



**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 SOUVENIR TRAVEL AND SAFARIS LIMITED**  
**APPLICATION CAUSE NO. 71319 OF 2025**

**JULIET MASINDE**

**APPLICANT**

**VERSUS**

- 1. NASUUNA MIRIAM**
- 2. BEGUMISHA FRANCIS**
- 3. KALIISA PRINCE AZARIAH MUGISHA**
- 4. ASIIMWE ALFREDDIE MUGISHA ABBA**
- 5. MUGISHA ALLEN GRACE MUNYAMPETA**
- 6. SOUVENIR TRAVEL AND SAFARIS LIMITED        ::::: RESPONDENTS**

**RULING**

**Before: Daniel Nasasira – Assistant Registrar of Companies**

**A. Representation**

- 1. M/S Taslaf Advocates represented the Applicant while the Respondents were unrepresented.*

**B. Background**

- 2. The Applicant, a shareholder and director in the Sixth Respondent Company brought this application under Regulations 3, 8 and 9 of the Companies (Powers of the Registrar) Regulations SI. No 71 of 2016 seeking rectification of the register.*

3. The Applicant and the Respondents are the original subscribers of the Company with each holding the following shares: Nasuuna Miriam – 30 shares, Masinde Juliet – 20 shares, Begumisha Francis – 20 shares, Kaliisa Prince Azariah Mugisha – 10 shares, Asimwe Alfreddie Mugisha Abba – 10 shares, Mugisha Allen Grace Munyampeta – 10 shares.
4. The Applicant, Nassuna Miriam and Begumisha Francis are the original Directors in the Company and the Applicant is the original Company Secretary.
5. The Applicant is aggrieved by the actions of the Respondents, who without the Applicant's knowledge and consent, orchestrated a series of documents illegally and irregularly.
6. The Applicant by her sworn Statutory Declaration argued that on the 12<sup>th</sup> day of September 2022, a Special Resolution was registered with the Registrar of Companies, wherein the Respondents resolved that, the Applicant forfeits her twenty (20) shares in the Company for failure to pay and that the Applicant ceases to be a director and Company Secretary in the Company.
7. The twenty (20) forfeited shares were allotted to the first and second Respondents. A Special Resolution, a return of allotment (form 10) and new particulars of directors and secretary (form 20) were filed consequently.
8. The Applicant argued that she was not notified and neither did she participate in any shareholder meeting where she agreed to forfeit her shares and cease to be a director and Company Secretary in the Company. Additionally, the Applicant contended that she did not sign or execute the said Special Resolution. The Applicant contended that the said Resolution was passed without the requisite quorum under the law.
9. The Applicant argued that the Board never passed and registered with the Registrar of Companies any resolution calling upon members including the Applicant to pay up any unpaid shares.
10. The Applicant contended that as a Company Director, she never participated in any Board meeting where any Resolution was passed, nor was she given any

notice of any meeting to discuss the proposed call on shares and her removal as a Board member.

11. The Applicant argued that she was removed from the Company without any grounds or notice as mandated by the Companies Act and the Companies Articles of Association.
12. The Applicant argued that on the 12<sup>th</sup> day of September 2022, the Memorandum and Articles of Association were illegally and irregularly amended to remove the Applicant as a holder of twenty (20) shares and to allot the said twenty (20) shares to the first and second Respondents.
13. The Applicant seeks Rectification of the Register to expunge the Special Resolution, return of allotment (form 10), particulars of directors and secretary (form 20), Amended Memorandum and Articles of Association registered on 12<sup>th</sup> September 2022.

### C. Schedules

14. Summons were issued on the 24<sup>th</sup> day of July 2025 inviting the Respondents for a hearing on Thursday the 04<sup>th</sup> day of September 2025 and they neither entered appearance nor were they represented by any authorized representative. The Applicant's Counsel filed an Affidavit in proof of service. The Applicants legal representative sought leave to serve by way of substituted service and pursuant to Regulation 32 of the *Companies (Powers of the Registrar) Regulations SI. No. 71 of 2016* leave was granted to serve by way of substituted service in a newspaper of wide circulation. Fresh summons were issued and advertised in the Daily Monitor on Thursday 28<sup>th</sup> August 2025 page 39. The Respondents still failed to enter appearance. I asked the Applicant's legal representatives to file written submissions by the 15<sup>th</sup> day of September 2025 and informed them that a decision would be issued on notice.

#### **D. Issues**

15. I find that only two issues are sufficient to address the concerns in this matter;

- a) Whether the impugned documents were validly passed?*
- b) What remedies are available to the parties?*

#### **E. Determination**

16. I carefully read the submissions of the Applicants. The dispute revolves around the irregular removal of the Applicant as director/secretary/member without her knowledge or consent.

*a) **Issue One: Whether the impugned documents were validly passed?***

17. The Applicant argues that the Respondents passed numerous documents without the knowledge, consent and approval of the Applicant. The Applicant contended that these documents were signed and filed by the Respondents without convening any Company meetings as by law mandated. Below are the contested documents;

- a) A Special Resolution registered on 12<sup>th</sup> September 2022 wherein Masinde Juliet forfeited her twenty (20) shares back to the Company and was removed as director/secretary.*
- b) A return of allotment (form 10) filed on the 12<sup>th</sup> day of September 2022 filed as a consequence of the Special Resolution registered on 12<sup>th</sup> September 2022.*
- c) Particulars of directors and secretary (form 20) registered on 12<sup>th</sup> September 2022.*
- d) Amended memorandum and Articles of Association registered on 12<sup>th</sup> September 2022 removing the Applicant as a shareholder.*

18. Article 13 of the Company's Articles of Association provides that, '*subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares...*' This Article required the Directors to issue a call

regarding any unpaid shares and to provide a minimum of fourteen clear days' notice prior to the call on shares, after which a forfeiture of shares would be executed under Article 22 of the Company's Articles of Association.

19. The Applicant under Paragraph 6 of her sworn Statutory Declaration reiterated as follows;

- a) *I was never notified and neither did I participate in any shareholder meeting where I agreed to forfeit my shares and cease to be a director and company secretary in the Company. Additionally, I did not sign or execute the said special resolution as only the 1<sup>st</sup> and 2<sup>nd</sup> Respondent did. Special resolutions must be passed by not less than three-fourths of the shareholders in the Company. In this case, only the 1<sup>st</sup> and 2<sup>nd</sup> Respondents had a meeting and signed the special resolution.*
- b) *Contrary to Articles 13 to 23 of the Articles of Association of the Company, the Board never passed and registered with the Registrar of Companies any resolution calling upon members (including myself) in respect of any unpaid shares in the company before choosing to resolve to have my shares forfeited in the Company.*
- c) *Pursuant to Article 20 of the Articles of Association, forfeiture of shares is only effective, if accompanied by a Board Resolution authorizing the forfeiture. Being a Director in the Company, I never participated in any Board meeting where such a resolution was passed, nor was I given any notice of such a meeting. The only resolution that was passed was a special resolution signed by only two shareholders. As such, the forfeiture of shares by myself was illegal and irregular and the same ought to be cancelled by way of rectification.*
- d) *Contrary to Article 82 of the Articles of Association, I was removed from being a director without giving any grounds for my removal as stipulated for in Article 82.*
- e) *In order to cement the said illegal forfeiture and allotment of shares, on 12<sup>th</sup> September 2022, the memorandum and articles of association of the company were illegally and irregularly amended to remove myself as a holder of twenty (20) shares and to equally allot the said twenty (20) shares to the 1<sup>st</sup> and 2<sup>nd</sup> Respondents. The purported amendment is illegal in as far as; being a shareholder in the company, I*

*was never served the required statutory notice for the purported meeting that passed the amendments.'*

20. The Respondent was served by substituted service in a newspaper of wide circulation that is, the Daily Monitor on Thursday the 28<sup>th</sup> day of August 2025 and, regrettably, did not appear or file a Statutory Declaration to contest the Applicants' claim. In this context, I find that the absence of a notice calling on the Applicant to pay up her twenty (20) shares, the absence of a Board resolution calling on the Applicant to pay up for her shares and failure to state the grounds for the Applicants removal as a Director or serve her the requisite notice before this removal all constituted a breach of the Company's Articles of Association. The supremacy of the Company's Articles of Association was stated in *Noble Builders (Uganda) Limited v Balwinder Kaur Sandhu Civil appeal no.70 of 2009 pg. 19* relying on Kato, JA, in *Civil Appeal No.41 of 2001: Noble Builders (U) Ltd and Raghbir Singh Sandhu Vs Jaspal.S. Sanhhu*, where the learned justice noted that the Articles of Association were the supreme law when determining company affairs. In this case, I find that a number of Articles specifically, Articles 13-23 and Article 82 were contravened and therefore all documentation that was registered was illegally or wrongfully obtained within the meaning of *Regulation 8 (2) of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016*.
21. Additionally, the relevant provision for removal of directors is **Section 191 of the Companies Act Cap 106**, which stipulates that, '*a company may, by ordinary resolution, remove a director before the expiration of his or her period of office, notwithstanding anything in its articles or in any agreement between the company and the director...*' (emphasis mine)
22. The procedure for removal of a Company Director is provided for under Section 191 of the Companies Act Cap 106. Sub section one has been stated in the preceding paragraph above and there was no Ordinary resolution passed for the Applicant's removal as director. Justice Anna B. Mugenyi in *Kirima Ltd*

*& 4 Ors Vs. Dr. Hamlet Kabushenga HCCS No.0018 of 2022 held that, 'as required by law, companies can only remove its directors through an ordinary resolution, it is also a requirement of the law that special notice shall be sent to the director purported to be removed and the director shall be entitled to be heard in the resolution. This requirement is mandatory.'* (emphasis mine)

23. The Company did not issue the mandatory special notice as stated by Justice Anna B. Mugenyi in *Kirima Ltd & 4 Ors Vs. Dr. Hamlet Kabushenga HCCS No.0018 of 2022*. The requirement for this special notice is statutorily provided for under Section 191 (2) of the Companies Act Cap 106, which provides that a special notice shall be required of any resolution to remove a director. Further S.191 (3) provides that, '*on receipt of notice of an intended resolution to remove a director under this section, the company shall send a copy of the notice to the director concerned and the director, whether or not he or she is a member of the company, shall be entitled to be heard on the resolution at the meeting.*' This special notice was not adduced in evidence as ever having been served on the Applicant. In the result, I find that the Special Resolution removing the Applicant as a Director in the Company was illegally/wrongfully obtained within the meaning of *Regulation 8 (2) of the Companies (Powers of the Registrar) Regulations SI No. 71 of 2016*.

**b) Issue Two: What remedies are available to the Parties?**

24. 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.*

25. In light of the findings and resolutions in this case discussed above, pursuant to ***Regulation 32 of the Companies (Powers of the Registrar) Regulations, 2016***, I make the following orders;

1. *The Special Resolution registered on 12<sup>th</sup> September 2022 wherein Masinde Juliet is said to have forfeited her twenty (20) shares back to the Company and was removed as director/secretary be expunged for being illegally/wrongfully obtained.*
2. *The return of allotment (form 10) filed on the 12<sup>th</sup> day of September 2022 filed as a consequence of the Special Resolution registered on 12<sup>th</sup> September 2022 be expunged for being illegally/wrongfully obtained.*
3. *Particulars of directors and secretary form (form 20) registered on 12<sup>th</sup> September 2022 be expunged for being illegally/wrongfully obtained.*
4. *Amended memorandum and Articles of Association registered on 12<sup>th</sup> September 2022 removing the Applicant as a shareholder be expunged for being illegally/wrongfully obtained.*
5. *I make no order as to costs.*

*I so order.*

*Given under my hand, this 22<sup>nd</sup> day of September 2025.*

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DANIEL NASASIRA

*Ass. Registrar of Companies*