**Customer Name**: Sograce Ltd (Chilanga Cement debtor)

**Exposure:** K5,370,000

**Directors**:

1. Mbenga Gaston Beni, Congolese, Passport No. C0169392

2. Biaya J.P. Ngandu, Congolese, Passport No. C0054810

**Shareholders:**

1. Mbenga Gaston Beni, 70% shareholding

2. Biaya J.P. Ngandu, 25% shareholding

3. Justine Lukuka, Zambian, NRC No. 120998/77/1, 5% shareholding

**Registered office:**

Room No.5 Zambia Railways Premises, President Avenue, P.O Box 71082

**Contact No:** 0969837799

**Recommended collection strategy:**

Seek an order from the Court to;

1. Wind up the Company

2. Have the two Directors of the company personally liable for the debt.

**Activity Report:**

We have conducted a search at Ministry of Lands, RATSA and PACRA looking for assets in the name of the customer and have not found any record. We also attempted to call Mr. Matale on the cell number 0969837799 provided by Chilanga, which also appears on the PACRA records, but the calls went unanswered.

**Research on proposed strategy:**

The judgment that was given did not include the Directors to be held liable. This was rightly so due to the doctrine of separate legal entity. Seeing that the company does not have any assets on record, it is likely that the Directors/shareholders have some assets, which we could attach. A judgment to pierce the veil of incorporation would be required to hold the Directors/Shareholders personally liable if there is evidence of them participating in a fraud during the transaction. See **Inter Africa Grains Zambia Ltd Vs Sahara Agro-Chemicals and Fertilizers Ltd.**

There is a requirement for Directors of a company to notify the public of re-location as provided by Companies Act S28 (4), (6). If the registered office has changed yet not updated at PACRA, this could be cause for making Directors personally liable for being dishonest in the conduct of business. See the case of **Kitwe Supermarket vs Southern Africa Trade Ltd** and **Ethiopian Airlines Ltd vs Sunbird Safaris Ltd, Sharma’s Investment Holding Ltd and Vijay Babulal Sharma.**

We also need to confirm if the registered office is also the trading office especially that the shareholders/Director are foreign nationals. See the Supreme Court decision in the case of **Peony (Z) Ltd Vs Shalom Bus Ltd & AG.**

Action points:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Action point** | **Action owner** | **Action date** | **Status** |
| 1 | Chilanga Ndola office to make a visit to i) deliver copy of the judgment on the registered office. ii) Possibly take pictures of registered office | Chibuye | 30/7/22 | Open |
| 2 | Send a follow up letter with copy of judgment attached sent to Lawyers. A physical delivery and acknowledged receipt is recommended. | Chibuye | 30/7/22 | Open |
| 3 | Share witness address from the affidavit and any other address of defendant | Chibuye | 30/7/22 |  |
| 4 | Update report | Isi | 5/8/22 | Open |

Report by: Isililo Mzyece on Date: 22/07/22