ARM 1483 of 2023.

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 : 11th day of October, 2026.

Artha Rin Suit No. 1483 of 2023.

CVC Finance Limited----------Plaintiff

-Versus-

Habib Steels Limited & others----------Defendants

This case came up for final hearing on: 10.11.2025, 11.11.2025, 07.04.2026, 21.06.2026

In presence of:
Raju Howlader Palash----------Advocate for Plaintiff.
Azizul Hakim----------Advocate for Defendant.

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

The plaintiff **CVC Finance Limited** filed this present suit under the Artha Rin Adalat Ain, 2003 for recovery of **Tk. 14,04,69,072.73** (Taka Fourteen Crore Four Lac Sixty Nine Thousand Seventy Two Point Seventy Three) **as on 31.01.2023.**

Plaintiff's Case in Brief

The plaintiff, **CVC Finance Limited**, is a non-banking financial institution duly incorporated under the relevant laws of Bangladesh. Defendant No. 1 is the principal borrower, defendant Nos. 2–6 are the personal guarantors, and defendant No. 7 is the corporate guarantor in respect of the loan facility in question.
The plaintiff's case, in brief, is that defendant No. 1, represented by defendant No. 2, applied for a credit facility on 09.08.2017, pursuant to which the plaintiff

sanctioned a term loan of Tk. 10,00,00,000/- vide Sanction Letter dated 07.09.2017.

Upon acceptance of the terms and conditions, the borrower executed the Term Loan Agreement, Demand Promissory Note, Letter of Continuity and other requisite charge documents on 02.10.2017, followed by a Registered Deed of Hypothecation dated 10.01.2018. The respective guarantors also executed personal and corporate guarantees securing repayment of the facility.

Subsequently, owing to the borrower's failure to maintain regular repayment, the plaintiff, upon application, rescheduled the loan facility through Sanction Letter dated 28.11.2019. Thereafter, at the borrower's further request, the plaintiff restructured the outstanding facility amounting to Tk. 10,95,36,002/- vide Sanction Letter No. dated 21.12.2020. In connection therewith, the borrower executed the requisite amendment agreements and security documents, while the existing hypothecation and guarantees continued to remain effective.

It is further alleged that, notwithstanding the aforesaid rescheduling and restructuring facilities, the borrower persistently defaulted in repayment of the outstanding liabilities. Despite repeated demands, reminders and assurances, the defendants failed to regularise or liquidate the outstanding dues. Consequently, the plaintiff issued a legal notice dated 04.10.2022 demanding repayment within seven days, but the defendants failed to comply therewith.

The plaintiff further asserts that the hypothecated movable assets remained exclusively under the possession and control of defendant No. 1 and were subsequently found missing from the designated premises. Consequently, the plaintiff could not proceed with their auction under Section 12 of the Artha Rin Adalat Ain, 2003.

According to the plaintiff's statement of accounts, a sum of **Tk. 14,04,69,072.73/-** remained outstanding as on **31.01.2023**. Having found no alternative remedy, the plaintiff instituted the present suit seeking a decree for recovery of the aforesaid amount, together with applicable interest and costs, against the defendants in accordance with law.

On the other hand, the defendant Nos. 2–6 have contested the suit by filing a written statement, denying the material allegations of the plaint and contending, inter alia, that the suit is not maintainable in its present form and manner. Their case, in brief, is that defendant No. 1, engaged in ship-breaking, manufacturing MS rods and scrap trading, applied for a term loan of Tk. 15 crore on 09.08.2017 for business expansion. However, the plaintiff sanctioned only Tk. 10 crore,

causing financial difficulties. Nevertheless, defendant No. 1 accepted the facility under economic compulsion and repaid a substantial portion of the liability.

They further contend that owing to sluggish business conditions and the adverse impact of the COVID-19 pandemic, defendant No. 1 experienced severe financial difficulties. Upon its application and payment of the requisite down payment, the plaintiff restructured the outstanding liability of Tk. 10,95,36,002/- by sanction letter dated 21.12.2020. However, discrepancies between the restructuring sanction and loan account statement render the claimed outstanding amount questionable.

The contesting defendants further allege that the plaintiff arbitrarily classified their liabilities with the Credit Information Bureau (CIB), thereby restricting their access to alternative financing and government stimulus facilities. They specifically contend that the personal and corporate guarantees allegedly executed by defendant Nos. 2–7 contain material inconsistencies and are legally unenforceable. Moreover, subsequent restructuring of the loan without their consent discharged their guarantee obligations under sections 133 and 135 of the Contract Act, 1872. Consequently, their impleadment allegedly contravenes section 6(5) of the Artha Rin Adalat Ain, 2003.

They further challenge the correctness of the plaintiff's claim, particularly the imposition of compound interest, additional delay interest and inaccurate adjustment of repayments. They seek independent verification of the accounts. Lastly, they contend that the suit is premature, as the restructuring arrangement provided 57 months for repayment and the plaintiff neither cancelled the arrangement nor recalled the entire outstanding liability. They also allege non-compliance with section 8 of the Artha Rin Adalat Ain, 2003 and invoke Order VII Rule 11 of the Code of Civil Procedure. Accordingly, the contesting defendants pray for dismissal of the suit with appropriate relief.

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 plaintiff is entitled to recover the due amount from defendants?

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

Discussions and Decisions:

To prove the plaint case, the plaintiff examined 01 witness namely **Md. Samiul Haque 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, Sanction letter & Charge Documents	**Exhibit-2 series**
3) Legal Notice with P.R	**Exhibit-03 series**
4) Account statement	**Exhibit-04**

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

Decision with Reasons

Issue no. 1, 2 and 3 : Whether the suit is maintainable in it's present form and prayer?

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.

Issue No : 2 and 3 : Whether the plaintiff is entitled to recover the due amount from the defendant? + Whether the plaintiff is entitled to obtain a decree as prayed for?

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

It appears from the pleadings and materials on record that the plaintiff, CVC Finance Limited, is a duly incorporated non-banking financial institution, legally competent to institute the present suit under the Artha Rin Adalat Ain, 2003. Defendant No.1, Habib Steels Limited, is the principal borrower, while Defendant Nos.2-6 are the personal guarantors of the loan facility.

In support of its claim, the plaintiff examined P.W.1 Md. Samiul Haque, who submitted his examination-in-chief on affidavit and produced relevant documentary evidence. His testimony remained materially consistent with the plaintiff's pleaded case, and nothing substantial emerged during cross-examination to discredit his evidence.

From Exhibits-2/1 to 2/4, comprising the sanction documents dated 07.09.2017, 28.11.2019 and 21.12.2020, it transpires that the plaintiff sanctioned a term loan facility of Tk. 10,00,00,000/- in favour of Defendant No.1. The charge documents marked as Exhibits-2/5 to 2/21 series establish the execution of the relevant loan agreements, deeds of guarantee, undertakings and other security instruments by the concerned defendants, thereby creating binding contractual obligations.

The reminder letters and legal notice marked as Exhibit-3 series demonstrate that Defendant No.1 failed to maintain regular repayment despite repeated demands. Furthermore, the statement of account marked as Exhibit-4 establishes that the total outstanding liability stood at Tk. 14,04,69,072.73 as on 31.01.2023, inclusive of accrued interest.

Significantly, although the defendants contested the suit by filing a written statement, they did not adduce any oral or documentary evidence whatsoever in support of their defence. Neither was any witness examined nor was any payment receipt, reconciliation statement or other document produced to substantiate their objections or disprove the plaintiff's claim. It is a settled principle that mere assertions or denials in pleadings, unsupported by evidence, cannot establish disputed facts. Consequently, the defendants' allegations remain unsubstantiated.

Nevertheless, the plaintiff must succeed on the strength of its own evidence rather than merely upon the weakness of the defence. In the present case, the plaintiff has independently established the loan transaction, execution of charge documents, default in repayment and outstanding liability through credible oral and documentary evidence. Such evidence remains materially unshaken in cross-examination and unrebutted by any affirmative evidence from the defendants.

Under Section 6(5) of the Artha Rin Adalat Ain, 2003, read with the applicable principles of guarantee, Defendant Nos.2-6 are liable alongside the principal borrower in accordance with their respective guarantee obligations. No legally sustainable ground for their discharge has been established.

Upon comprehensive evaluation of the pleadings, oral testimony and documentary exhibits, this Court finds that the plaintiff has successfully proved its claim by preponderance of evidence. Accordingly, the plaintiff is entitled to recover Tk. 14,04,69,072.73 (Taka Fourteen Crore Four Lac Sixty-Nine Thousand Seventy-Two and Paisa Seventy-Three only) as outstanding dues on 31.01.2023, subject to applicable law.

Accordingly, all the issues are decided in favour of the plaintiff and against the defendants.

In result the case succeeded.

Court Fee paid is correct

Hence,

It is Ordered

That the present suit be decreed on contest against Defendant Nos. 2-6 and ex-party against the other defendants with costs for an amount of **Tk. 14,04,69,072.73** (Taka Fourteen Crore Four Lac Sixty Nine Thousand Seventy Two Point Seventy Three) **as on 31.01.2023.**

The Plaintiff shall be entitled to receive the said amount **together with interest or profit as applicable under the prevailing laws or rules from 08.02.2023**, 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.

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