

REPUBLIC OF UGANDA
IN THE HIGH COURT OF UGANDA AT KAMPALA
(COMMERCIAL COURT DIVISION)
HCT – 00 – CC - CS – 676 – 2005

CITI BANK UGANDA LIMITEDPLAINTIFF
VERSUS
COLLIN SEMAKULADEFENDANT

BEFORE: THE HON. JUSTICE LAMECK N. MUKASA

JUDGMENT

The plaintiff's case is briefly that the defendant was an employee of the plaintiff. In the course of the employment the defendant was granted two staff credit facilities. A car loan of shs 10,000,000/= and a personal loan of shs, 11,055,000/=. The defendant's employment was terminated when there was an outstanding amount shs, 5,440,133/= on the car loan and before paying up the personal loan. The plaintiff's claim is for 16,495,134/= due on the two loans and interest at 20% per annum from the day payment was due until full and final payment. The defendant was served by substituted service by advertisement in the New Vision newspaper of 5th December 2005. The defendant did not file a written statement of defence and the suit was set down for formal proof.

Mr. David Mpanga appeared for the plaintiff and framed the following issues:

1. Whether the defendant owes the plaintiff any money.
2. If so how much
3. Remedies

The plaintiff adduced the evidence John Keru Kahumbu who testified that he is the Financial Controller of CITI BANK (U) LTD, the plaintiff's bank. That between 2000 and 2001 he was charged with the establishment of the financial unit of the bank. In 2001 the witness recruited the defendant Collin Semakula as an Assistant Financial Controller. That in the course of his employment with the plaintiff the defendant was on 21st July 2004 granted a car loan of shs. 10,000,000/=. The witness tendered in evidence a receipt form whereby the defendant acknowledges receipt of the above sum payable by monthly installments shs. 400,000/= with interest at the prevailing staff rate. The receipt form was received in evidence as exhibit P1.

The witness further testified that on 14th July 2004 the defendant was given a personal loan of shs. 10,500,000/=. The witness tendered in evidence the defendant's bank statement in respect of the two loans received in evidence as exhibit P3. The statement showed that the balance outstanding on the car loan on 26th July 2005 was shs. 4,999,996/=. The balance outstanding on the personal loan was shs. 9,975,514/= as of 27th June 2005. The witness explained that the bank had stopped charging interest on the above mentioned dates.

The witness further testified that while in the plaintiff's employment the defendant was in May 2005 in charge of the payment of tax to the Uganda Revenue Authority. The plaintiff bank's cheque payable to Uganda Revenue Authority was intercepted in one of the banks while someone was trying to cash it. The defendant was arrested in connection with that cheque. He was released on police bond which he jumped and never returned to work. His services were thereafter terminated by the bank while with the above outstanding loan repayments.

The plaintiff's evidence shows that the defendant owed the plaintiff a sum of shs. 4,999,996/= as of 26th July 2005 on the car loan. Further that the defendant owed the plaintiff a sum of shs. 9,925,514/= as of the 27th June 2005. Both were staff loans on which the float interest was 16.2%. The above evidence is neither denied nor rebutted by any evidence or pleading to the contrary by the defendant. It's trite that failure to file a defence raises a presumption of constructive admission of the claim made in the plaint and the evidence of the plaintiff. In absence of any contradicting evidence I must accept the plaintiff's witness' evidence as truthful. In the premises I find that the defendant by the termination of his employment with the plaintiff

owed the plaintiff money on both the personal loan and the car loan advanced to him as a staff of the plaintiff. The first issue is answered in the affirmative.

The plaintiff had in its pleadings claimed a sum of shs. 16,495,134/=. However the evidence adduced by the plaintiff has only proved total sum of shs. 14,975,510/= in respect of both loans. The plaintiff is therefore awarded the sum of shs. 14,975,510/=

The plaintiff had also claimed interest of 20% per annum. However the evidence adduced show that the interest charged was 16.2% per annum. The plaintiff stopped charging interest on 26th July 2005 and filed this suit on 28th October 2005. Therefore there was no delay. The plaintiff is therefore awarded interest in the above decretal sum at the rate of 16.7% per annum from 20th July 2005 until payment in full. The plaintiff is also awarded costs of this suit.

I so order.

Lameck N. Mukasa

JUDGE

28/04/2007