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CHARTERED ACCOUNTANTS

**H.N. PRADHAN & COMPANY**

Auditors:

(For The Year Ended on 31st March 2014)

**FINANCIAL STATEMENT**  
**ON**  
**AUDIT REPORT**

**FINANCIAL YEAR**  
**2013-14**

Government of Rajasthan  
Local Self Government Department



**NAGAR PALIKA MANDAL**  
**RAJALDEGAR**  
DIST. CHURU, RAJASTHAN

*Rwd - 2/2/17*



Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the institute of chartered accountants of India. 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.

#### Auditor's Responsibility

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the ULB in accordance with the Rajasthan Municipal Accounts Manual. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

We have audited the accompanying financial statements of municipal board, Rajaldesar, which comprise the balance sheet as at March 31, 2014, the income and expenditure account and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

CHURU (RAJASTHAN)

NAGAR PALIKA MANDAL, RAJALDESAR

THE EXECUTIVE OFFICER,

TO,

#### INDEPENDENT AUDITOR'S REPORT

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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 control relevant to the ULB's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the ULB's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management 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.

#### Basis for Qualified Opinion

1. The given basis of accounting and accounting policies has not been adopted properly by the ULB. The double entry accounting is not on a properly accrual basis as mentioned in the basis of Rajasthan Municipal Accounting Manual.
2. The Nagar Palika has not been maintained of any inventory accounting record and voucher, which have not been journalised so various heads of accounts used for the accounting of Stores/Inventories not reflected in the Financial Statements.

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the Rajasthan Municipal Accounts Manual subject to the matters specified from Annexure-1 To Annexure-11:-

- a) In the case of the balance sheet, of the state of affairs of the ULB as at March 31, 2014.
- b) In the case of the income and expenditure account, of the surplus/deficit for the year ended on that date; and
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.