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 : 1st day of November, 2026.

Artha Rin Suit No. 1857 of 2024.

LANKABANGLA FINANCE PLC ----------Plaintiff

-Versus-

Mr Sahadat Hossain and 04 others----------Defendants

This case came up for final hearing on : 09.10.2025; 27.04.2026; 13.08.2026.

In presence of :
Mr. M Habibur Rahman (Sumon) ----------Advocate for Plaintiff.
Mr. Ershad Ullah----------Advocate for Defendants.

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. 11,74,744.74 (Taka Eleven Lac Seventy Four Thousand Seven Hundred Forty Four Point Seventy Four) **as on 30.04.2024.**

Plaintiff's Case in Brief

1. The plaintiff, **LankaBangla Finance PLC**, is a duly incorporated and licensed non-banking financial institution carrying on business under the laws of Bangladesh. The defendant No. 1 is the principal borrower, while defendant Nos. 2 -5 stood as personal guarantors for the due repayment of the loan facility availed by defendant No. 1. Accordingly, all the defendants are jointly and severally liable to satisfy the outstanding dues of the plaintiff.

2. It appears that defendant No. 1, by submitting an application dated **14.03.2022,** approached the plaintiff for a CMSME loan facility. Upon consideration of the said

application, the plaintiff sanctioned the said Facility in the sum of Tk. 15,00,000.00 (Taka Fifteen Lakh only) vide Sanction Letter dated 05.04.2022. Pursuant thereto, a Loan Agreement of even date, i.e., 05.04.2022, was duly executed between the parties incorporating the terms and conditions governing the said facility. In order to secure repayment of the loan, defendant No. 1 executed the requisite charge documents in favour of the plaintiff, and defendant Nos. 2-5 executed personal guarantees undertaking to repay the outstanding dues in the event of default by defendant No. 1.

3. Thereafter, defendant No. 1 availed and utilized the said loan facility. However, the defendants failed to repay the loan in accordance with the stipulated repayment schedule and became irregular in payment of the installments from the very inception of the facility. Despite repeated requests and reminders from the plaintiff, the defendants neglected and failed to regularize the loan account or liquidate the outstanding liabilities.

4. Finding no other alternative, the plaintiff caused a legal notice dated 30.05.2024 to be issued and duly served upon the defendants demanding payment of the outstanding dues. Notwithstanding receipt of the said notice, the defendants neither responded thereto nor made any payment towards adjustment of the loan liability.

5. The evidence on record further reveals that despite repeated demands and service of legal notice, the plaintiff was unable to realize its legitimate dues from the defendants. The conduct and communications of the defendants clearly indicated their unwillingness to discharge the liability unless compelled by an order of the Court.

6. As per the statement of account maintained by the plaintiff in the ordinary course of business, the total outstanding liability of the defendants stood at Tk. Tk. 11,74,744.74 (Taka Eleven Lac Seventy Four Thousand Seven Hundred Forty Four Point Seventy Four) as on 30.04.2024. Having failed in all endeavors to recover the outstanding dues amicably, the plaintiff was constrained to institute the present suit.

Defendant's Case :

7. Defendant No. 3 entered appearance in the suit and contested the same by filing a written statement denying the material allegations made in the plaint, except those expressly admitted herein. The defendant admits that defendant No.1 availed impugned credit facility for Tk. 15.00 Lacs from the plaintiff financial institution. But the defendant No.3 being full brother of defendant No.1 has no connection with the loan. On request of plaintiff institution, he put his signature in some blank loan papers as formalities. But for this he cannot be held liable for the loan . The defendant further denies any allegation of mala fide intention, deliberate default, or any attempt to misappropriate the loan amount, and asserts that he has acted bona fide and has no

manner of connection with loan liability. On the above grounds, the defendant submits that the plaintiff is not entitled to the reliefs sought in the plaint and accordingly prays for dismissal of the suit with costs.

Issues:

8. The following issues has been framed for proper adjudication of the case:

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

Discussions and Decisions:

9. To prove the plaint case, the plaintiff examined 01 witnesses namely **Md. Omor Faruque 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 and Sanctioned Letter	**Exhibit-2 Series**
3) Charge Documents	**Exhibit-3 Series**
4) Legal Notice with P.R.	**Exhibit-4 series**
5) Account statement	**Exhibit-5**

10. On the other hand, to prove the defendant's case, the defendants examined a witness namely **Md. Safayet Rahman as D.W.1, but he did produce documents** before the court.

Decision with Reasons

11. Issue no. 1 & 2 : 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. These issues are thus decided in favour of the plaintiff.

12. 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 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 **Tk.11,74,744.74/-.** Despite repeated reminders, the defendants failed to discharge the said liabilities. Ultimately, the plaintiff issued Legal notice on 30.05.2024, 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 30.05.2024, and the instant suit having been filed on 28.07.2024, 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. All the aforesaid issues are therefore answered in favour of the plaintiffs.

13. **Issue No : 3 & 4 :** Whether the plaintiff 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 because they are closely interlinked both on facts and in law.

Upon careful consideration of the pleadings of the parties, the oral evidence adduced, documentary exhibits produced, and the entire materials available on record, it appears that the plaintiff is a duly incorporated non-banking financial institution legally competent to institute and maintain the present suit for realization of its lawful financial claims arising out of the credit facility advanced in the ordinary course of its business. It further appears that Defendant No.1, namely Sahadat Hossain, is the principal borrower, whereas Defendant Nos.2-5 executed deeds of personal guarantee securing repayment of the said loan facility and thereby undertook liability in accordance with the terms of the respective guarantee documents.

In view of Section 6(4) of the Artha Rin Adalat Ain, 2003, the plaint supported by affidavit carries evidentiary value unless rebutted by credible and reliable evidence to the contrary. In support of its claim, the plaintiff examined P.W.1 Md. Omor Faruque,

who submitted affidavit-in-chief in support of the plaint. His testimony remained materially consistent and corroborative of the plaintiff's pleaded case. Nothing substantial could be elicited from his cross-examination to discredit his testimony or materially undermine the plaintiff's documentary evidence.

From Exhibit-2/1, being the sanction letter dated 14.03.2022, it transpires that upon the application and request of Defendant No.1, the plaintiff sanctioned a term loan facility of Tk.15,00,000/- in favour of Defendant No.1 subject to specified terms and conditions. The charge documents marked as Exhibit-3 series further establish that the borrower and the guarantors executed the necessary security documents, undertakings, repayment commitments and other financial instruments in favour of the plaintiff institution. These documents support the plaintiff's assertion that the credit facility was duly sanctioned and availed of and that the concerned parties undertook repayment obligations in accordance with the agreed terms.

The reminder letters and legal notice marked as Exhibit-4 series reveal that Defendant No.1 failed to maintain regular repayment after availing the loan facility. Despite repeated reminders, demands and legal notice, the defendants failed to regularize the loan account or liquidate the outstanding liability. The statement of account marked as Exhibit-5, maintained in the ordinary course of financial business, shows that as on 30.04.2024 the outstanding dues stood at Tk.11,74,744.74/-, inclusive of accrued interest. The defendants have failed to produce any convincing documentary evidence, such as a contrary statement of account, payment receipts or reconciliation statement, to disprove the correctness of the plaintiff's claim.

So far as Defendant No.3 is concerned, he contested the suit by filing a written statement. He admitted that Defendant No.1 availed the impugned credit facility of Tk.15,00,000/- from the plaintiff financial institution. However, he contended that, being the full brother of Defendant No.1, he had no connection with the loan transaction and that, at the request of the plaintiff institution, he merely put his signature on some blank loan papers as a matter of formality. On that basis, he denied his liability for repayment of the loan.

Upon consideration of the aforesaid defence, it appears that Defendant No.3 has not disputed the existence of the loan transaction or the fact that Defendant No.1 availed the credit facility. His principal defence is that his signatures were obtained on blank papers and that he did not intend to assume any liability as a guarantor. However, a mere assertion in the written statement that signatures were obtained on blank documents does not, by itself, establish that the guarantee documents were subsequently prepared or used without his knowledge or consent. Defendant No.3 was required to substantiate such a material plea by producing credible evidence or by

eliciting relevant facts through cross-examination of the plaintiff's witness. No convincing evidence has been brought on record to establish that his signatures were obtained through fraud, misrepresentation, coercion or without his informed consent.

Moreover, the relationship of Defendant No.3 with Defendant No.1 as his full brother does not, by itself, either create or extinguish any legal liability. His liability, if any, arises from the execution and legal enforceability of the personal guarantee, not from his familial relationship with the principal borrower. If the guarantee documents forming part of Exhibit-3 series bear his admitted signatures and have been duly proved, his subsequent denial of liability cannot, without credible rebuttal evidence, defeat the plaintiff's claim. Under the settled principles governing contracts of guarantee, the liability of a surety is co-extensive with that of the principal debtor unless otherwise provided by the contract, as contemplated under Section 128 of the Contract Act, 1872.

It is also material to observe that Defendant No.3 has not produced any documentary evidence to show that he had lodged any contemporaneous protest with the plaintiff institution regarding the alleged signing of blank papers or that he had taken any steps to repudiate the guarantee documents before institution of the suit. His plea, therefore, remains substantially an unsubstantiated assertion and is insufficient to displace the evidentiary value of the plaintiff's documentary evidence, provided the execution and authenticity of the relevant guarantee documents are duly established.

In view of the above discussion, this Court finds that the plaintiff has successfully established the sanction and disbursement of the loan facility, the execution of the relevant loan and security documents, the subsequent default in repayment and the outstanding financial liability of Tk.11,74,744.74/- as on 30.04.2024. The plaintiff is, therefore, entitled to recover the established outstanding dues from the principal borrower and such guarantors whose respective guarantee obligations have been duly proved, in accordance with law.

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. 3 and ex-party against the other defendants with costs for an amount of Tk.11,74,744.74/- **(Taka Eleven Lac Seventy Four Thousand Seven Hundred Forty Four Point Seventy Four) up to 30.04.2024**. The Plaintiff shall be entitled to receive the said amount **together with interest or profit as applicable under the prevailing laws or rules from 28.07.2024**, 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

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