



**Kenya Revenue Authority v Dream Dressing and Household Items
Trading Co. Limited & 3 others (Miscellaneous Application E005 of 2024)
[2025] KEHC 3942 (KLR) (Commercial and Tax) (28 March 2025) (Ruling)**

Neutral citation: [2025] KEHC 3942 (KLR)

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

MISCELLANEOUS APPLICATION E005 OF 2024

H NAMISI, J

MARCH 28, 2025

IN THE MATTER OF THE COMPANIES ACT

AND

**IN THE MATTER OF AN APPLICATION TO RESTORE DREAM DRESSING AND
HOUSEHOLD ITEMS TRADING COMPANY LIMITED TO THE COMPANIES REGISTER**

BETWEEN

KENYA REVENUE AUTHORITY APPLICANT

AND

**DREAM DRESSING AND HOUSEHOLD ITEMS TRADING CO.
LIMITED 1ST RESPONDENT**

ABDIRAHMAN ADAN MOHAMED 2ND RESPONDENT

NOOR ABDI ALI 3RD RESPONDENT

REGISTRAR OF COMPANIES 4TH RESPONDENT

RULING

1. Before the Court is Notice of Motion dated 6 November 2023 brought under sections 916 and 917 of the [Companies Act](#) seeking the following prayers:
 - i. That this Honourable Court be pleased to issue an order to the 4th Respondent to restore the 1st Respondent to the Register of Companies;
 - ii. That the costs of the application be provided for;



- iii. That this Honourable Court be pleased to grant any further orders and directions that it deems fit.
2. The Application is premised on the following grounds:
 - a. The 1st Respondent was, upon its own application, and through a Gazette Notice No. 9 dated 14/01/2022, struck off the Companies Register by the 1st Respondent pursuant to the 1st Respondents statutory powers under section 897 (4) of the Companies Act, 2015;
 - b. The 1st Respondent failed to serve upon the Applicant a copy of its application as required under section 900 of the Companies Act, 2015;
 - c. The 1st Respondent failed to apply to the Commissioner for deregistration of its tax obligations and cancellation of its Personal Identification Number as required under section 36 of Value Added Tax Act as read together with sections 10 and 14 of the Tax Procedures Act;
 - d. The 1st Respondent's failure to comply with the provisions of section 900 of the Companies Act, 2015 as well as the provisions of section 36 Value Added Tax Act as read together with section 10 of the Tax Procedures Act demonstrates its intention of concealing its application for dissolution from the Applicant;
 - e. The 1st Respondent owes the Applicant Kshs 125,80being unpaid income tax amounting to Kshs 125,809,768.43, which sums continue to accrue interest and penalty.
 - f. The 2nd and 3rd Respondents are directors of the 1st Respondent and consequently bare the legal liabilities and responsibilities of the 1st Respondent including their tax debts;
 - g. The 1st Respondent's failure to apply for deregistration of its tax liabilities has accrued a penalty as prescribed under section 81 (2) of the Tax Procedures Act, which amount remains unpaid to date;
 - h. Such penalties are indeed taxes as provided under section 2 of the Tax Procedures Act;
 - i. Under Article 210 of the Constitution of Kenya, no tax can be waived or varied except as provided by legislation.
 - j. In view of the provisions of Article 201(b)(i) and 210 of the Constitution, it is in the greater public interest that the 1st Respondent be restored to the Companies Register to account for the taxes owed by them to the Republic of Kenya prior to their removal from the Companies Register.
 3. The Application is supported by an Affidavit sworn by Victor Mino.
 4. The Respondent did not participate in these proceedings. I have seen the various Affidavits of Service and I am satisfied that the Respondent was aware of the proceedings, having been served.
 5. The Application was canvassed by way of written submissions, which I have considered.
 6. Section 916 of the Companies Act provides for application to court for restoration to the register. Under section 916 (2)(i), such an application may be made by a person who was a creditor of the company at the time of its being struck off the Register or dissolved. The Applicant submitted that at the time of being struck off, the 1st Respondent owed Kshs 125,809,768.43 in unpaid taxes, which sums continue to accrue interest and penalties.



7. The Applicant further submitted that the failure by the 1st Respondent to apply for deregistration of its tax obligations and cancellation of its Personal Identification Number as required under section 36 of the *Value Added Tax Act* and section 10 of *Tax Procedures Act* demonstrated the 1st Respondent's intention of concealing its application for dissolution from the Applicant in order to evade paying the outstanding tax liabilities.
8. On striking off a company on a company's application, section 897(1) and (2) of the *Companies Act* provides as follows:
 - (1) On application by a company, the Registrar may strike the name of the company off the Register.
 - (2) Such an application is effective only if it—
 - (a) is made on behalf of the company by its directors or by a majority of them; and
 - (b) contains such information (if any) as is prescribed by the regulations.
9. Section 900(1) provides as follows:

A person who makes an application under section 897 on behalf of a company shall ensure that, within seven days after the day on which the application is made, a copy of the application is given to every person who at any time on that day is—

 - (a) a member of the company;
 - (b) an employee of the company;
 - (c) a creditor of the company;
 - (d) a director of the company;
 - (e) a manager or trustee of any pension fund established for the benefit of employees of the company; or
 - (f) a person of a class prescribed by the regulations for the purpose of this paragraph
10. It is the Applicant's case that the 2nd and 3rd Respondents failed to the Applicant with a copy of the application for striking off, as required under section 900 of the *Companies Act*.
11. The provisions of Section 918 of the Act empowers the court to order a company to be restored to the register if;-
 - (a) the company was struck off the Register under section 894 or 895 and the company was, at the time of the striking off, carrying on business or was in operation;
 - (b) the company was struck off the Register under section 897 and a requirement of sections 898 to 903 was not complied with; or
 - (c) in any other case, the court considers it just to do so. (emphasis added)
12. In this instance, the 1st, 2nd and 3rd Respondents failed to comply with the provisions of section 900 of the *Companies Act*.
13. In view of the foregoing, the Notice of Motion dated 6 November 2023 is allowed as follows:



- a. The Registrar of Companies is hereby directed and ordered to forthwith restore the 1st Respondent, Dream Dressing and Household Items Trading Company Limited, to the Register of Companies;
- b. Costs of the application are awarded to the Applicant.

DATED AND DELIVERED AT NAIROBI THIS 28 DAY OF MARCH 2025

HELENE R. NAMISI

JUDGE OF THE HIGH COURT

Delivered on virtual platform in the presence of:

.Ms. Kosgei.....for the Applicant

...N/A.....for the 1st Respondent

...N/A.....for 2nd Respondent

..N/A.....for the 3rd Respondent

...N/A.....for the 4th Respondent

Libertine Achieng.....court Assistant

