



**Rajput v Bhagirajh (Pursuant to Letters of Administration Ad Litem) & another;
Capitol Laundry Limited (Interested Party) (Miscellaneous Application E873 of 2020)
[2025] KEHC 13374 (KLR) (Commercial and Tax) (26 September 2025) (Ruling)**

Neutral citation: [2025] KEHC 13374 (KLR)

**REPUBLIC OF KENYA
IN THE HIGH COURT AT NAIROBI (MILIMANI COMMERCIAL COURTS)
COMMERCIAL AND TAX
MISCELLANEOUS APPLICATION E873 OF 2020
FG MUGAMBI, J
SEPTEMBER 26, 2025**

BETWEEN

KIRAN HARILAL RAJPUT APPLICANT

AND

**CHANDRANKANT DURGADASS BHAGIRAJH (PURSUANT TO LETTERS
OF ADMINISTRATION AD LITEM) 1ST RESPONDENT**

THE REGISTRAR OF COMPANIES 2ND RESPONDENT

AND

CAPITOL LAUNDRY LIMITED INTERESTED PARTY

RULING

1. This Court delivered a judgment dated 18th October in which I made the following final orders:
 - a. A declaration be and is hereby made that the two directors of Capitol Laundry Limited, Amritlal Durgadass Rajput and Harilal Durgadass Rajput (both now deceased) died on 4/5/2012 and 4/11/2019 and the company had no directors as at 4/11/2019.
 - b. A declaration be and is hereby made that the approval for linking of the company online on 19/12/2019 from the email account of Harilal Durgadass Rajput (deceased) was illegal, unlawful and in breach of the [Companies Act](#) and Regulations hence null and void. A declaration be and is hereby made that the 1st respondent, Kirani Harilal Rajput fraudulently appointed herself a director of Capitol Laundry Limited on 19/12/2019 and her appointment is hereby nullified.



- c. The Registrar of Companies be and is hereby ordered to forthwith remove the name of Kirani Harilal Rajput from the records of directors of the company.
 - d. Pending the administration of the deceased directors' estates and appointment of directors of the Company, this court appoints Chandrakant Durgadass Bhagirajh and Kirani Harilal Rajput as signatories to the Company's Bank Account Number 014XXXXXXX001 at Diamond Trust Bank for the purpose of running the Company.
 - e. Each party will bear their own costs of this suit and the application.
2. The applicant is aggrieved by the said decision and has preferred an appeal. It is as a result of the said appeal that she also filed the application dated 7th November 2024 seeking stay of execution of the said judgment. I have considered that application alongside the response filed through the replying affidavit sworn by the 1st respondent on 7th February 2025 as well as the submissions on record.

Analysis and Determination

3. The law governing the granting of orders for stay of execution pending appeal is set out in Order 42 Rule 6 (1) and 2 of the Civil Procedure Rules. The principles applicable have been articulated in the case of *Butt V Rent Restriction Tribunal*, [1979] where the Court of Appeal reaffirmed the considerations to be considered when determining whether to grant or deny a stay of execution pending appeal as follows:
- i. The power of the court to grant or refuse an application for a stay of execution is discretionary; and the discretion should be exercised in such a way as not to prevent an appeal.
 - ii. Secondly, the general principle in granting or refusing a stay is, if there is no other overwhelming hindrance, a stay must be granted so that an appeal may not be rendered nugatory should the appeal court reverse the judge's discretion.
 - iii. Thirdly, a judge should not refuse a stay if there are good grounds for granting it merely because, in his opinion, a better remedy may become available to the applicant at the end of the proceedings.
 - iv. Finally, the Court in exercising its discretion whether to grant or refuse an application for stay will consider the special circumstances and its unique requirements. The court in exercising its powers under Order XLI Rule 4(2) (b) of the Civil Procedure Rules, can order security upon application by either party or on its own motion. Failure to put security of costs as ordered will cause the order for stay of execution to lapse.
4. As to what amounts to substantial loss, the court in *James Wangalwa & Another V Agnes Naliaka Cheseto*, [2012] eKLR, observed that:
- “The applicant must establish other factors which show that the execution will create a state of affairs that will irreparably affect or negate the very essential core of the applicant as the successful party in the appeal ... the issue of substantial loss is the cornerstone of both jurisdictions. Substantial loss is what has to be prevented by preserving the status quo because such loss would render the appeal nugatory.”
5. The application herein was filed approximately one month after this court's judgment was delivered. The applicant therefore meets the threshold of promptness under Order 42 Rule 6 of the Civil Procedure Rules which requires that an application for stay be made without unreasonable delay.



However, compliance with this temporal requirement is only one factor. The applicant must also demonstrate good faith and satisfy the substantive criteria for a stay, as discussed.

6. A central claim by the applicant is that the Judgment of 18th October, 2024 introduced the respondent, who is a stranger to the operations of the interested party company, as a signatory of the interested company account jointly with her. This has stalled the operations of the interested party company as the parties are not able to work together. These allegations have not been substantiated by any kind of evidence. I do however note that the applicant has filed a Notice of Appeal dated 31st October 2024, evidencing the appeal.
7. I further note that the respondent has not denied the hostility that is between the parties neither does he deny that he and the applicant cannot work together and that this has jeopardized the well-being of the Company. He has instead asked that the applicant be ordered to deposit the amount of Kshs. 5 million as security for costs citing the prolonged litigation that has marked this case.
8. At the heart of the dispute between the parties is the management and running of the interested party company. As such, in order to ensure that the subject matter of the appeal is preserved, I deem it appropriate to allow the application but to also balance the interests of the respondent whose concerns are merited.

Disposition

9. Accordingly, I allow the application dated 7th November 2024 and grant a stay of execution of the judgment of 18th October 2024 on condition that the applicant deposits the amount of Kshs. 3,000,000/= as security for the respondent's costs in court within 30 days of this ruling in default of which the stay orders shall be deemed to have lapsed without further recourse to this court.

It is so ordered.

DATED, SIGNED AND DELIVERED AT NAIROBI THIS 26TH DAY OF SEPTEMBER 2025.

F. MUGAMBI

JUDGE

