ARM 1881 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: 27th day of October, 2026.

Artha Rin Suit No. 1881 of 2024.

Lankabangla Finance PLC----------Plaintiff

-Versus-

Md. Sagid Ahumed & others----------Defendants

This case came up for final hearing on: 30.10.2025, 01.07.2026. 28.09.2026.

In presence of:

Arpita Roy----------Advocate for Plaintiff.

Md. Shahidul Islam Lipu----------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. 6,74,937.01/- (Taka Six Lac Seventy Four Thousand Nine Hundred Thirty Seven Point Zero One) as on 31.03.2024.

Plaintiff's Case in Brief:

The plaintiff, Lankabangla Finance PLC, is a non-banking financial institution duly incorporated under the laws of the land. Defendant No.1 is the principal borrower, while Defendants No.2–4 are the personal guarantors who are jointly and severally liable for repayment of the outstanding loan.

The plaintiff's case, in brief, is that upon an application dated 04.04.2023 submitted by Defendant No.1, the plaintiff sanctioned a Term Loan Facility amounting to Tk.12,00,000/- under the Covid-19 EMI Bangladesh Bank Stimulus Facility vide Sanction Letter dated 30.04.2023 and Loan Agreement dated 30.04.2023 for a period of 12 months to meet the working capital requirements of Defendant No.1. The defendants accepted the terms and conditions of the sanctioned facility. The loan was secured by standard charge documents, a Letter of Hypothecation, a notarized Irrevocable General Power of Attorney (IGPA), and personal guarantees executed by Ms. Naznin Akter, Mr. Md. Nasim and Mr. Md. Sohel Rana.

The plaintiff further states that Defendant No.1 availed the sanctioned facility but failed to maintain regularity in paying the instalments from the very beginning and ultimately defaulted in repaying the loan in accordance with the stipulated repayment schedule. Despite issuance and service of a legal notice dated 10.06.2024, the defendants failed to adjust the outstanding liability.

As per the plaintiff's statement of account, the outstanding liability stood at Tk.6,74,937.01/- (Taka Six Lac Seventy-Four Thousand Nine Hundred Thirty-Seven and Paisa One only) as on 31.03.2024, including interest. Hence, the plaintiff instituted the suit seeking a decree for the aforesaid amount in accordance with the provisions of the Artha Rin Adalat Ain, 2003

On the other hand, The Defendant No. 3 by filing a written statement contested the suit contending that the suit is not maintainable in its present form and manner; has no valid cause of action and is barred by limitation. It is submitted that the defendant No.3 was neither executed any charge documents nor a guarantor of the said credit facility availed by defendant No.1. He was assured that defendant no.1 was going to avail the loan and he is just witness of the said transection. The defendant No.3 has never received any loan termination notice from the plaintiff. It is submitted that as per section 46(1) of the Artha Rin Adalat Ain, 2003 the plaintiff has no cause of action to file the instant suit and as such the suit is liable to be dismissed forthwith.

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 Omar Faruk as P.W.1 before this court. During examination of P.W.1 the 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) Legal Notice with Postal Receipt	Exhibit-4 Series
5) Account statement	Exhibit-5

On the other hand, the defendants examined 01 witnesses namely Md. Nasim as D.W.1 before this court. But he did not produce any documents.

Decision with Reasons

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 6,74,937.01/- (Taka Six Lac Seventy Four Thousand Nine Hundred Thirty Seven Point Zero One) as on 31.03.2024.

Despite repeated reminders, the defendants failed to discharge the said liabilities. Ultimately, the plaintiff issued Legal notice on 10.06.2024, 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 10.06.2024, and the instant suit having been filed on 01.08.2024, 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. 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.

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 plaintiff is a duly incorporated scheduled non-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. Sagid Ahumed is the borrower, while Defendants No. 2-4 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 Omar Faruk, 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 Auto loan facility amounting to Tk. 12,00,000/- 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-4 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-5, maintained in the ordinary course of financial business, clearly reveals that as on 31.03.2024 the total outstanding dues stood at Tk. 6,74,937.01 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.

On the other hand, the defendants contested the suit by filing written statement wherein they admitted availing the loan facility of Tk. 12,00,000/- from the plaintiff institution. They further contended that the suit was instituted before expiry of the loan tenure and that the plaintiff's present claim is exaggerated and based on incorrect statement of account. However, although such assertions were made in the

written statement, no documentary evidence such as money receipts, account reconciliation statements, bank deposit slips, or other financial records were produced to substantiate those claims.

This Court notes that mere pleading without proof carries no evidentiary weight. The defendants, despite contesting the suit, failed to produce any reliable 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.2-4, having voluntarily executed guarantee obligations, are 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. 6,74,937.01/- (Taka Six Lac Seventy Four Thousand Nine Hundred Thirty Seven Point Zero One) as on 31.03.2024 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 & 3 and ex-party against the other defendant with costs for an amount of Tk. 6,74,937.01/- (Taka Six Lac Seventy Four Thousand Nine Hundred Thirty Seven Point Zero One) as on 31.03.2024.

The Plaintiff shall be entitled to receive the said amount together with interest or profit as applicable under the prevailing laws or rules from 01.08.2024, 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

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