

25th April, 2020

Shri Shaktikanta Das
Hon'ble Governor
Reserve Bank of India
Mumbai.

Sub: Issuance of necessary guidelines instructing that funds in bank accounts cannot be "marked as held" by any private or public bank under the current circumstances.

Respected Sir,

Greetings from Gujarat Chamber of Commerce and Industry (GCCI).

As you are kindly aware, trade and industry is facing severe funds crisis due to restrictions imposed in view of the COVID-19 pandemic. In such a situation, there is an almost total stoppage of cash flows as payments are getting delayed, orders are getting cancelled and production/trade is either completely stalled or is taking place at a very slow rate.

In such a situation, past savings are the only financial resource available with trade and industry for ensuring timely payments, for keeping the bare minimum working capital and paying salaries and wages to employees and workers. These savings are usually kept in bank accounts in private or public banks by the businessmen.

However, it has come to our notice as a matter of great shock and surprise that the private banks such as HDFC Bank are "marking hold funds" in the bank accounts of businesses till 30th June and are not allowing withdrawals, transfer etc. of these held funds. One such case of Silver Cloud Hotel where funds hold instruction has been issued by HDFC Bank is attached herewith for your ready reference.

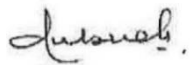
Sir, we believe that this is a very serious issue which needs immediate intervention by your good self as the businesses would not be able to survive in case of such incidents of non-cooperation by banks. Already the businesses are struggling to survive in the current situation and such cases where they are not allowed to utilize their own saved funds would be a death blow for them.

We therefore request you to issue necessary guidelines instructing that funds in bank accounts cannot be marked as held by any private or public bank under the current circumstances.

Thanking you in anticipation of your early positive intervention in the matter.

With Regards,

Sincerely,



Durgesh Buch
President

Encl.: as above

Copy to: Shri S.K. Panigrahy, Regional Director, Reserve Bank of India, Ahmedabad

Durgesh V. Buch
President

Natubhai Patel
Sr. Vice President

Bhargav Thakkar
Vice President

Sanjeev Chhajer
Secretary

Dilip M. Padhya
Secretary (R)

Pathik S. Patwari
Treasurer