



**REPUBLIC OF KENYA**  
**IN THE HIGH COURT OF KENYA**  
**NAIROBI**  
**MILIMANI COMMERCIAL AND TAX DIVISION**  
**INSOLVENCY CAUSE NO. 10 OF 2017**  
**IN THE MATTER OF NAKUMATT HOLDINGS LIMITED (UNDER ADMINISTRATION)**  
**AND**  
**IN THE MATTER OF THE INSOLVENCY ACT NO. 18 OF 2015**  
**AND**  
**IN THE MATTER OF THE ADMINISTRATOR'S UPDATE REPORT**  
**R U L I N G**

1. By a ruling delivered on 22/1/2018, Ochieng J placed Nakumatt Holdings Limited (“the Company”) under administration. At the same time, **Peter Obondo Kahi**, was appointed the administrator of the company.
2. The said administrator has been undertaking the administration of the Company to-date. In making the Administration Order, the Court was of the view that if properly executed, the same was to be beneficial to all the creditors.
3. In accordance with the law, the Administrator has been reporting to Court on the administration whereby the Administration Order has been extended twice.
4. On 1/2/2021, the Administrator prepared an Update Report on the administration. According to that report, the outlook of the company is not rosy. Be that as it may, the Administrator has been able to raise Kshs. 5,218,737,409/-. Out of the said amount, an amount in excess of Kshs. 3.5 billion was paid to creditors which included Kshs. 766,641,309/- paid to landlords of the various premises occupied by the company.
5. In his Report, the Administrator observed that he had formed the belief that the company has no property that might allow a distribution to its creditors. However, in line with the objectives provided under **section 522 of the Act**, he requested that the Court grants him his prayer made under **section 600(2) of the Act**.
6. **Section 600 of the Insolvency Act, 2015** provides: -

***“(1) On forming the belief that a company that is under administration has no property that might allow a distribution to its creditors, the administrator shall lodge with the Registrar a notice to that effect.***

***(2) On the application of the administrator of a company, the Court may disapply subsection (1) in respect of the company”.***

7. In his report, the Administrator has shown that although the Company has no property that can be distributed to its creditors, there are debts out there as well as cases that require to be managed for the benefit of the Company. That in the premises, the Company should not be liquidated but let it remain as it were.
8. In this regard, I am satisfied that this is a fit case to disapply **sub-section 1 of section 600 of the Act**. Further, I disapply **section 600(6) of the Act**. The Administration Order is hereby extended to enable the Administrator to carry out the matters set out in his Report. The Court therefore adopts the Report of the Administrator.

It is so ordered.

**DATED AND DELIVERED AT NAIROBI THIS 11TH DAY OF MARCH, 2021.**

**A. MABEYA, FCI Arb**

**JUDGE**