



REPUBLIC OF KENYA



Meru Wood Industries Limited v Absa Bank (K) Ltd & another (Civil Case E011 of 2024) [2025] KEHC 15051 (KLR) (23 October 2025) (Ruling)

Neutral citation: [2025] KEHC 15051 (KLR)

**REPUBLIC OF KENYA
IN THE HIGH COURT AT MERU
CIVIL CASE E011 OF 2024
HM NYAGA, J
OCTOBER 23, 2025**

BETWEEN

MERU WOOD INDUSTRIES LIMITED PLAINTIFF

AND

ABSA BANK (K) LTD 1ST DEFENDANT

B. GATHIRU T/S REGENT AUCTIONEERS 2ND DEFENDANT

RULING

1. On 17th Marcy, 2025, I delivered a ruling in which the following orders issued: -
 - a. The respondent shall be allowed to exercise its power of sale only subject to order (b) and (c) herein.
 - b. That the 1st respondent to supply the applicant with the initial valuation report with a copy, filed in court in the next 14 days.
 - c. That the 1st respondent shall await the courts direction before proceeding with the sale.
 - d. Costs of the application to await further directions.
2. Pursuant to those directions, the defendant/respondent file a supplementary list of documents which contained the following documents:-
 - a. Copy of valuation report dated 30th November, 2017 by COG Consultants Limited.
 - b. Copy of valuation report dated 1st May 2021 by Njihia Muoka Rashid Company Limited.
3. After the reports were filed, I gave the parties time to address me on the sale issue, that was outstanding, that is the allegation by the applicant that the property had been undervalued at the time the defendant/respondent exercised its statutory power of sale contrary to Section 97 of the Land Act.



4. The plaintiff/applicant submitted, that the two reports clearly indicate that the respondent did not comply with the provisions of Section 97 of the Laws act as it failed to obtain the best price of sale.
5. The plaintiff/applicant further submitted that generally the value of land appreciates with time and it was not logical that a parcel of land which was valued at Ksh. 31,000,000/= in 2017, with a forced value of Ksh. 23,000,000/= could have a forced value of Ksh. 22,500,000/= in 2024. To the plaintiff/applicant, this was gross undervaluation of the property. It sought orders that the property be valued by an independent valuer, to establish the current market value and the forced market value.
6. The defendant/respondent relied on the affidavit that they had filed in response to the application dated 25th July 2024. In my earlier ruling, I had stressed on the importance of compliance with Section 97 of the Land Act.
7. In the present case, I have looked at the three reports prepared at the instance of the defendant/applicant. As was correctly stated by the plaintiff/respondent in 2017 at the time the loan facility was affected, the property in question was valued at Ksh. 31,000,000/= as the market value and Ksh. 23,250,000/= as the forced value.
8. On 1st May 2012, the same property was valued again and the process were given at Ksh. 29,000,000/= and Ksh. 21,750,000/= as the market value and forced value respectively.
9. In the latest valuation report the property was valued at Ksh. 30,000,000/= and Ksh. 22,500,000/= as the market value and t5he forced value respectively, while it would be unreasonable to expect identical opinion by the valuers, it would be expected that with time, the value of the property would appreciate, bearing any intervening factors that may lead to its deterioration.
10. Relying on the authorities cited earlier, I find that the best way for the parties is to have the property re-valued. Taking cue from *Minolta Limited – Versus National Bank of Kenya Limited (2018) eKLR*, I direct that the property be subjected to another valuation by the respondent with the applicant granted leave to enlist his own value, should he disagree with the respondent’s new valuation, at its own costs.
11. The court is aware that the matter had taken some time and the loan arrears may be escalating, if the same has not been serviced. The defendant ought to be allowed to exercise its right to recover the loan.
12. Therefore, I direct that the exercise be conducted within the next 30 days, that is 15 days for the respondent and 15 days for the applicant.

DATED, SIGNED AND DELIVERED AT MERU THIS 23RD DAY OF OCTOBER, 2025.

H. M. NYAGA

JUDGE.

