**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

214 **CWP-13698-2017**
Date of Decision: 05.03.2020

M/S ROSY HOSIERY MILLS AND ORS.
....Petitioners

VS

HDFC BANK LTD. AND ORS.
....Respondents

**CORAM: HON'BLE MR. JUSTICE RAJIV SHARMA
HON'BLE MRS. JUSTICE ARCHANA PURI**

Present: Mr. Sumeet Mahajan, Senior Advocate, with
Mr. Saksham Mahajan, Advocate, and
Mr. Amit Kohar, Advocate,
for the petitioners.

Mr. Anand Chhibbar, Advocate, with
Mr. Deep Prabhu, Advocate,
for the respondents.

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RAJIV SHARMA, J. (ORAL)

The petitioners were issued notice under Section 13 (2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, on 27.03.2017. The petitioners filed a detailed reply to the same vide Annexure P-15, on 10.05.2017. The relevant extract reads as under:-

> *" The borrowers were sanctioned the loan at a Rate of interest of 10.5% which was linked to FRR minus 1%. The bank had fixed the EMI on the basis of Rate of Interest of 10.5% p.a. The borrowers have been representing to the bank time and again that the rate of interest was linked to FRR. The bank has not advised them about any change in FRR of the bank. The*

> *borrowers have paid all the stipulated installments to the bank and nothing is due by them to the bank.*
>
> *The bank has calculated the dues, as if the Rate of Interest was linked to bank's PLR. We have represented to verify the terms of sanction and send us any documents executed by us wherein the Rate of Interest is said to be linked to PLR. In this connection, we reproduce the list of documents/information required by us.*
>
> *8. We find from your correspondence that erroneous rate of interest i.e. Linked to PLR was fed in the system instead of FRR. Though subsequently Base rate was introduced in 2010 and the loans were sanctioned at lower rate of interest ranging from 9.5 to 11.00 per cent, the interest rate in our account was not rectified."*

The respondent-Bank vide order dated 30.05.2017, rejected the plea raised by the petitioners.

We have gone through the letter dated 30.05.2017. The contention raised by the petitioners in reply dated 10.05.2017 to the show cause notice dated 27.03.2017, has not been dealt with at all. There is necessity for the respondent-Bank to notify the petitioner about shifting of the rate of interest from FRR to PLR.

Accordingly, the writ petition is allowed. Annexure P-17 dated 30.05.2017 is quashed and set aside with liberty reserved to the respondent-Bank, to take a fresh decision after considering the reply dated 10.05.2017 filed by the petitioner to the show cause notice, within a period of four weeks from the date of receipt of certified copy of this order.

Accordingly, the petition stands disposed of.

(RAJIV SHARMA)
JUDGE

(ARCHANA PURI)
JUDGE

05.03.2020
himanshu

Whether speaking/reasoned Yes/No
Whether reportable Yes/No