



**In re Estate of Naran Lakhman Ravji (Deceased) (Succession Cause
E020 of 2020) [2024] KEHC 14262 (KLR) (15 November 2024) (Ruling)**

Neutral citation: [2024] KEHC 14262 (KLR)

**REPUBLIC OF KENYA
IN THE HIGH COURT AT ELDORET
SUCCESSION CAUSE E020 OF 2020
RN NYAKUNDI, J
NOVEMBER 15, 2024**

BETWEEN

MAYURIBEN LAKHMAN NARAN 1ST PETITIONER

MANILAL RAVJI NARAN 2ND PETITIONER

AND

MUTHONI NGARUMA 1ST OBJECTOR

YASMIN SHAMIRA LAKHMAN 2ND OBJECTOR

RULING

1. I am called to determine the Objectors' application dated 17th October, 2024 expressed to be brought under the provisions of Section 29 and 47 of the Law of Succession Act, Rule 45, 63 and 73 of the Probate and Administration Rules, Section 1A, 1B, 3, 3A and 63(e) of the Civil Procedure Act. The applicants seek orders inter alia:-
 - a. Spent
 - b. The Honourable court to order for the Branch Managers, receiver Managers and/or liquidation agent/or their duly appointed representatives to disclose by providing statements of accounts disclosing funds held in those Bank accounts as from 20th October, 2020 to date as herein under: -
 - i. Rift Valley Luxury Commuter Shuttle Imperial Bank Limited Account Number 711XXXX046.
 - ii. Rift Haulier Cargo Transporter Imperial Bank Limited Account No. 100XXXX715, reference Number 01XXPLC 133XXXX01.
 - iii. Rift Hauliers Cargo Transporter, Bank of Baroda Account No. 95880XXXXXX136.



- iv. Lakhman Ravji, Bank of Baroda Account No. 95880XXXXXX900.
 - v. Rift Hauliers Cargo Transporter, DTB Account No. 019XXXX001.
 - vi. Lakhman Ravji, I&M Bank Account No. 017000XXXXXX010.
 - vii. Rift Hauliers Cargo Transporter, Mayfair Bank Account No. 0401XXXX34.
 - viii. Rift Hauliers Cargo Transporters, Account Number 00521XXXXXXXX12 at ABC Bank.
- c. That the Honourable court be pleased to order for the Branch managers receiver manager and/ or liquidation agent or their duly appointed representatives to disclose to the court the current loan status with respect to Accounts No. 711XXXX046 in the name of Rift Valley Luxury Commuter Shuttle at Imperial Bank Limited and Account No. 100XXXX715 Reference Number 01XXPLC 133XXXX01 at Imperial Bank Limited.
 - d. That the Honourable court to order the officers named in clause 3 herein above to disclose the nature of the loan and the securities deposited with respect to the said loans.
 - e. That the Honourable Court do issue an order to the Registrar of Companies to provide certified copies of the register and CR12 showing the nominal shares of the Directors with respect pf Rift Valley Luxury Commuter Shuttle and Rift Haulier Cargo Transporter.
2. The application is based on four grounds together with an affidavit in support sworn by Yasmin Shamira Lakhman. The grounds are that:
- a. The Petitioners under form P&A 5 dated 17th November, 2020 declared that the Estate had nil liabilities.
 - b. Currently the Petitioners alleged that the estate has a loan to a tune of Kshs. 200,000,000/= which is contrary to the declarations made under form P&A 5
 - c. That it is important to know when the loans were taken, what securities were offered and what is the current loan status if any.
 - d. That it is also important for the beneficiaries to know prior distribution, whether there are funds to cater for the liabilities once established and what is there to be shared among themselves.
3. At this point I must state that on 7th October, 2024, the 2nd petitioner filed a supplementary affidavit to their application dated 20th November, 2023. The affidavit essentially spoke to the fact there is evidence demonstrating indebtedness of the estate to Imperial Bank (in receivership). That further the estate is indebted to Kishor Varsani and Mukta Varsani. It is the said supplementary affidavit that necessitated the instant application that is before me for determination.
4. To give context, let me briefly highlight the application dated 30th November. 2023. The petitioners therein sought review of this court's ruling delivered on 20th November, 2023 to address the issue of separation of the 1st petitioner's property in land and property held in a tenancy in common and or partnership property of the 1st Petitioner and the deceased. The Petitioners contended that there was an error or omission in the ruling in that the issue of what constitutes the net estate of the deceased was not addressed in the ruling. That it is obvious that some of the property is owned by the 2nd petitioner and the deceased and is held as partnership property or in a tenancy in common.



5. The petitioners filed submissions in support of the application dated 30th November, 22. Learned Counsel Mr. Momanyi submitted that the application dated 30.11.2023 simply seeks to have the property of the petitioners separated from that of the deceased to pave way for the distribution of the deceased's net estate. That as a corollary to the aforesaid is the indebtedness of the estate to the two persons, imperial Bank and Kishor Varsani which needs to be addressed.
6. Learned Counsel submitted that the bank is owed more than Kshs. 200,000,000/= as can be evidenced from the letters from the bank annexed to the supplementary affidavit in support. Further that Kishor Varsani is owed Kshs. 53,646,492/=. That regarding the property which belong to the deceased and his brother the following have been identified as partnership property held in a joint partnership:
 - a. Rift Haulier Cargo Transporter
 - b. Pioneer/Ngeria Block 1 (EATEC)/12938
 - c. Pioneer/Ngeria Block 1 (EATEC)/12940
 - d. Pioneer/Ngeria Block 1 (EATEC)/12939
 - e. Pioneer/Ngeria Block 1 (EATEC)/12936
7. It was submitted for the Petitioners that the said properties ought to be dealt with as follows:
 - a. Parcels number 12939 and 12940 ought to go to Manilal Ravji Narani.
 - b. The remaining two parcels number 12936 and 12938 may go to the deceasedThat of the two parcels one may go to the widow since the same were held in trust and one to the deceased. He suggested that the widow, the 1st Petitioner takes parcel number 12938 while the deceased takes parcel number 12936.
8. Learned counsel stated that the following real properties are registered in the name of the deceased available for distribution once the debts are addressed:
 - a. Eldoret Municipality Block 6/183
 - b. Eldoret Municipality Block 28/217
 - c. Eldoret Municipality Block 28/216
 - d. Eldoret Municipality Block 28/215
 - e. Eldoret Municipality Block 28/214
 - f. Eldoret Municipality Block 28/213
 - g. Eldoret Municipality Block 28/212That half of the properties ought to go to the widow as beneficial owner and the remainder will be part of the estate of the deceased.
9. Counsel further suggested that the following properties are registered in the name of the deceased.
 - a. Pioneer Ngeria Block 1 (EATEC) 3656
 - b. Pioneer Ngeria Block 1 (EATEC) 3657
 - c. Pioneer Ngeria Block 1 (EATEC) 3696



- d. Pioneer Ngeria Block 1 (EATEC) 8959
- He proposed that half of the properties ought to go to the widow as beneficial owner while the rest is to be treated as part of the estate available for distribution subjected to the debts being settled.
10. Additionally, it was submitted for the Petitioners that the property in the name of the deceased and the 2nd Petitioner Manilal Ravji Naran Eldoret Municipality Block 7/228 is not available for distribution as the home of the parents of the deceased, the deceased's family and that of the 2nd petitioner are settled thereon.
11. That the following motor vehicles are not available for distribution since they are encumbered by Chattel mortgage to imperial Bank Limited (in receivership)
- a. KBT 433K
 - b. KBU 824L
 - c. KBU 866R
 - d. KBT 023D
 - e. KBS 772N
 - f. KAZ 511L
 - g. Crane KHMA 690D
 - h. Crane KHMA 719C
12. That the following motor vehicles are not part of the estate having been sold by the deceased before he died: -
- a. KCS 407N
 - b. KCS 356H
 - c. KBU 866R
 - d. KCS 357H
 - e. KBT 433K
 - f. KCK 108E
 - g. Trailer ZD 6748S
13. Learned Counsel further submitted that the following motor vehicles are unavailable for distribution as they are partnership property and tools of trade:
- a. Trailer ZF 5663
 - b. Trailer ZC 5814
 - c. Trailer ZD 9420
 - d. Crane KHMA 384B
 - e. Crane KHMA 519N
 - f. Trailer KHMA 359F



g. Trailer KHMA 176C

That the same ought to remain in the partnership of Rift Haulier Cargo Transport.

Analysis and Determination

14. The matter before me concerns the administration of the estate of Naran Lakhman Ravji. The record includes the Objectors' application, the Petitioner's supplementary supporting affidavit, and their respective submissions. At this stage, I must address the Objectors' application which raises questions regarding the composition of the estate and seeks clarification of its liabilities. These matters are fundamental to determining what assets are available for eventual distribution.
15. This case raises fundamental questions about the duties of personal representatives regarding disclosure of estate information, particularly in circumstances where substantial liabilities have been belatedly revealed. At the heart of this application is whether the court should compel disclosure of detailed financial information relating to bank accounts, loan facilities, and corporate shareholding of the deceased's estate.
16. The *Law of Succession Act* creates specific obligations regarding disclosure and accounting by personal representatives. These obligations were comprehensively examined in *In Re Estate of Mukhobi Namonya* [2011], where the court emphasized that personal representatives must provide full and accurate information about estate assets and liabilities. This duty is not merely procedural but goes to the heart of proper estate administration.
17. Personal representatives occupy a unique position in law. Section 79 of the *Law of Succession Act* provides that the estate of a deceased person vests in the personal representatives. However, this vesting comes with onerous duties. As elaborated in Section 83 of the Act, personal representatives must:
 - a. Getting in all the estate of the deceased and administering it according to law.
 - b. Ascertaining and paying all debts and liabilities.
 - c. Producing to the court within six months from the date of grant, a full and accurate inventory of the assets and liabilities.
 - d. Rendering an account of the estate when required.
 - e. Completing administration within six months of confirmation of grant
18. It bears emphasis that the gravity of these duties is underscored by Section 83(g) which mandates that within six months from the date of confirmation of the grant, personal representatives must complete the administration of the estate and produce to the court a full and accurate account of the completed administration.
19. In the present case, the court is confronted with a significant disparity between the initial declaration in Form P&A 5, which indicated nil liabilities, and the subsequent revelation through a supplementary affidavit of liabilities approximating Kshs. 200,000,000. This substantial difference raises serious concerns about the adequacy of disclosure thus far.
20. The Mukhobi case establishes clear principles regarding the nature and timing of required disclosure. Personal representatives must identify and disclose not only assets but also all debts and liabilities, including the identity of creditors, how debts were incurred, and supporting documentation. More importantly, the court emphasized that debts and liabilities must be addressed before distribution can



occur, stating explicitly that "distribution is of the net estate, after the debts and liabilities have been met."

21. The timing of disclosure is particularly relevant here. The *Law of Succession Act*, requires personal representatives to render accounts of their administration within six months of appointment. This includes a detailed accounting of how estate assets have been used, particularly where expenses have been incurred. The delayed disclosure of substantial liabilities in this case suggests a departure from these requirements.
22. What makes this matter particularly concerning is the magnitude of the previously undisclosed liabilities. A liability of Kshs. 200,000,000 is substantial enough to materially affect the entire complexion of the estate's administration. The information now sought; details of bank accounts, loan facilities, and corporate shareholding, falls squarely within what is necessary for proper estate administration.
23. It is worth noting that the duty to disclose is not merely for the benefit of beneficiaries. Proper disclosure serves multiple purposes: it enables creditors to protect their interests, allows beneficiaries to understand their potential entitlements, and enables the court to exercise its supervisory role effectively. This last point is particularly significant because the court must ensure that distribution occurs only after proper provision has been made for estate liabilities.
24. The belated disclosure of such substantial liabilities raises legitimate questions about whether other relevant information remains undisclosed. This concern is amplified by the fact that the disclosed liabilities relate to multiple banking institutions and potentially complex corporate arrangements. Without full disclosure of these matters, neither the creditors nor the beneficiaries can adequately assess or protect their interests.
25. The Mukhobi decision emphasizes an important distinction between transactions that occurred during the deceased's lifetime and those occurring after death. This distinction becomes relevant when examining the disclosed liabilities, as their nature and timing may affect their treatment in estate administration. Full disclosure is therefore necessary to make these determinations.
26. Considering all these factors, I am satisfied that the orders sought for disclosure are not only well-founded but necessary for proper estate administration. The disclosure sought relates directly to substantial liabilities that could significantly impact the estate's distribution. Furthermore, the timing and manner of the previous disclosure suggests that court intervention is necessary.
27. Having carefully considered the application before me and the substantial interests at stake, I hereby make the following orders:
 - a. This court directs that the Branch Managers, Receiver Managers and/or liquidation agents of Imperial Bank Limited, Bank of Baroda, DTB Bank, I&M Bank, Mayfair Bank and ABC Bank shall, within 45 days of this order, provide full and detailed statements of all accounts held in the names of Rift Valley Luxury Commuter Shuttle, Rift Haulier Cargo Transporter, and Lakhman Ravji for the period from 20th October 2020 to date. The disclosure should include supporting documentation for all transactions exceeding Kshs. 100,000.
 - b. The said bank officials shall, within the same period, provide comprehensive documentation regarding all loan facilities extended to these entities or the deceased. This documentation shall include facility letters, security documentation, current loan status, repayment schedules and any default notices. They shall further disclose particulars of any securities held against these facilities, including the nature of securities, when they were provided, their current status and any enforcement measures taken or contemplated.



- c. The Registrars of companies and Business names be and are hereby directed to provide, within 45 days, certified copies of all corporate records including memoranda and articles of association, registers of directors and shareholders, and CR12 forms showing the shareholding structure from inception to date for both Rift Valley Luxury Commuter Shuttle and Rift Haulier Cargo Transporter. Any changes in shareholding during this period should be clearly documented.
- d. In substance, there is a well-established line of authority to the effect that an intestate estate can be partially confirmed as contemplated by the Succession Act awaiting determination of other complexities in the estate property which is in the hands of 3rd parties or as the case may be assets in a trust or in other legal entities like registered companies and partnerships. It applies therefore to this estate that the administrators more so Mayuriben Lakhman Naran and Manilal Ravji Naran come out clean on the free assets of the deceased to successfully initiate partial confirmation of grant.
- e. All information disclosed pursuant to these orders shall be filed in court and copies served on all parties within 7 days of receipt. The Petitioners shall, within 30 days of receiving this information, file a comprehensive inventory showing all assets and liabilities of the estate, provide a detailed account of estate administration to date, and set out proposals for settlement of the disclosed liabilities.
- f. The costs of compliance with these orders, including reasonable bank charges for production of statements and documents, shall be met from the estate.
- g. A status conference shall be held on 15th December, 2024 for confirmation of compliance with these orders and any further directions regarding estate administration as may be necessary.
- h. Orders accordingly.

DELIVERED, DATED AND SIGNED AT ELDORET ON THIS 15TH DAY OF NOVEMBER, 2024.

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R. NYAKUNDI

JUDGE

In the presence of:

Mr. Momanyi, Advocate.

Mr. Mathai, Advocate

