

Invitation to participate in the Competition 2017-18



# ICAI Awards For Excellence In Financial Reporting

*Last Date for Receipt of Entries: 30<sup>th</sup> September, 2018*



The Institute of Chartered Accountants of India  
(Set up by an Act of Parliament)



# Message

Relevance of effective financial reporting in the economic development of a country has been widely acknowledged, since annual reports help business leaders as well as analysts and investors in taking effective decisions for the purpose of strategy, information and investment.

In response to how he became so successful in investing, Warren Buffett had answered: *We read hundreds and hundreds of annual reports every year.* Annual reports that enclose a strong narrative accompanying the relevant graphics and photographs, chronicle the activities of the past one year disseminating both quantitative and qualitative information. These are often considered as the most reliable and complete sources of financial information about business entities, since it is the information that connects stakeholders to the businesses.

This year too, to promote, recognise and encourage excellence in preparation and presentation of financial information, we have decided to hold annual competition and give Award in 16 categories through our celebrated event called *ICAI Awards for Excellence in Financial Reporting* for the year 2017-18, (which was first held in 1958).

We extend a very warm welcome and an ardent invitation to all business entities that publish annual reports, to participate in this annual competition of the Institute. Please note that your entry must reach us by 30<sup>th</sup> September 2018.



CA. Naveen N. D. Gupta  
President  
ICAI

CA. Prafulla P. Chhajed  
Vice-President  
ICAI



CA. Sanjay Kumar Agarwal  
Chairman  
Research Committee

CA. Nandkishore C. Hegde  
Vice-Chairman  
Research Committee

## Introduction

A published annual report is the key communication with stakeholders and a valuable source of information, both financial as well as non-financial, about the entity concerned. An annual report is the primary and most easily accessible mode for transmission of information about the entity's performance during the year. Apart from being relatively easily accessible, an annual report contains the audited financial information, which creates public confidence. Financial statements forming an integral part of an annual report aim to provide relevant information and help the executives in taking sound economic decisions. Therefore, the entities that adopt the philosophy of transparent disclosures need to be encouraged, appreciated and cheered all the way.

To institutionalise the philosophy of attaining excellence in financial reporting by an entity in public, private and voluntary sectors and local authorities, and to honour the entity for its contribution in enhancing the quality of information, both financial as well as non-financial, the Institute of Chartered Accountants of India (ICAI) had instituted the Annual Award competition of **ICAI Awards for Excellence in Financial Reporting** in the year 1958. The competition is being held annually thereafter, wherein the entities are recognised for their practice of excellence in financial reporting. This prestigious competition aims to propagate that financial reporting should be committed to the canons of accountability, transparency, integrity, reliability, timeliness and social responsibility.

## Objective

*To recognise  
and  
encourage  
excellence in  
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of financial  
information*



## Award Categories for the Competition ICAI Awards for Excellence in Financial Reporting for the year 2017-18

Category I	: Public Sector Banks
Category II	: Private Sector Banks (including Foreign Banks)
Category III	: Co-operative Sector Banks
Category IV	: Life Insurance
Category V	: Non-Life Insurance
Category VI	: Financial Services Sector (other than Banking and Insurance)
Category VII	: Manufacturing and Trading Sector (including entities engaged in processing, mining, plantations, oil and gas enterprises) (turnover equal to ₹ 3000 crores or more)
Category VIII	: Manufacturing and Trading Sector (including entities engaged in processing, mining, plantations, oil and gas enterprises) (turnover equal to and between ₹ 500 crores and ₹ 3000 crores)
Category IX	: Manufacturing and Trading Sector (including entities engaged in processing, mining, plantations, oil and gas enterprises) (turnover less than ₹ 500 crores)
Category X	: Service Sector (other than financial services sector) (turnover equal to or more than ₹ 500 crore)
Category XI	: Service Sector (other than financial services sector) (turnover less than ₹ 500 crore)
Category XII	: Not-for-Profit Sector
Category XIII	: Infrastructure and Construction Sector (turnover equal to or more than ₹ 500 crore)
Category XIV	: Infrastructure and Construction Sector (turnover less than ₹ 500 crore)
Category XV	: Public Sector Entities
Category XVI	: Integrated Reporting

*In case, when an organisation is engaged in more than one business, the dominant source of revenue will determine the category to which the organisation belongs. Turnover will be determined on the basis of the standalone financial accounts of the organisations.*



## Awards

**H**all of Fame to be awarded to an entity that has been winning the first prize under the same category continuously for the last five years. One **Gold Shield** and one **Silver Shield** to be awarded in each category for the best entry and the next best entry respectively. **Plaques** to be awarded to the entities who are following better financial reporting practices amongst the enterprises after excluding the entities who gets **Hall of Fame, Gold Shield** and **Silver Shield**.



## Significant Factors for Selection of Awardees

1. Compliance with Indian Accounting Standards (Ind AS) issued by ICAI/ Accounting Standards/ and other requirements as per the Companies Act 2013 and/ or other applicable statutes.
2. Compliance with the requirements of concerned regulators e.g., RBI in case of banks and SEBI in case of listed companies, in preparation and presentation of financial statements.
3. Compliance with Guidance Notes and other authoritative literature issued by the ICAI and other applicable institutional framework.
4. Comprehensiveness, adequacy, quality and



content of disclosures required under the relevant Accounting Standards, Schedule III to the Companies Act, 2013, concerned Regulators, Guidance Notes issued by ICAI, etc.

5. Clarity, adequacy and disclosure of accounting policies.
6. The contents of quarterly results, in particular, the clarity and comprehensiveness of the notes explaining financial results and variations, if any, over quarters or between audited and unaudited results.
7. Statement of Value Added and its distribution amongst Government, Shareholders, employees and the enterprise.
8. Ratio Analysis with description of formulae and Explanatory Statements by Management with brief comparative analysis of performance of the entity.
9. The nature and quality of financial information presented in annual reports to enable informed decision making. The following are the generally applied key considerations:
  - Judicious use of schedules, proper cross references to schedules, use of sub-totals, manner of showing comparative figures, ease of references, use of rounding off parameters.
  - Extent to which financial information is presented and analysed through charts, tables and graphs.
  - Extent of clarity, lucidity and comprehensiveness of the information contained in the results/ financial statements from the view point of individual/small shareholders.
  - Additional information or measures like integrated reporting, human resource accounting, inflation adjusted accounting, social responsibility accounting, etc.
10. The extent, nature and quality of non-financial information presented in annual reports. The following information is generally considered relevant in this regard:
  - Comprehensiveness and adequacy of management discussion and analysis - overview of the state of affairs of the Company including a general review of performance of the entity as a whole and that of its divisions, activities of subsidiary/associates, nature of risks associated with the activities, how these are addressed, future outlook.
  - Description of various risks faced by various businesses of the Company as a whole and steps taken to priorities, mitigate and monitor identified risks.
  - Description of the Company's policy relating to human resource engagement, training and development, including information on measures taken by the company to meet its obligations and responsibilities towards employees.
  - Corporate Social Responsibility - policy and practice - information regarding policy of the company relating to corporate social responsibility and how it has been applied in practice including contribution to community developments projects etc.
  - Measures taken by the company towards environment protection, sustainable development and growth of the business as well as 4Ps bottom line reporting. 4Ps include Product, Profit, Planet, and People.
  - Corporate governance policies, manner and extent of compliance.

## *How to Participate*

1. There is no fee for participation in the competition.
2. Annual report relating to the financial year ending on any day between 1st April 2017 and 31<sup>st</sup> March 2018 (both days included) is eligible for participation in this competition.
3. Decision of the Panel of Judges in the matter relating to the Competition will be final.
4. An entity after getting awarded 'Hall of Fame' may again participate in the competition only after three years from the year of award.
5. Documents submitted by entities for the competition will not be utilised for any other purpose.
6. Entry Form should be duly filled and submitted with the requisite documents on or before 30<sup>th</sup> September 2018 to:

**The Secretary**  
**Research Committee, Technical Directorate**  
**The Institute of Chartered Accountants of India**  
ICAI Bhawan, Indraprastha Marg  
New Delhi – 110 002  
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