

SARFAESI Act Section 13(2) – The right of the borrower to have a due consideration of objections is, therefore, an important right of the borrower where the bank is bound to apply its mind and inform the borrower of its reasons as to why and how the account is classified as NPA, particularly, when the borrower raises specific objections in that regard – The reply of the bank must indicate application of mind by the bank that the decision of the bank in classifying the account as NPA was fully in conformity with the prudential norms of RBI – Non-consideration of the said objection by mere statements in the reply that the bank has considered the same cannot be said to be the fulfilment of the obligation of the bank under sections 13(2) and 13(3)(a) of the sarfaesi act.

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