



REPUBLIC OF KENYA



**Amugune v Dannry Logistics Limited & another (Cause E501 of 2025)  
[2025] KEELRC 2830 (KLR) (21 October 2025) (Ruling)**

Neutral citation: [2025] KEELRC 2830 (KLR)

**REPUBLIC OF KENYA  
IN THE EMPLOYMENT AND LABOUR RELATIONS COURT AT NAIROBI  
CAUSE E501 OF 2025  
SC RUTTO, J  
OCTOBER 21, 2025**

**BETWEEN**

**EMMANUEL AMUGUNE ..... CLAIMANT**

**AND**

**DANNRY LOGISTICS LIMITED ..... 1<sup>ST</sup> RESPONDENT**

**BOBMIL INDUSTRIES LIMITED ..... 2<sup>ND</sup> RESPONDENT**

**RULING**

1. Before this Court for determination is a Notice of Motion dated 3<sup>rd</sup> June 2025, through which the Claimants/Applicants seek interim orders directing the Respondents herein to pay severance and maximum compensation to the nineteen (19) employees declared redundant.
2. In the alternative, the Claimants/Applicants seek an order directing the Principal Employer, Bobmil Industries Limited (the 2<sup>nd</sup> Respondent), to pay the said nineteen (19) affected employees their severance dues, on account that the contractual relationship it had with the 1<sup>st</sup> Respondent has since been terminated.
3. The Application is premised on the grounds set out on its face and supported by the Affidavit of the 1<sup>st</sup> Claimant, Emanuel Amugune, sworn on 3<sup>rd</sup> June 2025. It is averred that on 10<sup>th</sup> April 2025, the Respondents verbally terminated the employment of the nineteen (19) grievants without affording them an opportunity to be heard, as required by law.
4. It is further averred that the termination of the nineteen (19) grievants on account of redundancy was wrongful and unlawful, being a deliberate attempt to evade payment of severance dues as mandated under the *Employment Act*.
5. The Claimants further contend that the Respondents' actions violated established industrial relations procedures.



6. Only the 2<sup>nd</sup> Respondent opposed the Application. To that end, it filed a Replying Affidavit sworn on 17<sup>th</sup> June 2025 by Martha Bitta, who described herself as the Head of Human Resources.
7. Ms. Bitta avers that the Claimants were employees of the 1<sup>st</sup> Respondent, engaged under various contracts of employment.
8. She adds that the Claimants were initially employed by Danree Multi-Handling Services Limited, whose rights and obligations were subsequently assumed by Dannry Logistics Limited pursuant to a Board Resolution dated 24<sup>th</sup> March 2021.
9. Ms. Bitta further states that the 2<sup>nd</sup> Respondent entered into a sub-contract agreement with the 1<sup>st</sup> Respondent, on 24<sup>th</sup> March 2021, for the provision of outsourced casual labour services.
10. Under the terms of the sub-contract, the 1<sup>st</sup> Respondent was responsible for maintaining a comprehensive list of all casual labourers and their particulars, ensuring timely payment of their wages or salaries in accordance with their terms of engagement, paying all terminal benefits, remitting statutory deductions and union contributions, and making such records available to the 2<sup>nd</sup> Respondent upon request.
11. She avers that the Claimants were seconded by the 1<sup>st</sup> Respondent to provide casual labour services to the 2<sup>nd</sup> Respondent. Upon completion of the work, the 1<sup>st</sup> Respondent would issue an invoice detailing the total amount due, accompanied by the corresponding wage sheet, for the 2<sup>nd</sup> Respondent's review, approval, and subsequent payment.
12. She further avers that the 1<sup>st</sup> Respondent advised the 2<sup>nd</sup> Respondent to remit the invoiced salary amounts representing wages for employees of Dannry Logistics Limited to Vestness Multihandling Limited, which was to facilitate payment to the Claimants. Consequently, the 2<sup>nd</sup> Respondent remitted the salaries for the period 1<sup>st</sup> March 2025 to 10<sup>th</sup> April 2025 to Vestness Multihandling Limited.
13. Ms. Bitta contends that once payment was remitted to Vestness Multihandling Limited, it was incumbent upon the 1<sup>st</sup> Respondent to ensure that the Claimants received their wages, in accordance with clause 2.4 of the sub-contract agreement.
14. According to Ms. Bitta, the sub-contract agreement between the 1<sup>st</sup> and 2<sup>nd</sup> Respondents was terminated by a letter dated 11<sup>th</sup> March 2025, in line with clause 5.1 of the agreement.
15. According to her, the termination was necessitated by the 1<sup>st</sup> Respondent's consistent delays in paying the subcontracted casual workers, including the Claimants, which adversely affected the operations of the 2<sup>nd</sup> Respondent.
16. Ms. Bitta asserts that no liability attaches to the 2<sup>nd</sup> Respondent, as it has demonstrated that all invoiced salary payments were duly remitted to the 1<sup>st</sup> Respondent's sister company. Therefore, the orders sought against it are untenable and ought not to be granted.
17. She further contends that, following termination of the sub-contract, the responsibility to inform the Claimants of any changes to their employment status lay squarely with the 1<sup>st</sup> Respondent.
18. She maintains that it was the duty of the 1<sup>st</sup> Respondent as the contracting party and principal employer to notify the Claimants of the termination and communicate any resultant implications on their employment, entitlements, or obligations, in accordance with fair labour practices and procedural fairness.



19. In her view, the reliefs and prayers sought by the Claimants are improperly directed and should be pursued against the 1<sup>st</sup> Respondent, who bears the primary responsibility for the employment relationship in question.

### **Submissions**

20. The Application was canvassed through written submissions, which the Court has duly considered.

### **Analysis and Determination**

21. From the record, the singular issue arising for determination is whether the present Application is merited.
22. The primary order sought by the Claimants is for payment of their redundancy benefits.
23. At the outset, it is important to note that the order sought by the Claimants is in the nature of a mandatory injunction, as it seeks to compel the Respondents to perform a specific act. A mandatory injunction requires a party to undertake a positive action to remedy a wrongful omission. In essence, it directs that something be done. (See *New Ocean Transport Limited & Another v Anwar Mohamed Bayusuf Limited* [2014] eKLR).
24. The principles governing the grant of mandatory injunctions were well articulated in *Locabail International Finance Ltd v Agro-Export and Another* [1986] All E.R. 901, where the Court stated as follows:

“A mandatory injunction ought not to be granted on an interlocutory application in the absence of special circumstances, and then only in clear cases — either where the Court thinks that the matter ought to be decided at once, or where the injunction is directed at a simple and summary act which can easily be remedied, or where the defendant has attempted to steal a march on the plaintiff. Moreover, before granting a mandatory injunction, the Court must feel a high degree of assurance that, at trial, it will appear that the injunction was rightly granted — that being a different and higher standard than that required for a prohibitory order.”
25. Fundamentally, a Court may only grant a mandatory injunction at the interlocutory stage in clear and exceptional cases where special circumstances have been demonstrated.
26. The crux of the Claimants’ case is that their employment was unfairly and unlawfully terminated by the Respondents on account of redundancy, and that they were not paid their redundancy benefits.
27. As stated earlier, the 1<sup>st</sup> Respondent did not file any response to the Application.
28. The 2<sup>nd</sup> Respondent, on its part, denied employing the Claimants, maintaining that they were employees of the 1<sup>st</sup> Respondent, with whom it had entered into a sub-contract for the provision of outsourced casual labour services.
29. The 2<sup>nd</sup> Respondent further asserted that it duly remitted the salaries of the 1<sup>st</sup> Respondent’s employees (Claimants) and that, following the termination of the sub-contract, it was the 1<sup>st</sup> Respondent’s responsibility to notify the Claimants of the resulting change in their employment status.
30. Annexed to the supporting affidavit of Ms. Bitta were copies of employment contracts between the Claimants and Danree Multi-Handling Services Limited. According to the 2<sup>nd</sup> Respondent, the 1<sup>st</sup> Respondent, Dannry Logistics Limited, assumed all rights and obligations of Danree Multi-Handling



Services Limited pursuant to a Board Resolution dated 24<sup>th</sup> March 2021, a copy of which was attached to Ms. Bitta's affidavit.

31. The 2<sup>nd</sup> Respondent further annexed a copy of the sub-contract agreement it executed with the 1<sup>st</sup> Respondent, which clearly shows that the 1<sup>st</sup> Respondent was engaged to second its casual labourers to the 2<sup>nd</sup> Respondent's operations.
32. It is noteworthy that Clause 2.5 of the sub-contract explicitly provides that the 1<sup>st</sup> Respondent, identified as the subcontractor, would be responsible for paying all terminal benefits due to its casual employees.
33. The Claimants and the 2<sup>nd</sup> Respondent annexed to their respective affidavits a copy of a letter dated 11<sup>th</sup> March 2025, through which the 2<sup>nd</sup> Respondent issued the 1<sup>st</sup> Respondent with a 30-day notice of its intention to terminate the sub-contract.
34. In the said letter, the 2<sup>nd</sup> Respondent directed the 1<sup>st</sup> Respondent to make the necessary arrangements to transition its employees from the 2<sup>nd</sup> Respondent's premises effective 10<sup>th</sup> April 2025.
35. Upon review of the material on record, it is clear that the employment relationship existed between the Claimants and the 1<sup>st</sup> Respondent. Consequently, the responsibility for payment of salaries and terminal dues rested solely with the 1<sup>st</sup> Respondent, as expressly stipulated in the subcontract between the two Respondents.
36. In light of the foregoing, the Court finds no legal or contractual basis to compel the 2<sup>nd</sup> Respondent to pay the Claimants their redundancy benefits, there being no established employer–employee relationship between them.
37. As the 1<sup>st</sup> Respondent did not oppose the Application, the Claimants' assertions that they were declared redundant on 10<sup>th</sup> April 2025 and were not paid their redundancy benefits remain uncontroverted.
38. What's more, the termination notice dated 11<sup>th</sup> March 2025, issued by the 2<sup>nd</sup> Respondent to the 1<sup>st</sup> Respondent, lends credence to the Claimants' position that there was a redundancy. I say so because it is highly probable that the termination of the sub-contract between the 1<sup>st</sup> and 2<sup>nd</sup> Respondents had a direct ripple effect on the Claimants' individual contracts of service.
39. In accordance with Section 40(1) of the *Employment Act*, an employer is prohibited from terminating a contract of service on the grounds of redundancy unless they fulfill the conditions set out therein.
40. Specifically, clauses (e), (f), and (g) of Section 40(1) outline the redundancy benefits due to an affected employee, namely payment of accrued leave, one month's salary in lieu of notice, and severance pay at a rate of not less than fifteen days' pay for each completed year of service.
41. In the absence of a response from the 1<sup>st</sup> Respondent, there is no evidence before the Court demonstrating that these statutory entitlements were settled prior to the termination of the Claimants' employment on the basis of redundancy.
42. Against this background, the Court is satisfied that this matter constitutes a clear case with special circumstances justifying the grant of a mandatory injunction at this interlocutory stage.



43. My finding is reinforced by the decision of the Court of Appeal in Shariff Abdi Hassan v Nadhif Jama Adan [2006] eKLR, where the Court held that:

“The courts have been reluctant to grant mandatory injunctions at the interlocutory stage. However, where it is prima facie established, in accordance with the legal standards set out above, that the party against whom the mandatory injunction is sought is in the wrong, the courts have acted to ensure that justice is done without waiting for the full hearing of the case.”

44. In sum, the Court finds that the Claimant’s Application dated 3<sup>rd</sup> June 2025 is meritorious and is hereby allowed on the following terms: –

- a. The 1<sup>st</sup> Respondent is hereby directed to immediately pay the Claimants/Applicants their redundancy benefits in accordance with Section 40(1) (e), (f) and (g) of the *Employment Act*.
- b. The 1<sup>st</sup> Respondent shall bear the costs of this Application.

**DATED, SIGNED AND DELIVERED AT NAIROBI THIS 21<sup>ST</sup> DAY OF OCTOBER 2025.**

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**STELLA RUTTO**

**JUDGE**

In the presence of

For the Claimants/Applicants In person

For the 1<sup>st</sup> Respondent No appearance

For the 2<sup>nd</sup> Respondent No appearance

Court Assistant Millicent

Order

In view of the declaration of measures restricting court operations due to the COVID-19 pandemic and in light of the directions issued by His Lordship, the Chief Justice on 15<sup>th</sup> March 2020 and subsequent directions of 21<sup>st</sup> April 2020 that judgments and rulings shall be delivered through video conferencing or via email. They have waived compliance with Order 21 Rule 1 of the Civil Procedure Rules, which requires that all judgments and rulings be pronounced in open court. In permitting this course, this court had been guided by Article 159(2)(d) of the *Constitution* which requires the court to eschew undue technicalities in delivering justice, the right of access to justice guaranteed to every person under Article 48 of the *Constitution* and the provisions of Section 1B of the *Civil Procedure Act* (Chapter 21 of the Laws of Kenya) which impose on this court the duty of the court, inter alia, to use suitable technology to enhance the overriding objective which is to facilitate just, expeditious, proportionate and affordable resolution of civil disputes.

**STELLA RUTTO**

**JUDGE**

