

THE REPUBLIC OF UGANDA

IN THE HIGH COURT OF UGANDA AT MBARARA
HCT-05-CV-MA-116-2014

IN THE MATTER OF THE COMPANIES ACT 2012
AND

IN THE MATTER OF M/S MBARARA COMMUNITY HOSPITAL
LTD
AND

IN THE MATTER OF AN APPLICATION BY DR. NATHAN
KAREMA

BEFORE HON. JUSTICE DAVID MATOVU

RULING

[1] This is an ex parte application brought by chamber summons under section 142 of the companies Act 2012, section 98 of the civil procedure Act Order 38 Rule 6 (h) of the Civil Procedure Rules seeking for orders of this court that an Extra-ordinary General meeting of the company be duly convened with Dr. Nathan Karema constituting the quorum.

[2] The facts surrounding this application can be deduced from the affidavit of Dr. Nathan Karema deponed on the 4th day of June, 2014 in support of this application and briefly they are as follows:-

1. That M/S Mbarara Community Hospital limited (hereinafter referred to as “the company”) was incorporated on the 11th day of June, 2003

2. At the time of incorporation the company had five (5) shareholders listed herein below:-

- (i) Nathan Karema – 70 shares
- (ii) Jane Karema Rukeera - 1 share
- (iii) Constance Karema – 24 shares
- (iv) Christopher Karema – 3 shares
- (v) Christina Karema - 2 shares

3. Only two (2) of the shareholders to wit Dr. Nathan Karema and Jane Karema Rukeera currently reside in Uganda. The other three (3) shareholders are residents of the United Kingdom.

4. It has become difficult for Dr. Nathan Karema to lawfully execute the company affairs because Jane Karema Rukeera is allegedly hostile while the other shareholders are not resident in Uganda.

5. It is with the above background that Dr. Nathan Karema seeks the orders of this court to convene an Extra-ordinary General meeting where he will conduct proceedings alone.

[3] This court having heard the submissions of Mr. Mwene Kahima counsel for the applicant and having read the affidavit of Dr. Nathan Karema in support of this application has addressed itself to a similar case of

BDC online and Lynn Kategaya (commercial court) HCT- CS-18
of 2005 unreported where Justice Yorakamu Bamwine held

“That section 135 of the companies Act (which is now section 142) is a remedy to an unsatisfactory state of affairs”

[4] In the instant application the applicant holds 70% of the shares and he has mortgaged his personal property to ensure the smooth running of the company. This court is therefore satisfied that this application satisfies the provisions of section 142 of the Companies Act 2012 and is hereby allowed with the following orders:-

1. That Dr. Nathan Karema should convene and constitute an Extra-ordinary General meeting of the company pursuant to section 142 of the companies Act 2012.

2. The costs of this application are to be met by the company

Dated this.....18.....day ofJune.....2014

DAVID MATOVU
JUDGE