

THE REPUBLIC OF UGANDA  
IN THE HIGH COURT OF UGANDA AT JINJA  
H.C.C.S. NO. 3 OF 1994

CHARLES RWEMERA:.....PLAINTIFF

VERSUS

UGANDA LEATHER & TANNING INDUSTRIES LTD:.....DEFENDANT

BEFORE: THE HONOURABLE C.M.KATO

JUDGEMENT

The Plaintiff in this case is one Charles Rwemera. By his claim he is seeking to be awarded a total sum of 6,267, 708/= being money for his terminal benefits. The defendant is Uganda Leather and Tanning Industries Ltd (ULATI Ltd) who deny any liability to pay the plaintiff the amount being claimed.

The brief facts of this case are that the plaintiff was employed by the defendant company since 1-10-77 as a chemist trainee later on he was promoted to the post of production manager in 1982 but on 31-7-93 his services were terminated on the ground of redundancy. In his claim he says this termination was not justified and that he had never been paid his terminal benefits. On his part the defendant says he actually paid the plaintiff's benefits in full.

At the hearing of this suit 3 issues were framed for the determination of this court and those are :-

1. Whether or not the defendant is in breach of the contract of employment
2. whether or not the defendant has discharged his obligation to the plaintiff.
3. whether or not the plaintiff is entitled to the remedy he is praying for.

On the first issue the learned counsel for the plaintiff Mr. Tuyiringire argued that the defendant is in breach of' contract because he did not comply with the terms and conditions governing the contract of employment when he paid the plaintiff only 599,104/=. Since the

argument and evidence by the plaintiff is directed to the issue of payment I take it that it is not in dispute that the termination of the plaintiff's service was not wrongfully made since it was in accordance with articles 8 and 15(b) of the staff regulations governing, the parties.

The issue as to whether or not the defendant acted outside the rules can not be decided in isolation to the other 2 issues in that this issue is in fact dealing with what the plaintiff ought to have got. I will therefore deal with this issue generally as the two learned counsel did. Suffice to say here that the defendant in dismissing the plaintiff was not in breach of any contract but as to the benefits the plaintiff should have got on termination of his services with the defendant, that is the matter I am going to talk about now.

According to the plaintiff he was supposed to get a total sum of 6, 267,708/= out of which he got only 599,104/=, the defence states that the amount due was 4,486,514/= out of which they deducted 3,967,410/= leaving a balance of 519, 104/= which was paid to the plaintiff, the other amount having been deducted for the debts which he owed to the company (see annexure "A" to written statement of defence and Exh.D1). The plaintiff and the defendant seem to be differing on the matter of figures but not so much on principle. It may be pointed out that although the plaintiff in his plaint and evidence in court says he received 599, 104/=, the defendant says he paid him 519, 104/= it would seem the defendant is mistaken about the amount because even the cheque on which the money was paid shows 599, 1 04/= not 519, 104/=.

The first issue which is rather involving is that of 3,884,410/= which the defendant deducted from the plaintiff's money. According to the plaintiff this money should not have been deducted to meet the debts owed to the defendant by another company called Double R Holdings. The plaintiff's argument is that Double R Holdings being a legal entity should meet its own debts to the defendant, but the defence is of the view that Double R Holdings was nothing but the plaintiff himself who was hiding behind Double R Holdings. With due respect I agree with Mr. Tuyiringire's contention that Double R Holdings was a legal entity different from the plaintiff and the principle or the doctrine of lifting a veil does not apply to the present case. I therefore hold that the defendant was totally wrong to have deducted that amount of money from the plaintiff's terminal benefits when

there was no evidence that he was a guarantor of Double R Holdings with regard to the defendant's debts. I accordingly award that amount of 3,884,410/= (wrongfully deducted) to the plaintiff.

The next matter which was of contention was that of the baggage allowance. According to the defendant the plaintiff was paid baggage allowance of 144,000/=. The plaintiff says that that amount should have been 700,000/=. The luggage allowance according to the letter of termination Exh.P1 and according to DW1 was calculated according to the revised scale which came into effect a few weeks before the plaintiff was dismissed. The baggage allowance as revised was never brought to the notice of the plaintiff and in my view this revision was not done in good faith because according to the evidence of DW1 the reason why it was made was because according to the evidence of DW1 the reason why it was made was because there were so many people being affected by redundancy, the company might not be able to meet their costs. This was something illogical because the idea of declaring redundancy was of the company's making and employees should not be penalized for it. I therefore award 700,000,/= for baggage as pleaded and proved by the plaintiff. In fact Article 15 ( j) which was referred to in the letter of termination as governing baggage allowance does not exist in the rules and regulations.

Another claim which the plaintiff felt was not paid to him was his June salary which was not included in Exh. D1 together with his transport for leave and other leave benefits which amounted to 372,776/=. I looked at the Exh.D1 and I find that that amount is not reflected. I feel the plaintiff was entitled to get that amount I do award it to him. The plaintiff also complained about the failure by the defendant to remit his money to National Insurance Corporation which was 5% from his salary and. another 5% from his employers, he did not know how much that amount was but he said he was told by the manager of National Insurance Corporation that the amount might have been 780,000/=. this figure is a mere speculation. I find although the plaintiff pleaded this sum in paragraph 9(b) of his plaint but he has not proved it in court and I do refuse to award it to him. The plaintiff also requested this court to award him the sum of 4,217,890/= being long service money. This amount was certainly awarded to him according to Exh. D1 in paragraph 1 and the amount was 3,954,272/=. I feel this amount was reasonable and I do not see any reason why I should interfere

with it.

It must be pointed out however that the plaintiff did not dispute the fact that 83,000/= which was deducted from his gross benefits was justifiably deducted. He also does not deny having received 599, 104/=. These amounts must be taken into account when deciding how much he is to get.

In all those circumstances I enter judgment for the plaintiff for a sum of 5,315,292/= this amount has been arrived at by accepting the calculations which appear in Exh. D1 except for 2 items. The first item being that of baggage allowance which I have raised from 144,000/= to 700, 000/=, also I have adjusted those additions appearing in Exh. D1 by adding 372,778/= being benefits which the plaintiff ought to have received as leave benefits which were not taken in account in Exh.D1. The sum of 5,315,292/= will have to be less by 682,104/= this being money which the plaintiff received (599,104/=) and part of which was lawfully deducted (83,000/=). The total amount left for the plaintiff is  $5,315,292 - 682,104 = 4,633,180/=$ . This amount will attract an interest of 30% from the date of judgement till payment in full. The defendant is to pay the plaintiff costs of this suite

I have not considered the issue of general damages because the learned counsel for the plaintiff at the last moment abandoned that claim quite rightly, in my view, considering the fact that the plaintiff's services had been lawfully terminated and all he needed were his terminal benefits which he has now got.

C.M. KATO

JUDGE

12-10-1995