ARM 385 of 2024.

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: 7th day of September, 2026.

Artha Rin Suit No. 385 of 2024.

The City Bank Limited---Plaintiff

-Versus-

Md. Zahidur Rahman & One other--Defendants

This case came up for final hearing on: 25.08.2025, 15.04.2026.

In presence of:
Md. Yeasin Arafat------------------- ------------------------------Advocate for Plaintiff.
Md. Nafiz Hossain Khan (Ithar)--------------------------------Advocate for Defendant.
And having stood for consideration to this day, the court delivered the following judgment:-

The plaintiff **The City Bank Limited** filed this present suit under the Artha Rin Adalat Ain, 2003 for recovery of **Tk. 14,57,061.74/- (Taka Fourteen Lac Fifty Seven Thousand Sixty One Point Seventy Four) as on 08.04.2023.**

Plaintiff's Case in Brief:

The plaintiff, ***City Bank Limited***, is a schedule banking financial Inatitution duly incorporated under the Companies Act, 1994 and governed by the provisions of the relevant laws. At the request of defendant No.1, the plaintiff financial Institution sanctioned *a* ***Personal*** loan facility of **TK.15.00 Lakhs** only in favor of the defendant No.1 vide Sanction letter dated **13.05.2018**. The defendant No.1 accepted sanction letter along with the terms and conditions stipulated therein and executed various charge documents in favor of the plaintiff financial institution. As security for the aforesaid investment facilities, the defendants personally guarranted the loan.

The plaintiff bank duly disbursed the sanctioned investment facilities which was availed of and enjoyed by the defendant No.1 in the course of its business activities.

However, the defendants, with mala fide intent, failed to repay the investment amounts within the stipulated periods. Despite repeated requests, reminders, and letters from the plaintiff bank, the defendants neglected and failed to adjust the outstanding liabilities.

As on **04.08.2023,** the total liabilities of the defendants stood at **Tk. 14,57,061.74/-** inclusive of accrued interest. Although on several occasions the defendants acknowledged their liabilities, they deliberately failed to make payments. Consequently, the plaintiff issued a **Legal notice** dated **22.03.2023,** however, the defendants failed to comply with the said notice and did not contact the plaintiff bank in this regard.

The plaintiff bank could not realize its dues despite of several demand notice and legal notice. It is to be mentioned here that no amount was adjusted against the credit facility. The defendants' communications and conduct have made it evident that they will not settle the outstanding liabilities unless compelled by due process of law. As of 04.08.2023, the admitted liability of the defendants stood at **Tk. 14,57,061.74/-** Having failed in all attempts to recover its dues amicably, the plaintiff bank has compelled to file this instant suit.

The defendant Nos. 1 and 2, by filing a written statement, contested the suit denying the material allegations made in the plaint. Their case, in brief, is that the suit, in its present form and nature, is not maintainable in law and is liable to be dismissed. It is contended that the plaintiff, being a commercial bank, cannot be treated as an "আর্থিক প্রতিষ্ঠান" within the meaning of the Artha Rin Adalat Ain, 2003, and therefore, the institution of the present suit before the Artha Rin Adalat for recovery of the alleged loan is misconceived and amounts to an abuse of the process of law. It is further contended that the City Bank PLC, being a "new bank", could not lawfully sanction or advance any loan or financial facility in violation of Article 22 of P.O. No. 26 of 1972. The defendants further assert that the plaint was not presented in compliance with the mandatory provisions of Section 8 of the Artha Rin Adalat Ain, 2003, and that the statutory conditions precedent for institution of the suit were not fulfilled.

They further contend that the claim of interest, particularly compound interest, is unlawful and unenforceable. They deny their liability to pay such interest and assert that the suit is barred by limitation under Section 46 of the Ain. They also contend that, in the absence of compliance with the Money-Lenders Act, 1940, the claim for interest is not legally recoverable. Accordingly, they deny the entire claim of the plaintiff and pray for dismissal of the suit.

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Issues:

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 plaintiffs have any cause of action for filing the suit?

3) Whether the suit is barred by limitation?

4) Whether the plaintiff Bank is entitled to recover the claimed amount from the defendants?

5) Whether the plaintiff Bank is entitled to obtain a decree as prayed for?

Discussions and Decisions:

To prove the plaint case, the plaintiff examined 01 witnesses namely **Sahin Biswas Sun 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 Authority	**Exhibit-1**
2) Application of loan & sanction Letter	**Exhibit-2 Series**
3) Charge Documents	**Exhibit-3 Series**
4) Letter of Guarantee	**Exhibit-4**
5) Legal Notice with Postal Receipt	**Exhibit-5 Series**
6) Account statement	**Exhibit-6**

On the other hand, although the defendants contested the suit by filing written statement and cross-examined P.W.1, he did not adduce any oral evidence nor produced any documentary evidence in support of his defence.

Decision with Reasons

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Issue nos. 1-3: Whether the suit is maintainable in it's present form and prayer? + Whether the plaintiffs have any cause of action for filing the suit? + Whether the suit is barred by limitation?

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 banking company duly incorporated under the Companies Act of Bangladesh 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.

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 bank sanctioned credit facilities in favour of the defendant No.1. The said facilities were secured by execution of charge documents and personal guarantees. 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 **14,57,061.74/- (Taka Fourteen Lac Fifty Seven Thousand Sixty One Point Seventy Four) as on 08.04.2023.**

Despite repeated reminders, the defendants failed to discharge the said liabilities. Ultimately, the plaintiff issued Legal notice on 22.03.2023, 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. In view of the above, it is held that the instant suit is properly maintainable, is founded upon a sufficient cause of action. All the aforesaid issues are therefore answered in favour of the plaintiffs.

Issue No: 4 & 5 : Whether the plaintiff Bank is entitled to recover the claimed amount from the defendant? + Whether the plaintiff Bank is entitled to obtain a decree as prayed for?

All these issues are taken up together for the sake of brevity, convenience, and because they are closely interlinked both on facts and in law.

It is admitted and undisputed that the plaintiff is a duly incorporated scheduled banking financial institution, legally competent to institute and maintain the present suit for realization of financial claims arising out of sanctioned credit facilities advanced in the ordinary course of its business. It further appears from the record that Defendant No.1, namely **Md. Zahidur Rahman** is the borrower, while Defendant No.2 executed deed of guarantee securing repayment of the said loan facility and thereby assumed co-extensive liability with the borrower in accordance with law.

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 reliable evidence to the contrary. In support of its claim, the plaintiff examined one witness, namely **P.W.1 Sahin Biswas Sun**, who submitted affidavit-in-chief in support of the plaint. His testimony remained materially consistent, coherent, and fully supportive of the plaintiff's pleaded case. Nothing substantial could be elicited in cross-examination to discredit his testimony or weaken the evidentiary value of the plaintiff's case.

From **Exhibit-2/1**, being the sanction letter, it clearly transpires that upon application and request of Defendant No.1, the plaintiff sanctioned an Personal loan facility amounting to **Tk. 15,00,000/- (Taka Fifteen Lac only)** in favour of Defendant No.1 subject to specified terms and conditions. The charge documents marked **Exhibit-3 series** further establish that the borrower and guarantors executed all necessary security documents, undertakings, repayment commitments, and other binding financial instruments in favour of the plaintiff institution. These documents unmistakably prove lawful creation of financial liability and establish beyond doubt that Defendant No.1 duly availed the sanctioned facility and undertook repayment obligations according to agreed terms.

The legal notice with postal receipt marked **Exhibit-5 series** reveal that after availing the said facility, Defendant No.1 failed to maintain regular repayment and gradually committed persistent default. The documentary record further demonstrates that despite repeated reminders, notices, and demands issued by the plaintiff, the defendants failed to regularize the account or liquidate the overdue liability. The legal notice also sufficiently establishes that the plaintiff demanded repayment before institution of the suit in accordance with law.

The statement of account marked **Exhibit-6**, maintained in the ordinary course of financial business, clearly reveals that as on **04.08.2023** the total outstanding dues stood at **Tk. 14,57,061.74/-** inclusive of accrued interest. Such statement of account carries presumptive evidentiary value, particularly when regularly maintained in course of business, and in the present case the defendants failed to produce any contrary statement, independent audit, payment reconciliation, or documentary material capable of dislodging the correctness of the plaintiff's financial claim.

This Court notes that mere pleading without proof carries no evidentiary weight. The defendants, despite contesting the suit, failed to produce any reliable oral or documentary evidence demonstrating full adjustment of installments or disproving the plaintiff's maintained account statement. During pendency of the suit also, no substantial payment was made nor was any convincing repayment proposal placed before the Court. Mere denial or allegation unsupported by evidence cannot defeat a financial claim proved by primary documentary records.

It further appears from the materials on record that due to continuous default committed by Defendant No.1, the loan account became classified and remained unpaid despite repeated demands. The plaintiff has therefore successfully established that the outstanding liability lawfully matured and remained recoverable.

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 restricted by specific contractual terms. In the present case, no such limiting clause is found in the guarantee documents. Consequently, Defendant No.2, having voluntarily executed guarantee obligations, is jointly and severally liable together with Defendant No.1 for repayment of the decretal dues.

Upon comprehensive evaluation of the plaint, written statement, oral depositions, cross-examination, documentary exhibits, and all surrounding circumstances, this Court finds that the plaintiff has been able to prove its claim by reliable oral and documentary evidence. Accordingly, the issues under consideration are decided in favour of the plaintiff who is entitled to recover **Tk. 14,57,061.74/- (Taka Fourteen Lac Fifty Seven Thousand Sixty One Point Seventy Four) as on 08.04.2023** 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 decreed on contest against Defendant No.1 and ex-party against the other defendant with costs for an amount of **Tk. 14,57,061.74/- (Taka Fourteen Lac Fifty Seven Thousand Sixty One Point Seventy Four) as on 08.04.2023.**

The Plaintiff shall be entitled to receive the said amount **together with interest or profit as applicable under the prevailing laws or rules from 11.06.2023**, 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

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