INDEPENDENT AUDITORS' REPORT

To the Members of Goa State Scheduled Tribes Finance & Development Corporation Ltd.

Report On the Financial Statements

We have audited the accompanying financial statements of Goa State Scheduled Tribes Finance & Development Corporation Ltd., which comprises the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for The Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical
requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to:

1. Note No. 12 of schedule "18" regarding non applicability of non banking financial company prudential norms 2007 directives issued by Reserve Bank of India for classification of advances into performing assets and non performing assets and recognition of the revenue on such assets. However the corporation has made provisions for doubtful debts i.e. outstanding for more than thirty six months to depict true and fair view of financial statements.

2. Note No. 11 of schedule "18" regarding providing of interest on loans and advances in respect of which the period of loan has expired during the current year as per terms of agreement and/or due to death of loanees.

3. Note No. 5 of schedule "18" regarding the pending bill of Goa State Cooperative Bank Ltd., for usage of their furniture by the corporation.
4. Note No. 6 of schedule "18" regarding non provision of interest on unsecured loan of Rs. 25,00,000/- from Government of Goa.

Report on other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Sub Section 11 of Section 143 of the Act, we give in the "Annexure A", a Statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) Since the Company is a State Public Sector undertaking, the provisions of Section 164(2) of the Act are not applicable to the Company.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial position.
ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year.

3. As required by Section 143 (5) of the Act, we report that:
   i. As informed to us by the Management, the Company has not been selected for disinvestment.
   ii. As informed to us by the Management and during the course of our audit, we have not come across any cases of waiver or write off of debts, loans, interest etc.
   iii. As informed to us by the Management, the Company does not have any inventories lying with third parties and it has not received any assets as gifts from the Government or any other authorities.
   iv. As informed to us by the Management, the Company does not have any legal and arbitration cases.

For L. S. Vaz & Co.
Chartered Accountants
Firm Reg. No. 117822W,

Luis S. L. Vaz
Proprietor
Membership No. 103739

Panjim, Goa.
October 12, 2016.
Annexure A to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) All the fixed assets have been physically verified by the management during the year, there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.

c) The Company did not own any immovable property.

2. The Company did not have any stocks of inventory during the year.

3. In our opinion and according to the explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act 2013.

4. In our opinion and according to the information and explanations given to us the Company has not granted loan or made Investment nor given guarantee or security during the year attracting the provisions of section 185 and 186 of the Act.

5. According to the information and explanations given to us, the Company has not accepted Deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the reporting requirements of section 73 to 76 or any other relevant requirements of Companies Act 2013 and the rules framed thereunder are not applicable.

6. To the best of our knowledge and according to the information and explanations given to us, the central Govt. has not prescribed the maintenance of cost records under section 148(1) of the Act for the Company.

7. In respect of Statutory dues.

(a) According to the records of the Company undisputed statutory dues in respect of Provident Fund, Service-tax, and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in
respect of the aforesaid dues were outstanding as at 31st March 2016, for a period of more than six months from the date of becoming payable. The Company did not have any statutory dues in respect of Employees State Insurance, and cess during the year.

(b) According to the information and explanations given to us, there are no dues of Income tax, Service tax which have not been deposited on account of any dispute.

8. The Company has not taken any loans or borrowings from financial institutions or banks and the Company has no debenture holders. However the Company does have a loan from Government of Goa, which has been sanctioned by the Government without any terms and conditions as regards to its repayment and interest.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

10. To the best of our knowledge based on audit procedures performed and according to the information and explanations given to us we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11. Since the Company is a State Public Sector undertaking the provisions of Section 197 of the Companies Act read with Schedule V to the Companies Act, is not applicable to the Company.

12. According to the information and explanations given to us, the Company is not a nidhi company.

13. According to the information and explanations given to us and based on our examination of the records of the company, transaction with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into
non-cash transactions with directors or persons connected with him during the year.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For L. S. Vaz & Co.
Chartered Accountants
Firm Reg. No. 117822W.

Luis S. L. Vaz
Proprietor
Membership No. 103739

Panjim, Goa.
October 12, 2016.
Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Goa State Scheduled Tribes Finance and Development Corporation Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the
design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that-

(a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
(c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company.
considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For L. S. Vaz & Co.
Chartered Accountants
Firm Reg. No. 117822W

Luis S. L. Vaz
Proprietor
Membership No. 103739

Panjim, Goa.
October 12, 2016.
सेवा में,

प्रबंध निदेशक
The Managing Director
Goa State Scheduled Tribes Finance and Development Corporation Limited
2 Floor, Dayanand Smriti Building,
Swami Vivekananda Road, Panaji, Goa 403 001

महोदय

विषयः 31 मार्च 2016 वर्ष को समाप्त GOA STATE SCHEDULED TRIBES FINANCE AND DEVELOPMENT CORPORATION LTD के लेखों पर कंपनी अधिनियम 2013 के धारा 143(6) के अधीन भारत के नियंत्रण महालेखाकार की दिशाएं।

में, 31 मार्च 2016 वर्ष को समाप्त Goa State Scheduled Tribes Finance And Development Corporation Ltd की लेखों पर कंपनी अधिनियम 2013 के धारा 143(6)(b) के अधीन असमीक्षा प्रमाण पत्र अंदौंिंद्र कर रहा हूँ।

वार्षिक सामान्य बैठक में प्रमाणित लेखों को अपनाते हुए कार्यमूल की प्रति, लेखाकारों के प्रतिवेदन तथा मुद्दत वार्षिक प्रतिवेदन की छः प्रतियाँ जिसमें भारत के नियंत्रण एवं महालेखाकार की दिशाएं हैं, इस कार्यालय को भेजे।

कृपया पत्र और संगमन अनुसार प्राप्ति की पावती भेजे।

भवदीय,

(आशुतोष जोशी)
महालेखाकार

The preparation of financial statements of 'Goa State Scheduled Tribes Finance And Development Corporation Ltd' for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act, is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 12 October 2016.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of 'Goa State Scheduled Tribes Finance And Development Corporation LTD' for the year ended 31 March 2016 and as such have no comments to make under section 143(6)(b) of the Act.

For and on the behalf of the Comptroller & Auditor General of India

(ASHUTOSH JOSHI)
ACCOUNTANT GENERAL

Place: Goa
Date: 31 October 2016