

# Satish Marathe

- Director, Central BOARD, RBI
- Member Board of Management, NCDC
- Founder Member, Sahakar Bharati.

Present Address:  
RL-149, Ashish Bungalow,  
Opp Usma Petrol Pump,  
Milap Nagar, Kalyan Road,  
Dombivli (E)- 421 203  
Res. 0251 2433491  
Cell 09867383491  
Email: [satishmarathe1@gmail.com](mailto:satishmarathe1@gmail.com)

---

Date: 9<sup>th</sup> April, 2020

## Hon. Sri Narendra Modi Ji,

Prime Minister,  
Government of India,  
New Delhi.

### Respected Sir,

Namaskar!

We appreciate the efforts of the Government of India to tackle Economic crisis that has arisen due to Pandemic and the unprecedented Slowdown in 2019-20.

The Lockdown and the Slowdown have completely disrupted operations of our manufacturing Sector comprising of small, medium and large units, crippled our supply chains and small and retails business and also lakhs of Units in the unorganized Sector have almost come to a complete stand still.

Fitch Ratings as a consequence of Lockdown on the top of Slowdown in 2019-20 has slashed India's growth forecast to 30 years low at 2% from 5.1% for the year 2020-21. Earlier it had projected 5.6% growth in December 2019.

In India, Industry and Business are primarily financed by Bank Credit unlike in developed countries where it is supported by the Capital of Entrepreneurs. It is in this context, I submit for your consideration, the following steps to revive Economy, boost Employment, ensure Vibrancy of the Banking Sector and reinforce confidence of the Business Community, both in India and abroad.

### My suggestions-

1. **Keep in abeyance, all norms relating to Income Recognition & Assets Classification, Provisioning, and Downgrade of Borrowal accounts, Reporting to Credit Information Companies eg. CIBIL, for all Accounts**

**that must have got classified as NPAs during the just concluded Financial Year 2019-20.**

- 2. Permit all Banks to Reschedule all Borrowal Accounts, wherever necessary, without the same being Downgraded.**
- 3. Permit Banks to fund accrued/unpaid interest, which be allowed to pay in Six monthly installments commencing from 1<sup>st</sup> October, 2020.**
- 4. Allow Banks to Rework Working Capital limits with reduced margins of 15% & 25% for all Stocks and Book Debts respectively.**

We need to seek active involvement of our Banking Sector to rebuild the Economy. If Advances Accounts get classified as NPAs, due to both Lockdown and Slowdown, chances of revival of such Accounts would be bleak, as Bank Officials continue to be apprehensive of possible future investigations by CVC, CAG & CBI.

Moreover, when Advance Accounts get classified as NPAs, Banks get adversely impacted financially which would ultimately result in Government of India infusing additional Capital.

In this regard, I would like to draw your attention to Moody's Investors Service, which has Downgraded its outlook to Negative from Stable for Indian Banking which is dominated by PSU Banks.

Merely by injecting Liquidity, reducing Interest Rates, providing Guarantees through SPVs/SIDBI, relaxing Delinquency norms in the current year will not result in revival of Indian Economy.

These are exceptional times and the need is to take exceptional steps. Hope you will consider my suggestions.

Thanking you,

I remain your faithfully,



**Satish Marathe**

Founder Member, Sahakar Bharati.

M.No. 9867383491

Email: [satishmarathe1@gmail.com](mailto:satishmarathe1@gmail.com)