



Inter-Web Global Fortune Limited & another v Macharia (Civil Appeal E245 of 2022) [2025] KEHC 11258 (KLR) (Civ) (25 July 2025) (Judgment)

Neutral citation: [2025] KEHC 11258 (KLR)

**REPUBLIC OF KENYA
IN THE HIGH COURT AT NAIROBI (MILIMANI LAW COURTS)**

CIVIL

CIVIL APPEAL E245 OF 2022

JM NANG'EA, J

JULY 25, 2025

BETWEEN

INTER-WEB GLOBAL FORTUNE LIMITED 1ST APPELLANT

MANASE KURIA KARANJA 2ND APPELLANT

AND

STEPHEN KIMEMIA MACHARIA RESPONDENT

*(Being an appeal from the Judgement of the Resident Magistrate/
Adjudicator of the Small Claim's Court at Nairobi (Hon. B. J Ofisi-
RM) delivered on 14th April 2022 in SCCC NO. E879 OF 2021)*

JUDGMENT

The pleadings in the lower court

1. The Appellants herein are challenging the said learned trial Magistrate's/Adjudicator's decision in which judgement was entered for the Respondent in the sum of Kshs. 500,000 together with the costs of the suit and interest thereon at court rates for breach of contract. The Respondent sued the Appellants in the lower court for judgement in the sum of Kshs. 1,000,000 the former had invested with the Appellants through an online business transaction. The Respondent averred in his Statement of Claim that on 14/1/2019 he entered into an agreement with the 1st Appellant by which he would remit Ksh. 400,000/= to the latter for investment whereupon monthly interest of Ksh.80,000/= would be deposited into his bank account.
2. On 15/6/2019, the 2nd Appellant, the 1st Appellant's director, informed the Respondent that his first month's interest had been compounded and he was asked to inject more funds into the business venture. The Respondent states that he was agreeable and invested a further sum of Kshs. 500,000/



= in the name of his father, Julius Kimemia, which would earn monthly interest of Ksh. 1,00,000/= to be compounded for one year.

3. In line with the agreement, the Respondent says he remitted the entire amount of Ksh. 900,000/= through his Equity Bank account No. 012010038344 directly to the 2nd Appellant's bank account. He, however, laments that the Appellants did not keep their part of the bargain and failed to pay the agreed interest, hence the claim lodged in the lower court.
4. The Respondent prayed for judgement in the sum of Ksh. 1,000,000/= against the appellants plus the costs of the suit as well as any other compensation the court might find appropriate in his favour.
5. The Appellants filed a joint response to the claim traversing the claim that they owe any money to the respondent. They averred that they paid to the Respondent all the sums referred to in his Statement of Claim. Rather inconsistently, the Appellants, however, appeared to explain their inability to pay the Respondent as having been caused by investigations of their business activities by the Capital Markets Authority and the Police culminating in fraud charges being laid against the 2nd Appellant. The criminal investigations are also said to have led to freezing of the 2nd Appellant's bank accounts rendering performance of his financial obligations impossible.
6. The Appellants accordingly urged the trial court to dismiss the claim with costs.

The evidence before the lower court

7. The Respondent reiterated the averments in his Statement of Claim vide his oral evidence. In support of his evidence he tendered copies of the two online investment contracts and bank statements transfer of the funds in question to the 2nd Appellant's account among other documentary exhibits.
8. The Appellants also underscored their averments in the response to the claim. The 2nd Appellant told the court that the contracts in question were entered into between the Respondent and the 1st Appellant and therefore he was not party thereto. He instead claimed to have lent money to the Respondent in a different transaction and that he repaid the loan by instalments through his bank account.
9. The 2nd Appellant further contends that if he had entered into any contract with the Respondent, the same was frustrated by the said criminal investigations and freezing of his accounts. He therefore denies wrong doing for the reason that performance of the contracts was premature in light of the stated circumstances.
10. The Appellants' Grounds of Appeal as per Memorandum of Appeal dated 20th April 2022 may be condensed into only two as hereunder:
 - a. That the learned trial magistrate erred in law in adjudging the appellants liable for breach of contract against the weight of evidence.
and
 - b. That the learned trial magistrate erred in law by failing to find that the purported contract between the parties was invalid.
11. The Appellants therefore pray that the appeal be allowed and the trial court's judgement set aside and substituted with an order granting the Appellants' prayers (sic).
12. It is trite law that the appellate court can only interfere with the findings and /or award of the trial court if the court misdirects itself on matters of fact and /or law by failing to take relevant factors into account



or by considering irrelevant factors and thus arrive at a plainly wrong decision (see the case of Ocean Freight Shipping Co. Ltd vs Oakdale Commodities Ltd (1997) eKLR Civil Appeal No. 198 of 1995). The appellate court also has the duty of analyzing and re-assessing the evidence on record and reach an independent decision as observed in the case of Selle vs Associated Motor Boat Co. (1968) EA 123.

13. By dint of section 38(1) of the Small Claims Court’s Act , an appeal to this court from the Small Claims Court is limited to only any point(s) of law arising.
14. In her brief judgement, the learned trial magistrate framed one issue for determination in the suit to wit; “whether there was an agreement between the Claimant (read the respondent) and the Respondent (read the appellants?” (sic). Citing the judicial determination in Mamta Peeush Mahajan (suing on behalf of the estate of the late Peeush Premlal Mahajan vs Yashwant Kumari Mahajan (sued personally and as Executrix of the estate and beneficiary of the estate of the late Krishan Lal Mahajan (2017) eKLR, the trial court stated that a contract can be implied by the general conduct of the parties . The lower court then found that the Respondent had proven his claim to the required legal standards and awarded him “Ksh. 500,000/= as per the 2nd contract dated 15/6/2019” together with the costs of the suit and interest. The court does not say why the earlier contract amount of Ksh. 400,000 and/or the claimed interest accruing from the sums invested was not granted to the Respondent.
15. It is common ground as deduced from the entire facts and circumstances of this case that the parties entered into the agreements in issue. The 2nd Appellant cannot extricate himself from the contract as the sums in question were deposited into his personal bank account and considering further that he is the director of the 1st Appellant.
16. The main point for determination in this appeal is whether the trial court rightly ordered the Appellants to refund to the Respondent the stated decretal amount of Ksh 500, 000 as well as the costs of the suit and interest.
17. I have studied the parties’ agreements dated 14/1/2019 and 15/6/2019 which were exhibited before the trial court. All the elements of a valid contract as required in section 3(1) of the [Law of Contract Act](#) are clearly evident. By conduct of the parties, the contracts in question are also implied. The Respondent therefore discharged his burden of proof of the claim pursuant to the provisions of sections 107, 108 and 109 of the [Evidence Act](#).
18. In the result, the appeal fails on all the grounds and is dismissed with costs to the Respondent.
19. Judgement accordingly.

J. M. NANG’EA, JUDGE.

JUDGEMENT DELIVERED VIRTUALLY THIS 25TH DAY OF JULY, 2025 IN THE PRESENCE OF:

The Appellants’ Advocate, Absent.

The Respondent’s Advocate, Ms Kariuki for Ms Kimani.

The Court Assistant, Jeniffer.

J. M. NANG’EA, JUDGE.

