THE REPUBLIC OF UGANDA IN THE HIGH COURT OF UGANDA AT KAMPALA (COMMERCIAL COURT DIVISION)

HCT - 00 - CC - MA - 502 – 2010 (Arising from High Court Civil Suit 159 of 2009)

	(In Receivership)	:::::::::::::::::::::::APPLICANTS
1.	MUDDU AWULIRA OIL REFINERY LTD	

2. GODFREY SENTONGO

VERSUS

- 1. CENTENARY RURAL DEVELOPMENT BANK LTD
- 2. THE EAST AFRICAN DEVELOPMENT BANK LTD ::::: RESPONDENTS
- 3. MR. GEORGE OPIYO
- 4. MR. HARVEEN GADHOKE

BEFORE: THE HON JUSTICE GEOFFREY KIRYABWIRE.

Ruling

This is an application by way of chambers summons under Order 6 rules 19 and 31 of the Civil Procedure Rules (CPR) for leave to amend the plaint in High Court Civil Suit 159 of 2009.

The application is supported by the affidavits of Mr. Godfrey Sentongo who is also the Managing Director of the first Applicant.

It is further supported by the affidavits of Mr. Joseph Balikudembe co-counsel for the applicants in the main suit.

Mr. Godfrey Lule (sc) appeared for the applicants while Mr. Masembe Kanyerezi appeared for the Respondent bank.

The grounds of the application are that following the filing of the suit, there have been new events that have necessitated the amendment of the plaint. Furthermore the applicants have discovered new facts that were previously unknown to them. Further grounds are that the amendments are necessary to enable court decide the real issues in the suit and that they will not prejudice the Respondent.

Like I found in Miscellaneous Application No. 528 of 2010 **Muddu Awulira Enterprises Ltd & 2 Ors Vs Stanbic Bank**, this application is one of the three others which involve the second Applicant and his companies against several banks that called in their loans that the Applicant companies had taken. In all three cases, the Applicants contest the actions of the banks.

In this particular application, it is the case it is the case of the Applicants that when their new counsel Mr. Balikudembe took over conduct of the suit from the previous counsel Mr. Mpanga. He discovered several acts of bad faith in the conduct of the receivership which were characterized by recklessness, willful default and fraud. It is the case of the Applicants that these are new facts that necessitate an amendment to the Applicant/Plaintiff's suit.

Counsel for the Respondents opposed the amendments noting as he did before that these were old matters. He further submitted that even though he had been promised an amended plaint in September 2010, but it was only handed to him at the time of the hearing of this application which is evidence of dilatory conduct of counsel in dealing with the matter which should not be allowed.

The legal arguments in this application are not substantially different from what is presented

in Miscellaneous Application No. 528 of 2010 Muddu Awulira Enterprises Ltd & 2 Ors V

Stanbic Bank for which I have already given a detailed ruling.

In that case, I found that two main considerations should be taken into account in granting an

amendment. First is that; it should be necessary for the purpose of determining the real

questions in controversy between the parties. Secondly, that an amendment should not be

allowed if it causes injustice to the other side.

In this case like the **Muddu Awulira Enterprises Ltd** case (supra), it would appear to me

that the amendment is more lengthy than the original plaint. However, the cause of action

remains the same.

The bulk of the amendments relate to special damages which will in any case have to be

strictly proved.

The only danger I see is that; some of the averments look like evidence which should be

cleaned up.

As to dilatory conduct, I know that court was notified about counsel Balikudembe's medical

challenge and I would in those circumstances give him the benefit of the doubt.

All in all, I find that this is a proper case to allow an amendment so that this matter is put

down for trial to resolve this long standing matter once and for all.

Leave to amend is granted and the Applicant is given 7 days from this ruling to do so.

Costs in the cause.

Geoffrey Kiryabwire

JUDGE

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20/10/2010		
09:37 a.m.		
Ruling read and signed in open Court in the presence of:		
- G.S Lule (sc) and Walebeyhi for Applicants		

- Masembe Kanyerezi for Respondents

- MD Sentongo for Applicants

- Ruth Naisamula - Court Clerk

Geoffrey Kiryabwire

Date:

JUDGE

Date: 20/10/2010