



**REPUBLIC OF KENYA**  
**IN THE HIGH COURT OF KENYA AT NAIROBI**  
**COMMERCIAL AND TAX DIVISION**  
**CORAM: F. MUGAMBI, J**  
**CIVIL CASE NO. 55 OF 2012**

**[FORMERLY NO. 63 OF 2009]**

**BETWEEN**  
**MANCHESTER OUTFITTERS LIMITED .....**  
**PLAINTIFF**

**VERSUS**

**PRAVIN GALOT ..... 1<sup>ST</sup>**  
**DEFENDANT**

**RAJESH GALOT ..... 2<sup>ND</sup> DEFENDANT**

**GANESH GALOT ..... 3<sup>RD</sup> DEFENDANT**

**KEVIN GALOT ..... 4<sup>TH</sup> DEFENDANT**

**MANCHESTER OUTFITTERS (EA) LTD ..... 5<sup>TH</sup>**  
**DEFENDANT**

**TITLE BY WAY OF COUNTERCLAIM**

**MANCHESTER OUTFITTERS LTD ..... 1<sup>ST</sup>**  
**PLAINTIFF**

**PRAVIN GALOT ..... 2<sup>ND</sup>**  
**PLAINTIFF**

**RAJESH GALOT ..... 3<sup>RD</sup>**  
**PLAINTIFF**

**GANESHLAL GALOT ..... 4<sup>TH</sup>**  
**PLAINTIFF**

**AND**

**GALOT LIMITED ..... 1<sup>ST</sup> INTERESTED**  
**PARTY**

**THE ESTATE OF LALCHAND**

**PUSHARAM GALOT ..... 2<sup>ND</sup> INTERESTED  
PARTY**

**VERSUS**

**MOHAN GALOT ..... DEFENDANT**

**DIRECTIONS ON FURTHER HEARING**

- 1.** When this matter was lastly mentioned before me, counsel for the parties took opposing positions as to whether the proceedings should continue. The case had already commenced, and PW1 had testified in chief. The question that arose was whether the hearing ought to proceed from that point or whether it should be halted for various reasons expressed by learned Counsels.
- 2.** The first issue for determination relates to the substitution of the late Mohan Galot in these proceedings. Counsel Mr. Tiego submitted that the family of the deceased did not wish for him to be substituted, on the basis that no claim had been directed against him in his personal capacity. It is therefore their position that his demise does not necessitate substitution.

- 3.** Mr. Kaka, expressed a different opinion and noted that the deceased had been declared the sole shareholder of the company. In his view, the absence of substitution leaves the company without a shareholder or director, thereby creating a vacuum in its governance and raising questions as to the continuity of the proceedings.
- 4.** Upon a careful reading of the plaint, it is evident that the present suit concerns allegations of theft from the company, MOL. The plaintiff in these proceedings is the Company itself, and not the late Mohan Galot in his personal capacity. An examination of the remedies sought confirms that all reliefs are directed to the Company, with none being claimed against or for Mr. Galot individually.
- 5.** It is a settled principle of company law that a corporation enjoys a separate legal personality, distinct from its shareholders, with the capacity to sue and be sued in its own name. The death of a shareholder, even one holding a significant or sole interest, does not extinguish the company's existence nor its right to pursue claims in court. Accordingly, MOL retains the legal standing to

continue with this suit notwithstanding the demise of one of its shareholders.

6. The next issue raised concerns the standing of Mr Pushpinder Singh Mann, (PW1), to testify in these proceedings. It is not disputed that PW1 gave his examination-in-chief in his capacity as a director of MOL. The defendants have questioned whether he is a proper witness for the Company.
7. In my view, the appropriate forum for such a challenge lies in the process of cross-examination. It is during cross-examination that the defendants would be entitled to test the credibility, authority, and competence of Mr. Pushpinder and to demonstrate to the Court why his evidence should be disregarded or accorded little weight. The law provides parties with this opportunity precisely so that issues of standing and reliability may be ventilated in open court.
8. With respect to the effect of the parallel proceedings, I have been informed that **Miscellaneous Application No. 514 of 2025** seeks to amend the register of MOL in accordance

with the Ruling delivered on 11<sup>th</sup> April 2024. However, I have not been apprised of any stay orders issued in that matter, nor has it been demonstrated why the present suit should be halted merely because of the challenge to the company's register.

9. Even assuming that the parties in this cause were to succeed, the consequence would be that the testimony of PW1 might ultimately be rendered irrelevant or expunged from the record. That possibility, however, does not justify suspending the current proceedings. To hold this matter in abeyance on such speculative grounds would undermine the expeditious disposal of cases and unnecessarily delay the course of justice.
10. It has further been submitted that **Petition No. E027 of 2024**, which challenges the increase in the nominal capital of the Company, bears upon the present proceedings. In my assessment, the issue of capital is a structural matter concerning the internal constitution and governance of the Company. By contrast, the suit before this Court relates to

allegations of conversion of company assets, which is a distinct and substantive claim.

**11.** I am not persuaded that the pendency of this Petition should operate to prejudice or delay the hearing of this matter. The two proceedings address different questions: one concerns the structure and capital framework of the Company, while the other concerns alleged misappropriation of its property. The resolution of the capital issue, important as it may be, does not in itself determine or undermine the Company's right to pursue remedies for conversion.

**12.** Finally, reference has been made to **Miscellaneous Application No. E256 of 2024**, which is a contempt application. The contempt alleged therein arises out of matters relating to the company structure of MOL. Although the late Mohan Galot is cited as a contemnor in that application, it must be observed that contempt is a personal wrong. His death therefore extinguishes any liability in that regard, as such proceedings cannot survive against him.

- 13.** In these circumstances, I fail to see how the contempt application bears any relevance to the present suit. The issues before this Court concern the substantive claims of the Company, and not the personal conduct of the deceased. To conflate the two would be to unnecessarily complicate the proceedings and divert attention from the real questions for determination.
- 14.** While I acknowledge that there may be parallels between this suit and other matters pending before the Court, I am persuaded that this case must be heard to its logical conclusion. It is an old matter which has been pending for an inordinate period, and the need for its resolution has been emphasized repeatedly. Justice demands that litigation should not be allowed to linger indefinitely, particularly where no sufficient grounds have been shown to justify further delay.
- 15.** Accordingly, I direct that the hearing of this suit shall proceed without hindrance. The parties are enjoined to cooperate in ensuring that the matter is concluded expeditiously, so that the Court may

pronounce itself on the substantive issues in dispute.  
It is so ordered.

**DATED, SIGNED AND DELIVERED AT NAIROBI  
THIS 28<sup>TH</sup> DAY OF NOVEMBER 2025.**

**F. MUGAMBI  
JUDGE**

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