

AUDIT  
REPORT

AND

ACCOUNTS

2013-2014

**NAGAR PALIKA, KHUDALA FALNA STATION**

***Independent Auditor's Report***

To the Economic Officer of **NAGAR PALIKA KHUDALA FALNA STATION**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **NAGAR PALIKA KHUDALA FALNA STATION**. ("the entity"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The entity is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the entity and for preventing and detecting 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 standalone financial statements based on our audit.

We have taken into account the provisions of the applicable 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.. 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 the 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 entity'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 the accounting policies used and the reasonableness of the accounting estimates made by the entity as well as evaluating the overall presentation of the financial statements.