

Best Corporate Report Awards

2024 | Evaluation
Criteria

*Good corporate governance
helps to build an environment of
trust, transparency and accountability
necessary for fostering long-term
investment, financial stability and
business integrity, thereby supporting
resilient business growth.*

Best Corporate Report Awards 2024 Evaluation Criteria

Preface

The Best Corporate Report Awards competition is the benchmark for transparency, corporate governance and excellence in financial reporting in Pakistan.

The Evaluation Committee (a sub-committee of the Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP)) has been giving the Best Corporate Report (BCR) Awards since 2000.

The BCR Awards aim to recognize excellence in corporate reporting and to promote accountability, governance and transparency by companies through the publication of timely, informative, factual and reader friendly information and disclosures. It is heartening to see that over the period, the BCR Awards competition has brought a tremendous improvement in the overall presentation of annual reports of the companies in Pakistan. All public interest companies including listed/ unlisted and public-sector companies, mutual funds/ assets management companies and Non-Profitable Organizations (NPOs) are encouraged to participate in the BCR competition.

Sustainability reporting has gained global attention and momentum in recent times and companies are now focusing on sustainability reporting as an imperative part of corporate reporting. Sustainability reporting provides an overview of a company's environmental, social and governance (ESG) impacts. It is an important communication tool from company's side that enables investors and other stakeholders to understand the impacts of company's business activities on the environment and society and to assess its risks and opportunities.

The issuance of the International Sustainability Standards Board (ISSB)'s two Sustainability Disclosure Standards (IFRS S1 & S2) marks an important milestone towards establishing a global baseline Sustainability Disclosure Standards.

The Accounting Standards Board (ASB) of ICAP, with the objective to adopt Sustainability Disclosure Standards in Pakistan, is actively working with the regulatory bodies to develop capacity and skill set of all stakeholders in the sustainability reporting area and also to the adoption of IFRS SDSs in Pakistan.

In view of changes in the global financial landscape, the Evaluation Committee of BCR has introduced few requirements of the Sustainability Disclosure Standards in the BCR 2024 criteria. The Committee is also in the process of reviewing the evaluation criteria of 'Best Sustainability Report (BSR) Awards' to incorporate the key requirements of IFRS S1 & S2 in it.

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Key changes made in the BCR Evaluation Criteria 2024

The Evaluation Criteria aim to promote a cohesive approach to corporate reporting to improve the quality of information available to the stakeholders and also the integrated thinking within the organization. The Evaluation Criteria is updated annually by the Evaluation Committee to keep it in line with the international best practices and local requirements.

In the BCR Evaluation Criteria 2024, following two key changes have been made:

1. With the objective to promote ISSB's Sustainability Disclosure Standards, IFRS S1 '*General Requirements for Disclosure of Sustainability-related Financial Information*' and IFRS S2 '*Climate-related Disclosures*', some elementary disclosure requirements of IFRS S1 and S2 have been added in section 4 of the criteria regarding the sustainability-related risks and opportunities.
2. Addition of new Annexure VI which contains specific disclosures required for State-Owned Entities (SOEs) as required in the '*State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act)*'. This section requires SOE's Board to have business plan for three financial years, publish a 'Statement of Corporate Intent' and summary of the annual report on the SOE website, Board declaration about the liquidity position of SOE and integrity of SOE's internal control system and processes etc.

BCR Sector-Wise Categories

BCR Awards are presented under following fourteen categories:

- | | |
|--|--------------------------------|
| 1) Banks | 8) Sugar |
| 2) Insurance | 9) Textile |
| 3) NBFIs, Mutual Funds and Micro Banks | 10) Pharmaceutical |
| 4) Chemicals & Fertilizers | 11) FMCG |
| 5) Engineering & Autos | 12) Technology & Communication |
| 6) Fuel & Energy | 13) NPOs |
| 7) Cement | 14) Others |

Marking Criteria

BCR position and merit certificate are announced based on the below benchmark:

- a) Positions are awarded to companies securing more than 70% of the total marks;
- b) Merit certificates are awarded to companies securing more than 50% of the total marks.

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Sector-wise Winners

The BCR competition provides participating companies with the opportunity to benchmark themselves amongst others in their respective sector.

The evaluation process for the sector winners comprises of the following:

- a) Annual reports are first evaluated by ICAP technical team, based on the updated BCR Evaluation Criteria,.
- b) This is followed by the peer review of BCR Evaluation Committee members.
- c) After the BCR Committee's review and approval of the Chairman, sector wise winners are finalized and results are announced in the awards ceremony.
- d) Annual reports containing modified auditor's report are subject to deduction (up to max. 5 marks).
- e) Total five positions are announced in each sector, subject to the marking benchmark as mentioned above, and number of participating companies in each sector.

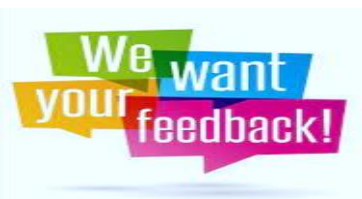
Overall Winners

Overall, three winners are selected based on the aggregate marks and approval of the BCR Committee.

Companies can simultaneously participate in the BCR as well as the Best Sustainability Reporting (BSR) Awards.

*The BSR Evaluation Criteria is available at:
<https://www.icap.net.pk/bcsra/bsr-criteria>*

*Winners of each of the above categories are eligible to be nominated in the **SAFA Best Presented Annual (BPA) Report Awards**, held each year. SAFA BPA Awards provide the opportunity to Pakistani companies to compete with the best companies of the SAFA member bodies including, Bangladesh, India, Nepal and Sri Lanka.*



Your feedback is important.

Please send your comments on the BCR Evaluation Criteria 2024 at:
dtscomments@icap.org.pk

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1.	Organizational Overview and External Environment	20 Marks
1.01	Mission, vision, code of conduct, ethical, principal and core values.	1
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	1
1.03	Geographical location and address of all business units including sales units and plants.	1
1.04	The legislative and regulatory environment in which the company operates.	1
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	1
1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	1
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	2
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	1
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	1
1.10	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	1
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	2
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	1
	b) The effect of seasonality on business in terms of production and sales.	1
1.13	The legitimate needs, interests of key stakeholders and industry trends.	1
1.14	SWOT Analysis of the company.	1
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	1
1.16	History of major events.	1
1.17	Details of significant events occurred during the year and after the reporting period.	1

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2. Strategy and Resource Allocation		15 Marks
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	2
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital.	2
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	1
2.04	Company's strategy on market development, product and service development.	1
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	2
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	2
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	1
2.08	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	2
2.09	a) Information about defaults in payment of any debt with reasons and its repayment plan; b) Board strategy to overcome liquidity problems and plans to meet operational losses.	1 1
3. Risks and Opportunities		15 Marks
3.01	Key risks and opportunities (internal and external), including Sustainability-related risks and opportunities affecting availability, quality and affordability of Capitals.	2
3.02	A Statement from the Board for determining the following: a) Company's level of risk tolerance by establishing risk management policies; b) Company's robust assessment of the principal risks being faced, including those that would threaten the business model, future performance and solvency or liquidity.	1 2
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	5
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	3
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	2

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5.	Governance	60 Marks
5.01	Board composition:	
	a) Leadership structure of those charged with governance;	1
	b) Name of independent directors indicating justification for their independence;	1
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience;	1
	d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.;	1
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	1
5.02	A brief description about role of the Chairman and the CEO.	1
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	1
5.04	Chairman's Review Report on the overall performance of the board including:	3
	a) Effectiveness of the role played by the board in achieving the company's objectives;	
	b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year';	
	c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	1
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	1
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	1
5.08	Details of formal orientation courses for directors.	1
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	1
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	1
5.11	Disclosure about related party transactions:	
	a) Approved policy for related party transactions;	1

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5.	Governance	60 Marks
	b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding;	1
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement;	1
	d) Disclosure of director's interest in related party transactions;	1
	e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	1
5.12	Disclosure of Board's Policy on the following significant matters:	
	a) Governance of risk and internal controls.	1
	b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.	1
	c) Disclosure of director's interest in significant contracts and arrangements.	1
	d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	1
	e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	1
	f) Security clearance of foreign directors.	1
	g) Board meetings held outside Pakistan.	1
	h) Human resource management including: <ul style="list-style-type: none"> • Preparation of succession plan; • Merit based recruitment; • Performance based appraisal system; • Promotion, reward and motivation; • Training and development; • Gender and race diversity; • Appointment of / quota for people with disability; and • Employee engagement /feedback. 	2
	i) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.	1
	j) Communication with stakeholders.	1
	k) Dividend policy.	1
	l) Investors' relationship and grievances.	1
	m) Employee's health, safety and protection.	1

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5.	Governance	60 Marks
	n) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in Audit Committee's report.	1
	o) Safety of records of the company.	1
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	1
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	1
5.15	Disclosure about:	
	a) Shares held by Sponsors / Directors / Executives;	1
	b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	1
5.16	Details about Board meetings and its attendance.	1
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	1
5.18	<p>Timely Communication: Date of authorization of financial statements by the board of directors:</p> <p>Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks</p> <p><i>(Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).</i></p>	6
5.19	<p>Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:</p> <p>a) Composition of the committee with at least one member qualified as "financially literate" and all members are non-executive / Independent directors including the Chairman of the Audit Committee.</p> <p>b) Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed.</p> <p>c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure.</p> <p>d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance.</p> <p>e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures.</p>	3

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5.	Governance	60 Marks
	<p>f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded.</p> <p>g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.</p> <p>h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy.</p> <p>i) Results of the self-evaluation of the Audit Committee carried out of its own performance.</p> <p>j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.</p>	
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	1
5.21	<p>Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:</p> <p>a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system;</p> <p>b) Management support in the effective implementation and continuous updation;</p> <p>c) Details about user training of ERP software;</p> <p>d) How the company manages risks or control risk factors on ERP projects;</p> <p>e) How the company assesses system security, access to sensitive data and segregation of duties.</p>	1 1 1 1 1
5.22	Disclosure about the Government of Pakistan policies related to company's business / sector in Directors' Report and their impact on the company business and performance.	1
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	1

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6. Analysis of the Financial Information		50 Marks
6.01	<p>Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between:</p> <p>a) Past and current performance;</p> <p>b) Performance against targets /budget; and</p> <p>The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.</p>	2
6.02	<p>a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators.</p> <p>b) Explanation of negative change in the performance as compared to last year.</p>	20 3
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	5
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	4
6.05	<p>a) Information about business segment and non-business segment; and</p> <p>b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.</p>	1 1
6.06	Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning.	1
6.07	Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	1
6.08	Disclosure of market share of the company and its products and services.	2
6.09	<p>Statement of value added and its distribution with graphical presentation:</p> <p>a) Employees as remuneration;</p> <p>b) Government as taxes (separately direct and indirect);</p> <p>c) Shareholders as dividends;</p> <p>d) Providers of financial capital as financial charges;</p> <p>e) Society as donation; and</p> <p>f) Retained within the business.</p>	2
6.10	<p>Statement of Economic value added (EVA)</p> <p><i>[EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]</i></p>	1
6.11	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	7

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7. Business Model		5 Marks
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	4
7.02	Explanation of any material changes in the entity's business model during the year.	1

8. Disclosures on IT Governance and Cybersecurity		20 Marks
8.01	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	5
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	3
8.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	2
8.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	2
8.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	2
8.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	1
8.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	2
8.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	1
8.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	2

Explanatory Note

Companies are recommended to assess the risks related to the potential theft or compromise of their technology, data or intellectual property in connection with their operations, as well as how the recognition of these risks may impact their business, including their financial condition and results of operations, and any effects on their reputation, stock price and long-term value. Where these risks are material to investment and voting decisions, they should be disclosed, and we encourage companies to provide disclosure that allows investors to evaluate these risks through the eyes of management. Please note that disclosure about these risks should be specifically fit to a company's unique facts and circumstances. We trust that corporations should continue to consider this growing area of risk and evaluate its materiality on an ongoing basis.

Further, the Company should not make such detailed disclosures that could compromise its cybersecurity efforts – for example, by providing a "roadmap or product details" for those who seek to penetrate a company's security protections. However, companies should disclose IT governance and cybersecurity risks and incidents that are material to investors, including the associated financial, legal, or reputational consequences, if any.

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9. Future Outlook		10 Marks
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	4
9.02	Explanation as to how the performance of the company aligns with the forward-looking disclosures made in the previous year.	2
9.03	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year.	2
9.04	Sources of information and assumptions used for projections / forecasts in the forward-looking statement, and any assistance taken by any external consultant.	1
9.05	Disclosure about company's future Research & Development initiatives.	1

10. Stakeholders Relationship and Engagement		15 Marks
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	2
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees; and g) Analysts.	3
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	3
10.04	Investors' Relations section on the corporate website.	1
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	1
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Analyst briefing conducted during the year.	3
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	1
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	1

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11.	Striving for Excellence in Corporate Reporting	5 Marks
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (<i>i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)</i>).	4
11.02	BCR criteria cross referred with page numbers of the annual report. (<i>details can be maintained by companies on the Investor Relation section of the company's website</i>).	1

12.	Specific Disclosures of the Financial Statements	10 Marks
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	10

13.	Assessment based on Qualitative Factors	5 Marks
13.01	Assessment of overall quality of information contained in the annual report based on the following qualitative factors: <ol style="list-style-type: none"> Clarity, simplicity and lucidity in presentation of Financial Statements; Theme on the cover page; Effective use of presentation tools, particularly diagrams, graphs, charts, smart arts, icons, tables and infographics in the annual report; Effectiveness and relevance of photos and graphs; Effectiveness of the theme on the cover page. 	5

Total Marks 250

14.	Industry Specific Disclosures (if applicable)	20 Marks
a)	Disclosures required for Banking Company (Annexure III).	
b)	Disclosures required for Insurance Company (Annexure IV).	
c)	Disclosures required for Exploration and Production (E&P) Company (Annexure V).	
d)	Disclosures required for State-Owned Entities (SOEs) as per State-Owned Enterprises (Governance and Operations) Act, 2023 (Annexure VI).	

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Annexure I - Financial Ratios (refer section 6 of the criteria)

20 Marks

Financial Sector

Profitability Ratios

- Profit before tax ratio
- Gross Yield on Earning Assets
- Gross Spread ratio
- Cost/Income ratio
- Return on Equity
- Return on Capital employed
- Shareholders' Funds
- Return on Shareholders' Funds
- Return on Investment
- Total Shareholder Return

Liquidity Ratios

- Advances to deposits ratio
- Current ratio
- Net interest income as a percentage of working funds / operating cost – Efficiency ratio
- Non-interest income as a percentage of working funds
- Quick / Acid test ratio
- Cash to Current Liabilities
- Cost of Funds
- Cash flow coverage ratio
- Net interest income as a percentage of working funds / Operating cost - Efficiency ratio
- Cash Reserve Ratio / Liquid Asset ratio
- Gross Non-Performing assets to gross advances
- Non-Performing loans (Assets) to Total Loans (Assets)
- Credit— Deposit Ratio

Investment / Market Ratios

- Earnings per share (EPS) and diluted EPS
- Price Earnings ratio
- Price to Book ratio
- Dividend Yield ratio
- Dividend Payout ratio / Dividend Cover Ratio
- Cash Dividend per share / Stock Dividend per share
- Market value per share at the end of the year and high/low during the year
- Breakup value per share
 - Without Surplus on Revaluation of property, plant and equipment
 - With Surplus on Revaluation of property plant and equipment including the effect of all Investments
 - Including Investment in Related Party at fair /market value and also with Surplus on Revaluation of property plant and equipment.
- DuPont Analysis
- Free Cash Flow
- Economic Value Added (EVA)

Capital Structure

- Capital Adequacy ratio
- Earning assets to total assets ratio
- Weighted Average cost of deposit
- Statutory Liquidity Reserve (Ratio)
- Net assets per share
- Debt to Equity ratio (as per book and as per market value)

Non-Financial Ratios

- Staff turnover ratio
- Customer Satisfaction Index
- Employee Productivity Rate
- Revenue per Employee
- Customer Retention Ratio

Non-Financial Sector

Profitability Ratios

- Gross Profit ratio
- Net Profit to Sales
- EBITDA Margin to Sales
- Operating leverage ratio
- Return on Equity / Shareholders' Funds
- Return on Capital employed
- Shareholders' Funds
- Return on Shareholders' Funds
- Return on Investment
- Total Shareholder Return

Liquidity Ratios

- Current ratio
- Quick / Acid test ratio
- Cash to Current Liabilities
- Cash flow from operations to Sales
- Cash flow to capital expenditures
- Cash flow coverage ratio

Investment /Market Ratios

- Earnings per Share (EPS) and diluted EPS
- Price Earnings ratio
- Price to Book ratio
- Dividend Yield ratio
- Dividend Payout ratio / Dividend Cover Ratio
- Cash Dividend per share / Stock Dividend per share
- Market value per share at the year end and high/low during the year
- Breakup value per share
 - Without Surplus on Revaluation of property, plant and equipment
 - With Surplus on Revaluation of Property plant and equipment including the effect of all Investments
 - Including Investment in Related Party at fair /market value and also with Surplus on Revaluation of property plant and equipment.
- DuPont Analysis
- Free Cash Flow
- Economic Value Added (EVA)

Capital Structure

- Financial leverage ratio
- Weighted average cost of debt
- Debt to Equity ratio (as per book and as per market value)
- Net assets per share
- Interest Cover /Time Interest earned ratio

Activity / Turnover Ratios

- Total Assets turnover ratio
- Fixed Assets turnover ratio
- No. of Days in Inventory
- No. of Days in Receivables
- No. of Days in Payables
- Operating cycle

Non-Financial Ratios

- % of Plant Availability
- Customer Satisfaction Index
- Production per Employee (for manufacturing)/ Employee Productivity Rate (for service industry)
- Revenue per Employee
- Staff turnover ratio
- Spares Inventory as % of Assets Cost
- Maintenance Cost as % of Operating Expenses
- Customer Retention Ratio

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Annexure II - Specific Disclosures of the Financial Statements (refer section 12 of the criteria)		10 Marks
1	Fair value of Property, Plant and Equipment.	1
2	Particulars of significant / material assets and immovable property including location and area of land.	1
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	1
4	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property.	1
5	Specific disclosures required for shariah compliant companies / companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	2
6	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53(I)/2022 dated January 12, 2022)	1
7	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	1
8	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised till full implementation of such plans.	1
9	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	1

Best Corporate Report Awards 2024 Evaluation Criteria

Annexure III - Specific Disclosures for Banking Company		20 Marks
1	Disclosure of Credit Ratings given by various rating agencies for the Bank and for its Instruments. For e.g. Tier I and Tier II.	2
2	Details of Advances portfolio Classification wise as per the direction issued by SBP.	1
3	Disclosure for Non-Performing Assets (NPA): i. Movements in NPA; ii. Sector-wise breakup of NPA; iii. Movement of Provisions made against NPA; and iv. Details of accounts restructured as per regulatory guidelines	4
4	Maturity Pattern of Key Assets and Liabilities.	2
5	Classification and valuation of investments as per SBP guidelines / IAS / IFRSs.	2
6	Details of credit concentration / sector-wise exposure.	1
7	Concentration of assets, liabilities and off-Balance Sheet items.	1
8	Disclosure of Non-Performing Loans.	2
9	Disclosures under regulatory requirements (for e.g. Prudential Regulations and Basel III) issued by SBP.	2
10	Details of Non statutory investment portfolio.	1
11	Disclosures for derivative investments.	1
12	Bank's Network: List of Bank's Branches.	1

Best Corporate Report Awards 2024 Evaluation Criteria

Annexure IV - Specific Disclosures for Insurance Company		20 Marks
1	Claims management and details of outstanding claims (IBNR & IBNER) with estimated liability and ageing thereof.	2
2	Highlights of segment revenue account.	1
3	Disclosure of outstanding premium / unearned premium.	1
4	Details of claims under different categories of policies including average claim settlement period.	1
5	Estimated liability in respect of outstanding claims including their ageing.	1
6	Disclosures of re-insurance ceded premium & claim recovered.	1
7	Disclosure of extent of risk retained, reinsured and unexpired risk.	1
8	Disclosures pertaining to solvency margin / solvency ratio.	2
9	Valuation & impairment of investment as per regulatory requirements.	1
10	Actuarial assumptions made are in compliance with the regulations issued by regulatory authorities.	1
11	Following accounting ratios pertaining to insurance sector: <ul style="list-style-type: none"> • Claim ratio; • Premium growth ratio; • Claim settlement ratio; • Combined ratio; • Persistency ratio; • Reinsurance premium ceded on gross premium (%); • Reinsurance claim recovery percentage; • Retention ratio; • External liability ratio. 	4
12	Review of assets quality.	2
13	Report of the life actuary (for life insurance).	1
14	Statement showing age-wise analysis of unclaimed amount of policyholders.	1

Annexure V - Specific Disclosures for Exploration and Production (E&P) Company		20 Marks
1	Disclosure of definition used by the company for: <ul style="list-style-type: none"> (i) Net Proved developed reserves (ii) Net Proved undeveloped reserves 	5
2	Disclosure of estimates of net proved developed reserves, net proved undeveloped reserves and total net proved reserves showing by major geographical area in tabular form with movement occurred during the year.	10
3	Disclosure of the company's progress in converting proved undeveloped reserves into proved developed reserves.	5

Best Corporate Report Awards 2024 Evaluation Criteria

Annexure VI - Specific Disclosures required for State Owned Entities (SOEs) as per State-Owned Enterprises (Governance and Operations) Act, 2023 (SOE Act) <i>(New Section)</i>		20 Marks
1.	<p>Statement by the Board about the SOE's business plan for the three (3) financial years (if SOE has / have subsidiary(ies) then for the group as a whole) encompassing below information:</p> <ul style="list-style-type: none"> • Operations; • Strategic direction; • Financial and non-financial performance measures; and • How SEO shall achieve its primary objective. 	3
2.	<p>Disclosure by the board (or the group comprising the SOE and its subsidiaries, if any) that it has adopted and published a 'Statement of Corporate Intent' in respect of that year and the following two financial years, relating to given components:</p> <ul style="list-style-type: none"> • Main Business of SOE; • Business goals business plan; • Summary of performance measures and benchmarks against business goals/targets and its primary objective; • Summary of strategies for achieving its business goals and primary objective; • Summary of key risks identified in the achievement of the business goals; • Current or anticipated borrowing of SOE; • Details of Accounting policies and summary indicative balance sheet and profit and loss statement; • Proposed dividend declaration and distribution policy; and • Description of any public service obligations and their impact on the forecasted financial outcomes of SOE. 	5
3.	<p>Declaration of the Board whether, in their opinion:</p> <ul style="list-style-type: none"> • There are reasonable grounds that SOE shall be able to pay their debts as they become due and payable; and • The financial statements and the notes to them comply with the requirements of SOE Act and IFRSs. 	5
4.	<p>Publication of summary of the annual report on the SOE website / Division website, including comparison of the actual performance with the targets or benchmarks, as set in its Statement of Corporate Intent for that financial year.</p>	2
5.	<p>Board statement on the integrity of the systems of internal control and policy and actions taken in case of deviation or violation from the company's code of conduct or other systems of internal control.</p>	2
6.	<p>Disclosure by the Board about the evaluation of the performance of the Audit Committee through a formal review mechanism.</p>	3

Best Corporate Report Awards 2024 Evaluation Criteria

Notes:

1. Entities participating in the competition are encouraged to fill relevant self-assessment checklist relevant to that year and available at the websites of both the Institutes.
2. Separate evaluation criteria for NPOs and Sustainability Reporting are available on the website of ICAP & ICMAP.
3. Following companies can participate in the competition:
 - Listed companies including public sector companies;
 - Unlisted including public sector companies and large size companies;
 - Mutual Funds/ Assets Management Companies; and
 - NPOs (Companies licensed under Section 42 or 45 of the Companies Act, 2017 or Trusts).
4. For participation in the competition, companies with the financial year-end of 2024 (March 31, 2024/ June 30, 2024/ September 30, 2024 and December 31, 2024) can send three copies of published annual report 2024 along with duly filled self-assessment checklist to:

*Technical Services Department
ICAP, Chartered Accountants Avenue
Clifton, Karachi-75600
UAN: 021-111-000-422 (Ext: 304)
Direct: 021-99251629*

BCR Evaluation Committee

Chairman

Abdul Rahim Suriya, FCA, FCMA

Members

1. Aftab Qutubuddin Munshi, FCMA
2. Ahmed Ali, ACA
3. Ahsan Ghaffar Mehanti, FCA
4. Ata ur Rehman, FCMA
5. Ghulam Mustafa Qazi, FCMA
6. Hena Sadiq, FCA
7. Jawed Mansha, FCMA
8. Kamran Ahmad Hashmi, FCMA
9. Moneeza Usman Butt, FCA
10. Muhammad Farid Alam, FCA
11. Muhammad Lukman, FCMA
12. Shahid Ilyas, FCMA
13. Syed Fahim ul Hasan, FCA, ACMA
14. Wasif Sajjad, FCA

Secretariat

Farheen Mirza, FCA

Deputy Director, Technical Services
The Institute of Chartered Accountants
of Pakistan
Contact: +92 21 111 000 422 | Ext: 351
Email: farheen.mirza@icap.org.pk
URL: www.icap.org.pk

Asim Husain Khan

Director Members' Professional Development and
Corporate Trainings
The Institute of Cost and Management Accountants
of Pakistan
Contact: +92 21 99243900 | Ext: 120
Email: asim.khan@icmap.com.pk
URL: www.icmainternational.com