



**IN THE MATTER OF THE COMPANIES ACT CAP 106**

# IN THE MATTER OF AN APPLICATION TO THE REGISTRAR OF COMPANIES

APPLICATION CAUSE NO. 29939 OF 2023

**IN THE MATTER OF GODRAL SECURE SERVICES LTD**

**KABABURE GORDON:.....APPLICANT**

## VERSUS

**BESIGYE ALFRED**

**TUMWINE DRAKE**

**GODRAL SECURE SERVICES LTD:RESPONDENTS**

BEFORE: DANIEL NASASIRA – ASSISTANT REGISTRAR OF COMPANIES

### A. Background and the Petitioners case.

1. This application was filed on 14<sup>th</sup> November 2023. The applicant brings this complaint as an initial subscriber/member in the third respondent company. The company was incorporated on the 20<sup>th</sup> October 2021 as a security services company with three shareholders, Kababure Gordon with 40 shares, Besigye Alfred with 40 shares and Tumwine Drake with 20 shares.
2. The registered office at incorporation was at Lweza – Katale, plot 732 Entebbe Road.

3. The company had its account in Diamond Trust Bank at George Street whose signatories were Kababure Gordon and Tumwine Drake.
4. The applicant argues that the relationship between him and the first two respondents got strained when in February 2023, the two shareholders to wit; Besigye Alfred and Tumwine Drake conspired against him and altered the company information / data at URSB without his knowledge and consent.
5. The applicant contends that the two shareholders fraudulently registered and changed the names and particulars of directors on the company form 20 to exclude him and registered a new form 20 on 04<sup>th</sup> May 2023.
6. That the two shareholders further forged his signature on two transfer forms registered on 04<sup>th</sup> May 2023 wherein they transferred his forty shares in the company giving Tumwine Drake 50 shares and Besigye Alfred 50 shares. The applicant argued that this was all done without his knowledge and consent.
7. The two proceeded and changed the company bank account from the agreed bank at incorporation to Bank of Africa where they listed themselves as signatories and excluded the applicant.
8. Further, that the company had a policy where all shareholders were entitled to receive at least 500,000 Ug shs, which was usually paid around the 10<sup>th</sup> to 12<sup>th</sup> of every month. That the applicant had never received his share since January 2023.
9. The applicant argues that the actions of the respondents have caused him monetary loss and mental anguish and prays for all costs of this application and for all the forged documents including the transfer forms, resolutions and form 20 to be expunged from the Register.

**B. The Respondents case**

10. In response to the application, the Respondents filed a joint statutory declaration in response to the applicant's claims.

11. The respondents argued that the applicant is an active military personnel of the UPDF forces at the rank of warrant officer 2, whom by the laws of Uganda is not supposed to own shares or operate a private security organization.
12. The respondents denied all the allegations made by the applicant and in fact accused the applicant of fraudulently stealing company funds worth 5,100,000 Ug shs while he was handling company finances including 3,000,000 Ug shs he fraudulently took from the company account in Diamond Trust Bank by forging Tumwine Drake's signature and withdrawing the money for his own personal use.
13. The respondents argued that upon quizzing the applicant concerning these fraudulent actions, he agreed to transfer his shares in the company and consented to signing the transfer forms that he now alleges were forged.
14. The respondents further contend that the applicant knew about the change of office and it was due to his false utterances that the landlord evicted the company from its former premises and another office was rented a few meters in the neighborhood and a signpost planted clearly on the road side.
15. The respondents denied the applicant's contention that he was entitled to 500,000 Ug shs as this was never a company policy and was merely the applicant's idea that was never formally endorsed by the company.
16. The respondents further aver that the applicant disinterested himself with the company activities and was only interested in earning a non-existent stipend of 500,000 Ug shs amidst the challenges the company was facing.
17. The respondents state that they tried to engage the applicant in a reconciliatory meeting on 02<sup>nd</sup>.12.2023 where they wanted to give the applicant an opportunity to be readmitted as a shareholder, but owing to the fact that he has not secured a security vetting as is required by private security companies, the company was unable to readmit him.

18. The respondents denied all the allegations of the applicant in total and prayed that the application be dismissed with costs.

### **C. Determination**

19. In my view there are two critical issues for determination. The first is whether the documents on file resulting into the alterations in the directorship and membership of the company were signed by the applicant and secondly, what remedies are available in the circumstances. I will proceed to address these two below;

#### **Issue 1; Whether the documents on file resulting into the alterations in the directorship and membership of the company were signed by the applicant**

20. This company was incorporated with three shareholders namely, Kababure Gordon with 40 shares, Besigye Alfred with 40 shares and Tumwine Drake with 20 shares. The main objective of the company is to provide security services. The three shareholders doubled as directors and Tumwine Drake serving as the company secretary.

21. How this original directorship and ownership stake in the company changed is the question that has to be looked into. The company's structural changes appear to have started with a resolution registered on 04<sup>th</sup> May, 2023. The resolution allotted shares and transferred Kababure Gordon's 40 shares giving Tumwine Drake 50 shares and Besigye Alfred 50 shares. The same resolution removed Kababure Gordon as a director.

22. A close examination of the applicants signature used at incorporation and the signature on the resolution and transfer forms reveals a significant variation and modification. The way the signature was executed on the resolution and transfer forms demonstrates a deliberate pen stroke construction, which offers persuasive proof that the signature was executed by an individual other than the applicant who intended for it to appear on file as Kababure Gordon's. There is a deliberate

effort to mimic the original signature of the applicant. The applicant's genuine signature was carefully studied and there is an attempt to recreate it on the resolution and transfer forms. Obviously, this was not done properly and it is clear to the naked eye that the signature was forged.

23. In the case of Hari Steel And General Industries Ltd vs Daljit Singh AIR 2019 Supreme Court 4796, 2020, an agreement of sale was nullified by court as it had pages with forged signatures of the applicant. Similarly in Bank Of India vs Yeturi Maredi Shanker Rao & Anr 1987 AIR 821, court rescinded a withdrawal form that bore a forged signature of the bank customer. In the present facts, I am satisfied that the signature of the applicant was forged and this is enough relying on the persuasive authorities cited above to expunge the resolution, form 20 and transfer forms registered 04<sup>th</sup> May 2023 as they bore the applicant's forged signature.
24. Court in Re Windsor, 10 Cox 118 opined that, 'forgery is the false making of an instrument purporting to be that which it is not and this once evident in the facts is enough to nullify the instrument..' In the instant matter, the resolution and transfer forms removing the applicant as a director and subscriber in the third respondent company purported to present a picture of the applicant voluntarily relinquishing his shares and director position in the company, which it was not. This in my view is enough to nullify the transfer instrument and resolution giving effect to the transfer and removal of the applicant as director.
25. I must also state that I find it quite interesting that the respondents who started this company with the applicant well knowing that he is an active military personnel of the UPDF forces now want to rely on this to have him evicted from the company by forging his signature and painting a picture that he voluntarily transferred his shares. The right thing to do in case it is true that he cannot own shares in a security company or operate a private security organization as a serving

UPDF officer is to pay him his due consideration and present genuine transfer forms to the Registry.

26. Regulation 8 (1) of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016 gives powers to the Registrar of Companies to rectify and update the register to ensure that it is accurate. Regulation 8 (2) goes further to state that the registrar may expunge from the register, any information or document included in the register which;

- a) Is misleading
- b) Is inaccurate
- c) Is issued in error
- d) Contains an entry or endorsement made in error
- e) Contains an illegal endorsement
- f) Is illegally or wrongfully obtained; or
- g) Which a court has ordered the registrar to expunge from the register

27. The signature of the applicant on the resolution and transfer forms registered on 04<sup>th</sup> May 2023 was forged and thus contains an illegal endorsement. This implies that the resolution, transfer forms and form 20 that resulted from the fabricated resolution must be expunged from the register in accordance with Regulation 8 of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016.

28. Further, the respondents made claims that the applicant fraudulently stole company funds worth 5,100,000 million Ug shs while he was handling company finances including 3,000,000 million Ug shs he fraudulently took from the company account in Diamond Trust Bank by forging Tumwine Drake's signature and withdrawing the money for his own personal use. The respondent's did not produce or attach any evidence to prove this and I am unable to rely on this in deciding this matter. In any case, this did not give them the right to forge the

applicant's signature, as there are proper forums they could have sought to seek appropriate remedies for this alleged forgery and theft.

29. Lastly, before a subscriber transfers his shares, there ought to be a meeting of the company of which there must have been notice given to members. No minutes or notice of the meeting was adduced in evidence to demonstrate that the applicant was informed of the decision to transfer his shares and remove him from his position as a director/subscriber. This further corroborates the applicants claim that his signature was forged.

**Issue 2; What remedies are available in the circumstances.**

30. Having found as above, I now discuss the appropriate remedies. The applicant sought to be compensated with 500,000 Ug shs that every member was entitled to at the end of every month from January 2023 to date. A company subscriber is entitled to dividends as and when a company makes profit and the 500,000 Ug shs was not said to be a dividend pay out. The 500,000 Ug shs talked about by the applicant is also not included anywhere in the company's articles of association. I am therefore constrained to grant such a prayer as the applicant did not provide sufficient evidence of an agreement where he was to be paid 500,000 Ug shs every month by the company.
31. Pursuant to Regulation 8 and 32 of the Companies (Powers of the Registrar) Regulations SI No 71 of 2016, in light of the circumstances of this case, I make the following orders;
- (i) The resolution registered on 04<sup>th</sup> May 2023 transferring the applicants shares and removing him as a company director be expunged from the register.
  - (ii) The transfer forms and valuation certificate registered on 04<sup>th</sup> May 2023 wherein the applicant transfers his shares be expunged from the register.

- (iii) The form 20 registered on 04<sup>th</sup> May 2023 altering the directorship of the company be expunged from the register.
- (iv) Each party shall bear its own costs.

I so Order

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2025

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Daniel Nasasira  
Assistant Registrar of Companies

Ruling delivered on 16<sup>th</sup> April 2025.  
Right of appeal explained