

Annual reports go for makeover; work on looks and content

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Annual reports of companies now look a lot more attractive, in looks and content, than what they used to be five years back. The reports now come in vibrant and colourful avatars and are well-designed, shedding their jaded existence of the past.

With more annual reports attempting to look good and polished, templatised designs are taking over from customised presentations and innovation. Clutter-breaking reports, like the one made by PNB Housing Finance, are far and few between, said Reportinsight, which studies annual reports.

Reportinsight, which studied the financial services sector reports for FY2017-18, says the documents contained standard best practice contents such as business profile, executive message, board

and leadership profiles, year's highlights, awards, milestones and the like.

In the annual reports verbosity of non-statutory (voluntary addition) content rose alarmingly. The average page count of the voluntary section stood at 39 pages, with the highest being 66 pages.

Issues like non-performing assets (NPAs) and credit growth challenges were inadequately covered: While discussions on themes like financial inclusion, technology and priority sectors were widely covered across reports, earnest discussions on NPAs, tepid credit growth, insolvency resolutions and the like were hard to find.

The insurance segment is raising the bar for companies, said Pravin K Ujjain, CEO, Reportinsight during the annual event organised last week.

In the inaugural year of listing, annual reports



from the insurance segment are setting new benchmarks. The efforts to make readers understand the intricacies of this somewhat complex business, addition of detailed glossary and most significantly an aid to how these companies measure their performance are worth noting and emulating, Ujjain said.

The improvements made by the companies in the recent years are truly

appreciable. Yet, what has taken their annual reports this far won't suffice in taking them any further, Reportinsights said. Effective storytelling, clutter-breaking design presentation and smart use of online features can lift the engagement value of the reports. Benchmarking of performance against peers would add objectivity to the analysis. Judicious allocation of space to material informa-

tion such as milestones, achievements and awards would help increase readability and value to the readers.

The study was conducted on 124 companies from the financial services sector whose annual reports were available by September 30, 2018. These were selected from the larger universe of 1,300 NSE-listed companies.

Post-screening 34 from these 124 annual reports were found worthy of further evaluation. Finally 18 annual reports were ranked among the top 15 from the financial services sector.

Good reporting is steadily being accepted as a key measure of creating a brand by India Inc, Ujjain said.

Top annual reports from the financial sector in terms of engagement value, info-richness, strategy & sustainability and performance analysis were HDFC Standard Life,

PNB Housing Finance, SBI Life, Aditya Birla Capital, RBL Bank, ICICI Prudential Life, IIFL Holdings, AU Small Finance Bank, ICICI Lombard General Insurance, Yes Bank, Edelweiss Financial Services, Crisil, Cholamandalam Investment, Capri Global, Canfin Homes, Max Financial, ICICI Bank, Mahindra Finance.

HDFC Life topped the list in terms of management discussion & analysis followed by PNB Housing Finance, RBL Bank, SBI Life. In visual richness PNB Housing Finance topped the list. In theme & depth Edelweiss Financial Services topped the list followed by PNB Housing Finance, ICICI Lombard General Insurance, IIFL Holdings. In terms of socio-environmental hues in the reports SBI Life topped the list followed by PNB Housing Finance, ICICI Lombard General,

HDFC Standard Life.

In terms of engagement value the top annual reports were from PNB Housing Finance, HDFC Standard Life, ICICI Lombard General, Mahindra Finance, ICICI Prudential Life and Yes Bank.

In terms of info-richness the top annual reports were Aditya Birla Capital, SBI Life, AU Small Finance Bank, IIFL Holdings, HDFC Standard Life, RBL Bank, Max Financial.

In terms of strategy & sustainability, the top annual reports were from Aditya Birla Capital, RBL Bank, PNB Housing Finance, SBI Life, ICICI Prudential Life and AU Small Finance Bank.

In terms of performance analysis the top annual reports were from RBL Bank, HDFC Standard Life, SBI Life, PNB Housing Finance, ICICI Prudential Life and AU Small Finance Bank.