Bangladesh Form No. 3701

HIGH COURT FORM NO.5 (2)
HEADING OF JUDGMENT IN ORIGINAL SUIT/CASE
DISTRICT-DHAKA

IN THE COURT OF ARTHA RIN ADALAT NO. 1, DHAKA.

Present : Mr. Md. Hasan Zaman,
Judge (Joint District Judge)

Date of Judgment : 22th day of June, 2026

Artha Rin Suit No. 1931 of 2024.

Lankabangla Finance PLC---Plaintiff

-Versus-

Mr. Jafar Md. Sadequr Rahman & others-----------------------Defendant

This case came up for final hearing on: 19.10.2025, 15.03.2026, 11.05.2026 & 21.05.2026.

In presence of :
Swaraj Chatterjee (Bappa)-------------------------Advocate for Plaintiff.
Md. Sarawar Mahbub----------------------------Advocate for Defendant.

And having stood for consideration to this day, the court delivered the following judgment:-

The plaintiff **Lankabangla Finance PLC** filed this present suit under the **Artha Rin Adalat Ain, 2003** for recovery of **Tk. 1,06,98,988.25 (Taka One Crore Six Lac Ninety Eight Thousand Nine Hundred Eighty Eight Point Two Five) as on 30.06.2024.**

<u>Plaintiff's Case in Brief</u>

1. That the plaintiff, **LankaBangla Finance PLC**, is a non-banking financial institution duly incorporated and operating under the relevant laws of Bangladesh, having legal capacity to institute and maintain the present suit. The defendant No.1 is the principal borrower and mortgagor, defendant No.2 is the co-borrower, and defendant Nos.3 and 4 are the personal guarantors. All the defendants are jointly and severally liable for repayment of the loan facilities availed from the plaintiff.

2. That upon an application submitted by the defendants on 08.12.2016, the plaintiff sanctioned a **Home Loan Facility** amounting to **Tk. 70,00,000/- (Taka Seventy Lac)** for the purpose of renovation of seven residential flats. The facility was sanctioned by a Sanction Letter and corresponding Loan Agreement executed on 07.01.2017 for a tenure of 180 (One Hundred Eighty) months. The defendants duly accepted the terms and conditions contained in the said Sanction Letter and undertook to repay the loan in accordance therewith.

3. That pursuant to the sanction, the defendant Nos.1 and 2 availed and enjoyed the aforesaid financial facility. To secure the repayment of the loan and all other liabilities arising therefrom, the defendants executed various charge documents in favour of the plaintiff, including a Registered Deed of Mortgage being Deed No. 681 dated 07.02.2017 and an Irrevocable General Power of Attorney (IGPA) being Deed No. 682 dated 07.02.2017, thereby creating valid and enforceable securities in favour of the plaintiff.

4. That despite availing the loan facility and undertaking to repay the same as per the agreed repayment schedule, the defendants became irregular in making installment payments from the very inception of the facility. The defendants repeatedly failed and neglected to repay the installments and adjust the outstanding loan

liabilities in accordance with the terms of the sanction and loan documents.

5. That on several occasions the plaintiff demanded payment of the outstanding dues and requested the defendants to regularize the loan account. Although the defendants acknowledged their liabilities from time to time, they deliberately failed and neglected to make payment of the outstanding amount.

6. That as on 30.06.2024, the total outstanding liability of the defendants stood at **Tk. 1,06,98,988.25 (Taka One Crore Six Lac Ninety-Eight Thousand Nine Hundred Eighty-Eight and Paisa Twenty-Five only)** inclusive of accrued interest and other charges.

7. That having failed to realize its legitimate dues, the plaintiff issued and duly served a Legal Notice dated 04.07.2024 upon the defendants demanding payment of the outstanding amount. However, the defendants neither complied with the said notice nor took any effective steps to liquidate the outstanding liabilities. Rather, they remained in persistent default and failed to contact the plaintiff for settlement of the dues.

8. That despite repeated demands, reminders and legal notices, no amount whatsoever was adjusted against the loan liability. The conduct and communications of the defendants clearly demonstrate their unwillingness to repay the outstanding dues unless compelled by the process of law.

9. That the plaintiff exhausted all possible amicable measures to recover its dues; however, all such efforts proved futile due to the defendants’ persistent default and non-cooperation. Consequently, the plaintiff has been constrained and compelled to institute the present suit for realization of its lawful outstanding dues together with interest, costs and other reliefs as provided under the law.

Defendant's case

10. The case is contested by Defendant No. 1, who has filed a written statement denying the plaintiff's claim and contending that the suit is not maintainable either in law or on facts and discloses no valid cause of action.

11. Defendant No. 1 states that, due to financial hardship, he applied for a loan from the plaintiff institution, and accordingly a Home Loan of Tk. 70,00,000/- was sanctioned on 24.01.2017, repayable in 180 monthly installments. Under the sanction terms, the defendant was required to pay Tk. 77,378/- per month, making a total repayment amount of Tk. 1,39,28,040/- inclusive of principal and interest.

12. Pursuant to the sanction, Defendant No. 1 created mortgage security over his property and furnished personal guarantees as required by the plaintiff, whereupon the loan amount was disbursed. Repayment commenced in March 2017. The defendant asserts that from March 2017 to February 2023 he paid a total sum of Tk. 37,04,842.83 towards the loan liability.

13. The defendant alleges that despite such payments, the plaintiff failed to adjust the amounts paid against the principal outstanding and instead arbitrarily imposed excessive interest. It is alleged that the plaintiff has wrongly claimed Tk. 74,03,831.08 as interest in addition to the entire principal amount of Tk. 70,00,000/-, thereby inflating the outstanding liability.

14. The defendant further contends that he regularly paid installments to the best of his ability and that the plaintiff failed to extend any relief during the economic hardship caused by the COVID-19 pandemic during 2020–2021. Rather, the plaintiff allegedly exerted undue pressure for recovery of installments.

15. It is also asserted that after filing the present suit, the plaintiff instituted C.R. Case No. 779 of 2025 under section 138 of the Negotiable Instruments Act on 28.01.2025 by utilizing a security

cheque and claiming Tk. 1,12,35,336/-. According to the defendant, the varying claim amounts in different proceedings demonstrate that the plaintiff has prepared arbitrary and inconsistent accounts and has initiated multiple proceedings with the intention of harassing the defendant and unlawfully recovering amounts in excess of the actual dues. Accordingly, Defendant No. 1 submits that the present suit is based on incorrect and exaggerated claims and is liable to be dismissed with costs.

Issues:

16. On perusal of the plaint, written-statement, documents and previously framed issues, for proper adjudication of the suit, the issues are reframed in the following ways:

1) Whether the suit is maintainable in it's present form and prayer?
2) Whether the plaintiff has any cause of action for filing the suit ?
3) Whether the plaintiff is entitled to recover the claimed amount from the defendants?
4) Whether the plaintiff is entitled to obtain a decree as prayed for?

Discussions and Decisions:

5. To prove the plaint case, the plaintiff examined 01 witness namely **Omar Faruk as P.W.1** before this court**. During examination of P.W.1 t**he following documents were produced and proved, which have been marked as Exhibits:-

1) Letter of Authorization	**Exhibit-1**
2) Loan Application and Sanctioned Letter	**Exhibit-2 series**

3) Charge Documents	**Exhibit-3 series**
4) Deed of Mortgage & IGPA	**Exhibi-4 series**
5) Legal Notice with P.R	**Exhibit-05 series**
6) Paper Publication	**Exhibit-6**
7) Account statement	**Exhibit-07**

6. On the other hand, to prove the defendant's case, the defendant examined a witness namely Jafar Md. Sadekur Rahman as D.W.1, and produced some photocopy of payment receipts and a latest account statements provided by plaintiff which is marked as **[Exhibit-Ka]**

Decision with Reasons

7. **Issue no. 1, 2 and 3 : Whether the suit is maintainable in it's present form and prayer? + Whether the plaintiffs have any cause of action for filing the suit?**

All these issues are taken up together for the sake of brevity and convenience.

Upon careful consideration of the plaint, the written statement and the evidences appearing on record, it appears that although the defendants challenged the maintainability of the suit, they have not adduced any evidence in support of such objection. On the other hand, the plaintiff is a duly incorporated non banking financial Institution which is lawfully entitled to institute a suit for recovery of its dues under the provisions of the Artha Rin Adalat Ain, 2003. The plaint has been presented by way of affidavit as mandated under **Section 6(4) of the said Ain**, duly accompanied by **ad valorem court fees** and relevant charge documents. No legal infirmity is discernible in the presentation of the plaint. Therefore, the suit is clearly maintainable both in law and in fact. This issue is thus decided in favour of the plaintiff.

8. As regards the cause of action, the plaint sufficiently discloses grounds for bringing the instant suit. It appears from the plaint that, upon the application of the defendant No.1, the plaintiff financial Institution sanctioned credit facilities in favour of the defendant No.1. The said facilities were secured by execution of charge documents and personal guarantees and deed of Mortgage and IGPA. However, the defendants defaulted in repayment of loan installments as per terms of the sanction letters. The default persisted and the outstanding liabilities accumulated to the tune of **Tk. 1,06,98,988.25 (Taka One Crore Six Lac Ninety Eight Thousand Nine Hundred Eighty Eight Point Two Five).** Despite repeated reminders, the defendants failed to discharge the said liabilities. Ultimately, the plaintiff issued Legal notice on 04.07.2024, calling upon the defendants to adjust the outstanding dues. The defendants, however, did not comply. Having no other efficacious remedy, the plaintiff was compelled to institute the present suit. The cause of action thus arose on and from 04.07.2024, and the instant suit having been filed on 11.08.2024, is well within the statutory period of limitation. In view of the above, it is held that the instant suit is properly maintainable, is founded upon a sufficient cause of action, and is not barred by limitation. All the aforesaid issues are therefore answered in favour of the plaintiffs.

9. **Issue No : 4 and 5 : Whether the plaintiff Financial Institution is entitled to recover the claimed amount from the defendant? + Whether the plaintiff is entitled to obtain a decree as prayed for?**

All these issues are taken up together for the sake of brevity, convenience, and effective adjudication, as they are closely interrelated both on facts and in law.

Upon careful consideration of the pleadings of the parties, the oral and documentary evidence adduced, the exhibits produced, and the entire materials available on record, it appears that the plaintiff, Lankabangla Finance PLC, instituted the present suit under the provisions of the Artha Rin Adalat Ain, 2003 seeking realization of an outstanding amount of Tk. 1,06,98,988.25 (Taka One Crore Six Lac Ninety-Eight Thousand Nine Hundred Eighty-Eight and Paisa Twenty-Five only), inclusive of accrued interest calculated up to 30.06.2024.

10. It is an admitted and undisputed fact that the plaintiff is a duly incorporated and legally recognized non-banking financial institution, competent to institute and maintain the present suit for recovery of financial claims arising from credit facilities advanced in the ordinary course of its business. The record further reveals that Defendant No.1 is the principal borrower and mortgagor, Defendant No.2 is the co-borrower, and Defendant Nos.3 and 4 executed deeds of guarantee securing repayment of the loan facility. By virtue of such guarantees, they assumed liability co-extensive with that of the principal borrower in accordance with law.

11. In view of Section 6(4) of the Artha Rin Adalat Ain, 2003, the plaint supported by affidavit carries substantive evidentiary value unless rebutted by credible and convincing evidence to the contrary. In support of its claim, the plaintiff examined one witness, namely P.W.1 Md. Omor Faruque, who submitted affidavit-in-chief reiterating the assertions made in the plaint. His testimony remained consistent, cogent, and in complete harmony with the plaintiff's pleaded case. Nothing material could be elicited during cross-examination to impeach his credibility or diminish the evidentiary value of his testimony.

12. From Exhibit-2/1, being the sanction letter dated 24.01.2017, it clearly transpires that upon the application and request of Defendant Nos.1 and 2, the plaintiff sanctioned a Home Loan facility amounting to Tk. 70,00,000/- (Taka Seventy Lac only), subject to specified terms and conditions. The charge documents marked Exhibit-3 series,

together with the Deed of Mortgage No.680 and the Irrevocable Power of Attorney Deed No.681, both dated 07.02.2017 and marked as Exhibit-4 series, further establish that the borrower and guarantors executed all requisite security documents, undertakings, repayment commitments, and other binding financial instruments in favour of the plaintiff institution. These documents conclusively prove the lawful creation of the financial liability and demonstrate beyond doubt that the defendants duly availed the sanctioned facility and undertook to repay the same in accordance with the agreed terms.

13. The reminder letters and legal notices marked Exhibit-5 series reveal that after availing the loan facility, Defendant No.1 failed to maintain regular repayment and gradually became a persistent defaulter. The documentary evidence further demonstrates that despite repeated reminders, demands, and notices issued by the plaintiff, the defendants failed either to regularize the loan account or liquidate the overdue liability. The legal notices also establish that the plaintiff made lawful demand for repayment prior to institution of the suit.

14. The statement of account marked Exhibit-7, maintained in the ordinary course of the plaintiff's financial business, clearly reflects that as on 30.06.2024 the total outstanding dues stood at Tk. 1,06,98,988.25 inclusive of accrued interest. Such statement of account carries strong presumptive evidentiary value, particularly when maintained in the regular course of business. Significantly, the defendants failed to produce any contrary statement of account, independent audit report, reconciliation statement, or other documentary evidence capable of displacing the correctness of the plaintiff’s financial records.

15. On the other hand, the defendants contested the suit by filing a written statement wherein they admitted having availed the loan facility of Tk. 70,00,000/- from the plaintiff institution. Their principal defence is that they had regularly paid installments and had already deposited a substantial amount towards adjustment of the loan

liability. D.W.1 deposed that after institution of the suit he deposited Tk. 27,75,645/- on 20.05.2025 and thereafter made further payments on several dates amounting to Tk. 6,20,460.20.

16. The aforesaid assertion of D.W.1 finds support from the latest statement of account supplied by the plaintiff during trial and marked Exhibit-Ka. From Exhibit-Ka it clearly transpires that the defendants deposited Tk. 27,75,645/- on 20.05.2025 and subsequently paid an additional sum of Tk. 6,20,460.20 on different dates. Thus, it stands established by the plaintiff's own records that during the pendency of the suit the defendants paid a total amount of Tk. 33,96,105.20 towards adjustment of the loan account.

17. This Court finds no justification for disregarding the aforesaid payments, particularly when the same have been acknowledged in the plaintiff's own statement of account. Therefore, in determining the decretal amount, due credit and adjustment of the said payments must necessarily be given to the defendants.

18. The statement of account (Exhibit-7) shows that the total outstanding liability as on 30.06.2024 stood at Tk. 1,06,98,988.25 inclusive of accrued interest. After adjustment of the admitted payments made during the pendency of the suit amounting to Tk. 33,96,105.20, the balance outstanding liability comes to **Tk. 73,02,883.05 (Taka Seventy-Three Lac Two Thousand Eight Hundred Eighty-Three and Paisa Five only).**

19. In the absence of any reliable evidence disproving the correctness of the plaintiff's statement of account and in view of the defendants' admission regarding availing of the loan facility, this Court is satisfied that the plaintiff has successfully established its claim to the extent of the aforesaid adjusted outstanding amount. The defendants have failed to establish any legal or factual defence sufficient to absolve them from repayment of the liability.

20. It is a settled principle of law that mere pleading without proof carries no evidentiary value. Although the defendants contested the

suit, they failed to produce any reliable documentary evidence demonstrating full adjustment of the loan account or disproving the entries reflected in the plaintiff's regularly maintained statement of account. Mere denial or unsubstantiated allegations cannot prevail over primary documentary evidence establishing a financial claim.

21. The materials on record further disclose that due to continuous default committed by Defendant No.1 & 2, the loan account became classified and remained unpaid despite repeated demands and opportunities for adjustment. Consequently, the plaintiff has successfully established that the outstanding liability lawfully matured and became recoverable.

22. Under Section 6(5) of the Artha Rin Adalat Ain, 2003, the liability of guarantors is co-extensive with that of the principal borrower unless otherwise restricted by the terms of the contract. In the present case, no such restrictive clause is found in the guarantee documents. Accordingly, Defendant Nos.3 and 4, having voluntarily executed the deeds of guarantee, are jointly and severally liable along with Defendant Nos.1 and 2 for repayment of the decretal dues.

23. Upon a comprehensive evaluation of the plaint, written statement, oral testimonies, cross-examinations, documentary exhibits, and the surrounding facts and circumstances of the case, this Court finds that the plaintiff has successfully proved its claim by reliable, cogent, and convincing evidence. Accordingly, the issues under consideration are decided in favour of the plaintiff, who is entitled to recover a sum of **Tk. 73,02,883.05** from the defendants jointly and severally.

In result the case succeeded.

Court Fee paid is correct

Hence,

It is Ordered

That the present suit be partly decreed on contest against Defendant Nos. 1 and ex-party against the other defendants with costs for an amount of **Tk.** 73,02,883.05 **(Taka Seventy Three Lacs Two Thousand Eight Hundred Eighty Three point zero Five) up to 30.06.2024**. The Plaintiff shall be entitled to receive the said amount **together with interest or profit as applicable under the prevailing laws or rules from 11/08/2024**, i.e., the date of filing of the suit, until full realization.

The Defendants are directed to pay the decree amount, together with interest or profit, in favor of the Plaintiff **within sixty (60) days of the pronouncement of this judgment**. In the event of default, the Plaintiff shall be entitled to recover the decree amount through lawful proceedings before the Court.

If the Defendants have made any payments during the pendency of the suit, the Plaintiff is directed to **adjust the same in accordance with the law.**

Typed & Corrected by Me

Md. Hasan Zaman
Judge (Joint District Judge),
Artha Rin Adalat No-1 ,Dhaka

Md. Hasan Zaman
Judge (Joint District Judge),
Artha Rin Adalat No-1 ,Dhaka.