

**REPUBLIC OF KENYA**  
**IN THE HIGH COURT OF KENYA AT NAIROBI**  
**MISCELLANEOUS APPLICATION NO. E157 OF 2026**

**IN THE MATTER OF THE COMPANIES ACT (CHAPTER 486 OF THE LAWS OF KENYA)**

**AND**

**IN THE MATTER OF AN APPLICATION TO RECTIFY THE REGISTER OF CHARGES AT THE COMPANIES REGISTRY**

**BETWEEN**

**INTERNATIONAL FINANCE CORPORATION .....  
1ST APPLICANT**

**ABYSSINIA IRON & STEEL LIMITED  
..... 2ND APPLICANT**

**PRIME STEEL MILLS LIMITED  
..... 3RD APPLICANT**

**WESTERN STEEL MILLS LIMITED  
..... 4TH APPLICANT**

**VERSUS**

**REGISTRAR OF COMPANIES  
..... RESPONDENT**

**RULING**

**Introduction**

1. Before this Court is a Notice of Motion dated 17th February 2026, brought by the Applicants under Section 888 of the Companies Act. The Applicants seek an order to rectify the Register of Charges and the

corresponding Certificates of Registration of Charge issued by the Respondent.

2. The background of the matter is that the 1st Applicant (IFC), advanced banking facilities to the 2nd, 3rd, and 4th Applicants. To secure these facilities, the parties entered into a **Security Agreement dated 2nd February 2026**. This agreement was subsequently registered with the Respondent on 10th February 2026, and Certificates of Registration of Charge were issued for each of the Corporate Applicants.
3. The Applicants contend that an inadvertent clerical error occurred during the registration process. While the underlying Security Agreement correctly identifies the secured sum as **USD 30,000,000, and KES 3,900,000,000** (Three Billion Nine Hundred Million), the Register of Charges and the resulting Certificates erroneously recorded the Kenya Shilling component as **KES 3,900,000** (Three Million Nine Hundred Thousand), hence the instant application for rectification.

### **Analysis and Determination**

4. The Court has duly considered the Application, the Supporting Affidavit sworn on 17<sup>th</sup> February 2026 by **Marywinfred Mwangi - Advocate**, in support of the application, and the annexures thereto. The sole question for determination is whether the application is merited.
5. Section 888 of the Companies Act empowers this Court to rectify the register of charges where an omission or misstatement of any particular with respect to any such charge was accidental or due to inadvertence.
6. The evidence presented, specifically the Security Agreement (**Exhibit "MWM-1"**), clearly shows that the intended secured amount was KES

3.9 Billion. The recording of KES 3.9 million in the official register is therefore a manifest clerical error.

7. **In Re African Safari Club Ltd [2010] eKLR**, the Court held that the purpose of registration is to maintain transparency in company securities, not to invalidate commercial transactions for procedural lapses, errors, or mistakes.
8. Similarly, in **Re Jamii Bora Bank Ltd & Another [2018] eKLR**, the Court held that commercial justice favours granting rectification where the charge documents were duly executed, the intention of the parties is clear, and registration was frustrated by procedural delays.
9. The principle is that where a party demonstrates that an omission occurred without an intent to defraud or mislead, the court should exercise its discretion to ensure the register reflects the true commercial reality of the transaction.
10. In the present case, the Court finds that the rectification of this error is necessary to protect the 1st Applicant's security interest and will not prejudice the creditors or shareholders of the other Applicants, as it merely aligns the register with the actual contractual obligations already agreed upon by the parties.
11. Accordingly, I find the application to be meritorious and grant the following orders:
  - i. **THAT** the Register of Charges maintained by the Respondent with respect to the 2nd Applicant (Abyssinia Iron & Steel Limited), 3rd Applicant (Prime Steel Mills Limited), and 4th Applicant (Western Steel Mills Limited) be and is hereby rectified.

- ii. **THAT** the Respondent shall amend the records and the corresponding Certificates of Registration of Charge dated 10th February 2026 to reflect the correct secured sum of **United States Dollars Thirty Million (USD 30,000,000) and Kenya Shillings Three Billion Nine Hundred Million (KES 3,900,000,000)**.
- iii. The costs of this application shall be in the cause.
12. It is so ordered.

**SIGNED, DATED, and DELIVERED IN VIRTUAL COURT THIS**

**20<sup>TH</sup> FEBRUARY 2026**

**ADO MOSES**

**JUDGE**