

Credit Guarantee Fund Trust For Micro and Small Enterprises

SCHEDULE FORMING PART OF THE BALANCE SHEET

as on March 31, 2019

Particulars	As on 31-03-19	As on 31-03-18
	₹	₹
Schedule : 1		
Corpus Fund		
Received from :		
Government of India	64,14,90,33,000	56,99,90,33,000
SIDBI	5,00,00,00,000	5,00,00,00,000
(Including the Corpus of ₹ 25,00,00,000/- & ₹ 7,77,50,000/- for RSF - 1 & 2 respectively)		
(a)	69,14,90,33,000	61,99,90,33,000
Surplus of Income over expenditure		
Balance B/F	10,14,07,20,855	9,68,85,71,114
Add: Surplus of Current year	83,37,71,474	45,21,49,741
(b)	10,97,44,92,329	10,14,07,20,855
(a + b)	80,12,35,25,329	72,13,97,53,855
Schedule : 2		
General Reserve		
Balance B/F	74,20,662	74,20,662
Add: Transfer from Income and Expenditure A/c	-	-
	74,20,662	74,20,662
Schedule : 3		
Current Liabilities and Provisions		
Provision Towards Guarantee Claims (also see Note no 7 in Schedule 9)	29,36,51,93,247	21,45,49,48,313
Outstanding Liabilities Towards Expenses	87,87,367	1,10,43,581
Guarantee Claim Payable	14,86,626	61,32,907
TDS Payable	11,63,967	12,97,105
Professional Tax Payable	2,000	2,600
Guarantee Fees Refundable	22,73,569	13,49,260
Annual Service / Guarantee Fees Refundable	37,21,946	6,45,960
Advance Received Towards GF & ASF from D C (Handicraft & Handloom), GOI	23,38,301	25,22,133
Advance Received Towards Guarantee Fees	1,63,51,45,465	88,05,62,476
GST Payable	34,71,00,800	21,33,16,692
GF Appropriation Account	7,59,819	9,28,332
ASF Appropriation Account	10,12,196	9,99,389
Advance Received Annual Guarantee Renewal Fees	1,63,96,92,381	1,00,25,28,582
	33,00,86,77,684	23,57,62,77,330

Credit Guarantee Fund Trust For Micro and Small Enterprises

SCHEDULE FORMING PART OF THE BALANCE SHEET

as on March 31, 2019

Particulars	As on 31-03-19	As on 31-03-18
	₹	₹
Schedule : 4		
Investments		
1) Investment in Fixed Deposits with Banks		
i) Investement of D C (Handicraft & Handloom), GOI Advance	23,30,859	20,05,474
ii) Investment of Corpus & Other Funds	1,08,85,44,44,869	89,00,74,58,050
2) Investment In Mutual funds	1,14,41,87,353	1,69,40,60,000
[Market value of investments in Mutual Funds: ₹ 1,14,89,91,677.54]		
	1,10,00,09,63,081	90,70,35,23,524
Schedule : 5		
Bank Balance		
Current Accounts with:		
IDBI Bank Ltd.,	1,14,20,795	9,33,74,785
IDBI Bank Ltd., - D C (Handicraft),GOI,	13,299	3,75,731
IDBI Bank Ltd., - D C (Handloom), GOI,	3	1,46,402
Corporation Bank	65,58,632	73,152
State Bank of India	5,52,40,682	-
	7,32,33,411	9,39,70,070
Schedule : 6		
Receivables		
Prepaid Expenses	3,17,605	2,87,557
Advance payment & Guarantee Claim Receivable	8,050	24,13,397
Annual Service Fee Receivable	1,97,507	29,98,928
Annual Guarantee Fees Receivable	1,06,597	16,00,83,926
Guarantee Fee Receivable	10,99,688	2,15,20,187
Input Tax Credit (Provision)	10,22,086	28,97,717
Service Tax (EC/SHCE)	31,36,145	31,36,145
Service Tax Recoverable	15,26,17,731	15,34,36,206
GST Recoverable	-	23,460
	15,85,05,409	34,67,97,523

Credit Guarantee Fund Trust For Micro and Small Enterprises
SCHEDULE FORMING PART OF THE
BALANCE SHEET
as on March 31, 2019

Particulars	As on 31-03-19	As on 31-03-18
	₹	₹
Schedule : 7		
Amount Recoverable from Tax Authority		
Income Tax refundable 31/3/07	-	8,68,43,908
Income Tax refundable 31/3/08	-	3,99,29,054
Income Tax refundable 31/3/09	-	2,21,18,100
Income Tax refundable 31/3/10	39,86,08,031	1,52,88,27,407
Income Tax refundable 31/3/11	8,99,51,264	51,48,14,555
Income Tax refundable 31/3/12	1,38,88,000	-
Income Tax refundable 31/3/13	13,25,69,729	23,74,29,329
Income Tax Refundable 31/3/14	-	1,43,95,52,963
Income Tax Refundable 31/3/15	43,95,61,396	43,95,61,396
Income Tax refundable 31/3/16	20,61,75,313	43,66,85,299
Income Tax refundable 31/3/17	41,69,70,680	41,69,70,680
Income Tax refundable 31/3/18	50,98,47,499	50,98,47,499
TDS Paid 31/3/19	69,06,66,009	-
(a)	2,89,82,37,921	5,67,25,80,190
Less:		
Provision for Tax 31/03/10	-	1,11,17,62,998
(b)	-	1,11,17,62,998
Amount Recoverable from Tax Authority	(a)-(b) = 2,89,82,37,921	4,56,08,17,192

Credit Guarantee Fund Trust For Micro and Small Enterprises
SCHEDULES FORMING PART OF
INCOME AND EXPENDITURE ACCOUNT
for the Year Ended March 31, 2019

Particulars	As on 31-03-19	As on 31-03-18
	₹	₹
Schedule : 8		
Operating and Other Administrative Expenses		
ACSIC Expenses	51,79,892	-
Advertisement & Publicity Expenses	15,70,529	-
Auditors' Remuneration	3,35,000	3,35,000
Conveyance Expenses	5,23,026	4,67,825
Courier/Postage Charges	36,878	66,590
Electricity Expenses	1,93,300	11,07,400
Insurance Charges	60,874	46,919
Internal Auditors Remuneration	2,80,000	2,85,000
IT service	2,13,28,000	1,26,34,473
Membership Fees	-	1,00,000
Miscellaneous Expenses	12,42,829	8,84,812
Premises Maintenance Expenses	-	1,71,456
Office Expenses	10,40,771	27,35,064
Office Rent	1,56,70,580	1,55,18,036
Personnel Cost & Expenses	4,50,47,443	3,80,04,631
Printing & Stationery	4,41,240	5,93,244
Advocate Fees	1,40,176	2,48,000
Professional Fee	37,10,084	27,43,333
Security Expenses	55,454	3,15,290
Telephone Expenses	83,654	2,50,430
Travelling Expenses	9,15,780	5,38,670
	9,78,55,510	7,70,46,173

Credit Guarantee Fund Trust For Micro and Small Enterprises
GROUPING FORMING PART OF
INCOME & EXPENDITURE
for the Year Ended March 31, 2019

Particulars	As on 31-03-19	As on 31-03-18
	₹	₹
List 1: Personnel Expenses		
Salaries & Allowances to Employees (SIDBI)	2,87,28,058	1,61,14,660
Salaries & Allowances to Contract Staff	1,51,32,806	2,06,71,509
Coupon Expenses (Sodexo)	11,86,579	12,18,462
	4,50,47,443	3,80,04,631
List 2: Miscellaneous Expenses		
Interest Paid	-	1,948
Appeal Fees	3,000	1,000
Repair & Maintenance	1,39,940	82,344
Loss on Sale of Fixed Asset	2,21,722	-
Staff Welfare	28,846	4,45,510
Swachh Bharat Cess	-	64,047
Miscellaneous Exp	8,49,321	2,89,963
	12,42,829	8,84,812
List 3: Printing & Stationery		
Printing Expenses	2,05,960	2,64,400
Stationery & Computer Consumables	2,35,280	3,28,844
	4,41,240	5,93,244
List 4: Miscellaneous Income		
Miscellaneous Receipts	50,196	2,472
Miscellaneous Income	20,377	24,31,867
Registration, Tender & Search Fee	15,53,143	5,934
Penalty for delay in Service (Contractual)	-	2,47,790
Profit on Sale of Fixed Asset	-	34,500
	16,23,716	27,22,563
List 5: Outstanding Liabilities Towards Expenses		
Agrawal & Friends Co.	69,447	-
A.P. Sanzgiri & Co.	32,817	-
Bharti Airtel & Co.	1,97,100	-
B. Rattan & Associates	8,776	-
Chaturvedi & Co.	30,145	-
Chetan T Shah & Co.	1,53,363	-
Convents Technologies Pvt Ltd	10,800	-
CVS Balachandra Rao & Co.	8,777	-
Globalcom IDC Ltd	8,90,852	-
Jain Tripathi & Co.	3,01,500	3,01,500
JCR & Co.	13,737	-
Khandelwal Jain & Co.	4,05,000	9,78,209
Kirti Stationery & Printers	36,178	-
Kochar & Associates	63,000	-
K.S. Sangvhi & Co.	4,500	68,625
Kyocera Documents Solutuion India Pvt	2,387	-
M M Nissim & Co.	24,803	-

Credit Guarantee Fund Trust For Micro and Small Enterprises
GROUPING FORMING PART OF
INCOME & EXPENDITURE
for the Year Ended March 31, 2019

Particulars	As on 31-03-19	As on 31-03-18
	₹	₹
Orient Technologies	1,58,127	1,99,707
Path Infotech	29,21,051	23,84,063
Reliance Communications Ltd	2,83,811	4,74,696
Shyamlal Dadhichi & Associates	2,35,811	-
SIDBI	21,88,028	23,87,452
S.K. Basu & Co.	23,850	-
Sumat Gupta & Co.	19,461	-
The Professional Couriers	1,237	4,839
T&M Services Con. Pvt Lts	6,39,094	7,06,109
ESDS	-	34,662
K.A. Pandit	-	31,500
Salary to Contract Staff Payable	-	5,98,152
Outstanding Liabilities	63,715	2,61,717
IIDL Realtors Pvt Ltd	-	14,53,140
Comparex India Pvt. Ltd.	-	8,01,514
Advertising and Activations	-	3,57,696
	87,87,367	1,10,43,581

SCHEDULE FORMING PART OF THE BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT

Schedule: 9: - NOTES ON ACCOUNTS:

1. Significant Accounting Policies

a) Accounting Conventions

The accompanying financial statements have been prepared keeping in view the generally accepted accounting principles including historical cost accounting.

b) Recognition of Income and Expenditure

The Trust follows mercantile basis of accounting, unless otherwise mentioned.

The income recognition of major sources of income of the Trust are as under:

Guarantee Fee

Income from Guarantee Fee is recognized when the payment from the respective Member Lending Institutions is received and credited in the Bank Account.

Interest Income on Fixed Deposits

Interest income on Fixed Deposits is recognized on accrual basis.

Recoveries from MLIs on claim paid

Income from recoveries made from Member Lending Institutions is recognized when the amount is recovered.

Income from Mutual Fund

The cost of the mutual fund, for the purpose of calculating capital gains at the time of redemption of units of the mutual fund is computed on weighted average basis. The gains are recognized on redemption.

c) Fixed Assets

Fixed Assets have been recognized in the financial statements at cost. Cost includes the cost of purchase, freight, transportation and all other costs incurred to bring the asset to its present location and condition.

Depreciation is charged on the Fixed Assets as per the Straight-Line Method based on the basis of estimated useful lives as prescribed under the Companies Act, 2013.

d) Investments

Investments of the Trust comprise investments in Fixed Deposits with Banks / Financial Institutions and Investments in Mutual Funds.

Investments in mutual funds are stated at weighted average cost less impairment, if any, during the year or market value, whichever is lower. Investments in Fixed Deposits have been stated at cost along with accrued interest thereon. Investments relating to fund received from

the offices of DC (Handloom) and DC (Handicraft), Government of India have been separately stated in the Balance Sheet.

e) Retirement Benefits

Retirement benefits are provided by SIDBI for its employees on deputation to the Trust and charged to revenue account annually on reimbursement basis.

(₹ in Crores)

2. Particulars	As on 31-03-19	As on 31-03-18
Guarantee approval	1,75,961	1,46,828
Guarantee issued	1,75,801	1,35,587
Guarantee sanctioned, pending execution	160	11,241
Outstanding Guarantee	74,330	70,310
Overall Liability of CGTMSE out of O/s Guarantee	55,526	50,660
Liability of CGTMSE towards first claim Instalment	41,644	37,995

Over and above the provision for claims held, the Trust is contingently liable for guarantee given/sanctioned in the event of non-performance of the MSE for whose protection such guarantee is given / sanctioned.

- The Trust is availing facility of staff from SIDBI. As per the Memorandum of Understanding entered into between SIDBI and the Trust on October 04, 2001, the Trust paid service charge @ 20% on the expenses incurred by SIDBI on behalf of the Trust towards administrative expenses directly attributable to the functioning of the Trust till July 2009. However, with mutual decision, the same was withdrawn w.e.f. August 2009.
- The Trust pays 75% of the claim amount in the first instance, leaving balance amount to be paid after the conclusion of recovery proceedings. In 2,596 cases (PY 2,297 cases), subsequent payment of 25% has been made. However, in other cases, the MLIs are yet to report status of conclusion of recovery proceedings which makes them eligible for the receipt of the balance claim. Further, vide circular no.138/2017-18, the trust has introduced a cap on total claim settlement (i.e. settlement of 1st & 2nd instalments of claim), based on fee and recovery remitted by the MLI. Claims of the respective MLI will be settled to the extent of two times of the fee including recovery remitted during the previous financial year.
- Auditor's Remuneration ₹ 3,35,000/- (P.Y. ₹ 3,35,000/-). The fees are exclusive of taxes.

(Amount in ₹)

Particulars	Current Year	Previous Year
Audit Fees	2,75,000	2,75,000
Tax Audit Fees	60,000	60,000
Total	3,35,000	3,35,000

6. Taxation

6.1 Direct Taxation

The Trust was notified u/s. 10(23EB) of the Income Tax Act, 1961 ("the Act") by Finance Act 2002 w.e.f. 01.04.2002 and accordingly the income of the Trust was exempt u/s. 10(23EB) of the Act for a period of five years commencing from Assessment Year (A.Y.) 2002-03 to A.Y. 2006-07.

The Trust was registered u/s 12A of the Income Tax Act 1961 and accordingly it had claimed exemption u/s 11 of the Act for A.Y. 2007-08 and A.Y. 2008-09. While claiming exemption for relevant assessment years, the Trust had accumulated 85% of its income to be spent on the objects of the Trust, in terms of provisions of Section 11(2) of the Act.

The Finance Act, 2008 amended section 2(15) with effect from 1-4-2008 i.e. A.Y. 2009-2010. Accordingly, the Trust had not claimed the benefit of section 11 from A.Y. 2009-2010 onwards. However, the trust has made claim of deduction of 15% u/s 11(1)(a) of the Act during the assessment proceedings.

The Director of Income Tax (Exemptions) – [DIT (E)] had vide order dated 07.12.2011 held that the activities carried out by the assessee trust are in the nature of trade, commerce or business and referring to the amended provisions of section 2(15) of the Act, cancelled the registration granted u/s 12A to the Trust with effect from A.Y 2009-10. The Trust had preferred an appeal against this order before the Income Tax Appellant Tribunal (ITAT) which got decided in favour of the Trust vide order dated 28.05.2014 and registration of the Trust u/s 12A of IT Act was restored. Against the said order of ITAT, the department had filed a petition before the High Court of Judicature at Bombay which was dismissed vide order dated 02.08.2017. Thus, the Registration of the trust u/s 12A/12AA is continuing.

The year wise details of status of assessment, demands and appeals are as under:

- a) While concluding the assessment proceedings for the A.Y. 2009-10, the assessing officer (A.O.) passed the order u/s 143(3) wherein he disallowed the claim of deduction of 15% u/s 11(1)(a) of the Act made during the assessment proceedings. Against the said order, the Trust has filed an appeal before CIT(A) and the same is pending for disposal. No demand is outstanding for this year.
- b) While concluding the assessment proceedings for the A.Y 2010-11, the assessing officer had made an addition of ₹ 94,38,84,008/- and ₹ 1,54,61,77,037/-, being the amount accumulated under section 11(2) during AY 2007-08 and AY 2008-09, respectively and also made an addition of ₹ 1,66,41,00,000/- being contributions received towards Corpus from the Settlers of the Trust namely, Ministry of MSME, Government of India (GOI) and Small Industries Development Bank of India (SIDBI) during the year on the reasoning that as the registration u/s.12A of the Trust was withdrawn by the DIT(E), Mumbai w.e.f. A.Y.2009-10, the Trust is not eligible for any benefit of section 11 of the Act. Against the said additions, the Trust had filed an appeal before Commissioner of Income Tax (Appeals) who upheld the order of the AO vide order dated 28.07.2014. However, the Hon'ble ITAT vide order dated 20.01.2017 has allowed the claim of the trust for exemption under section 11 & 12 of the Act. The Hon'ble ITAT has also held that as the claim of assessee for benefits of sections 11 & 12 of the Act is upheld, the assessee also succeeds on the issue of addition of contribution made by settlers towards the corpus. Against the said ITAT's Order, the department has filed the petition before the High Court of Judicature at Bombay which is pending for disposal. Subsequently, the order dated 25.07.2017 giving effect to the order of the ITAT has been received on 09.08.2017. The trust has received refund of ₹ 16,73,47,440/- vide Demand Draft dated 11.04.2018 after adjustment of certain demands for other years. The Trust has filed letter dated 13.02.2019 for issue of balance refund along with interest u/s.244A of the Act and is being followed up.
- c) While concluding the assessment proceedings for the A.Y. 2011-12, the assessing officer in the order passed u/s 143(3) of the Act made an addition of ₹ 2,50,00,00,000/- being contribution received towards corpus from the Settlers of the Trust during the year by treating it as income on account of voluntary contribution u/s 2(24)(iia) of the Act and thereby raising a demand of ₹ 1,02,96,29,110/-. Against the said addition, the Trust had filed an appeal before CIT(A) which was dismissed following the order of CIT(A) for A.Y 2010-11. Out of the demand raised of ₹ 1,02,96,29,110/-, the trust had paid ₹ 51,48,14,555/- in installments upto 31.03.2015. Aggrieved by the order of CIT(A), trust had preferred an appeal before the Hon'ble ITAT. The Hon'ble ITAT vide order dated 26.02.2018 allowed the appeal of the assessee trust by following the order

for A.Y.2010-11 in assessee's own case. Subsequently the order dated 07.08.2018 giving effect to the order of the ITAT has been received on 20.02.2019 and the trust has received a refund of ₹ 1,40,99,80,850/- vide demand draft dated 05.09.2018 after adjustment of certain demands for other assessment years. However, the A.O. did not grant the deduction of 15% u/s. 11(1)(a) of the Act in the order dated 07.08.2018. The trust vide letter dated 13.03.2019 has requested the A.O. to pass a rectification order. In this regard the trust has also filed an appeal before the CIT(A) on 15.03.2019 which is pending for disposal.

The A.O. had also levied a penalty of ₹ 77,25,00,000/- by passing an order u/s. 271(1)(c) of the Act and had adjusted the said penalty demand out of the refund due for A.Y. 2010-11. Against said order, the trust had filed an appeal before the CIT(A) and the Hon'ble CIT(A) has vide order dated 01.03.2019 disposed of the appeal in the favour of the trust and deleted the said penalty of ₹ 77,25,00,000/-. The trust has vide letter dated 11.05.2019, requested the learned Assessing Officer to pass an order giving effect to the order of the CIT(A) and issue the resultant refund.

- d) While concluding the assessment proceedings for the A.Y. 2012-13, the assessing officer made an addition of ₹ 2,22,50,000/- being contribution received towards corpus from the Settlers of the Trust by treating it as income on account of voluntary contribution u/s 2(24)(ia) of the Act and thereby raising a demand of ₹ 10,40,35,270/- which was rectified to ₹ 69,44,000/-vide order dated 13.10.2015 passed u/s 154 of the Act. Against the said addition, the Trust has filed an appeal before CIT(A) which has been heard on various dates and is pending for disposal.
- e) While concluding the assessment proceedings for the A.Y. 2013-14, the assessing officer has made an addition of ₹ 42,77,50,000 being contribution received towards corpus from the Settlers of the Trust during the year by treating it as income on account of voluntary contribution u/s 2(24)(ia) of the Act 1961 and determining refund of ₹ 10,48,59,600/- which was adjusted against the demand due for A.Y. 2011-12. Against the said addition, the Trust has filed an appeal before CIT(A) which is pending for disposal.
- f) While concluding the assessment proceedings for the A.Y. 2014-15, the assessing officer had made an addition of ₹ 93,73,75,000/- being the contribution from settlers to the corpus of the trust by treating the same as voluntary contribution u/s 2(24)(ia) of the Act and determining refund of ₹ 52,17,58,560/-. Further, the Ld.AO has considered returned income at ₹ NIL as against the returned loss/ deficit of ₹ 55,02,16,378/-. Against the said order, the Trust had filed an appeal before CIT(A) who vide order dated 27.12.2017 has allowed the appeal of the assessee Trust. Subsequently the order dated 05.04.2018 giving effect to the order of the CIT(A) was passed by the A.O. wherein he did not allow the claim of carry forward of deficit. Against the said order of the A.O., the Trust has preferred an appeal before the CIT(A) which is pending for disposal. The Trust has received refund of ₹ 1,22,87,44,100/- vide demand draft dated 13.04.2018. The Income Tax Department has preferred an appeal before the Hon'ble ITAT against the order of the CIT(A) which is pending for disposal.
- g) While concluding the assessment proceedings for the A.Y. 2015-16, the assessing officer has made an addition of ₹ 93,73,75,000 being contribution received towards corpus from the Settlers of the Trust by treating it as income on account of voluntary contribution u/s 2(24)(ia) of the Act 1961. Further, the Ld.AO has considered returned income at ₹ NIL as against the returned loss of ₹ 1,79,15,20,936/-. Against the said order, the Trust has filed an appeal before CIT(A) which is pending disposal. The AO has not given credit of TDS of ₹ 11,02,47,956/- for which an application for rectification has been filed on 15.01.2018 which is pending for disposal.

- h) While concluding the assessment proceedings for the A.Y. 2016-17, the assessing officer has made an addition of ₹ 42,48,75,000/- being contribution received towards corpus from the Settlers of the Trust by treating it as income on account of voluntary contribution u/s 2(24)(iia) of the Act 1961. Further, the Ld.AO has not granted deduction of 15% u/s. 11(1)(a) and has considered returned income at ₹ 50,43,34,946 as against the returned income of ₹ 7,94,59,946/-. Against the said order, the Trust has filed an appeal before CIT(A) which is pending disposal. The trust has received a refund of ₹ 17,18,41,511/- vide demand draft dated 07.06.2018. The AO has not granted the refund of ₹ 20,36,78,121/- for which an application for rectification has been filed and same is pending for disposal.
- i) For A.Y. 2017-18 and A.Y. 2018-19, the Trust has filed returns of income claiming refund of ₹ 42,81,83,077/- and ₹ 50,98,47,499/- respectively. The assessments for these years are pending.

6.2 Indirect Taxation

- a) The Directorate General of Central Excise Intelligence, Chennai vide show cause notice dated 14.10.2014 had asked the trust to show cause as to why Guarantee Fee and Annual Service Fees received by the trust should not be considered as "Support service for Business or Commerce" under Section 65(104c) read with Section 65(105)(zzzq) of Finance Act, 1994 and demand of ₹ 79,68,11,936/- plus interest u/s. 75 and penalty u/s. 76, 77 and 78 should not be imposed for the period from FY 2009-10 till June 30, 2012. In response to the same, the trust has made written submission on 17.12.2014 and attended personal hearings on 17.04.2015 and 06.12.2018. No order in this regard has been received till date.
- b) The assessee trust was selected for statutory audit under Rule 5A of Service Tax Rules, 1994 for the period from F.Y. 2010-11 to 2014-15. On the basis of the observations made in Final Audit Report, Assistant Commissioner of Service Tax, Mumbai issued show cause notice dated 18.04.2016 asking the trust to explain as to why-
1. The activity of sharing of staff with M/s. SIDBI should not be classified under "Business Support Service" and Service Tax of ₹ 52,156/- along with Interest u/s. 75 should not be demanded and recovered;
 2. Service Tax amounting ₹ 1,74,760/- along with Interest u/s. 75 on the unutilized portion of advances received from the Development Commissioner should not be demanded and recovered;
 3. Interest u/s. 75 of Finance Act, 1994 on delayed payment of Service Tax on adjusted portion of advances received from the Development Commissioner should not be demanded and recovered;
 4. Penalty u/s. 76 for failure to pay service tax within prescribed time and penalty u/s. 78 for suppressing and mis-declaring the taxable activities and true nature and value of taxable services, with intend to evade payment of Service Tax should not be demanded and recovered.

The last reply in the matter was filed by the assessee trust on 23.08.2016. No order / communication with regard to the same has been received till date. Subsequently the Dy. Commissioner of Service tax vide letter dated 24.03.2017 sought clarification as to whether in relation to the points mentioned hereinabove under sub-clause 1) and 2) of Clause B), the same practice continued post 2015. The reply in response thereto has also been filed by Trust vide letter dated 18.04.2017.

- c) In Response to the Appeal filed with regard to claim of Refund of Service Tax paid on services provided to MLI's located in Jammu and Kashmir amounting to ₹ 1,07,71,826/- for the period July 2012 to June 2014, The Commissioner (Appeals) vide his order dated 28.08.2018 has

remanded back to the original authority with the direction to verify all the relevant documents to be produced by CGTMSE for substantiating their claim of Refund. No communication is received from the Assistant Commissioner (Refund -II), Service Tax -IV, Mumbai in this regard till date.

- d) The application dated 02.04.2018 for claiming refund of ₹ 7,54,06,280/- being service tax and cesses paid in advance on the basis of DAN for which ultimately no guarantee services have been rendered and which could not be adjusted against service tax payable. The same was rejected vide order dated 07.12.2018 and Trust has preferred an appeal against the said order before the Hon'able Commissioner of Service Tax (Appeals)-II, Mumbai on 07.02.2019. The matter is yet to be heard.

7. The Trust has obtained Actuarial Valuation Report of Expected Pay out due to Default in Loans.

Accordingly, the additional provision suggested by Actuary in his report is ₹ 1,607.58 Crore as on 31.03.2019. Details of provision for such claims are as under:

Particulars	(Amount in ₹)	
	Current Year	Previous Year
Opening balance as on 1st April	21,45,49,48,313	17,98,45,15,536
Less: Claim paid during the year	8,16,55,55,066	9,67,79,67,223
Add: Provision made during the year	16,07,58,00,000	13,14,84,00,000
Closing Balance as on 31st March	29,36,51,93,247	21,45,49,48,313

8. Figures of previous year have been regrouped, reclassified and rearranged wherever necessary.

For Jain Tripathi & Co.
Chartered Accountants
ICAI Firm Reg. No. 103979W

(D.P. Tripathi)
Partner
M.No.013593

Place: New Delhi
Date: 11-06-2019

On behalf of the Board of Trustees

Sd/-
(Mohammad Mustafa, I.A.S.)
Chairman

Sd/-
(Ram Mohan Mishra, I.A.S.)
Vice Chairman

Sd/-
(S N Singh)
Member Secretary