



PUNJAB STATE TRANSMISSION CORPORATION LIMITED
Regd. Office: PSEB, Head Office, The Mall, Patiala-147001, Punjab, India
(O/o CHIEF ACCOUNTS OFFICER/F&A, 3RD FLOOR SHAKTI SADAN, PATIALA),
CIN:U40109PB2010SGC033814
(Loan and Banking Section),
Phone/Fax No.0175-2970183, Email:fa@pstcl.org, Website:www.pstcl.org

To

**All Addl. SEs/Sr. Xens/AO.s (All accounting Units/DDOs)
PSTCL, Patiala.**

Memo No. 3658/3712

Date 25/11/2019

Subject: Tax deduction at source on cash withdrawal.

Please refer to this office letter no 2905/2960 dated 16.09.2019 wherein instructions were issued to all the DDOs to curb the practice of cash withdrawal from the current accounts of PSTCL in view of the provisions of section 194N of the Income Tax Act, 1961. As per the provisions of section 194N, tax deduction at source @2% shall be levied on cash payments in excess of one crore rupees in aggregate made during the year. However, it has been observed that cash is being withdrawn frequently by the DDOs from the current accounts of PSTCL.

The State Bank of India has also conveyed that PSTCL has crossed the threshold limit of cash withdrawal of Rs. one crore considering the withdrawal transactions executed through all the accounts of PSTCL from 1st April 2019 onwards. Hence, any further cash withdrawal from the current accounts of PSTCL will attract TDS provisions of section 194N of the Income Tax.

The frequent withdrawal of cash from current accounts of PSTCL has been taken seriously by higher authorities and it has been desired by worthy Director/F&C, PSTCL that such transactions relating to cash withdrawal from the current accounts of PSTCL be avoided and the same should be made only in emergent and unavoidable situation. It is therefore instructed to all the DDOs that no cash be withdrawn from the current account of PSTCL except for emergent conditions with immediate effect and while sending the Bank Reconciliation statement (BRS), the transactions relating to cash withdrawal be reported in separate annexure of BRS along with proper justification for withdrawal.

This issues with the approval of Chief Accounts Officer/F&A, PSTCL.


Dy CAO/Finance-I
PSTCL, Patiala

3713/3714
25/11/19
CC: Sr PS to Director/F&C, PSTCL for kind information of Director/F&C, PSTCL.

Sr Xen/IT, PSTCL with a request to upload the circular on the official website of