purportedly signed a company resolution authorising the borrowing of money from Cairo International Bank international without authorisation by the company. (Copy of the Resolution is hereto annexed and marked "D");

(b) On 15/3/2003 the Defendants purportedly signed a company resolution authorizing the borrowing of money from Centenary Rural Development Bank Ltd (Entebbe Road Branch) without authorization by the company (Copy of the resolution hereto annexed and marked "E").

(c) In the year 2000 the defendants purportedly amended the Memorandum & Articles of Association of the Company without the plaintiff's consent and even had the same registered at the companies registry without him appending his signature against the name (Copy of the resolution to amend the Memorandum & Articles of Association is hereto annexed and marked "F").

(d) The plaintiff or his alternate Mr. Atul Radia were never informed about the borrowings and or use of the borrowed monies for the benefit of the company.

(e) The defendants have converted to personal use and/or failed to account for monies collected from rental of the company premises and property.

(f) The aforementioned acts were in the knowledge of all the defendants who deliberately withheld information from the plaintiff, and thus in breach of their fiduciary duty to the company.”

4. The plaintiff contends that the said acts have caused loss to the company and put company assets at risk of foreclosure. He has demanded of the defendants to take measures to rectify and or remedy the matters complained of but the defendants have neglected and or refused to do so to the detriment of the plaintiff's interest as a shareholder and the interests of the company as well. At the time of filing this suit the defendants are in control of the company, and as a result of their actions, the plaintiff has suffered inconvenience, loss and damage for which he claims general damages.
5. Defendant No.1 admitted paragraphs 2, 3, 4,5,6,7 and 8 of the plaint. Paragraphs 9 and 10 are denied. Save for the resolutions mentioned paragraph 11 is denied. The defendant no.1 contends that the plaintiff is not a shareholder in the defendant no.8 and was not entitled to attend any of the company meetings or participate in the deliberations thereof. Specifically it is asserted that, 'the plaintiff rescinded and repudiated all previous allotments of shares to him by the company, if any.'
6. Paragraphs 12, 13, 14 and 15 are denied and it is contended the plaintiff would not suffer any loss not being a shareholder and that whatever decisions were taken for the company were taken in good faith in the best interests of the company. In the alternative if any of the officers of the defendant no.8 led to the plaintiff to believe that he is a shareholder such conduct is not binding on the company nor any of the directors by reason of mistake and without authorisation of the company.
7. The defendant no.1 preferred a counter claim against the plaintiff. The defendant no.1 contends that mistakenly believing the plaintiff to be a shareholder in the defendant no.8, he entered into negotiations with the plaintiff for the purchase of the plaintiff's shares and

made part payment thereof of Shs.20,000,000.00. The defendant no.1 contends that she was fraudulently induced by the plaintiff to enter into that agreement. The particulars of fraud are itemised as follows:

'(a) He induced the plaintiff into believing that he was a shareholder in the company whereas not.

(b) he induced the plaintiff into believing that he held ordinary shares in the company whereas not.

(c) In collusion with the Company Secretary caused the filing of returns in the Company registry that presented him as Director and shareholder in the company whereas not.

(d) He induced the first defendant into a share-purchase arrangement whereas he had no shares to sell.'

8. The defendant no.1 further contends that there was a total failure of consideration and claims the refund of shs.20,000,000.00 together with general damages for misrepresentation and interest.
9. Defendants No.2 to 8, in their written statement of defence, contend that the plaintiff was fraudulently reinstated as a shareholder and member of defendant no.8, and as such has no cause of action against the defendants. The activities complained of with Cairo International Bank and Centenary Rural Development Bank Ltd were legitimate activities of the company duly sanctioned by the appropriate organs.
10. In a counter claim against the plaintiff, the defendants no. 2-8 contend that on or about the 30th day of May 1969, the plaintiff resigned and had his interest paid off. Later on or about 27th November 1992 through fraud and connivance, the plaintiff was reinstated as a shareholder of the company purportedly holding up to 22.5% shares of the company. The defendants aver that both the members and the company deny any intention or actuality to allot and or reinstate the plaintiff and further that the company has never legitimately resolved to transfer any interest to the plaintiff.
11. The defendants contend that the subsequent increase of the share capital of the company, and the following allotment of shares including to the plaintiff and other filings of company documents were not legitimately sanctioned and the purported resolution signed by Mr. Walugumbe and P K Sengendo lacked authenticity for want of quorum since Leo Kayondo was at that particular time in a comma and as such were fraudulent and illegal.

12. The particulars of fraud are stated as:

- '(i) Convening an extra ordinary meeting and resolving to reinstate the plaintiff as a shareholder where there was no quorum.
- (ii) A resolution to increase the company's share capital without the company sanctioning the same.
- (iii) Reinstating the plaintiff through increase of share capital and allotment of shares without sanctioning the same.
- (iv) Drafting a resolution purporting to be extracted from the minutes of a board meeting purportedly held on 3rd September 1989 and registering the same after the death of Mr. Leo Kayondo.
- (v) Writing a letter to Mr. Walugembe by PK Sengendo dated 10th March 1993 advising on filing the above resolution and thereafter registering the same with a back date of 27th November 1992.
- (vi) Convening the company meetings concerning the reinstatement of the plaintiff in the register of the companies office without the knowledge of Leo Kayondo.
- (vii) Filing unauthentic documents.
- (viii) Registering and filing all these documents after the death of Leo Kayondo.'

13. The defendants contend that all the above transactions and dealings were executed between the then surviving shareholder, Mr. Walugembe and the plaintiff, after the death of Mr. Leo Kayondo, the other principal shareholder, to the exclusion or without the consent of the beneficiaries of his shares/interest (the defendants). The defendants contend that they are entitled to the recovery of any monies paid to the plaintiff. The defendants further contend that the plaintiff has without justification, logged caveats on various company titles and thus clogged company transactions and financial flow for which the defendants claim general damages.

14. The defendants prayed for the following relief:

- '(a) A declaration that the plaintiff was fraudulently reinstated as a shareholder, and that he is not a shareholder of the company.
- (b) An order that all transactions by the plaintiff or his Attorney on behalf of the company are null and void.
- (c) An order that any documents on which the plaintiff's names appear after 1969 be expunged off record.
- (d) An order that all caveats lodged by the plaintiff on the company property be removed/dislodged.
- (e) General damages and costs of the counter claim.

15. The plaintiff responded to both counter claims. With regard to the counter claim by defendant no.1 the plaintiff denies that the defendant no.1 was mistaken of his shareholding in the company. Paragraph 13 of the counter claim is denied. The plaintiff did not induce the defendant no.1 into believing tha the plaintiff is a shareholder in the

company. The plaintiff rightly holds 135 ordinary shares in the company. The plaintiff denied any collusion with the company secretary in filing returns to the registry. The plaintiff contends that the defendant no.1 voluntarily offered to purchase the plaintiff's shares when he put them up for sale. The defendant breached the sale agreement for which the plaintiff would claim damages and interest. The plaintiff prayed that the counter claim be dismissed with costs.

16. With regard to the counter claim of defendants no.2 to no.8, the plaintiff opposed the same. The plaintiff denied knowledge of annexures A1 and A2 to the defence and put the defendants to strict proof thereof. The plaintiff asserts that he has never ceased to be a member of the company. A1 and C1 are null and void and denies the contents of annexure C2 and or having been paid off for his shareholding and the defendants are put to strict proof thereof. In reply to paragraph 13 the plaintiff avers that the said documents are company documents duly sanctioned.
17. In reply to paragraph 14 the plaintiff avers that the said resolution is null and void as he never ceased to be a member of the company and is not aware of the rest of the contents of the said paragraph. With regard to the particulars of fraud, the plaintiff denied calling an extraordinary general meeting at which he was purportedly reinstated as a shareholder. The plaintiff denies being party to the resolution that increased the share capital of the company. The plaintiff denies reinstatement through an increase in share capital and allotment of shares. The plaintiff denies drafting or filing the resolution in question. The plaintiff denies having written or influenced the writing of the letter to Mr. Walugembe and back dating of the said resolution and puts the defendants to strict proof. The plaintiff denies ever calling the meeting alleged or even knowledge of it. The plaintiff denies being a party to filing and or registering un authentic documents. The plaintiff denied the defendants are entitled to recover any money or general damages from him.
18. The plaintiff admitted filing the caveats in question to protect his interests and those of the company.
19. At scheduling conference the parties agreed to 7 issues. In addition documents were admitted into evidence by agreement of counsel for each of the parties hereto. At the trial the plaintiff called 2 oral witnesses in addition to the plaintiff who testified in England by way of a commission. Though availed the opportunity the defence did not call any

witnesses and the case was concluded with only the plaintiff's evidence and the documentary evidence of all the parties that was admitted by agreement. I shall proceed to deal with the evidence available on each issue.

Issue No.1
Whether the plaintiff resigned as a shareholder of the 8th Defendant?

Issue No.2
Whether the plaintiff was properly readmitted in the Defendant No.8?

Issue No.3
Whether the plaintiff is a shareholder of the Defendant No.8?

20. The first three issues set out above can be taken together. The evidence on these 3 issues comprises the testimony of the plaintiff himself taken on commission, the testimony of PW1, Atul Radia, PW2, Ponsiano Kawoto Sengendo and the documentary evidence admitted in the case by agreement of parties. On the evidence before this court it is not disputed that the plaintiff became a shareholder and a director of the defendant no.8 in 1965. He had a shareholding of 22.5% in the share capital of defendant no.8.

21. It is the case for the defendants that the plaintiff resigned as a shareholder in 1969 and they point to a resolution dated 30th May 1969 and apparently filed in the registry of companies on 29th December 1972. It is signed by J W Senkumba as Director/Chairman. In his testimony the plaintiff denied ever resigning from the company. I shall set out the special resolution in full.

“Special Resolution

At a Special General Meeting held on the 30th of May 1969, at the Registered Office of the Company at Plot No. 36, Kampala Road, Kampala, it was unanimously resolved:

1. That the Resignations of Messrs. William Lugobe and M. K. Radia be accepted.

2. That their ceasing to be shareholders and Directors of the Company be accepted.

3. that their shares be re-allocated to other shareholders of the Company.

4. That they be fully reimbursed for their shareholdings in the company.

(Signed)J. W. Senkumba

Director/Chairman

Dated at Kampala, 30th May, 1969.”

22. There is another resolution dated 3rd September 1989 which purports to reinstate the plaintiff back to the company. The plaintiff denied knowledge of this resolution. It states,

“Ordinary Resolution

Following the application of Mr. Mohanlal Kakubhai Radia, formerly shareholder to be readmitted into the company as a shareholder it was resolved that:

In spite of his voluntary cessation as shareholder when in 1969 Mr. Mohanlal K Radia sold his shareholding to Messrs L. Kayondo and J. Walugembe Senkumba now that the same Mohanlal K Radia has expressed interest and willingness to take up shares, he is hereby readmitted as shareholder and is free to buy shares up to 22.5% of the authorised share capital of the company with immediate effect.

(Signed) Jacob Walugembe Senkumba

Chairman, P.K,

(signed) Sengendo

Secretary.'

23. According to PW2, appointed company secretary in 1990, this resolution was signed in 1992, by the witness and Mr. Walugembe, on the basis of information provided to him by Mr. Walugembe. Thereafter various returns to the Registrar of Companies started reflecting M K Radia as both a shareholder holding 135 shares in the company and a director of the company. He found that apparently returns to the company registry had not been made since the seventies. He set about correcting the situation. Guided by Mr. Walugembe he filed returns for the eighties and nineties reflecting Mr. Radia as a shareholder and director.
24. PW2 stated that he did not see the minutes of 1969 in which it is alleged Mr. Radia resigned from the company. Neither did he see the minutes related to his re-admission as he relied on information provided by Mr. Walugembe about the readmission in 1989. The returns prior to 1990 do not show Mr. Radia as shareholder but those thereafter show him as a shareholder and director of the defendant no.8.
25. The only people capable of explaining the apparent mystery of resignation and re-admission that has confounded the parties hereto, would be Mr. Walugembe and Mr. Kayondo, both of whom are dead. It is their wills that may speak on the subject, if at all. A copy of the grant of probate with the will annexed for Mr. Kayondo is exhibited as P62 and P63 respectively. The English translation of the will is part of P63. The will is dated 3rd July 1986 and was interestingly witnessed by Mr. Walugembe, the other shareholder/director in the company. The will states that Uganda Shoe Company Ltd is owned by three of them, with J S Walugembe owning 37%, Mr. Radia 23% and the

testator 40%. This will was written in 1986, long before the alleged re-admission in 1989. This will supports the plaintiff's version that he has never resigned from the company.

26. The defendants are not able to show or point to any resignation instrument signed by the plaintiff resigning, or selling and transferring his shares to the other two directors as the re-admission resolution purported to suggest had happened. Nor have the defendants shown that the plaintiff was compensated for his shares. For reasons that are unclear, a series of papers were filed with the company registry, for which there are no corresponding company documents to give credence to the same. The 1969 extracted resolution purporting to accept the resignation of the plaintiff is not proof of the resignation of the plaintiff especially in face of challenge to it. If it had occurred, Mr. Kayondo would not later declare in his will, in 1986, well after 1969, and equally well before 1989 when Mr. Radia was purportedly re-admitted, that Mr. Radia owned 23% of the shares of Uganda Shoe Company Ltd.
27. It appears to me that having filed a resolution at some point alleging that Mr. Radia had resigned, those controlling the company and who had executed and filed the documents, when faced with the filing of the correct documents that reflected Mr. Radia's interest, had to file another resolution showing that Mr. Radia was re-admitted for the Registrar of Companies to admit and register the documents that they were trying to register in 1992, after the appointment of PW2, as company secretary.
28. I am satisfied that issue No.1 can be answered in the negative. The plaintiff never resigned from the company on the evidence before this court. So he could not have been re-admitted given that he had never actually ceased being a member of the company, though for reasons that are not explained those controlling the company chose to hold out to the company registry that the plaintiff was no longer a member for sometime from about 1972 until such time as they again held out that he had been re-admitted.
29. All the defendants have contended in their advocates' written submissions that the plaintiff was affected by the Assets of Departed Asians Act, Chapter 83, and in particular Section 3 thereof. In their written statements of defence it is not alleged that the plaintiff was a departed Asian. Nor evidence was adduced to prove so. It was not the case for the defendants on their pleadings. There is simply no evidence that the shares of the defendant no.8 were ever expropriated in fact, and or in law by the Government of

Uganda. Such a case was never put to the plaintiff's witnesses when they testified. It is simply an afterthought by the defendants, who have chosen to disregard the clear declarations, in the instruments that led them to acquire an interest in the company, the last testamentary dispositions of both Mr. Walugembe and Mr. Kayondo, that the plaintiff was the owner of 23% of the shares in the defendant No.8.

30. Having answered issue no.1 as I have done, issue no.2 is answered. The plaintiff did not have to be re-admitted as he had never resigned or ceased being a shareholder in defendant no.8. With regard to issue no.3, I find that the plaintiff is a shareholder in defendant no.8, holding 22.5% of the share capital of the company.

31. I now turn to Issues no.4 and 5 which can be conveniently dealt with together.

Issues No.4

Whether Defendants no.1 to 7 mismanaged the affairs of Defendant no.8 to the detriment of the plaintiff and the company?

Issue

No.5

Whether the resolutions authorising the borrowing from Centenary Rural Development Bank, and Cairo Bank and amendment of the memorandum of articles of association of the Defendant No.8 are valid?

32. Evidence on these issues can be gathered from the testimony of the plaintiff, PW1 and the documentary evidence on record. It is not in dispute that the current directors in control of the company have excluded the plaintiff from the affairs of the company, and have done so contending that he is not a member of the company. Neither the plaintiff nor his attorney is notified of meetings of the company or meetings of its board of directors, since around 2000.

33. For instance exhibit P6 is a resolution of the company amending the memorandum of association of the company for the purpose of admitting new members to replace the deceased Mr. Walugembe and Mr. Kayondo. The meeting took place on 20th December 2000. No notice of this meeting was provided to the plaintiff or his attorney. Clearly calling meetings of the company without due notice to all members of the company is mismanagement of that company's affairs, especially to the detriment of the members not notified. Business transacted at such meetings is invalid. This also implies mismanagement of the company affairs to the detriment of the company itself, as its own rules are not being followed.

34. The plaintiff's evidence by way of commission is to the effect that he has been a director of the company since 1965 through to 2000. He claims that he has not ceased to be a director, and appointed PW1, as his attorney. PW1 testified that he had participated in the affairs of Defendant No.8 from about 1982 as an attorney of the plaintiff, and had sat in both general meetings of the company and on its board of directors. The defendant's position was that the plaintiff had resigned and was wrongfully readmitted into the company. I have rejected the defendants' position on the basis of the available evidence. The plaintiff was entitled to receive notice of all meetings of the company and its board of directors, in accordance both with the provisions of the Companies Act, and its original memorandum and articles of association.
35. As Slade, J., stated in *Industrial Coffee Growers (Uganda) Ltd v Tamale High Court Civil Case No. 215 of 1963 (unreported)*,
'It seems well settled law that a meeting of directors is not duly convened unless due notice has been given to all the directors and that any business transacted at a meeting not duly convened is invalid.'
36. I find that the defendants wrongfully excluded the plaintiff from the management of the company both in his capacity as a shareholder and director of the company, by not inviting him to general meetings of the company and its board of directors in accordance both with the Companies Act, and the Memorandum and Articles of Association of the Company. The original articles of association provided for the way notices to meetings were to be transmitted, and obviously it was not complied with, since on the pleadings of the defendants, the plaintiff was not entitled to any notice.
37. I would answer issue no.4 in the affirmative and agree with the plaintiff that the defendants no.1 to no.7 have mismanaged the affairs of the company to the detriment of both the company and the plaintiff, by excluding the plaintiff from meetings of the company and its board of directors. With regard to issue No.5, the business transacted at such meetings including meeting of the company held on 20th December 2000, the board meetings held on 15th August 1999 and 15th March 2003 authorising borrowing from Cairo International Bank Ltd and Centenary Rural Development Bank Ltd are invalid.

Issue

no.6

Whether the defendant no.1 is entitled to a claim of shs.20,000,000.00 paid to the plaintiff as a partial consideration for an agreement to purchase the plaintiff's shares in defendant no.8.?

38. On the pleadings the defendant no.1 contended that the plaintiff had fraudulently misrepresented himself as a shareholder when he was not and she entered into an agreement to purchase his shares, and had made part payment of Shs.20,000,000.00. It turned out that she became aware that he was not a shareholder and had nothing to sell.
39. The plaintiff in his reply, vide paragraph 11, to the counter claim admitted to receiving the shs.20,000,000.00. It states,
- ‘11. Paragraph 12 of the defence is admitted in so far as the plaintiff was paid part payment of shs.20,000,000.00 by 1st Defendant but denies it was the result of mistaken belief that the Plaintiff is a shareholder of 8th Defendant.’
40. The plaintiff further contended that the defendant no.1 was in breach of the agreement to buy the plaintiff’s shares for which the plaintiff claimed general damages for breach of contract.
41. The defendant no.1 did not adduce any evidence at all in this case. She has not proved her counter claim with regard to misrepresentations or fraudulent dealing by the plaintiff. On the contrary this court has found that the plaintiff was a shareholder entitled to 22.5% of the shareholding of the defendant no.8. As such the plaintiff was entitled to sell his shares in accordance with the articles of association of the company. On the face of it, the defendant no.1 would stand in breach of whatever agreement that they had reached with the plaintiff for the sale of shares, given the challenge to that agreement mounted by the defendant no.1 in this suit.
42. This court does not have a copy of that agreement. Neither party adduced any evidence with regard to this agreement. Its terms and or conditions are not in evidence. Much as the plaintiff in his reply to the counter claim did admit receipt of the sum claimed, the plaintiff did not accept liability to pay the same back. On the contrary he prayed that the counter claim be dismissed.
43. The defendant no.1 would have to make out a case that she was entitled to shs.20,000,000.00 that she had paid to the plaintiff either on the basis of the provisions of their agreement, or failed consideration, or that it was unconscionable for the plaintiff to keep this money, the plaintiff having rescinded the contract. The case she put forth was that there was a total failure of consideration in paragraph 14 of the counter claim.

44. The defendant no.1 has not adduced any evidence to prove failure of consideration. To the contrary the plaintiff has indeed established he owned the shares he was selling to the defendant no.1. It is the defendant no.1 that repudiated further performance of the agreement, in light of her pleadings in this case.
45. The defendant no.1 could have shown, following her breach of contract that the plaintiff had rescinded that contract, and much as she was willing to perform, including payment of damages for her breach, the contract was at an end. She would in those circumstances, be entitled to recover, depending on the terms of their agreement, the part payment she had made for the shares. It was incumbent upon the defendant no.1 to show that plaintiff had rescinded this contract, and that therefore the parties ought to be restored to their pre contract positions, for the claim for a refund to be successful. She has not done so.
46. Where a purchaser makes part payment for goods or property, and then fails to pay the balance, the vendor may be entitled to retain the money, if the payment was ‘a deposit’ or there was a forfeiture clause in the contract. On the other hand the purchaser would be entitled to a refund of the sums paid, if the vendor has rescinded the contract, in spite of the purchaser’s breach of contract. See *Dies And Another v British And International Mining and Finance Corporation Ltd [1939] 1 KB 724 and Stockloser v Johnson [1954] 1 All ER 630.*
47. The defendant could have proceeded in equity to recover this money. She has not adduced any evidence in the matter to show that she deserves equitable relief or any other relief. I am satisfied that on the evidence before me, her claim fails. Just as the cross claim for general damages by the plaintiff with regard to the alleged breach of the agreement to purchase shares fails for the same reason that no evidence has been adduced by the plaintiff to show that there was in fact a breach of that agreement, and that it has suffered loss for that breach that would be compensated by general damages. None of the plaintiff’s witnesses testified with regard to this agreement or breach thereof.

REMEDIES

48. As noted in our discussion of the foregoing issue no.6, the defendant no.1’s counter claim in this case has failed. It is dismissed with costs. The defendants No. 2-8 had a counter claim against the plaintiff. They did not adduce any oral testimony in support thereof. The documentary evidence that was admitted was considered in arriving at my findings on

issues 1, 2, and 3. Given my findings on issues no.1, 2 and 3, above, the defendants' no. 2-8's counter claim fails and it is dismissed with costs.

49. The plaintiff has claimed multiple reliefs. He has prayed for a declaration that the defendants have managed defendant no.8 in a manner that is contrary to the law and oppressive / prejudicial to the interests of the company and the plaintiff. Given my findings on issues 1, 2, 3, 4, and 5, I am satisfied that this declaration should issue. I grant the same accordingly.
50. The resolutions referred to in issue no.5 have been found invalid and defendants no.1 to no.7 are ordered, jointly and severally, if necessary, to redeem the original certificates of title from the Cairo International Bank Ltd and Centenary Rural Development Ltd. Prayers e, f, g and h can be amalgamated by ordering the defendants no.1 to no.7 to give an account both to the plaintiff and the company for their stewardship of the company, since 1997 to-date of this judgment, including a financial account, within 3 months from the date hereof, or such time as the parties hereto may agree upon.
51. I order the defendants no.1 to no.7 to call for and hold an extra ordinary general meeting of the company within 3 months from the date of this judgment, or such time as the parties hereto may agree upon, to rectify the public records of the company, in accordance with this judgment, and to resolve all other matters pertaining to the company that must be dealt with in a general meeting or extra ordinary general meeting. The plaintiff is the lawful holder of 22.5% of the share capital of the defendant no.8, and this must be reflected.
52. Directors of the company are appointed, hold and lose office in accordance with the articles of association of the company. As the plaintiff was a director of the company prior to the impugned actions of the defendants, he must be restored to his office, until its loss, if at all, in accordance with the articles of association of the company.
53. I am satisfied that the plaintiff has suffered great inconvenience in being excluded by defendants no.1 to no.7 from the affairs of the defendant no.8, denial of his rights as a shareholder, and a director, in the absence of properly constituted meetings of the company and its board of directors. It is clear from the evidence of the plaintiff and his attorney, that he sought without success to resolve the issues at hand by calling for a meeting of the company, and in effect his efforts were thwarted by defendants No.1 to

no.7. The plaintiff is entitled to recover general damages from the said defendants for their oppressive and improper actions that have inflicted inconvenience and suffering upon the plaintiff. I award the plaintiff the sum of shs.20,000,000.00 as general damages against defendants no.1, 2, 3, 4, 5, 6 and 7, jointly and severally for their actions against the plaintiff.

54. I award the plaintiff the costs of this suit against defendants No.1, 2, 3, 4, 5, 6 and 7.

Dated, signed, and delivered at Kampala this 22nd day of May 2008

FMS Egonda-Ntende
Judge