

REPUBLIC OF KENYA
IN THE ENVIRONMENT AND LAND COURT AT NAIROBI
ELC CASE NO 358 OF 2012

MANCHESTER OUTFITTERS LIMITED
PLAINTIFF

VERSUS

GALOT HOLDINGS LIMITED 1ST
DEFENDANT

MANCHESTER OUTFITTERS
(E.A) LIMITED 2ND
DEFENDANT

PRAVIN GALOT 3RD
DEFENDANT

RAJESH GALOT 4TH
DEFENDANT

RULING

1. Before this court for determination is the Notice of Motion application dated 18th November, 2025, filed by the firm of Havi & Company Advocates on behalf of the Plaintiff, pursuant to the provisions of **Sections 1A, 1B, 3, 3A, 63 (e) of the Civil Procedure Act, Order 42, Rule 6 and Order 51, Rule 15 of the Civil Procedure Rules**. It seeks the following reliefs:

- i. ***Further proceedings in this matter be and are hereby stayed, pending the hearing and determination of the intended appeal before the Court of Appeal, against the order made in this matter on 2nd October, 2025.***

ii. *The costs of this application be provided for*

2. The Motion is supported by the affidavit of Narendra Galot, who deponed that he is a substantial shareholder of the Plaintiff by virtue of the transmission to him of the shares of his late father, Lalchand Pusharam Galot.
3. According to Mr. Narendra, there exists an ongoing contest regarding the management of the Plaintiff, including who holds the authority to appoint Advocates for the company, to conduct this suit, and to make decisions relating to its continuation or discontinuation.
4. It was deposed by the Applicant that on 2nd October 2025, this court issued an order declaring that the notice of change of advocates and the notice of withdrawal of the suit by the Plaintiff, both filed on his instructions as a shareholder and as the person claiming authority to manage the Plaintiff, were null, void, and of no legal effect. Pursuant to that order, the matter was fixed for hearing on 28th November 2025.
5. According to Mr Narendra, the Plaintiff, acting through him, has filed a notice of appeal against the order of 2nd October, 2025 and intends to pursue an appeal on the question of who holds the power to manage the company, appoint advocates for the company, and conduct this suit, including decisions on its continuation or discontinuation.
6. He maintains that it is not disputed that the Estate of Lalchand Pusharam Galot owns 25% of the ordinary shares, including one management share, in Manchester

Outfitters Limited, the Plaintiff. This, he contends, reinforces that the present application is neither frivolous nor idle.

7. As advised by Counsel, he stated, his qualification as a member of the company arises by operation of law, as affirmed by Justice Mulwa in HCCOMMISC/E825/2023 (Narendra Galot vs Mohan Galot). He deposed that this finding, which remains unchallenged, is supported by **Section 498(4)** of the **Companies Act** and forms a core ground of his intended appeal.
8. He argued that two Judges of courts of equal status have issued conflicting rulings on the very issue of company management and authority to instruct advocates; that consequently, these proceedings should be stayed pending the Court of Appeal's resolution of that conflict and the question of who has the lawful authority to manage the company and conduct this suit is neither trivial nor abstract.
9. Mr Narendra asserts that the persons in whose name this suit is being continued including Pushpinder Singh Mann and Avin Galot, are not shareholders of the 1st Plaintiff, lack the power to manage the company, the authority to appoint Advocates for the company generally or in this suit, and the mandate to conduct or continue these proceedings on behalf of the Plaintiff.
10. He urged that substantial loss will be suffered by the Plaintiff and himself, and the interests of justice will be

compromised, if the suit proceeds under the conduct of persons whose authority is fundamentally contested and forms the subject of the pending appeal.

- 11.** He concluded that the request for stay has been made without unreasonable delay; no security is required as this is not a stay of execution; and, if the Court of Appeal ultimately upholds the intended discontinuance, it will render the scheduled hearing unnecessary.
- 12.** In opposition to the Motion, Avin Galot swore a Replying Affidavit on the 20th November, 2025. He deponed that he is a director of the Plaintiff company, and is duly authorised to swear this Affidavit on its behalf. He stated that on 2nd October, 2025, this court found that the appointment of Mr. Nelson Havi was irregular, null and void, as the Plaintiff has no organ known as “Narendra Galot” capable of appointing him as counsel.
- 13.** He averred that despite this clear finding, “Narendra Galot,” together with the Defendants, has now filed the present application seeking a stay of proceedings pending an intended appeal, thereby attempting to relitigate issues that have already been conclusively determined. He urged that the application is defective *ab initio* for being filed by a person who is not only not a party to the suit, but whom the court found cannot act on behalf of the company in any form.
- 14.** He further deponed that Narendra Galot and the Defendants have previously filed similar applications

seeking a stay of proceedings pending an appeal to the Court of Appeal, which were dismissed both by this court and by the Court of Appeal for lack of merit. He averred that the present application is simply a continuation of the same cycle of obstruction, designed to delay the hearing of a matter filed in 2012.

- 15.** Avin Galot stated that despite repeated judicial directions emphasising the need for expeditious hearing, the Applicant brought this application 48 days after the court's ruling, only to seek that it be certified urgent, demonstrating bad faith. He averred that such behaviour confirms the pattern of last-minute tactics intended to derail progress.
- 16.** Mr. Avin stated that Narendra Galot knowingly waited until the week of the hearing to claim urgency, despite having prior notice of the date. He deponed that this delay is a calculated tactic, consistent with a pattern of filing last-minute applications to obstruct legal progress and that since no explanation was offered for this timing, such conduct does not warrant the court's favorable discretion.
- 17.** Mr. Avin argued that the Applicant failed to demonstrate any exceptional circumstances or potential prejudice required to justify a stay of proceedings, which he characterized as a "draconian" remedy to be granted only in the clearest cases. Conversely, he contended that the Plaintiff would suffer irreparable harm from further delays involving the recovery of over Kshs. 1 billion in allegedly fraudulent property transfers.

- 18.** He noted the illogical nature of Narendra Galot's opposition, pointing out that as a self-proclaimed 25% shareholder, Galot should theoretically benefit from, rather than obstruct, the recovery of company assets. He deposed that this conduct places him in a direct conflict of interest with the Plaintiff company.
- 19.** He averred that following the ruling of 2nd October, 2025, the court directed parties to file outstanding documents within 14 days. Whereas the Plaintiff has complied, the Defendants have not, nearly two months later. It is his case that this non-compliance is deliberate and aligns with their broader strategy of anticipating and relying on such applications to derail the hearing. He deposed that despite having had over 15 years to prepare documents, the Defendants continue to frustrate progress.
- 20.** Mr. Avin deposed that the present application is a proxy attempt by the Defendants to perpetuate a pattern of delay and non-compliance that has characterised their conduct across related proceedings. He contended that the suit, having been filed in 2012, ought to proceed to hearing without further obstruction, and that repeated demands by Narendra Galot to be heard on every application, however unmeritorious have consistently disrupted scheduled hearings and frustrated the expeditious progress of the matter.
- 21.** He further urged the court to invoke its inherent jurisdiction to curb what he described as a deliberate

abuse of process, noting that the Court of Appeal had previously recognised the Defendants' conduct as habitual misuse of court procedures through unnecessary applications intended to waste judicial time.

22. In light of the age of the case, the history of obstruction, and the overriding objective of timely and proportionate disposal of disputes, Mr. Avin maintained that no sufficient cause had been demonstrated to warrant a stay of proceedings and asked that the application be dismissed with costs so that the hearing may proceed as scheduled.
23. Mr Pravin Galot swore two replying affidavits in support of the Motion. The first one is dated 27th November, 2025 in his capacity as the 3rd Defendant and the second one is dated 18th December, 2025 sworn as a director of the 1st Defendant.
24. It was his deposition that he served as a director and managing director of Manchester Outfitters Limited, for a continuous period of over thirty-three (33) years, from 1991 until the ruling of the Honourable three-judge bench delivered on 11th April 2024 in **HCCC 55 of 2012**, which declared the late Mohan Galot to be the sole Director of the 1st Plaintiff. As such, he has direct and personal knowledge of the affairs, management, assets, and decisions of the Plaintiff, which form the subject matter of these proceedings.
25. He stated that in its ruling of 2nd October, 2025, this court determined a dispute concerning the legal representation

of the Plaintiff, Manchester Outfitters Limited and that the effect of that ruling was that, despite Mr. Narendra Galot holding a confirmed grant over an estate owning twenty-five per cent (25%) of the company's shareholding, including one management share, he was deemed incapable of participating in the management and affairs of the 1st Plaintiff, including the appointment of its advocates.

- 26.** The second and equally significant consequence of the said ruling. He argued, was the court's express pronouncement that issues relating to shareholding and membership of the company fall squarely within the jurisdiction of the High Court Commercial Division, thereby excluding determination of such questions by this court
- 27.** He stated that in **HCCCOM E825/2023- Narendra Galot vs Mohan Galot**, Hon. Justice Mulwa held that a person qualifies as a member of a company where shares devolve to them by operation of law; that the court found that, upon production of a confirmed grant, the estate of the late Lalchand Pusharam Galot became entitled to his shares, and that Mr. Narendra Galot therefore qualified as a member of the affected company notwithstanding the absence of formal registration in the register of members.
- 28.** It is his position that Justice Mulwa's determination, being a decision of the High Court vested with jurisdiction over questions of shareholding, directly conflicts with the practical effect of this court's findings on Mr. Narendra Galot's status and that the coexistence of these rulings has

created a fundamental legal inconsistency, resulting in corporate paralysis and uncertainty for the Plaintiff, where substantive membership and shareholder rights are affirmed by the High Court, yet participation in management and legal representation is simultaneously restricted.

- 29.** He deponed that as asserted by the Applicant, the question of who has the power of management of the company, the power of appointment of Advocates for the company, the conduct of this suit including but not limited to the appointment of advocates for the company in the suit is an arguable issue that should be settled by the Court of Appeal, thus the need to stay these proceedings.
- 30.** He asserted that to proceed with this case in its present form would be tantamount to “flying blind,” and that the court ought not to countenance such an amorphous and uncertain situation.
- 31.** Mr. Pravin Galot deposed that substantial loss will be suffered by the 1st Plaintiff and by the Applicant, and that the interests of justice will be defeated if the suit proceeds under persons whose powers of management of the company, authority to appoint advocates for the company, and mandate to conduct and continue proceedings on behalf of the 1st Plaintiff are seriously impugned and currently under challenge before the Court of Appeal.
- 32.** He averred that he concurs with the Applicant that the persons under whose instructions this suit is currently

being prosecuted, including, but not limited to, Pushpinder Singh Mann and Avin Galot are not shareholders of the Plaintiff and therefore would suffer no loss or liability arising from these proceedings.

- 33.** According to Mr. Pravin, the replying affidavit sworn by Avin Galot fails to address the merits of the instant application and instead amounts to mudslinging. He urged the court to strike out the offending portions, particularly paragraphs 17, 21, 24, 25, 26, 27 and 28, on the basis that they raise allegations unsupported by any evidence and are irrelevant to the determination of the application.
- 34.** Mr. Pravin further stated that subsequent to the ruling of this court, the High Court, in **HCCOMM E256 of 2024, Narendra Galot vs Manchester Outfitters Limited & Others**, delivered on 2nd December 2025, found Pushpinder Singh Mann, Avin Galot, Rita Galot, and Rajeev Modi guilty of contempt of court and directed that they appear for mitigation and sentencing on 23rd January 2026.
- 35.** He stated that under **Article 13** of the Articles of Association of the Plaintiff, a director convicted of an offence other than a traffic offence automatically ceases to hold office, with the result that the said persons were disqualified from continuing to act or hold themselves out as directors of the company.
- 36.** He concluded by stating that, in light of the foregoing, any witness statements filed by such persons in their purported capacity as directors is fundamentally defective

and incompetent, and that permitting the proceedings to continue in the face of these unresolved jurisdictional, corporate governance, and contempt-related issues would occasion grave prejudice and risk irreversibly contaminating the trial.

- 37.** The 4th Defendant, Mr Rajesh Galot swore a Replying Affidavit in favour of the Motion on 24th November, 2025. He observed that he fully supports the application by Narendra Galot, as in law and in fact he is a member and shareholder of the Plaintiff holding management shares. It was noted that Narendra holds a confirmed grant recognized under **Section 498(4)** of the **Companies Act** and the court is bound to give effect to the grant which forms the legal foundation of Narendra's position.
- 38.** Mr Rajesh stated that the impugned ruling of 2nd October, 2025 directly conflicts with the decision of the High Court. He maintained that the Court of Appeal decision in ***Clement Muturi Kigano vs Kibera Development Company Ltd, [2019] KECA 183 1 (KLR)*** relied on by this court concerned different circumstances.
- 39.** He explained that it is already settled by the Court of Appeal that where there are conflicting decisions of superior courts then that issue can only be settled by the appellate court hence the necessity for stay so that the Court of Appeal can clarify this matter and put it to rest.
- 40.** Mr Rajesh noted that the Notice of Motion dated 18th November 2025 seeks stay under **Order 42 Rule 6** of the

Civil Procedure Rules. He observed that the application must be considered strictly within the statutory framework thereof.

- 41.** In this regard, he stated, a notice of appeal has been filed and served, and that there is a risk of substantial loss if the matter proceeds given contested control of the 1st Plaintiff. It was maintained that the Applicant has provided reasons regarding security.
- 42.** Mr Rajesh affirmed that he supported the Applicant during the proceedings leading to the impugned ruling and continues to support the current application. He observed that the Replying Affidavit of Avin Galot does not address or controvert any of the issues under **Order 42 Rule 6** of the **Civil Procedure Rules** and includes irrelevant, scandalous, and argumentative allegations that are apt for striking out under the provisions of **Order 19 Rules 3 (2)** and **6** of the **Civil Procedure Rules**. In this regard, he deposed, paragraphs 2, 3, 8, 9, 11, 21, 24, 26, 28, 30 and 31 ought to be struck out.
- 43.** According to Mr Rajesh, the individuals contesting the application are not shareholders and will suffer no prejudice if stay is granted. It was maintained that the contested management position of the Plaintiff strengthens the case for stay. He avowed that these considerations demonstrate the necessity of appellate intervention.
- 44.** Mr Rajesh noted that **Order 42 Rule 6** of the **Civil Procedure Rules** does not prescribe any time limit for

bringing a stay application. He affirmed that allegations of delay are therefore baseless and should not affect the court's discretion.

45. Mr Rajesh stated that changes in directorship must be reported to the Registrar within 14 days under **Section 138(1)** of the **Companies Act**, yet no such compliance is evident. He maintained that the objections raised by opponents fall outside the scope of the Rule. He observed that these objections should be disregarded as irrelevant.

Submissions

46. In support of the Motion, the Applicant, Narendra Galot, through Counsel, filed submissions on 9th December, 2025. Counsel submitted that the applicable principles for the grant of stay of proceedings pending appeal are set out under **Order 42 Rule 6** of the **Civil Procedure Rules**. An applicant must demonstrate, first, that substantial loss will result if stay is not granted, and second, that the application has been brought without unreasonable delay.
47. On substantial loss, Counsel submitted that the primary contest in the suit concerns the propriety of the acquisition and ownership of Land Reference Number 24092 by the 1st Defendant through a transfer from the Plaintiff. It was further submitted that a secondary but equally fundamental issue is the question of who holds the power of management and control of the Plaintiff and, consequently, the authority to undertake the transfer of the property.

48. According to Counsel, as demonstrated vide the affidavits, the power of management and control of the Plaintiff resides in Narendra Galot, as the administrator of the estate of Lalchand Galot and the transmittee of the management shares and that Pushpinder Singh Mann and Avin Galot are neither holders of management shares nor valid directors and lack *locus standi* to challenge Narendra Galot's entitlement to manage and control the Plaintiff.
49. It was submitted that these arguments are neither frivolous nor idle, and that their determination by the Court of Appeal without a stay of proceedings would occasion substantial loss to the Plaintiff and to Narendra Galot.
50. Counsel further submitted that the court retains jurisdiction to grant stay of proceedings notwithstanding having pronounced itself on the impugned issue. Reliance was placed on **Erinford Properties Limited v Cheshire County Council [1974] 2 All ER 448**, where it was held that a court ought to ensure that an appeal, if successful, is not rendered nugatory. Also cited was **Alliance Media Kenya Limited v Kenya Duty Free Complex [2005] eKLR**.
51. On delay, Counsel submitted that a Notice of Appeal was filed and served within the prescribed fourteen days of the ruling of 2nd October 2025, and that the present application was filed on 18th November 2025. It was urged that in light of the acknowledged timelines for disposal of

appeals before the Court of Appeal, the application was brought timeously and without unreasonable delay.

52. In opposition to the Motion, the Plaintiff's Counsel as represented by Avin Galot filed submissions on 26th November, 2025. Counsel submitted that Narendra Galot is neither a director nor a shareholder of the Plaintiff and has no resolutions authorizing him to file the application or the intended appeal; that the High Court, in Misc. No. 1031 of 2024: *Narendra Galot v Mohan Galot*, had already held that Narendra is not a shareholder, thus lacking locus standi and that consequently, the court lacks jurisdiction to entertain the application as it was not filed by the company itself.
53. It was submitted that a stay of proceedings is a draconian order interfering with the right to a fair hearing under **Article 25 of the Constitution**, and can only be granted in exceptional circumstances. Reliance was placed on the case of ***Britam General Insurance Co. Ltd vs Rentco East Africa & Another [2017] eKLR***, where it was held that a stay should only be granted when proceedings are frivolous, vexatious, manifestly groundless, or when there is no cause of action and that no such circumstances were alleged herein.
54. According to Counsel, the application is inordinately late. The impugned ruling was issued on 2nd October 2025, yet the application was filed almost two months later without explanation. Reference was made to the cases of ***Jaber Mohsen Ali & Another vs Priscillah Boit & Another***

E&L No. 200 of 2012 [2014] eKLR, Nancy Wakuthi Kago vs Julia Muthoni Kiura (2020) eKLR, and Stanley Kahoro Mwangi & 2 Others vs Kanyamwi Trading Co. Ltd [2015] eKLR, all emphasizing that even short delays in filing stay applications can constitute unreasonable delay and an abuse of court process and that the Applicant has failed to provide a plausible explanation for the delay.

55. It was asserted that as explained in *Trust Bank Limited vs Ajay Shah & 3 Others, [2012] eKLR*, the three (3) prerequisite conditions set out in the said **Order 42 Rule 6** of the **Civil Procedure Rules, 2010** cannot be severed and that the key word is “and” which connotes that all three (3) conditions must be met simultaneously.
56. It was contended that the claims of substantial loss advanced by Narendra Galot are untenable, since a company as a distinct legal entity cannot rely on alleged loss to an individual shareholder without proof of actual prejudice to the company itself; that the Plaintiff faces the real risk of losing property valued at about Kshs 1 billion and that the impugned application seeks to shield, rather than avert, that risk.
57. Relying on *Access Bank Kenya PLC vs Mengich & another (Civil Appeal E003 of 2024) [2024] KEHC 5682 (KLR) (22 May 2024) (Ruling)*, Counsel maintained that a stay of proceedings is only justified where grave injustice is demonstrated, which

threshold, they submitted, has not been met in the present case.

- 58.** It was urged that the court's discretion should not favor the Applicant, given the repeated history of unsuccessful stay applications and misuse of court process, including the High Court decision in Misc. No.1031 of 2024. It was asserted that Narendra misrepresented the scope of a ruling by Justice Mulwa, falsely claiming membership in the Plaintiff.
- 59.** It was urged that the Motion is unsupported by evidence, defective, and an abuse of process and that granting a stay would delay justice, prejudice the Respondents, and serve no legitimate purpose. He prayed that the application be dismissed.
- 60.** The 1st Defendant filed submissions on 14th January 2026. Counsel submitted that although **Order 42 Rule 6(2)** is framed in terms of stay of execution, Kenyan courts have consistently held that the provision applies with equal force to applications for stay of proceedings, subject to necessary modifications and that the guiding considerations remain whether substantial loss has been demonstrated, whether the application was brought without unreasonable delay, and whether the issue of security arises in the circumstances of the case.
- 61.** Counsel submitted substantial loss is neither presumed nor synonymous with mere inconvenience, delay, or the ordinary burdens of litigation. Reliance was placed on

Matata & another vs Rono & another [2024] KEHC 2799 (KLR), in which the Court, citing **Tropical Commodities Suppliers Ltd & Others vs International Credit Bank Ltd [2004] EA 331**, explained that substantial loss is a qualitative concept referring to loss of real worth or value, as opposed to nominal or inconsequential prejudice. Also cited was **James Wangalwa & Another vs Agnes Naliaka Cheseto [2012] eKLR**.

62. Applying these principles to the present matter, Counsel submitted that the 1st Defendant had clearly demonstrated substantial loss and that the proceedings are presently beset by unresolved and fundamental questions touching on the lawful membership of the Plaintiff company, the authority to appoint advocates and conduct litigation, and the legal capacity of individuals purporting to act as directors.
63. Counsel further submitted that, as deposed by Pravin Galot, individuals currently purporting to act as directors of the Plaintiff had been found guilty of contempt of court, and that by operation of Article 13 of the Articles of Association, they had automatically ceased to hold office and that permitting proceedings to continue in these circumstances would result in evidence being tendered by persons lacking constitutional and legal capacity rendering the trial a nullity should the appeal succeed.
64. It was emphasised that the purpose of a stay is not to shield a party from lawful process, but to preserve the

status quo pending appellate determination, so that the appeal, if successful, is not reduced to an academic exercise. It was submitted that in the present case, preservation of the status quo can only be achieved by staying the proceedings until the Court of Appeal resolves the jurisdictional and corporate governance questions at the centre of the dispute.

- 65.** On the issue of delay, Counsel submitted that the impugned ruling was delivered on 2nd October 2025, and that the application for stay was filed on 18th November 2025, after extraction of the ruling and consultations necessitated by the complexity of the issues and the multiplicity of related proceedings before the High Court. It was urged that, in the circumstances, no unreasonable delay had been demonstrated.
- 66.** With respect to security, Counsel submitted that the application seeks a stay of proceedings, not a stay of execution of a monetary decree; that there is no judgment capable of execution and no decretal sum whose performance requires securing and that the ends of justice would therefore not be served by imposing a security requirement where none is legally necessary.
- 67.** The 3rd Defendant filed submissions dated 18th December 2025. Counsel submitted that the power of the court to grant stay of proceedings is discretionary and is exercised to prevent abuse of the court process, to preserve the subject matter of litigation, and to ensure that the administration of justice is not rendered nugatory.

- 68.** It was urged that the present application is grounded on the fact that fundamental questions touching on the capacity, authority, and legality of the persons prosecuting this suit on behalf of the 1st Plaintiff Company are now pending determination before the Court of Appeal.
- 69.** On the arguability of the intended appeal, Counsel submitted that the appeal raises weighty and bona fide issues of law. It was urged that the central questions for appellate determination include whether the advocates presently on record for the Plaintiff Company were properly and lawfully appointed, in light of the unresolved dispute as to who holds lawful authority to instruct counsel on behalf of the company.
- 70.** Counsel further submitted that a related and equally critical issue is whether persons who do not hold a management share, or any share whatsoever in the Plaintiff Company, can lawfully make decisions, manage the affairs of the company, or sustain litigation in its name against the express wishes of the substantial management shareholder; that the question of authority to appoint advocates goes to the very root of the proceedings, and that once resolved by the Court of Appeal, it will have a decisive impact on the validity of the entire suit.
- 71.** Counsel submitted that absent a stay of proceedings, the Plaintiff Company risks substantial and irreparable prejudice, including exposure to adverse orders, costs, and liabilities driven by persons allegedly lacking lawful

authority, as well as unaccountable corporate decision-making by individuals who bear no legal or financial responsibility.

72. It was further argued that if the matter proceeds before the appeal is determined, the intended appeal may be rendered nugatory, thereby justifying the grant of a stay.
73. On the issue of prejudice, Counsel submitted that the persons currently prosecuting the suit, including Pushpinder Singh Mann and Avin Galot, are not shareholders of the Plaintiff Company and therefore bear no financial or legal liability arising from the proceedings. It was urged that they stand to suffer no prejudice if the proceedings are stayed, as a stay merely preserves the status quo pending appellate determination.
74. Vide its submissions in support of the Motion dated 16th December, 2025, the 4th Defendant through Counsel submitted that applications for stay of proceedings are governed by **Order 42 Rule 6** of the **Civil Procedure Rules**. The submissions by Counsel were more or less similar to the submissions by the Applicant's counsel and the 1st, 2nd and 3rd Defendant's Counsel, which I have summarised above.

Analysis and Determination

75. Having considered the Motion, responses and submissions, the sole issue that arise for determination is whether the court should stay the present proceedings pending the hearing of an intended appeal.

76. Black's Law Dictionary, Ninth Edition, defines a proceeding as:

“(1) The regular and orderly progression of a law suit, including all acts and events between the time of commencement and the entry of judgment; (2) any procedural means of seeking redress from a tribunal or agency; (3) an act or step that is part of a larger action; (4) the business conducted by a Court or other official body, a hearing.”

77. The general principles which guide the courts whenever they are invited to exercise jurisdiction to stay proceedings are best summarized in **Halsbury's Law of England, 4th Edition, Vol 37 at pages 330 and 332** as follows:

“The stay of proceedings is a serious, grave and fundamental interruption in the right that a party has to conduct his litigation towards the trial on the basis of the substantive merits of his case, and therefore the court's general practice is that a stay of proceedings should not be imposed unless the proceedings beyond all reasonable doubt ought not to be allowed to continue.”

78. Speaking to the same, the court in **Ferdinand Ndung'u Waititu vs Independent Electoral & Boundaries Commission (IEBC) & 8 others [2013] eKLR** persuasively stated thus:

“A stay of proceedings involves arresting or stopping proceedings. It is a tool used to suspend proceedings to await the action of one of the parties in regard to some step or some act (see Black’s Law Dictionary). This implies that the rationale for stay is the pendency of an act or step either required by the court or sought by a party. It may be grounded on a statutory provision or on the need of a party and based on a plea for the plenary exercise of the court’s discretion.”

79. Similarly, in the case of ***Church Road Development CO. LTD vs Barclays Bank OF Kenya Ltd, David Mutuku & Samuel Njihia (Civil Suit 296 of 2006) [2007] KEHC 352 (KLR)***, the court held as follows:

“Black’s Law Dictionary defines ‘stay of proceedings in the manner following;

‘The temporary suspension of the regular order of proceedings in a cause, by direction or order of the Court, usually to await the action of one of the parties in regard to some omitted step or some act which the Court has required him to perform as incidental to the suit; as where a non-resident plaintiff has been ruled to give some security for costs. It is similar to an injunction with which a Court freezes

its proceedings at a particular point. It can be used to stop the prosecution altogether, or to hold up some phase of it, such as an execution about to be levied on a judgment.'

Evidently, the scope of an order for stay of proceedings is wide as it is varied. It could relate to a specific action, such as taxation or execution; and it could also relate to the prosecution of the suit altogether."

- 80.** The Applicant asks this court to stay further proceedings in this matter pending the hearing and determination of an intended appeal against the ruling delivered on 2nd October 2025.
- 81.** The Applicant and the four Defendants assert that the intended appeal raises arguable and weighty issues of law touching on the management of the Plaintiff, the authority to appoint advocates on its behalf, and the legality of continuing proceedings under persons whose corporate mandate is disputed especially in light of what it deems conflicting decisions of this court and the High Court on the same.
- 82.** It is further contended by the Applicant and the Defendants that unless a stay is granted, the intended appeal risks being rendered nugatory, and substantial prejudice will be occasioned to the Plaintiff through proceedings conducted without clarity as to its lawful mind and will.

- 83.** In response, Mr. Avin Galot, for the Plaintiff, contends that the plea for stay is not only unmerited but legally untenable. He argues that the application is incompetent *ab initio*, having been brought by a party whom this court has already found to lack authority to act for the Plaintiff.
- 84.** In his view, the Applicant has no *locus standi* to invoke the jurisdiction of this court, and absent such standing, the court itself is divested of jurisdiction to entertain the application irrespective of the merits of the intended appeal or the principles governing stay of proceedings.
- 85.** It is true, as submitted by the Applicant, that the primary contest in the suit concerns the propriety of the acquisition and ownership of Land Reference Number 24092 by the 1st Defendant through a transfer from the Plaintiff. It is also true that the question of who holds the power of management and control of the Plaintiff and, consequently, the authority to undertake the transfer of the property is fundamental.
- 86.** While this court's mandate is to determine the question of the alleged transfer of the suit property from the Plaintiff to the 1st Defendant, this court has already held in its impugned ruling that it has no jurisdiction to determine the question who holds the power of management and control of the Plaintiff.
- 87.** In the present application, the court notes that the gravamen of the intended appeal is the propriety of this court's ruling of 2nd October 2025, by which the

instructions purportedly issued to Havi & Company Advocates by Mr. Narendra Galot were held not to have emanated from any duly authorised organ of the Plaintiff, and the resultant notice of change of advocates and steps taken thereon were declared a nullity for want of authority.

- 88.** In the court's view, it would be legally incongruous to hold that the Applicant lacks *locus standi* to seek that interim relief. Doing so would in effect, insulate the impugned decision from appellate scrutiny. Accordingly, the court finds that the Applicant possesses the requisite locus standi to approach this court for purposes of the present Motion.
- 89.** On whether a stay of proceedings should issue, the court reiterates that a stay is a grave and exceptional remedy because it halts the ordinary progression of litigation and interferes with a party's right to prosecute a claim on its merits. The threshold is therefore stringent.
- 90.** This is not the first time an order for stay of proceedings in this very matter is being made. When the first application for stay of proceedings was made by the Defendants in respect of a different ruling of this court, the court declined to grant it.
- 91.** On appeal, the Court of Appeal in **Galot Holdings Limited vs Manchester Outfitters Limited & 5 others (Civil Appeal (Application) E825 of 2025) [2025] KECA 1597 (KLR)**, stated that the existence of arguable issues alone does not suffice. The Court of Appeal stated

that the court must be satisfied that continuation of proceedings will create an irreversible state of affairs incapable of remedy on appeal.

- 92.** The Applicant anchors the Motion primarily on corporate governance disputes and on prior rulings touching on membership and derivative claims. In particular, reliance is placed on the **High Court ruling in HCCOMMMISC/E825/2023- Narendra Galot vs Mohan Galot**, where leave was granted to institute a derivative action upon a finding that the Narendra Galot, as the son of Lalchand Pusharam Galot, qualified as a member by operation of law.
- 93.** It is noted that this decision predates the impugned ruling, having been delivered on 26th November, 2024 and was not an issue raised therein.
- 94.** Nonetheless, the court has considered that decision. The decision must be understood within its proper legal confines. The plea was for initiating a derivative action. It did not determine the management structure of the Plaintiff, the authority to appoint advocates, or the control of ongoing litigation.
- 95.** Consequently, it did not, and indeed it has not been asserted that it displaced the decision of the three-judge bench delivered on 11th April 2024 in HCCC No. 55 of 2012, which determined the management of Manchester Outfitters Limited. This determination, which formed the basis of this court's ruling, has not been overturned. The

court therefore finds that the Applicant's attempt to elevate the derivative decision into a basis for stay is misplaced.

- 96.** The court must also address the Applicant's reliance on subsequent developments, including alleged contempt findings, and alleged failure to comply with the provisions of the Companies Act on registration of change of directorship and their consequences on the Plaintiff's company's governance structure. These matters, even if accepted at face value, do not meet the legal threshold for a stay of proceedings.
- 97.** This court has already pronounced itself on the limits of its jurisdiction regarding questions of shareholding, membership, and corporate management, noting that such issues properly lie within the remit of the High Court's Commercial Division. It would therefore be legally incongruous for the court to halt its proceedings on the basis of matters that it is not seized of jurisdiction to determine substantively.
- 98.** Ultimately no circumstances have been brought warranting the grant of stay sought. In any event even if proceedings continue to hearing and judgment, any finding made by this court remains subject to full appellate scrutiny and reversal.
- 99.** Furthermore, the court cannot ignore the age and history of this litigation. The suit was filed in 2012 and has yet to proceed to substantive hearing. The overriding objective under **Sections 1A** and **1B** of the **Civil Procedure Act**

requires the court to facilitate expeditious and proportionate disposal of disputes, and the court must weigh that obligation against the speculative prejudice asserted by the Applicant and the Defendants.

100. In the end, the court finds that the Notice of Motion dated 18th November, 2025 to be unmerited. The application is dismissed with costs.

Dated, signed and delivered virtually in Nairobi this 26th day of February, 2026.

O. A. Angote
Judge

In the presence of:

Mr. Gilbert George for Plaintiff

Mr. Havi for Plaintiff/Applicant

Mr. Ouma for 1st Defendant

Mr. Kenyatta for 4th Defendant

Mr. Kaka for 3rd Defendant

Court Assistant: Tracy