



**Premier Trading Company Limited & another (Miscellaneous Civil Application E397 of 2026) [2026] KEHC 5285 (KLR) (Commercial and Tax) (9 April 2026) (Ruling)**

Neutral citation: [2026] KEHC 5285 (KLR)

**REPUBLIC OF KENYA  
IN THE HIGH COURT AT NAIROBI (MILIMANI COMMERCIAL COURTS)  
COMMERCIAL AND TAX**

**MISCELLANEOUS CIVIL APPLICATION E397 OF 2026**

**MA OTIENO, J**

**APRIL 9, 2026**

**IN THE MATTER OF: THE COMPANIES ACT, 2015**

**AND**

**IN THE MATTER OF: THE COMPANIES (HIGH COURT) RULES, 1964**

**IN THE MATTER OF**

**PREMIER TRADING COMPANY LIMITED ..... 1<sup>ST</sup> APPLICANT**

**VICTORIA COMMERCIAL BANK PLC ..... 2<sup>ND</sup> APPLICANT**

**RULING**

1. The Applicants have moved this Court by a Notice of Motion dated 8th April 2026, brought under Sections 888(1)(a), 888(1)(b), and 888(2)(b) of the *Companies Act*, 2015, seeking extension of time for registration of a First Legal Charge dated 23rd February 2026 over Title Number: Nairobi/Block 10/518.
2. The Motion is supported by the Supporting Affidavit of Everlyne Mwachinda, sworn on the same date, together with annexures including the fully executed Charge (marked EM1) and the Board Resolution of the 1st Applicant (marked EM2).
3. It is not in dispute that the First Legal Charge was prepared, executed, duly stamped, and subsequently lodged for registration on the Ardhisasa system. The Applicants explain that although stamp duty formalities were completed in good time, there arose administrative delays occasioned by the Registry personnel on the Ardhisasa Portal, resulting in lapse of the thirty-day statutory period for registration under Section 888(1)(a) of the Act.



4. It is further deponed that the registration process at the Lands Registry has since been completed. The Charge is now ready for lodgment at the Companies Registry, but cannot be registered without an extension of time.
5. It is deponed that the 1st Applicant's shareholders expressly authorized the borrowing and creation of the Charge, as evidenced by the Board Resolution dated 20th February 2026.

### **Analysis and Determination**

6. From the pleadings and annexures, the primary issue for determination is: whether the Applicants have demonstrated sufficient cause for this Court to extend time for registration of the Charge under Section 888(2)(b) of the *Companies Act*.
7. The discretion under Section 888(2)(b) is a judicial one, to be exercised where:
  - i. The failure to register was due to accident, inadvertence, or other sufficient cause, and
  - ii. No prejudice will be occasioned to creditors or shareholders.
8. From the material before the Court, the delay in this matter is satisfactorily accounted for. It arose from procedural delays within the Ardhisa registration process, not from neglect or laxity on the part of either Applicant. The Charge was executed, stamped, and presented within the expected timelines, only for the electronic registration pathway to stall.
9. The Court is persuaded that the delay was unintentional, administrative, and beyond the Applicants' control. The Applicants acted diligently throughout.
10. The Court is equally satisfied that no prejudice will be suffered by any stakeholder. Indeed, failure to extend time would leave the Bank's security for a facility of KES 100,000,000 unsecured, an outcome that would be inequitable and commercially unreasonable.
11. In exercising this discretion, the Court is guided by the principle established in *National Bank of Kenya Ltd v Michael Ndungu* [2018] eKLR, which emphasizes that where a delay is explained, and no third-party interests are prejudiced, the Court should favor the perfection of substantive security interests over procedural technicalities.
12. This is therefore a proper case for the exercise of the Court's discretion. Accordingly, the Court allows the application and makes the following orders:
  - i. Time for registration of the First Legal Charge dated 23rd February 2026 over Title Number: Nairobi/Block 10/518 is hereby extended for a further period of Thirty (30) days from the date of this Ruling.
  - ii. There shall be no order as to costs.
13. It is so ordered.

**DATED, SIGNED, AND DELIVERED AT NAIROBI THIS 9<sup>TH</sup> DAY OF APRIL 2026**

**HON. MR. JUSTICE MOSES ADO**

**JUDGE OF THE HIGH COURT**

In the presence of: -

C/A – Moses



..... for the Applicant

..... for the Respondents

