

Present : Md Hasan Zaman, Judge, Artha Rin Adalat No. 1, Dhaka

Order No.10
Dt. 18.02.2026

Today is fixed for hearing of the application filed by defendant No. 1 under section **57 of the Artha Rin Adalat Ain, 2003**, praying for stay of the auction process allegedly initiated by the plaintiff-financial Institution during pendency of the suit.

The plaintiff and defendant No. 1 entered appearance and filed hazira. The application is taken up for hearing in presence of the learned Advocates for both sides.

Learned Advocate for defendant No. 1 submits that the present suit has been instituted for realization of outstanding loan allegedly disbursed for purchase of 2 (two) non-AC buses and 4 (four) AC buses, and that the matter is presently at the stage of submission of report by the mediator. It is further contended that during pendency of the suit, on 26.01.2026 the plaintiff forcibly took possession of 1 (one) non-AC bus and 2 (two) AC buses from Faridpur Sadar Bus Terminal bearing Registration Nos. Dhaka Metro-Ba-15-2389, Dhaka Metro-Ba-15-2084 and Dhaka Metro-Ba-15-2085, and subsequently published an auction notice in the *Daily Banik Barta* dated 07.02.2026 with a view to selling the said vehicles. It is argued that initiation of auction proceedings in respect of vehicles allegedly in custody of defendant No. 1 during pendency of the suit is illegal, without lawful authority and contrary to the principles of justice. Accordingly, a stay of the auction process has been prayed for.

On the other hand, the learned Advocate for the plaintiff submits that there is no legal bar in proceeding with auction of hypothecated property for realization of outstanding loan and relies upon section **12(3) of the Artha Rin Adalat Ain, 2003** in support of his contention.

Heard both sides. Perused the application, written statements, documents filed and the record.

On perusal of the plaint, it appears that the plaintiff-Institution has instituted the present suit for realization of Tk. 13,16,18,443/- against defendant No. 1 and others. It further transpires that earlier the defendant obtained a loan amounting to Tk. 9,00,00,000/- from the plaintiff for purchase of 2 (two) non-AC buses and 4 (four) AC buses. In respect of the said loan, defendant No. 1 executed different collateral securities including letters of hypothecation in favour of the plaintiff-bank in relation to the concerned vehicles.

From the record it appears that prior to institution of the suit, the plaintiff did not take steps under section 12(1) of the Ain for sale of the hypothecated vehicles. However, during pendency of the suit, the plaintiff published auction notice in respect of 1 (one) non-AC bus and 2 (two) AC buses bearing the aforesaid registration numbers.

Although the defendant contends that such auction attempt during pendency of the suit is illegal, it appears from section 12(3) of the *Artha Rin Adalat Ain, 2003* that the financial institution is legally empowered to sell hypothecated property for realization of outstanding dues, subject to compliance with the statutory requirements. The vehicles in question having been hypothecated in favour of the plaintiff-Institution as security against the loan and the defendant having admittedly failed to repay the loan within stipulated time, the plaintiff's action in proceeding under section 12(3) of the Ain cannot be said to be without lawful authority.

In view of the above facts and circumstances, this Court is of the considered view that the auction process initiated by the plaintiff in respect of the hypothecated vehicles does not suffer from any apparent illegality warranting interference under section 57 of the Ain.

Hence

It is Ordered

that the application dated 17.02.2026 filed by defendant No. 1 is rejected on contest without any order as to costs.

Let the suit proceed in accordance with law

T/C by me

<p>Md Hasan Zaman Judge Artha Rin Adalat-1 Dhaka</p>

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