



**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 NATURAL FOOD INDUSTRIES LIMITED
COMPANY APPLICATION NO. 60809 OF 2026
NEEMA SHEBA BAGALAALIWO:..... APPLICANT
VERSUS
1. NATURAL FOOD INDUSTRIES LIMITED
2. BAGALAALIWO FARIDAH MARVEL NABALOZI
3. NAKAKAWA SUMMAYAH BAGALAALIWO
4. BAGALAALIWO ADLAN NASEEM NALULYO
5. BAGALAALIWO NASEEBA NAKATO
6. BAGALAALIWO SARAH NANZIRI :.....RESPONDENTS**

RULING

Before: Daniel Nasasira—Assistant Registrar of Companies

A. Representation

1. *The Applicant was represented by M/s Kavuma Kabenge & Co. Advocates whereas M/s Tumusiime Kabega & Co Advocates represented the second to sixth Respondents.*

B. Introduction and Background

2. The Applicant is an initial member and shareholder of Natural Food Industries Limited.
3. Natural Food Industries Limited is a Company limited by shares and incorporated on the 12th day of March 1979 under Registration Number 80020001360809 (hereinafter referred to as '*the Company*').
4. The Applicant challenges the manner in which she was removed as a shareholder in the company and the subsequent addition of the 5th and 6th Respondents as shareholders without her participation which she considered oppressive and illegal. The Applicant asserted that she never forfeited or

transferred her shares in the company and that the Respondents' actions of isolating her from major company decisions were also oppressive and illegal.

5. The Respondents contended that except for the third Respondent who was deceased by the time the application was filed, they, together with the Applicant are the subscribers and members of the company. They further contended that the company remained dormant from 2005 until 2024, when the Uganda Registration Services Bureau required companies to update their records, which prompted the revival of the company. They maintained that the Applicant's alleged removal, if it occurred, resulted from administrative anomalies in the Uganda Registration Services Bureau system, as the Respondents had neither passed any special resolution, effected any allotment or transfer of shares, removed the Applicant's shareholding nor amended the Company's Memorandum and Articles of Association.
6. Whereas the Applicant filed this matter as a Petition under Section 243 of the Companies Act, Cap. 106, I observe that no issue concerning member oppression was substantiated in the pleadings. In the circumstances, I will treat this matter as an Application pursuant to Part V of the Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016.

C. Applicant's case.

7. The Applicant, under paragraphs 1, 2 and 3 of her statutory declaration, contended that she, together with Mohammad Magid Bagalaaliwo, Bashir Bagalaaliwo, Summayah Nakakawa, Faridah Marvel Nabalozi and Adlan Naluyo were the initial subscribers of Natural Food Industries Limited, a company limited by shares with a share capital of Ugx 500,000/= and was duly incorporated on the 12th day of March 1979.
8. In paragraphs 4, 5 and 6 of her statutory declaration, the Applicant contended that she has at all material times been a member and shareholder of the company. She further contended that upon conducting a company search, she discovered that the Respondents had arbitrarily removed her as a shareholder

and had added the fifth and sixth Respondents, who were neither initial subscribers nor members of the company. She maintained that these changes were effected without her knowledge, consent or participation.

9. Under paragraphs 7, 8 and 9, the Applicant averred that her removal as a shareholder in the company by the Respondents contravened the company's Articles of Association and as such, it was oppressive and unlawful. The Applicant maintained that she had never forfeited or transferred her shares in the company. The Applicant also averred that the second to sixth Respondents had proceeded to appoint themselves as directors in the company without her participation and consent.
10. The Applicant under paragraphs 10 and 11 of her statutory declaration contended that the Respondents' actions of isolating her in major company decisions on company affairs were oppressive and illegal. She intimated further that her removal as a shareholder in the company was oppressive and was aimed at depriving her of her interest in the company.
11. In paragraphs 12 and 13 of her statutory declaration, the Applicant contended that she inquired from Bashir Mohammed Bagalaaliwo, one of the initial subscribers, about the affairs of the company. The Applicant maintained that Bashir informed her that his signature, as well as that of Mohammad Majid Bagalaaliwo, another original subscriber, had been forged during the company update process with URSB and her subsequent removal as a shareholder in the Company. The Applicant asserted that the two original subscribers subsequently lodged a complaint regarding the alleged forgery at Jinja Road Police Station under Reference No. GEF/84/2025.

D. Second Respondent's case.

12. The second Respondent asserted that she was named a subscriber and allotted 1 share in the company in March 1979 while she was still a minor. She averred that to her knowledge, between 2023 and 2024, the Uganda Registration Services Bureau encouraged the public to comply with the data update of

companies and as such, many lawyers and administrators across Uganda were instructed to streamline company affairs. She maintained that she had never signed any resolution, return of allotment or transfer and removal of the Applicant nor any amended Memorandum and Articles of Association that do not reflect the Applicant as a subscriber or shareholder in the company.

13. The Second Respondent further averred under paragraphs 7 to 12 of her statutory declaration that the alleged removal of the Applicant was not attributable to the Respondents but rather an administrative anomaly on the URSB system. She asserted that she had never made any major decision concerning the Company's affairs without the Applicant's consent and participation and prayed that any reinstatement and or correction of the URSB records should align with the last known position of the Company. She averred that she had never acted unlawfully or arbitrarily against the Applicant and that the Applicant was not entitled to the remedies sought.

E. Fourth Respondent's case

14. The fourth Respondent averred in paragraphs 1 to 5 of her statutory declaration that in March 1979, she was named a subscriber and allotted 1 share in the first Respondent Company while she was a minor. She maintained that she had never signed any resolution, return of allotment, or transfer and removal of the Applicant's shareholding. She maintained further that she never signed any amended Memorandum and Articles of Association that did not reflect the Applicant as a subscriber or shareholder of the Company.
15. Under paragraphs 6 to 11, the fourth Respondent also contended that the alleged removal of the Applicant was not attributable to the Respondents but rather an administrative anomaly on the URSB system. She asserted that she had never made any major decision concerning the Company's affairs without the Applicant's consent and participation and prayed that any reinstatement and or correction of the URSB records should align with the last known position of the Company. She averred that she had never acted unlawfully or arbitrarily

against the Applicant and that the Applicant was not entitled to the remedies sought.

F. Fifth Respondent's case

16. The fifth Respondent asserted under paragraphs one to five of her statutory declaration that she had never tried to register, re-register, revive or be involved in the Company's business. She maintained that she did not sign or approve any documentation of the Company nor did she issue permission to anyone to use her name or signature on any of the company documents. She contended that she had never been a shareholder in the company and any record depicting her as such was incorrect and reflected inaccurate registry information attributed to a technical error on the part of URSB or anomalies unknown to her.
17. She further contended that any purported signature attributed to her on the Company documents was a forgery and was only placed there without her knowledge and consent. She also prayed that any reinstatement and/or correction of the URSB records should align with the last known position of the Company. She averred that she had never acted unlawfully or arbitrarily against the Applicant and that the Applicant was not entitled to the remedies sought.

G. Sixth Respondent's case

18. The sixth Respondent contended under paragraph 3 of her statutory declaration that at the time of inception of the Company in 1979, the second, third and fourth Respondents were minors at the time and were issued shares by Mr. Bagalaaliwo.
19. She further averred under paragraphs 4, 5 and 6 that due to the various transactions that needed to be carried out, she was appointed a director in the company and was further issued 222 shares in 2005. She asserted that with the data update requirement with URSB in 2024, companies were required to be compliant, which led to the revival of the company. However due to Mr.

Bagalaaliwo's incapacitation, she trusted lawyers to assist with the data update/validation process.

20. Under paragraphs 7, 8, 9 and 10, she asserted that she had never signed any resolution, return of allotment or transfer and removal of the Applicant's shareholding. She further contended that she had never signed any amended Memorandum and Articles of Association that did not reflect the Applicant as a subscriber and or shareholder in the company. The sixth Respondent asserted that the alleged removal of the Applicant was not attributable to any of the Respondents as alleged but rather the administrative anomalies and errors attributable to the URSB system and as such, could not be considered oppressive.
21. The sixth Respondent further contended the Respondent's reinstatement or correction of the Companies Register should align with the last position of the company without attributing illegality on the part of the Respondents. She further asserted that she never acted unlawfully towards the Applicant and that the Applicant was not entitled to the remedies sought.

H. Applicant's rejoinder

22. In a joint rejoinder to the Respondents' assertions, the Applicant contended that fifth Respondent's assertion that she had never been a member of the company and any record reflecting such a position was incorrect, cemented the Applicant's assertion that company affairs had been conducted in a manner oppressive to her as evidenced by the addition of non-members whilst she was removed as a shareholder in the company without her consent.
23. The Applicant further asserted that the Respondents' attribution of her removal as a technical error on the part of URSB was false and misleading as the officers of the Bureau are not tasked to carry out data updates but only accept presented data from clients/users. The Applicant maintained that her removal was orchestrated by the second to sixth Respondents as they fed misleading data during the Company data update on the URSB OBRS system.

24. The Applicant also contended that the purported directorial appointment and the transfer of 222 shares as alleged by the sixth Respondent was illegal since shareholders/members of the Company were not accorded pre-emption rights to acquire the shares which contravened the Company's Articles of Association. She maintained that position in regards to the alleged allotment of 273 shares to Muhammad Bagalaaliwo.
25. The Applicant prayed that the 1997 return of allotment be expunged from the record and the company shareholding be restored back to the 1979 position.

I. Schedules

26. Considering that both parties had submitted their respective pleadings, including the statutory declarations pursuant to Section 286 of the Companies Act Cap 106, I directed both counsel to submit written submissions and provided schedules as outlined below;
- a) Written submissions from the Applicant were to be filed and served by the 13th day of July, 2026.*
 - b) Written submissions from the Respondents were to be filed and served by the 16th day of July 2026.*
 - c) Any submissions in rejoinder were to be filed and served by the 20th day of July 2026.*
 - d) I informed the parties that the ruling would be issued on notice.*

J. Issues

27. Having considered the pleadings submitted by the parties, I observed that the following issues were sufficient for the determination of this application.
- a) Whether the contested documents were validly filed?*
 - b) What remedies are available to the parties?*

K. Determination

a. Whether the contested documents were validly passed?

28. The Applicant instituted the present application seeking orders for her reinstatement as a member and shareholder of the Company and for the

expungement from the company register of various documents that were lodged without her knowledge, consent, or participation, but which ultimately resulted in her removal as a member and shareholder of the Company. The Respondents, on the other hand, contended that the Applicant's removal was attributable to technical anomalies on the part of the Uganda Registration Services Bureau (URSB) arising from the compulsory company data update exercise, which the Sixth Respondent asserted was undertaken by legal practitioners. The impugned documents included a 1997 Return of Allotment, Company Form 20, and a Beneficial Ownership Form.

29. In determining this issue, it is necessary to first establish whether the Applicant was, in the first instance, a member of the Company.

30. Membership of a company is provided for under Section 45 of the Companies Act Cap. 106, which stipulates as follows;

(1) The subscribers to the memorandum, if any, of a company shall be taken to have agreed to become members of the company, and on its registration shall be entered as members in its register of members.

(2) A person who agrees to become a member of a company, and whose name is entered in its register of members, shall be a member of the company.

31. Justice Steven Musota in the case of ***Olive Kigongo v Mosa Courts Apartments, High Court Company Cause No. 01 of 2015***, while interpreting the aforementioned provision, opined ‘....that there are two ways of becoming a member of a company and these are;

i. By being a subscriber to the Memorandum of Association of a company at the time of incorporation of that company or

ii. By acquiring shares in the company after incorporation

32. In the premises, upon perusal of the documentation on the Company file, the Applicant’s name appears together with Mohammad Magid Bagalaaliwo, El-Baam Bashir Bagaagalaaliwo, Summayeah Nakakawa, Faridah Merval

Nabalozi and Adlan Nalulyo on the subscription part of the Company's Memorandum and Articles of Association of 1979, with each holding one share.

33. With the findings above, and without any evidence to the contrary, I observe that the Applicant was a member of the Company at incorporation, having been a subscriber to the Company's Memorandum and Articles of Association at incorporation and having been allotted one share in the Company.
34. The Applicant challenges her removal as a member of the company, contending that it was effected through a series of filings made over time which progressively omitted her from the company's records. These filings included annual returns, resolutions, and other statutory documents that ultimately reflected her exclusion from the register of members.
35. Although the Respondents denied preparing or filing the impugned documents, the records maintained on the Company's register indicate that the Applicant, together with the Second, Third, and Fourth Respondents, was purportedly excluded as a member and shareholder following the disputed allotment of shares in 1997, through which the Sixth Respondent was introduced as a member of the Company. Notwithstanding this position, the names of the Second, Third, and Fourth Respondents continued to appear in various documents subsequently filed with the Companies Registry from 2005 onwards, whereas the Applicant's name was consistently omitted. I find that the Applicant's alleged removal was not effected through a single definitive filing or resolution. Indeed, there is no document on the Company's register expressly removing her as a member or conclusively attributing her removal to the Respondents. Rather, the evidence demonstrates that her exclusion resulted from a succession of filings that progressively altered the Company's records, culminating in her omission from the register.
36. In determining whether the contested documents that resulted in the Applicant's removal were validly passed and filed, it is necessary to trace the Company's shareholding and membership history from its incorporation up to

the contested data update in 2024.

37. From the perusal of the company records, I observe that the Company was incorporated on 12th March 1979. The Company's Memorandum and Articles of Association dated 8th March 1979 indicate Mohammad Magid Bagalaaliwo, Neema B. Sheba(the Applicant), El-Bam Bashir Bagalaaliwo, Summayah Nakakawa, Faridah Marvel Nabalози and Adlan Naluyo as subscribers and shareholders holding one share each.
38. Paragraph 4 of the said Memorandum and Articles of Association indicated the Company's share capital as UGX 500,000/= (Uganda shillings five hundred thousand) divided into 500 ordinary shares valued at UGX 1,000/= (Uganda shillings one thousand) each. The same position is observed in a statement of nominal capital (then form A1) dated 12th March 1979.
39. However, the company's share capital is observed to have increased by a notice of increase in nominal capital (then Company Form No. 3) dated 28th June 1996. The form indicates that the company's share capital was increased from Ugx 500,000/= to Ugx 500,000,000/= (Uganda shillings five hundred million), divided into 500 ordinary shares, each amounting to one million shillings. The increase in the company's nominal capital was predicated on a company resolution dated 28th June 1996, wherein it was resolved to increase the company's share capital.
40. By a return of allotment executed on 12th March 1997 and filed on 13th January 2005, 495 of the total 500 ordinary shares were allotted as follows: 273 shares to Bagalaaliwo Muhammad Magid and 222 shares to Bagalaaliwo Sarah (the sixth Respondent).
41. Furthermore, in 2005, the company underwent significant changes in its membership and directorship. These changes were premised on a company resolution filed on 13th January 2005, following a meeting held on 4th January 2005. Under the said resolution, Mr. M.M. Bagalaaliwo agreed to sell and transfer his 273 shares to Mr. Malvia Roshankumar Himatbhai, while the sixth

Respondent, Mrs. Sarah Bagalaaliwo, agreed to sell and transfer her 222 shares to Mr. Dave Gaurang Vijaykumar. Consequently, Mr. Malvia Roshankumar Himatbhai and Mr. Dave Gaurang Vijaykumar were appointed as directors of the company, while Mr. M.M. Bagalaaliwo and Mrs. Sarah Bagalaaliwo ceased to be directors and shareholders. The resolution further provided for a change of the company's registered address to Plot No. 7/15 Mira Road, P.O. Box 996, Jinja. The said resolution is observed to have been signed by Mr. M.M. Bagalaaliwo, one of the directors, and Mr. Faisal Mukasa, the company secretary.

42. From the above, it is presumed that the membership of the Company as at 13th January 2005 included Malvia Roshankumar Himatbhai and Dave Gaurang Vijaykumar. The Respondents' names later appear in the filed company returns, a beneficial owners form and a company form 20.
43. However, this position was disputed by the Applicant, who, in her written submissions, sought the expungement of the 1997 notice of allotment filed on 13th January 2005, which purported to effect an allotment of 273 shares to Bagalaaliwo Muhammad Magid and 222 shares to the sixth Respondent.
44. The Applicant's counsel contended that the Sixth Respondent was unlawfully allotted shares in the Company without the existing shareholders first being afforded their pre-emption rights, contrary to Articles 4 and 11 of the Company's Articles of Association. Counsel further submitted that there was no resolution, deed of surrender, or instrument of transfer evidencing that the Applicant had ceased to be a member of the Company or had relinquished her pre-emption rights, thereby rendering the purported allotment irregular.
45. By challenging the allotment of shares dated 12th March 1997, through which the Sixth Respondent purportedly acquired 222 shares in the Company, the Applicant indirectly challenges the membership of Malvia Roshankumar Himatbhai and Dave Gaurang Vijaykumar, who subsequently acquired shares from Mr. M.M. Bagalaaliwo and the Sixth Respondent, respectively.

Consequently, the Applicant's claim also places in issue the validity of the company resolution filed on 13th January 2005, which gave effect to those share transfers.

46. The determination of the validity of the impugned documents and the Company's membership would necessarily require the adjudication of several contested issues, including whether the original subscribers and shareholders were entitled to exercise pre-emptive rights before the allotment of shares to the Sixth Respondent; whether the allotment of shares to the Sixth Respondent in 1997 was lawful; whether the subsequent transfers of shares to Malvia Roshankumar Himatbhai and Dave Gaurang Vijaykumar were valid; whether the Sixth Respondent is a lawful member of the Company; and whether the impugned documents were validly prepared, executed, and filed. These matters entail the resolution of disputed questions of fact and law and require the taking and testing of evidence, including an examination of the circumstances surrounding the 1997 allotment of shares and the subsequent share transfers effected in 2005. It is only upon the determination of these issues that the Company's lawful membership can be conclusively established.
47. Such an inquiry goes beyond an examination of defects apparent on the face of the register and would require substantive judicial determination of the parties' respective rights and obligations. The expungement of documents in these circumstances would have significant consequences, also considering the duration of time, as it would effectively determine the question of membership and ownership of the Company. It is therefore necessary that such issues be resolved only after a full and proper interrogation of the evidence by a court of competent jurisdiction.
48. Regulation 8 of the Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016 applies to defects that are objective and apparent from the face of the record. The Registrar's role under this provision is to maintain the accuracy and integrity of the Companies Register. This distinction is critical. Where the issue

can be resolved through examination of the documents on record and comparison with statutory requirements, the Registrar may intervene to rectify the register. However, where the issue involves disputed facts regarding the validity of corporate decisions, the failure to recognise pre-emption rights, the intention of the parties, or competing claims of membership, the matter moves beyond the powers contemplated under Regulation 8 into the realm of substantive adjudication.

49. In the present case, the issues raised include the validity of the disputed allotment of shares to the Sixth Respondent in 1997, whether the subsequent transfers of shares by Mr. M.M. Bagalaaliwo and the sixth Respondent in 2005 to Malvia Roshankumar Himatbhai and Dave Gaurang Vijaykumar respectively were validly undertaken, whether the company resolution filed on 13th January 2005 authorizing those transfers was genuinely passed and whether the subsequent filings, including the Beneficial Owners Form, Company Form 20 and annual returns omitting the Applicant as a member of the Company, were lawfully executed.
50. These questions cannot be resolved solely by examining the face of the documents lodged with the Registrar, but instead require evaluation of evidence and determination of contested legal rights. Such matters fall within the jurisdiction of the High Court of Uganda, which is vested with unlimited original jurisdiction in all civil matters.
51. Accordingly, I find that the Registrar of Companies lacks jurisdiction to determine the legality of the contested allotment and share transfers of 2005, the membership position of the company or to expunge the contested documents.

b. What remedies, if any, are available to the parties?

52. Although the Registrar is vested with the authority under Regulation 8 to expunge documents from the register in appropriate circumstances, that power is limited to cases where the defect is apparent on the face of the record and

does not require the adjudication of contested rights. In the present matter, the issues raised extend beyond the scope of that statutory mandate. They include the validity of the 1997 allotment of shares to the Sixth Respondent; the validity of the subsequent transfers of shares by Mr. M.M. Bagalaaliwo and the Sixth Respondent to Malvia Roshankumar Himatbhai and Dave Gaurang Vijaykumar; whether the company resolution filed on 13th January 2005, which purportedly authorised those share transfers and other corporate changes, was validly passed; and whether the subsequent filings, including the Beneficial Ownership Form, Company Form 20, and the annual returns, were lawfully prepared, executed, and filed. The determination of these issues entails the resolution of disputed questions of fact and law requiring a detailed examination of the surrounding circumstances and the evaluation of evidence. Accordingly, they fall outside the Registrar's statutory jurisdiction in the exercise of the powers conferred under Regulation 8.

53. The questions whether the sixth Respondent was validly allotted shares in the Company and whether the Applicant and the fourth Respondent are members of the Company necessarily involve the determination of title to membership, which the High Court has power to do under Section 121(3) of the Companies Act, Cap. 106. The said provision empowers the Court to determine any question relating to the entitlement of a person to have his or her name entered in or omitted from the register of members. Accordingly, where resolution of the dispute depends on establishing the validity of an allotment of shares being challenged by an alleged member, the addition of a non-member to the member register, then the matter moves into the realm of substantive adjudication properly exercised by the High Court.

54. Section 121(1) of the Companies Act Cap. 106 specifically provides: “Where —

(a) the name of any person is without sufficient cause entered in or omitted from the register of members of a company; or

(b) default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a member, the person aggrieved or any member of the company or the company, may apply to the court for rectification of the register”.

55. This provision empowers the High Court to inquire into the circumstances under which a person’s name was entered in the register, to determine whether the entry was made without sufficient cause, and to order rectification where appropriate. In *Ushanga Limited v Registrar of Companies and Another (Miscellaneous Cause No. 32 of 2025) [2025] UGCommC 319 (8 September 2025)*, Court invoked Section 121 to order rectification where the entry of a member lacked sufficient cause. Hon. Lady Justice Patience T. E. Rubagumya confirmed that where membership is disputed, or a person denies consent to being a shareholder, the Court may investigate and order rectification. Her Lordship at page 12 stated, “Section 121 (1)(a) and (4) of the Companies Act empowers this Court to cause the rectification of the register, where the name of any person is, without sufficient cause, entered in the register of members of company.”

56. In exercising this power, the Court may examine evidence relating to the existence of agreements between the parties, the provision or absence of consideration for shares, the validity of resolutions, and the intentions of the parties at the time of incorporation or allotment. The Court is empowered to extensively receive oral and documentary evidence, assess the credibility of witnesses, and conclusively determine disputed rights.

57. In addition, Regulation 8(2)(g) of SI No. 71 is to the effect that ‘*the registrar may expunge from the register, any information or document included in the register, which a court has ordered the registrar to expunge from the register.*’ This means that once the High Court determines the legality or otherwise of the contested allotment and any other related filings, and orders rectification of the register, the Registrar is empowered to give effect to that order by updating the Companies Register accordingly.

58. In light of the foregoing, the appropriate forum for the determination of the issues raised in this Application is the High Court of Uganda, which possesses the jurisdiction necessary to fully inquire into the contested facts and determine the rights of the parties. Pursuant to Regulation 32 of the Companies (Powers of the Registrar) Regulations, S.I. No. 71 of 2016, this Application is hereby dismissed for want of jurisdiction, with no order as to costs.

I so order.

Given under my hand this 03rd day of September 2026

Daniel Nasasira

Assistant Registrar of Companies