

Guidance Note on Audit of Abridged Financial Statements

The Companies (Amendment) Act, 1988, brought about significant changes in Section 219 of the Companies Act, 1956. By virtue of these amendments, a company listed on a recognised stock exchange could send abridged balance sheet and abridged profit and loss account to its members, etc. subject to certain conditions. The form of these abridged financial statements had been prescribed by the Central Government. The Companies Act, 1956, did not specifically require audit of abridged financial statements. The audit of abridged financial statements assured the readers that the relevant information was properly disclosed in such statements and thus lend a greater degree of credibility to them. Considering this, the Institute issued this Guidance Note to provide guidance to the members on issues relating to such audit. The following is an overview of the areas covered by the Guidance Note:

- Legal requirements
- Form and content of abridged financial statements
- Form and content of abridged profit and loss account
- Other requirements regarding abridged financial statements
- Authentication of abridged financial statements
- Audit of abridged financial statements

The appendices to the Guidance Note contain Form 23AB on statement containing salient features of balance sheet and profit and loss account etc., specimen auditor's report on abridged financial statements – qualified and unqualified opinion.

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