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# UNIT 12 OFFICE REPORTS

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## Structure

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## 12.0 OBJECTIVES

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After studying this Unit you should be able to:

- describe the nature of office reports
- explain the importance of reports
- enumerate the types of reports
- state the guiding principles of report writing
- list the elements of a good report
- exercise control over reports
- prepare office reports.

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## 12.1 INTRODUCTION

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Information plays a vital role in every organisation. Various types of information need to be processed and presented in the form of 'reports'. Thus, reports constitute a very important means of communication. A business report essentially is a communication that contains factual information in an organised form. In this unit, you will learn the meaning, importance and types of reports. You will also be acquainted with the art of report writing and report control.

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## 12.2 MEANING AND DEFINITION OF A REPORT

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Every phase of organisational activity creates information. This information needs to be collected, scrutinised and presented in the form of 'reports'. Reports are presented in a clear, correct and coherent language. In every organisation several thousands of reports are prepared every year, depending on requirements. These reports vary in length and content. They provide important information to top management for making decisions. Simply, stated, a report is "a communication from someone who has some information to someone who wants to use that information." According to Johnson, a good business report is a communication that contains factual information organised and presented in a clear, correct and coherent language. A report may thus, be defined as a written statement based on facts, events and opinions and usually expresses a summarised and interpretative value of this information. It may deal with past accomplishments, present conditions or probable future developments. To summarise, it may be stated that:

- Every report is based on facts, events or opinions;

- It presents a snapshot of events at a particular point of time, usually in writing;
- Presents information in a summarised and systematic manner;
- Provides a record for future use.

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## 12.3 IMPORTANCE OF REPORTS

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Reports have an important place in the functioning of organisations. Reports are basic management tools used in decision making. With the help of effective reports an organisation can improve its goodwill and public relations. The importance of business report can be summarised as follows:

- 1) **Conveyor of information:** Reports serve as conveyors of information throughout the organisation. It is by means of reports that the management is able to establish channels of communication through which ideas, opinions, suggestions, orders and commands flow in various directions. Timely flow of information helps an organisation to take decisions promptly. Reports also provide necessary information to the shareholders, investors, customers, creditors and the general public as regards the affairs of an organisation.
- 2) **Help management to review and evaluate office operations:** Reports help management to review and evaluate all office operations continuously. They help in planning for future operations in a purposive way. Reports help in coordinating the activities of different departments. They also help managers to monitor and control the affairs of the firm in an effective manner.
- 3) **A tool for measuring performance:** Reports are useful tools for measuring departmental performance. The operational data from various departments are presented in a meaningful form. This helps management to assess the performance of each and every department.
- 4) **Reports help in making desirable changes:** Changes in business environment pose a threat and challenge to business firms. Reports are prepared to analyse the factors responsible for the changes. This helps in bringing desirable changes in business policies.
- 5) **Reports help in measuring the effectiveness of the organisation:** Reports are prepared to measure the effectiveness of departmental operations, employees and the management. This is also helpful in measuring the overall effectiveness of the organisation.

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## 12.4 ESSENTIALS OF A GOOD REPORT

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Preparation of a report is not easy. It demands skills of a special kind. A report, as well as know, is more than language, composition, just as any other good piece of writing is more than words, commas, and semicolons. There are some common features which need to be understood clearly by all those interested in using "reports" as effective communication devices. These are outlined below:

- 1) **Accuracy:** Information presented in reports should be accurate. Inaccurate information may often land the managers in trouble. As far as possible, the report must be based on accurate information.
- 2) **Simplicity:** A report should be simple. This would help in arriving at decisions quickly and easily.
- 3) **Completeness:** The report should be complete in all respects. There should be no room for ambiguity.
- 4) **Brevity:** Executives do not find sufficient time to read lengthy reports. Therefore, the reports should briefly reflect the essential point.
- 5) **Appearance:** The arrangement, organisation, format, layout and make-up of a report should be pleasing and as far as possible, eye-catching.

- 6) **Readability:** Reports must be easy to read. They must avoid technical language as far as possible. The writer must present the facts through elegant and grammatically correct English.
- 7) **Reliability:** Reports should be reliable, and should not create an erroneous impression in the minds of readers either due to oversight or neglect.
- 8) **Economy:** Report writing should not be a costly exercise. The most economical methods and standard quality must be employed, while conveying the matter.
- 9) **Timelines:** To be useful and purposive, reports should reach the readers well in time. Any delay in submission of reports makes the preparation of reports a futile exercise.
- 10) **Logical content:** The content of the report must be presented in a logical manner. The facts must be reported in an unbiased manner. Distinctive points must bear self-explanatory headings and sub-headings.

**Check Your Progress A**

- 1) What do you mean by Office Reports?  
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- 2) State any two points of importance of office reports for your organisation.  
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- 3) Which of the following statements are true and which are false?
  - i) A report is a conveyor of information.
  - ii) A report is basically built around rumors.
  - iii) Office reports provide a record for future reference.
  - iv) Reports do not help measurement of performance.
  - v) There is no time limit for a good report.

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## 12.5 REPORT WRITING

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Report writing is an art which must be learnt through hard work, practice and effort. The information and recommendations placed before the management are of little value unless they assist in making judgements and lead to decisions. Therefore, a report should be written very carefully so as to stimulate thought and lead to action. Report writers should concentrate on the collection of relevant data, organising the data and arriving at a conclusion. The contents of the report play a very important role in stimulating action. While developing the contents, the following sequence must be kept in mind:

- Title
- Preface or foreword
- Acknowledgments
- List of Contents
- Introduction of Report
- The quintessence of Report

- Summary or Recommendations
- Appendix
- Bibliography
- Index

The drafting of report is not an easy task. A high standard of report writing requires a high degree of proficiency in written English. This can be achieved through continuous practice. The report writer, while developing the report, should follow the following steps:

- 1) Ascertain the purpose for which the report is to be prepared;
- 2) Collect relevant information from reliable sources;
- 3) Analyse carefully, interpret the results impartially, and draw meaningful conclusions;
- 4) Furnish recommendations dispassionately;
- 5) Prepare the report and furnish the same for managerial attention.

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## 12.6 TYPES OF REPORTS

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There are many types of reports. These can be classified on the basis of direction, functions, legality, time and formal relationship. Let us now discuss in detail various types of reports.

### 12.6.1 Routine Reports

These reports are also called "ordinary reports". These are sent regularly to the management from different branches of the organisation in order to feed the management with facts relating to the functioning of an undertaking. Regular and actual information is included in these reports. Examples: Daily Sales Report, Production report, Labour report, Overheads Reports etc. These reports may be sent daily, monthly, or once in a quarter of a year. These are useful for control purposes. Management can take decisions on the basis of these reports.

### 12.6.2 Formal and Informal Reports

Management may use formal as well as informal reports in day-to-day operations. Formal reports are reports prepared in the prescribed or recognised form and presented according to the established procedure and through proper channel. These reports are prepared in accordance with the requirement of law or an established official procedure. The reports submitted by various officials of companies are usually formal reports. Managers can easily understand the facts given in these reports because they have uniform structure and presentation.

Informal reports typically do not follow any prescribed form or procedure for submission whereas formal reports are purely analytical. In the real business world, informal reports are less frequently used, though they are as important and useful as formal reports. Informal reports do not have any uniform structure. They are prepared according to the convenience and requirements of the organization. These reports may be informative or recommendatory. They may be prepared in the form of a person to person communication or in a letter form. Informal reports are required to get detailed information, to investigate a given situation, to report on an event to comment on the progress of work, to suggest a particular method of operation etc. Informal reports thus may take the following forms:

- **Short reports:** These are presented in a simple letter format or memorandum form. The report may not run for more than 5 pages. The style of presentation is simple and only facts are reported as far as possible.
- **Progress report:** These report contain information regarding the progress of a specific programme of work or project. These help management in taking appropriate decisions regarding follow up measures.
- **Staff reports:** These are prepared in order to resolve particular staff problems in a simple and straight-forward manner.
- **Justification reports:** These are used to justify a particular recommendation or a course of action.

## 12.6.3 Statutory and Non Statutory Reports

**Statutory Reports:** Reports which are required to be prepared in accordance with the provisions of any law are known as statutory reports. Examples are, reports prepared by the Directors or Secretary of a company for submission to the Registrar of Joint Stock Companies in accordance with the provisions of the Indian Companies Act.

The usual format for such reports is given in the relevant Act or rules framed thereunder. Statutory reports may have to be prepared at annual intervals or as and when necessary. Typical of such reports of the Companies Act are:

- 1) Report to be placed for the approval at the Statutory Meeting of a company (also known as 'Statutory Report').
- 2) Directors' Report to the shareholders at the Annual General Meeting.
- 3) Annual Return
- 4) Auditors Report

**Report to be Placed at the Statutory Meeting (Statutory Report):** Every public limited company having a share capital must hold a General Meeting of Members (known as Statutory Meeting) within a period of not less than one month and more than six months from the date of commencement of business. A 'Statutory Report' from the Board of Directors has to be sent to every member of the company at least 21 days before the Statutory meeting. The primary objective of this report is to give an opportunity to the shareholders to know the position of the company after the commencement of its business operations. The Report must be certified as correct by at least two Directors including the Managing Director, if there is one. This should be certified by the Auditors of the company in respect of the shares allotted, receipts and payments. A specimen statutory report is given hereafter.

**Director Report to the Shareholder at the Annual General Meeting:** Under the Companies Act, every company must hold a General Body Meeting once every calendar year. The first is to be held within 18 months from the date of incorporation. The directors are to submit an Annual Report along with the audited balance sheet and accounts to the shareholders for their approval of the Annual General Meeting. This report contains information relating to: the profits earned by the company and its proposed disposal; the company's state of affairs, prospects or outlook of the company for the next year; retirement, re-election and appointment of directors; appointment or re-appointment of auditors; and any special business to be transacted at the meeting.

**Annual Return:** Every company is required to file with the Registrar of Companies, within 60 days from the date of the Annual General Meeting, a return called Annual Return. This contains specified particulars relating to the company, viz., address of the registered office, names and particulars of members and debentureholders, shares and debentures issued and names and particulars of directors, managing director, etc. This return or report should be signed by two directors of the company, one of whom must be the Managing Director.

**Auditor's Report:** This is another statutory report which is prepared annually and needs to be certified by the auditors of the company. This report is also submitted along with the balance sheet and annual accounts to the shareholders at the Annual General Meeting.

### SPECIMEN STATUTORY REPORT

#### STATUTORY REPORT

(Pursuant to Sec. 165 of the Companies Act, 1956)

<b>Name of the Company</b>	:	SAMMY SUPERTECH LIMITED
<b>Presented by</b>	:	Shri R. P. Gupta, Director
<b>Date of Notice of Statutory Meeting</b>	:	10 May 1993
<b>Date &amp; Place of Statutory Meeting</b>	:	16th June 1993, at the
<b>Registered Office of the Company</b>	:	H-21 (First Floor), Rajouri Garden, New Delhi - 110027.

The Board of Directors submit this Statutory Report to the members in pursuance of Sec. 165.

**1) Shares allotted and cash received upto 3 May 1993:**

Particulars	No. of Shares	Nominal value of each share	Cash received upto 3 May, 93
a) Allotted subject to payment thereof in cash			
i) Equity Shares	20 Lakhs	Rs. 10	Rs. 2 crores
ii) Redeemable Pref. Shares	Nil	Nil	Nil
iii) Pref. Shares other than Red. Pref. Shares	Nil	Nil	Nil
b) Allotted as fully paid up otherwise than in cash and the consideration for which they have been allotted			
i) Equity Shares			
ii) Red. Pref. Shares	Nil	Nil	Nil
iii) Pref. Shares other than Red. Pref. Shares	Nil	Nil	Nil
c) Allotted as partly paid up to the extent of Rs. 6 per share and the consideration for which they have been so allotted			
i) Equity shares (allotted to vendors as purchase consideration of machinery)	2 Lakhs	Rs. 10	Rs. 12 lakhs
ii) Red. Pref. Shares	Nil	Nil	Nil
iii) Pref. Shares other than Red. Pref. Shares	Nil	Nil	Nil
d) Allotted at a discount of Rs..... per share			
i) Equity Shares	Nil	Nil	Nil
ii) Red. Pref. Shares	Nil	Nil	Nil
iii) Pref. Shares other than Red., Pref. Shares	Nil	Nil	Nil

**2) Abstract of Receipt and Payments upto 3 May, 93**

Particulars of Receipt		Particulars of Payments	
Equity Shares	200,00,000	Preliminary Expenses	1,20,000
Red. Pref. Shares	Nil	Commission on issue or sale of shares	25,000
Pref. Shares other than Red. Pref. Shares	Nil	Capital Expenditure	20,00,000
Advanced Payment for Shares	Nil	Land & Building	
Debentures	Nil	Plant & Machinery	
Loans	Nil	Furniture & Fittings	
Deposits	Nil	Other Expenses	15,000
Other Sources	75,000	Balance in hand	30,000
		Balance at Bank	178,85,000
	<u>200,75,000</u>		<u>200,75,000</u>

3) Preliminary Expenses as estimated in the Prospectus : Rs. 1,35,000  
Preliminary Expenses actually incurred upto 3 May, 1993 : Rs. 1,20,000  
Preliminary Expenses estimated to be incurred after that date : Rs. 10,000

Office R.

4) Name, Addresses and Occupations of Directors, Auditors and Secretary:

Name	Address	Occupation	Particulars of change if any	Date of such change
(A) Directors				
Shri S.K. Samant	D-4, Vasant Vihar, New Delhi	Merchant	Nil	Nil
Shri M. Lal	23, Hauz Khas, New Delhi	Merchant	Nil	Nil
Shri K. Mitra	B-65, C.R. Park, New Delhi	Merchant	Nil	Nil
Shri R.P. Gupta	86, Defence Colony, New Delhi	Merchant	Nil	Nil
Shri D. Samant	37, Masjid Moth, New Delhi	Merchant	Nil	Nil
(B) Auditors				
D.P. Basu & Co.	9-C, Khan Market, New Delhi	Chartered Accountants	Nil	Nil
(c) Secretary				
Shri S.P. Rao	C-5, Paschim Vihar, New Delhi	Service	Nil	Nil

- 5) Particulars of any contract which is to be submitted to the Statutory Meeting Nil  
6) Underwriting contracts, if any Nil  
7) Arrears, if any, due on calls from Directors Nil  
8) Particulars of any commission, brokerage paid or to be paid in connection with the issue of sale of shares of any director, etc. Nil

We hereby certify that the above report is correct.

S.K. Samant — Chairman  
M. Lal }  
R.P. Gupta } — Directors

New Delhi  
Dated: 28 June 1993

We hereby certify as correct so much of the Report as related to the shares allotted by the company and to the cash received in respect of such shares and to the receipts and payments.

New Delhi  
Dated: 28 April 1993.

D.P. Basu & Co.,  
Auditors

**SPECIMEN DIRECTORS REPORT**

**DCL POLYESTERS LIMITED**

Directors Report:

Your Directors have pleasure in presenting this Seventh Annual Report together with the Audited Accounts and the Report of the Auditors for the year ended March 31, 1993.

**SUMMARY OF FINANCIAL RESULTS**

	Rupees	Crores
	1992-93	1991-92
Gross Turnover	358.99	364.94
Turnover net of Excise duty and Sales tax	192.92	178.29
Other Income	4.99	2.11
Profit before interest and depreciation	55.26	49.28
Interest	27.10	25.07
*Depreciation	17.38	16.79
Provision for Taxation	Nil	Nil
Profit after tax	10.78	7.42
Less Prior period adjustment	2.51	—
Add: Balance brought forward from the previous year	1.24	1.01
Transfer from Reserve for Contingencies	0.50	—
Net Profit available for appropriation	<u>10.01</u>	<u>8.43</u>
<b>APPROPRIATIONS</b>		
Transfer to Investment Allowance Reserve	1.50	1.50
Transfer to Reserve for Contingencies	—	1.00
Transfer to General Reserve	1.50	0.50
Proposed Dividend on Equity Capital	<u>5.02</u>	<u>4.19</u>
	8.02	7.19
Leaving a balance to be carried forward	<u>1.99</u>	<u>1.24</u>
<b>Total</b>	<u>10.01</u>	<u>8.43</u>

**DIVIDEND**

Your Directors have pleasure in recommending for your approval payment of dividend on the equity capital at the rate of 12% (subject to deduction of tax at source) for the year ended March 31, 1993.

**MARKET CONDITIONS AND OPERATIONS**

The year under review was marked by a recessionary trend in the PFY market. Stringent credit measures adopted by banks such as suspension of bill discounting facilities further eroded market sentiment. Added to these, the country witnessed strife and turmoil in the wake of the Ayodhya incidents. The most affected areas was the Western region, the major market for synthetic yarn. Violence took place during the peak season of the industry between December, 1992 and March 1993 and so the entire textile industry suffered a severe setback.

The recessionary trend has been contained to an extent by the reliefs announced in the Union Budget 1993-94 in the excise duty on polyester filament yarn and customs duty on its main raw materials.

Your Company endeavoured to contend with these difficulties by maintaining high quality and by further improving after-sales services. The marketable production of yarn and chips in the year under review was 26781 MT as compared to 21455 MT in the previous year. Your Directors feel sure you will agree that the operational performance in your Company in the background of the recession in the textile industry can be considered very satisfactory.

**FINANCE**

Members are aware that Financial Institutions have the right to convert a part of the rupee loans extended by them into equity shares of the Company and have given your Company the option of waiver on this right on agreement to pay interest at an enhanced rate. After very careful consideration your Directors came to the conclusion that it was in the best interest of the shareholders and the Company that the option of payment of interest at the enhanced rate in consideration of the Financial Institutions agreeing to waive the conversion option, be accepted. The additional interest burden has been provided in the accounts of the Company for the year 1992-93.



## **EXPORTS**

The value of export of yarn and chips has more than trebled from Rs. 202 lakhs in 1991-92 to Rs. 658 lakhs in 1992-93. Your company will continue its efforts to increase exports despite increasing competition in the world market.

## **EXPANSION OF CAPACITY**

You are aware of the interest of your Company to undertake expansion in its capacity in a viable manner. After carefully analysing the viability of a large number of alternatives that emerged as technically feasible, your Company has decided to expand the capacity by adding two spinning lines for commodity deniers and one spinning line for micro-deniers. The project has taken firm shape and your Company has approached the Financial Institutions for rupee term loans. To part finance this expansion, your Company proposes to come out with a right offer of equity shares at a premium that it feels confident you will consider fair and reasonable.

## **RESEARCH AND DEVELOPMENT**

During the year under review your Company has been able to develop a number of new yarns. A comprehensive programme of R & D is being formulated with the advice of leading polymer experts in the country.

## **CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE**

Information on conservation of energy, technology absorption, foreign currency earnings and outgo as required under section 217(1) (e) of the Companies Act, 1956, is furnished in the Unabridged Annual Report. The said information is therefore, as permitted by law not enclosed to this Abridged Annual Report.

Your company has continued to implement the recommendations of energy conservation experts of the National Productivity Council. It is also seeking advice of experts in specific areas to further pursue all viable efforts to conserve energy in every areas of its operations.

## **ENVIRONMENT**

Your Company is glad to report that it continues to be successful in ensuring that air, water and other environmental standards are achieved as per those prescribed. The information on environmental standards is furnished in the Unabridged Annual Report.

## **FIXED DEPOSITS**

The Company has not accepted any fixed deposits and the provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

## **INSURANCE**

All the properties of the Company including its buildings, plant and machinery and stocks have been adequately insured.

## **EMPLOYEE RELATIONS**

Your Directors are glad to report that employees relations have continued to be cordial.

Particulars of employees as required under section 217(2A) of the Companies Act, 1956 are furnished in the Unabridged Annual Report. The said information is therefore, as permitted by law, not enclosed to this Abridged Annual Report.

## **AUDITORS**

The Statutory Auditors — M/s M Bhaskara Rao and Company, Chartered Accountants, Hyderabad retire at the conclusion of the ensuing Annual General Meeting and, being eligible, are recommended for reappointment. They have furnished a certificate stating that their appointment, if made, will be within the limits laid down under section 224(1B) of the Companies Act, 1956.

## DIRECTORS

Mr. V. Vankateswarlu, nominee of the Industrial Development Bank of India, Mr. Abdulla Ahmed Al-Obaid, Nominee of the Kuwait Real Estate Investment Consortium (KREIC) and Mr Keon Woo Lee, Nominee of the Asian Development Bank were replaced by Mr SD Gajendran, Mr Abdul Rahman Ali Al-Saeed and Mr Richard O Wada respectively.

Your Directors placed on record their appreciation of the advice provided by Mr V Venkateswarlu, Mr Abdulla Ahmed Al-Obaid and Mr Keon Woo Lee during their tenure on the Board.

Pursuance to Article 123 of the Articles of Association of the company, Dr. N.C. B. Nath and R.N.P.V.S. Raju, Directors, retire by rotation at the ensuring Annual General Meeting and being eligible offer themselves and reappointment.

## ACKNOWLEDGEMENTS

Your Directors convey their sincere thanks to the Government of India, the Government of Maharashtra, the State Industrial and Investment Corporation of Maharashtra Limited, the Asian Development Bank, the Industrial Development Bank of India, the Industrial Finance Corporation of India Limited, the Industrial Credit and Investment Corporation of India Limited, the Unit Trust of India, the State Bank of India and other Consortium Member Banks, Kuwait Real Estate Investment Consortium EMS Invest a AG, the Company's marketing agents, suppliers, customers for the assistance provided to the company.

for and on behalf of the Board

Date: 25th June, 1993  
Place: Hyderabad

Lovraj Kumar  
Chairman

## SPECIMEN AUDITOR'S REPORT DCL POLYESTERS LIMITED Auditors Report on the Financial Statements

To  
The Members of  
DCL POLYESTERS LIMITED

We have examined the Abridged Balanced Sheet of DCL Polyesters Limited as 31st March, 1993 and the Abridged Profit and Loss Account for the year ended on that date, together with the Accounting Policies and the Notes thereon. These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the accounts of the Company for the year ended 31st March, 1993 and prepared in accordance with Schedule VI to the Companies Act, 1956 and covered by our report of even date to the Members of the Company which report is attached.

for M. BHASKARA RAO & RAO & CO.  
Chartered Accountants

Place: Hyderabad  
Date : 25th June 1993

Anil Kumar Mehta  
PARTNER

## STATEMENT REFERRED TO IN OUR REPORT OF EVEN DATE

- 1) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company excepting intangible assets are being physically verified by the management at reasonable intervals, under a phased programme of verification of all assets over a period of two years. No material discrepancies have been noticed on such physical verification.

- 2) None of the fixed assets has been revalued during the year.
- 3) Physical verification of finished goods, stores, spare parts and raw materials has been conducted by the Management during the year. In our opinion, the frequency of verification is reasonable.
- 4) The procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- 5) The discrepancies noticed on verification between the physical stocks and book records were not significant and the same have been properly dealt with in the books of account.
- 6) On the basis of our examination of stock records, we are of the opinion that valuation of stock is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- 7) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management, as defined under section 370(1B) of the Companies Act, 1956.
- 8) The Company has not granted any loans, secured, or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management, as defined under section 370(1B) of the Companies Act, 1956.
- 9) The Company has given interest free loans to employees and the principal is being repaid as stipulated.
- 10) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
- 11) In accordance with the information and explanations given to us, transactions during the year in pursuance of contracts or arrangements with Companies entered in the Register maintained under Section 301 of the Company Act, 1956 aggregating to Rs. 50,000/- or more have been made at prices which are reasonable having regard to the prevailing market prices for such goods and materials. There are no transactions of sale of goods, materials and services with companies in which Directors are interested as listed in the register maintained under Section 301 of the Companies Act, 1956.
- 12) As explained to us, the company has a procedure for the determination of unserviceable/damaged stores, raw materials and finished goods. No unserviceable or damaged stores, raw materials and finished goods were determined during the year.
- 13) The Company has not accepted deposits from public.
- 14) As explained to us, the Company's manufacturing process does not generate any by-products. In our opinion, reasonable records have been maintained by the Company or the sale and disposal of realisable scrap.
- 15) The internal audit of the company has been conducted by a firm of Chartered Accountants. In our opinion, the internal audit system is commensurate with the size of the Company and nature of its business.
- 16) In our opinion and as per the information and explanations given to us, the Company is maintaining cost records as specified by the Central Government under section 209 (1) (d) of the Companies Act, 1956. The contents of these accounts and records have not been examined by us.
- 17) The Company has been regular in depositing the provident fund dues with the appropriate authority during the year and as explained to us, the Employees State Insurance Act 1948 is not at present applicable to the Company.

- 18) We have been informed that the Company does not have any undisputed amounts payable in respect of Income Tax, Wealth Tax, Sale Tax, Customs Duty and Excise Duty outstanding as at 31st March 1993 for a period of more than six months from the date they became payable.
- 19) According to the information and explanations given to us no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business practice.
- 20) The Company is not a sick industrial company within the meaning of Clause (o) of sub section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

for M BHASKARA RAO & CO.  
Chartered Accountants

Date: 25th June, 1993  
Place: Hyderabad

Anil Kumar Mehta  
Partner

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### Non-Statutory Reports

These are the reports which are not prepared in accordance with any statutory requirement. As such, they do not have any standard format. These can be prepared by Secretaries, Directors, Committees and various other officials in the organisation. These are otherwise called "internal reports". Reports of this type are commonly required on occasions as given below:

- 1) **Reports of Directors to Shareholders** on special problems or projects which may have to be submitted at the general meeting.
- 2) **Reports of Committees of Directors** appointed by the Board of Directors for different purposes. These for example, are as follows:
  - a) **Standing Committees** appointed by the Board (such as Finance Committee, Share Allotment Committee, Share Transfer Committee) which are required to assist the Board on financial or administrative matters.
  - b) **Adhoc Committees** appointed by the Board to report on matters of special importance such as feasibility of raising additional capital, advisability of opening a branch office, etc.
- 3) **Reports of the Secretary or any other Official** of the company to be submitted to the Board of Functional Directors or Specific matters such as: (a) causes of discontent among employees (b) selection of suitable premises for a new branch office (c) advisability of taking over or purchasing a business (d) scope of improvement in the working conditions of workers (e) sales performance in a particular product-market.
- 4) **Reports on the proceedings of meetings** to be prepared by the secretary or some other individual, which may be verbatim (word by word) reporting of summarised reports.

### SPECIMEN OF NON-STATUTORY REPORTS

- 1) **Report to Directors regarding irregularities by the Office Staff**

Dated: 25th September, 1993

To  
The Chairman,  
Board of Directors,  
Jayant Chemicals Ltd.  
PUNE

Dear Sir,

In compliance with your wish, I have conducted an enquiry into the causes and extent of irregularities, noticed in the office staff during recent months, and would like to submit as follows:

The most serious irregularity came to my notice in course of the enquiry with respect to attendance of the office staff. Late arrival and early departure have been a source of trouble with the majority of the junior staff mainly because there is no serious check on the time of arrival and departure of the staff. Slackness in the staff and lack of proper supervision appear to be the basic factors underlying the situation. As a result, the efficiency standards in general have deteriorated and arrear work has accumulated particularly in the billing and billing sections.

In my opinion, the situation can be considerably improved if the departmental officers are advised to keep the attendance registers in their rooms and the staff are instructed to sign the registers in their presence on arrival as well as at the time of departure, I would also like to suggest that office rules be suitably amended whereby late arrivals or early departure for more than 3 occasions in a month may cause a days privilege leave to be deducted.

Yours faithfully,

(S.P. GUPTA)  
Secretary

**2) Report to the Managing Director on the desirability of installing a mechanised accounting system in the office.**

To

**Dated: 12 February 1994**

The Managing Director,  
National Electricals Ltd.  
BHOPAL

Dear Sir,

As instructed by you, I have examined the pros and cons of installing a mechanised accounting system in our office, and submit my report hereunder.

The existing staff of the Accounts Department is unable to cope with the increasing volume of work for quite sometime. This has given rise to several problems. Ledger posting of vouchers and related work are in arrear by several months. Accuracy and neatness of accounting records are not upto the mark. Besides, pressure of work often leads to friction among the staff and frequent demand for additional staff.

Introduction of a mechanised/computerised accounting system, in my view, will help considerably in solving the problems. An all-round improvement in efficiency and output of staff is expected thereby, which will lead to elimination of arrears and reduce pressure on the staff. Mechanisation, computerisation of accounting will also reduce fatigue and strain involved in figure work, produce neat accounting records and minimise the chances of errors and frauds. The overall improvement in efficiency and output will obviate the necessity of appointing additional staff leading to economy in office cost.

The initial cost of installing the system will of course be high. It will involve an estimated capital cost of Rs. 1 lakh and recurring maintenance cost of about Rs. 8,000 to Rs. 10,000 per year. But the initial capital cost will be more than off set by improved efficiency and output of work and a saving in office cost.

I would like to suggest that the proposal should be discussed with representatives of the staff and their willing co-operation ensured before the details of the proposed system are worked out.

I hope this report will help you in arriving at a speedy decision regarding installation of a mechanised/computerised accounting system in our office.

Yours faithfully,

(B M SETH)  
Secretary

3) Report of the Sales Manager about the Total Sales of Electronics Manufacturing Company Limited for December, 1993

The Managing Director  
Electronics Manufacturing Co. Ltd.  
Hyderabad.

Dear Sir,

I hereunder furnish the details regarding the total sales of electronic goods during the month of December, 1993:

- Electronic Circuit Bonds : 5000 @ Rs. 50
- Electronic Irons : 10000 @ Rs. 300
- Electronic Heaters : 4000 @ Rs. 120
- Electric Wire : 20000 mtrs @ Rs. 4 per meter
- Bulbs 100 Watts : 5000 @ Rs. 5
- Table Lamps : 2000 @ Rs. 350

When compared with the sales of November, 1990 the sales during the current month have increased by 10 per cent in all types of goods. This additional demand requires us to initiate steps to increase our production as well. The sales during the coming months are going to increase, going by current market trends, substantially. Hence, I request you to initiate measures so that we might be able to encash the demand in the days ahead.

Thanking you,

Place: Hyderabad  
Dated: 10 January, 1994

Mahindra, R.A.  
Sales Manager  
Electronics Mfg, Co. Ltd.

**Privileged Reports:** Reports against which no legal action can be taken for defamation, etc., are called privileged reports. Reports of proceedings of the Parliament or proceedings in a court of law, or press reports of public meetings enjoy qualified privilege; i.e., they are privileged provided they are fair and accurate. This privilege applies only to the reports of incidents or statements that happen inside the court or the Parliament house. Press reports of speeches made in company meetings do not enjoy this privilege.

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## 12.7 REPORTS CONTROL

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Reports control programme is indispensable for making reports effective and useful. The actual preparation of reports involves huge expenditure and, hence, must be subjected to proper control. An effective report control programme ensures high quality reports to management. Additionally, evaluation of reports is also necessary because constant changes (technological, social, economic, and organisational) do affect organisations in different ways. Organisations have to learn, invariably, the difficult art of living with these changes. This, in turn, necessitates the constant evaluation of reports already prepared and submitted. There should be a continuous review of all types of reports old as well as new to find out answers to the following questions:

- Is the report necessary?
- Can it be eliminated or consolidated with other reports available?
- Can it be issued less frequently?
- Can it be condensed further?
- Does it contain all the pertinent data?
- Can the facts be presented in a more useful or valuable manner?
- Does the report help management in taking decisions?

The Reports Control Programme is necessary for eliminating unnecessary reports. Unnecessary reports eat away corporate funds. The clerical cost involved in the preparation of these reports might be too prohibitive and could be avoided through proper control. There is yet another reason for emphasizing the reports control programme. The programme is highly useful to management because it considerably improves the quality of reports. It helps in producing high quality reports at lesser cost.

**Check Your Progress B**

1) What do you mean by Statutory Report?

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2) Distinguish between Formal and Informal Reports.

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3) State whether the following statements are True or False.

- i) Routine Reports are called "Usual Reports".
- ii) Statutory Reports are called "Privileged Reports".
- iii) Formal Reports are non-analytical in nature.
- iv) Informal reports have a uniform structure.
- v) The report control programme is necessary for eliminating unnecessary reports.

4) Fill in the blanks:

- i) A report is more than \_\_\_\_\_.
- ii) Formal reports are \_\_\_\_\_ designated reports.
- iii) The format of report should be \_\_\_\_\_ and \_\_\_\_\_.
- iv) A Reports Control Programme is \_\_\_\_\_ for keeping the reports effective and useful.
- v) Reports against which no legal action can be taken for defamation are called \_\_\_\_\_.

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**12.8 LET US SUM UP**

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A report is a statement based on facts, events and opinions which serves as a communication to management for decision-making and action. Reports play a significant role in modern organisations. Effective report enhances the goodwill of the organisation. Reports are the conveyor of information and help the management to face the changing environment. The essentials of a good report are accuracy, simplicity, completeness, brevity, appearance, readability, reliability, economy, timeliness and logical content.

Report writing is an art which can be cultivated through practice. While writing the report, the writer should concentrate on the collection of relevant data, organising the data and arriving at a conclusion. There are various types of reports which may be classified as routine reports, formal and informal reports, statutory and non-statutory reports. In order to make the reports useful and effective, a report control programme is essential. Reports

should be continuously evaluated and desirable changes made for improvement in quality and their usefulness.

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## 12.9 KEY WORDS

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**Feedback:** Checking the results after the completion of work, so that deviations can be checked and corrected in future.

**Joint Stock Company:** A company which is registered under the Indian Companies Act, 1956 and offers shares to raise capital.

**Prospectus:** A statement prepared and issued by a Public Company before issue of shares to the public, which provides details of the company's aims and progress.

**Qualified Report:** Report given by the auditor if all audited accounts are not correct.

**Reports:** A statement based on a collection of factual data, opinions, and events.

**Statutory Report:** Report which is required to be prepared under legal provisions.

**Statutory Meeting:** General meeting of the members of a Public Company to be held not less than one month and not more than six months from the date of commencement of business.

**Statement in Lieu of Prospectus:** Statement prepared and issued by a Public Company which does not issue shares to the public to raise capital.

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## 12.10 ANSWERS TO CHECK YOUR PROGRESS

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- A) 3) i) True ii) False iii) True iv) False v) False
- B) 3) i) True ii) False iii) False iv) False v) True
- 4) i) english composition ii) officially iii) pleasing, eye-catching iv) indispensable v) privileged reports.

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## 12.11 TERMINAL QUESTIONS

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- 1) What do you mean by Office Reports? Explain their nature and importance.
- 2) What are the various elements of a good report?
- 3) What is an Office Report? Explain various kinds of office reports in a brief manner.
- 4) Explain the differences between Routine and Statutory Reports. Which reports are useful for an organisation?
- 5) As the Office Manager, you have been directed by your Managing Director to prepare a suitable report on over-consumption of stationery in the office and the steps which can be initiated to reduce its consumption. Prepare this report.
- 6) Provide a specimen of the Statutory Report.
- 7) What do you mean by Reports Control? Explain why a Reports Control Programme is necessary in modern offices?
- 8) Discuss the importance of Office Reports in a modern organisation.

**Note:** These questions will help you to understand the unit better, Try to write answers for them. But do not submit your answers to the university for assessment. These are for your practice only.