

Simultaneous Claim of Unpaid Loan Amount in Civil and Criminal Courts of Bangladesh: Examining the Doctrine of Double Jeopardy

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Abstract:

Since the advent of human civilization, the legal right of the Creditor to recover his unpaid loan is recognized as a universal legal right. This is an absolute right of the Creditor to take legal steps to recover the loan or debt. The Judicial pattern of Bangladesh also supports the Legal initiatives by the creditor to realize the unpaid loans or debts and thus the Civil and Criminal Judicature in Bangladesh allow a creditor to initiate a Civil Suit and/ or Criminal Case for getting his money back through the intervention of Courts. But the methodology in two forums i.e., the civil judicature and the Criminal Judicature for the same matter often treated as dual action for a cause of action which is popularly known as ‘double Jeopardy’ and thus the debate goes on in legal arena as plea on behalf of the loanee/ debtor resulting in the academic analysis of the procedural initiatives by the Creditor. The doctrinal, Constitutional and Procedural dimensions of pursuing unpaid loan claims concurrently in civil and criminal courts within Bangladesh have been focused in this Article. Whether such simultaneous legal proceedings i.e., most commonly under the Money Loan Court Act (Artha Rin Adalat Ain), 2003 (for civil enforcement) or Money Suit (for civil enforcement) and Section 138 or Section 140 of the Negotiable Instruments Act, 1881 (for criminal prosecution) give rise to a violation of the principle of double jeopardy or not is the principal concentration of this academic discussion. The Constitution of the People’s Republic of Bangladesh ensures the safeguard of an individual to be prosecuted twice for the same offence as the Article 35(2) declares that “No person shall be prosecuted and punished for the same offence more than once”. This article argues that, theoretically and doctrinally, the principle of double jeopardy does not extend to civil proceedings, and therefore, the simultaneous use of both civil and criminal mechanisms in loan recovery processes is not per se unconstitutional or unlawful. However, the convergence of these mechanisms raises concerns about procedural fairness, abuse of process, and the coercive misuse of criminal sanctions to enforce civil obligations.

Key Words: Act, Borrower, Civil, Creditor, Criminal, Code, Court, Double, Instruments, Jeopardy, Loan, Money, Negotiable, Simultaneous.

Introduction

1.1 Loans are common means in Bangladesh for personal and institutional business financial needs. Banks, non-banking financial institutions (NBFIs), and microfinance institutions play a critical role in providing financial assistance for individuals and firms. Complaints about loans are a major problem. They are the main reason why financial system cannot function properly. If it hopes to remain stable and to guard the interests of both lenders and borrowers, a lending institution must recover loans effectively. If a debtor refuses to repay his loan by due date, a bank or financial institution takes legal action that is called loan recovery. The process of recovery involves negotiation, court litigation and enforcement actions— all guided by specific laws and regulations.

1.2 To obtain civil decrees for unpaid loans in Money Loan Courts is one way banks and financial institutions use legal means. At the same time, criminal remedies may be sought in the Criminal Courts under the Negotiable Instruments Act if a debtor has given post-dated checks which are dishonoured upon presentation. This twill approach is widely regarded as necessary to secure repayment, inflict punishment and ensure the credit discipline. It raises important constitutional and law issues; however, as to whether one financial transaction can be subject to several different proceedings against the same debtor. If a debtor has to face double lawsuits, the key to this legal delica is keeping in mind the principle of double jeopardy, which is a basic doctrine in criminal jurisprudence designed to prevent people from being tried or punished more than once for the same act. The doctrine is constitutionally enshrined in Article 35(2) of the Constitution of Bangladesh, which prohibits the prosecution and punishment of a person more than once for the same offence. At first glance, the concurrent civil and criminal proceedings against the same debtor might appear to violate this principle. Yet, a deeper theoretical understanding reveals that the doctrine of double jeopardy is rooted exclusively in criminal law and does not extend to civil remedies, even if the facts underlying both proceedings are identical. The challenge, therefore, lies not merely in determining whether the doctrine of double jeopardy applies, but in evaluating the fairness and propriety of using the criminal justice system to secure repayment of civil debts. This article seeks to provide a doctrinal analysis of this issue, engage in a critical examination of the relevant statutes and jurisprudence, and recommend reforms to better delineate the boundaries of civil and criminal remedies in financial matters.

2. Methodology

This article adopts a doctrinal legal research methodology, focusing on an analytical review of the Constitution, statutes, judicial decisions, and scholarly commentary. The approach include the examination of the wording and the scope of Article 35(2) of the Constitution, Section 403 of the Code of Criminal Procedure, 1898, and relevant provisions of the Money Loan Court Act (Artha Rin Adalat Ain), 2003 and the Negotiable Instruments Act, 1881; analyzing the Case Laws upon considering the landmark judgments of the Supreme Court of Bangladesh, India, UK and USA to understand how courts have interpreted and applied the principle of double jeopardy in the context of concurrent civil and criminal proceedings along with a comparison among the various countries by evaluating the statutory frameworks and Constitutional principles evaluating the policies for ensuring fair trial and in this regard various concrete recommendations for legal reform and judicial guidelines to reconcile the dual legal tracks without compromising constitutional safeguards or creditor rights have also been considered.

3. Sanction of Loan and the Process of Recovery of Loan in Bangladesh:

3.1 In response to the Application of an individual to avail a credit facility, the Financial Institutions usually consider the purpose of the loan, amount of property of the applicant with documentary clarity having legal significance, ability of the applicant to return the loan amount within stipulated period with specified rate of interest and practical situation of the loan- applicant to utilize the credit facility and thus if the management of the Financial Institution is satisfied with all the necessary evidences, it may issue a Letter of Sanction with specific terms and conditions which the borrower is supposed to accept. Thus to fulfill the terms and conditions of the Letter of Sanction as issued in favour of the borrower, the borrower has to enter into a Loan-Agreement with the Financial Institutions and also has to fulfill certain collateral/ security to avail the cherished loan. The collateral/ security is of various types, e.g., depositing duly signed Cheque, Promissory notes, Letter of Hypothecation by way of Floating Charge, Letter of Hypothecation by way of Fixed Charge, Letter of Disbursement, Letter of Installment, Letter of Undertaking, Letter of Debit Authority for Insurance Premium Payment, Letter of Arrangement, Letter of Guarantee by the Guarantors etc. or in case of specific terms and conditions of the Letter of Sanction, the Borrower or any third party (favouring the borrower) has to execute registered Deed of Mortgage and registered Deed of Irrevocable General Power of Attorney in favour of the Financial Institution. Thus the borrower avails a loan and enjoys upon payment of the installments as determined by the Letter of Sanction which may be enhanced or renewed later upon satisfaction of the Financial Institution.

3.2 The loan recovery process in Bangladesh follows a specific set of procedures, which can range from informal negotiations between the lender and borrower to formal legal action. The process can be lengthy, depending on the nature of the loan, the parties involved, and the available evidence. Below is a step-by-step overview of the typical loan recovery process in Bangladesh-

(A) Initial Negotiation and Demand Letters:

Before resorting to legal action, most lenders will attempt to recover the loan through negotiation and communication with the borrower. The lender may send a formal demand letter to the borrower, requesting payment of the outstanding amount. The demand letter typically includes the following:

- The total amount owed, including principal and interest.
- A deadline for repayment.
- A notice of potential legal action if the debt is not settled.

In many cases, borrowers may respond to the demand letter by negotiating a payment plan, extending the repayment period, or offering partial payment. If the borrower agrees to the terms, the lender may formalize the agreement through a written document.

(B) Through the Intervention of the Court of Law:

If the borrower is unable to repay the loan and the required legal initiatives have been taken, the creditor may realize the money by instituting a civil suit or criminal case whichever is effective considering the situation. After complying with the Legal steps in Civil and Criminal procedures, the concerned court pronounces decree and Judgment regarding the payment of the Loan. In case of Criminal case for recovery of Money the accused has to suffer punishment of imprisonment or fine or with both or relevant process of attachment of property of the accused under the Code of Criminal Procedure, 1898.

(C) In case of a decree given by a civil court, the borrower has to comply with the Decree and if the borrower fails to comply with the court's decree, the lender/ Financial Institutions can initiate proceedings to execute the decree and apply for an execution case. This involves enforcement actions such as:

- Civil Imprisonment: the Court may issue a Warrant of Arrest and may order for Civil Imprisonment against the defaulter borrower for a period up to 06 (Six) months so that the borrower is forced to pay the decreed amount of money.
- Attachment of Property: The court may order the attachment of the borrower's property to recover the debt.
- Sale of Collateral: If the loan was secured by collateral, such as property or assets, the lender may sell the collateral to recover the amount owed.
- Garnishment of Wages: In some cases, the court may order the garnishment of the borrower's wages or bank accounts to pay the debt.

4. Constitutional and Statutory Framework in Bangladesh:

4.1 Constitutional Safeguard against the Doctrine of “Double Jeopardy”:

The Constitution protects individuals from being tried more than once for the same conduct or crime, as Article 35(2) expressly states in Article 35(2) No person shall be prosecuted and punished for the same offence twice. Similar guarantees are found in other constitutional democracies and aim to ensure that no one is forced or coerced into silence when being prosecuted before any court of law the crucial term in the phrase "same offence" is "offence." It signifies that the rules just mentioned relate only to criminal law, not civil proceedings such as educational fines or administrative official penalties. This is the reflection of the roman maxim- “Ne bis in idem” which means “Not twice for the same”. The principle protects an individual from any arbitrary power of trying twice for the same offence. This constitutional safeguard evaluates the finality and conclusiveness of the legal judgment by the judicature and prevents the multiplicity of cases regarding same matter. But in the case of separate trial of civil suits and criminal cases for the realization of money, the Criminal Court determines the matter of offence for failure to pay money within the stipulated time along with the extent of punishment in the mode of imprisonment or fine and the Civil Court determines and declares the amount of money to be paid to the Creditor and often specifies the mode of payment by the Borrower through the Judgment and Decree and thus the simultaneous proceedings in the Civil and Criminal Courts for the realization of money do not attract the doctrine of ‘Double Jeopardy’ and do not violate the Constitutional obligation under the Part-III of the Constitution of Bangladesh as enunciated in Article 35(2).

4.2 Civil Remedy:

Should the borrower fail to respond to the demand letter or refuse to repay the loan, the lender can file a civil lawsuit against him in a district court known simply as 'the Money Loan Court' (Artharin Adalat). CPC legislation and regulations control the conduct of these legal proceedings in Bangladesh. The Civil Court process is based on and regulated by these rules as under the Money Loan Court Act (Artha Rin Adalat Ain), 2003 and the Code of Civil Procedure, 1908 also provides the procedural steps for filing a suit; submitting evidence in court on behalf of either party to that suit; issuing a summons or order when

one side has requested it (and there is reason why such an order should be made); and finally extracting judgment from the party under attack.

4.3 The Law of Contract:

The Law of Contract in Bangladesh mainly derives from the Contract Act of 1872. It sets down the general principles for contract formation, performance and enforcement. If/ When money becomes due and payable on account of loans, this law also governs contractual agreements between mortgagor and mortgagee; specifies loan terms such as repayment, schedule of repayments rates interest fees for late payment on specific dates etc. In the matter of a loan agreement, the lender and the borrower sign a contract that is enforceable under the Contract Act. Should the borrower default on an existing loan, the lender may take legal action to recover his money, including filing a lawsuit demanding that it be repaid. The Act also establishes the rights of both parties and offers a legal basis for resolving disputes arising from loan agreements.

4.4 Civil Proceedings: Money Loan Court Act (Artha Rin Adalat Ain), 2003:

The Money Loan Court Act (Artha Rin Adalat Ain), 2003 has been enacted by the legislatures of Bangladesh to remove the tendency of becoming defaulter of Loan on the part of the borrowers and thus the Special Law governs the procedure for recovery of loans by Banks and Financial institutions. Key features of the Act include:

- (1) A specialized forum for loan recovery suits.
- (2) Civil coercive measures, such as attachment and civil detention (not exceeding six months), are allowed.
- (3) Procedures are performed in accordance with the Code of Civil Procedure and not as The Criminal Process Act, though recourse to tools like temporary civil detention by a few branches, the Act-On's essence is purely civil and centers on compensation, not vengeance. These steps outlining the typical case can be interrupted by the introduction of different legal systems in place etc. This is how it normally goes (wish and hope this works out true for you
- (4) The lender (plaintiff) submits a complaint to the Court, giving his name and domiciliary address in full as well as those of any other defendants who should be joined. It should describe what loan agreement has been made between lender and borrower for how much money; by whom this money was lent; terms under which repayment to have been carried out etc
- (5) The Court issue a notice to the defendant (borrower), requiring the party in question appear at court.
- (6) The borrower submits a written response to the plaint, either admitting or denying the claim.
- (7) Both parties present evidence, including loan agreements, repayment receipts, and correspondence.
- (8) Affidavit by the Parties: The statutory provisions of the Money Loan Court Act (Artha Rin Adalat Ain), 2003 strictly directs to submit the plaint and written statements with Affidavit. Again, the Money Loan Court can also ask for submitting any relevant document with Affidavit at any stage of the suit. The provisions of the Money Loan Court Act (Artha Rin Adalat Ain), 2003 enables the Court to pronounce Judgment and Decree on the basis of the Plaint as supported with an Affidavit in case of the absence of the defendant party.

- (9) Once the evidence is presented, the court will deliver a judgment. If the court rules in favour of the lender, it will issue a decree for the repayment of the loan amount.
- (10) The Decree Holder can then take further steps i.e., File Execution Case to enforce the decree. In case of secured loans the court can permit Financial Institutions to sell the collaterals by auction sale to recover outstanding amounts.

4.5 Civil Remedy: Money Suit:

Under the ordinary civil law of Bangladesh an individual person (distinct from the corporate persons) can resort to the Civil Judicature of Bangladesh and can institute a Money Suit in the respective civil court on the basis of amount of money as under the Code of Civil Procedure, 1908. The plaintiff in the Money suits has to establish his claim of money as per his claim of the cause of action as enunciated in the plaint of the suit and the court upon complying with all the formal stages of the civil suit and evaluating the evidences on record declares a formal decree in favour of the Plaintiff, if the suit is proven, and thus through the intervention of the Civil Court the creditor may get a legal remedy in the recovery of his money.

4.6 Criminal Remedy: Code of Criminal Procedure, 1898:

Section 403 of the Code of Criminal Procedure, 1898 (CrPC) codifies the common law rule of *autrefois convict* and *autrefois acquit*. It prevents re-trial of a person who has been tried by a competent court and either convicted or acquitted for the same offence. Thus, both Article 35(2) and Section 403 CrPC focus solely on **criminal liability**, providing no bar against initiating **civil litigation** arising from the same set of facts.

4.7 Criminal Remedy: The Penal Code, 1860:

If a borrower issues a cheque with dishonest intent (knowing that there are insufficient funds and with no intention to pay), this can also constitute the offence of cheating, which is punishable under Section 420 of the Penal Code.

4.8 Criminal Proceedings: Negotiable Instruments Act, 1881:

With a view to confirming the deterrence, ensuring financial discipline, and protecting the sanctity of negotiable instruments i.e., cheques, promissory notes or any sort of Bill of Exchange, the issuance of any negotiable instrument has been regarded as a mode of payment of money and the dishonor of which is regarded a criminal offence under the Negotiable Instruments Act, 1881. Under **Section 138** of the Negotiable Instruments Act, 1881, the dishonour of a cheque due to ‘insufficient funds’ or due to specified reasons under Banking laws and practices, the holder of the cheque or the holder in due course may file a criminal case upon complying with few statutory pre-case initiatives and if the case is proved upon evidence, the accused (debtor) may be punished with imprisonment (up to one year) or fine, or both. Thus, if a borrower issues a post-dated cheque which is bounced by the Bank, the lender/ the holder of the Cheque may proceed a criminal case under Section 138.

5. Theoretical Comparison of the Civil and Criminal Proceedings:

5.1 The real issue is whether simultaneous pursuit of civil and criminal remedies amounts to a violation of prohibitive clause double jeopardy protection. The difference is theoretical- in concept, civil responsibility and penalties criminal are as distinct as vertical and parallel lines.

- i. The impact of this distinction is diverse: punishment is the object in a criminal case aimed at the specific conduct of issuing bad check, which the Negotiable Instruments Act has defined as unlawful behavior. However, civil liabilities merely enable some constituencies to recover their losses. Caution is necessary, because the civil suit is but use of civil procedure to claim money that a debtor owes the bank or other financial institutions per Money Loan Court Act (Artha Rin Adalat Ain), 2003.
- ii. There is no legal barrier. When the facts are the same, whether to institute a civil suit or criminal case may be decided by arrogance rather than the need for justice. Two places of judgement exist. The highest court will not object that such parallel lines be drawn in sequence without constituting double jeopardy. Courts also take the view that both proceedings can progress together at the same time.
- iii. The court recognises that the procedures serve entirely different objectives—one concern offense, while other recovery of money. The dual approach is now an established way of working for all banks and financial institutions. Where a criminal complaint is filed for acts under Section 138 of the Negotiable Instruments Act, 1881 a civil suit for recovery of money is normally filed under the Money Loan Court Act (Artha Rin Adalat Ain), 2003 at same time.
- iv. A borrower accused in criminal case and civil suit for same debt not by double jeopardy principle, whereby he would say more than one process at any given time due to it is encouraged. Although defendants are traditionally known as accused persons in some criminal cases, others still prefer to give them the name of debtor. Nonetheless, “We do not mind so long as they cough up in full by the appointed date”, to quote a generally honoured principle.
- v. Criminal law serves retributive, deterrent, and expressive functions. The criminal offence under Section 138 of the NI Act is not for failing to repay the loan, but for the act of issuing a cheque without sufficient funds, which is treated as a fraud on the financial system.

5.4 The Principle of Double Jeopardy

The doctrine of double jeopardy prevents two or more criminal prosecutions for the same offence. It does not bar:

- A civil suit followed by a criminal trial;
- A criminal trial followed by a civil suit;
- Simultaneous civil and criminal proceedings arising from the same facts.

Hence, if the legal system draws a distinction between the offence (dishonour of cheque) and the civil wrong (non-payment of debt), both proceedings can coexist without violating the doctrine.

6. Comparative Analysis relevant Domestic Laws:

6.1 Bangladesh Perspective:

A debate on the problems of simultaneous actions against a borrower in civil suit and criminal case to recover money took place in Bangladesh's Supreme Court. One common and erroneous belief people have about law is: especially if the same matter is being heard in a civil court, a parallel criminal case cannot possibly go on without interference from above. But however widespread, this thought is entirely misinformed.

The Apex court recognizes that the proceedings serve distinct purposes where one for an offense and the other for the recovery of money. It was held by the Appellate Division of the Supreme Court of Bangladesh in the Case of Monzur Alam (Md) v State, 55 DLR (AD) 62 that criminal proceedings under Section 138 are independent of civil remedies. Again in the Case of Aminul Karim (Md) v Government of Bangladesh, 67 DLR (AD) 354 the Appellate division of the Supreme Court of Bangladesh clarified that civil suit do not bar criminal prosecution. In the Case of Md. Jahirul Hoque v Judge, Artha Rin Adalat, Chattogram, 17 SCOB (2023) HCD 20 the High court Division of the Supreme Court of Bangladesh also distinguished civil detention under the Ain (Money Loan Court Act, 2003) from criminal punishment under the Negotiable Instruments Act. All these decisions affirm that when civil and criminal proceedings are based on the same transaction but target different wrongs those cannot be treated as the violation of the constitutional safeguard of an individual under the umbrella of double jeopardy and thus in the simultaneous initiatives of filing a civil suit and criminal case against a borrower whose cheque has been dishonored, the doctrine of double Jeopardy does not apply.

6.2 Indian Perspective:

India, sharing a similar legal and constitutional heritage, has taken a consistent position. Article 20(2) of the Indian Constitution is analogous to Article 35(2) of Bangladesh. The Supreme Court of India in State of Maharashtra v. M.S. Builders and Kartar Singh v. State of Punjab confirmed that civil and criminal actions can proceed concurrently if they serve distinct purposes. Indian courts have emphasized that the issuance of a dishonoured cheque is a criminal wrong, while loan default is a civil one. In the case of Shri Niwas Cloth Store V united Commercial Bank- Rajasthan (1992) that the primary consideration for whether to stay one proceeding in favour of the other is likelihood of embarrassment or prejudice to the defendant, not the fact of parallel proceedings. Again, in the case of Harinder Jit Singh Walia V State of Delhi (1999), Tejinder Kaur V Punjab Poultry development Corporation Ltd- Punjab and Haryana (1990) it was decided that the mere filing of civil suit does not impede criminal proceedings, nor does a criminal case prevent the filing or continuation of a civil suit. Thus, in India there is no legal bar to simultaneous civil and criminal cases to recover the loan money. It has been consistently held by the Supreme Court of India and High Courts in various states that both civil and criminal proceedings can be carried out simultaneously to reclaim money. In terms of civil lawsuits on loans not being excluded because criminal charges are still pending, the result is at hand.

6.3 UK Perspective:

When a loan is collected that consists of a criminal act, in the UK the lender is free to carry out parallel criminal and civil proceedings. Pursuant to the Criminal Justice Act 2003, this can be done as a result: simultaneous civil and criminal proceedings arising from one transaction. A civil claim would seek to recover the debt, whereas in a criminal case charges could range from fraud or theft to money laundering associated with the loan. This could lead to asset confiscations or restitution orders. The lender would have to report the suspected criminal activities to relevant authorities such as the police or the Serious Fraud Office (SFO), who would then decide whether a criminal investigation should be pursued.

7. Challenges in the Loan- Recovery in Bangladesh:

7.1 Although Bangladesh has complete legal arrangements for loan recovery, this procedure faces several challenges as may be depicted below:

Delay in Legal Proceedings: Lender's heart probably beats the slow court process for loan recovery, prolonging the time to get judgment.

Non-Performing Loans (NPLs): Many banks and other financial institutions hold a relatively high level of non-performing financial invalidities. This impacts both their financial health and their profits.

Loans Default and Fraud: Some of the borrowers are engaged in fraudulent activities in order to avoid repayment of loan money. This makes it difficult for the lender to recover these funds.

Collusion and Legal Loopholes:

Borrowers sometimes find legal loopholes or collude with third parties to delay or avoid repayment of loans altogether.

7.2 The Borrowers Defenses: Those who are involved in loan recovery cases in Bangladesh may raise one or more defenses against such an action. Some of the more common defenses are-

Repayment: The borrower may argue that his loan has already been repaid, either in part or in full.

Invalid Contract: The borrower may claim that the loan agreement was signed under duress, coercion, or fraud making it null and void.

Statutory Limitations: Should the borrower argue that the loan was due and owing for a long time, he may also claim that recovery is now barred by the statute of limitations under the Limitation.

8. Criticism and Concern:

On the same object, i.e., lender/ creditor seeking to recover money borrowed from their financial institution, both a Civil Suit and Criminal Case running concurrently all in favour of the creditor. The debtor/ borrower is under the procedural harshness for a single matter and often regard the acceptance of the simultaneous Cases and suits as one-eyed system as opposed to the fairness of justice and also has to face harassment due to attendance of the Debtors in both the Courts on different dates fixed by the court, undue harassment through multiple summons, appearances and legal costs. There is potential for creditors to misuse Section 138 as a tool to pressure or extort repayment, rather than seek justice for a criminal wrong. Again, it is also criticized that Overlap in Evidence and Findings on the same issue of recovery of money by separate systems may confuse and whip the borrower and may cause hindrance to a fair justice. Different courts may reach conflicting conclusions on similar facts, causing confusion.

9. Recommendations:

9.1 Role of Bangladesh Bank in Loan Recovery:

As the central bank, Bangladesh Bank has its own role to play in ensuring that the process of loan recovery is transparent and efficient. During the Covid- 19 pandemic, the Bangladesh bank issued several instructions to the Banking authorities to consider the period of loan as was sanctioned in favour of the Borrower and often asked the Banks to reduce the rate of interest or reschedule the previous loan on new terms and conditions suitable for the borrowers. Thus, as regulatory body, Bangladesh Bank can take necessary steps which includes the following:

Monitor Non-Performing Loans (NPLs): Regular oversight of the ratio of a bank's NPLs to its entire assets in danger.

Enforcement of the Guidelines: When directives are issued to require legal recovery practices to be observed.

Facilitate Loan Restructuring: Sets up restructuring plans for loans already defaulted in order to reduce disputes.

Clearing Policy: Enhancing the laws of financial sector to avoid disputes in recovery processes.

9.2 Precautions for businesses against bad loans:

a. Carry Out Due Diligence: Before the time comes, the borrower should have an understanding of the terms under which loan is being made.

b. Diversify Income Sources: By setting up much more than one source of income, reduce enterprises' reliance on credit channels.

c. Maintain Liquidity Reserves: Keep enough in reserve funds to cover unforeseen obligations.

d. Outlay on Credit Insurance: Protect yourself from non-repayment.

e. Check the Health of the Business Often Times: Regular evaluations for potential dangers and weaknesses in financial performance.

9.3 The Government and Bangladesh Bank have introduced reforms regarding challenges in loan recovery:

a. Time bound recovery: Money Loan Court Act has drawn a line in the sand.

b. Digital Filing: The movement to harmonize digital platforms for filing cases.

c. Rights Improved for Lenders: To make banks get complementary assets faster.

d. Concentration on NPL Reduction: Policies to restructure loans at high risk and reduce the proportion of NPL.

e. Valuable Borrower Protection: For guarantees to borrowers that they will not be the victim of usury practice.

9.4 Legal Clarity:

Revision of the Money Loan Court Act (Artha Rin Adalat Ain), 20023 and NI Act of 1881 should endeavor to clarify in doctrine the distinction between civil and criminal remedies. May be add statutory guidelines to Acts. . Judicial Coordination is essential in this regard. In case of simultaneous suit both the civil suit and criminal case require to be tried by the single Money Loan Court or by the superior Court in special situation. Again, the Penal Policy of Reformation to punish the wrong doers and willful defaulters of payment of loan should revised and the punishment in criminal cases should not only focus

on the imprisonment of the offender, but also should focus on the recovery of loan money which would lessen the tendency to go to both the Civil and Criminal courts by the Creditors. The banks and borrowers should be encouraged to resolve the issues through ADR before resorting to dual litigation.

10. Conclusion:

Bangladesh's loan recovery laws are vitally important to the health of the nation's financial system. They enable lenders to recoup what they are owed; people are realistic enough not to enter this long-term relationship otherwise. There are not only officers but also whole departments devoted solely to loan collection. How did it happen, eight years back when newspapers were daily full of reports and poetry? What had escaped the philistine gaze of all those good people who had not studied literature but now knew themselves better than actual writers--poets like poetry collectors or assignees as one calls them, wearing an ordinary dress that could never be right after realizing it was impossible to pay the rent on? And while challenges such as delays and fraud remain, the laws set out a complete system to ensure that repayments are made lawfully and punctually so that nobody is given any unfair advantage over another in terms of money or property. There are few places where one can find a moneylender as friend, philosopher, and guide. In today's world where relationships often depend more on contracts than human feeling the only exception to this appears to be co-operation but even they have their commercial functions. Consequently for both lenders and borrowers alike understanding how the Bangladesh loan recovery laws work is crucial. Only with this understanding can both parties operate within legal norms during insolvency cases. But as the economy changes there's also an ongoing need to prevent unacceptably bad loans so that trust and stability in the financial field can be maintained. Same time pursuit of unpaid loan claims in both civil and criminal courts of Bangladesh contravene neither the rule on double jeopardy nor the procedural safeguards for themselves; these two diverse doctrines are rooted in different systems of law. The realm of protection under Article 35 (2) is restricted to criminal liability and does not extend to civil liability. But without less procedural safeguards the use the two systems simultaneously may seriously detract from the purity of the principles governing justice and impose unfair hardship on debtors. It is essential for lenders to be able to collect on debts owed them that should be written into law. But there is a need for clearer legislative line, judicial self-restraint and coordination of procedure to achieve fairness without in any way going against the right of financial institutions in recovering what they are owed.

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