

Press Statement:

"Government pauses Circular: 15-Day Hold on Withdrawal of SBI and PNB Deposits"

Based on the observations made by the Public Accounts Committee on July 2, 2024, and August 6, 2024, and the audit findings included in the Comptroller and Auditor General's report, the government has taken a decision to issue the circular, FD-CAM/49/2024 on August 12, 2024, directing all departments to withdraw their deposits and restrict further deposits in all branches of Punjab National Bank and State Bank of India.

This action was taken in response to the alleged fraud in the bank branches, which resulted in the non-repayment of fixed deposits made by the Karnataka State Pollution Control Board (KSPCB) and the Karnataka Industrial Area Development Board (KIADB). Despite prolonged correspondence and meetings, these issues remained unresolved since 2012-13.

On August 16, 2024, both banks submitted written representations to the government, requesting a 15-day period to resolve the matter. The same day, senior bank officials met with higher officials of the Finance Department and reiterated their request.

After considering the banks' requests, the Honorable Chief Minister has directed officials of the Finance Department to keep the circular in abeyance for 15 days. This will allow the banks sufficient time to address the issues and redress the concerns of the government.

The government is committed to ensuring transparency and accountability in all its dealings. We will continue to monitor the situation and take appropriate action to protect the interests of all stakeholders.