



Cherat Packaging Limited
A Ghulam Faruque Group Company

Infinite Opportunities Sustainable Tomorrow



BCR CRITERIA 2026

No.	Best Corporate Report Awards 2026	Annual Report Page Reference No.
	Name of Company: Cherat Packaging Limited	
1	Organizational Overview and External Environment	
1.01	Mission, vision, code of conduct, ethical, principal and core values.	26 - 33
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1.04	The legislative and regulatory environment in which the company operates.	65
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1.06	Name and country of origin of the holding company / subsidiary company, if such companies are a foreign company.	N/A
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	34 - 35, 264
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	43 - 45
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2	Strategy and Resource Allocation	
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	a) Financial Capital;	
	b) Human Capital;	
	c) Manufactured Capital;	
	d) Intellectual Capital;	
	e) Social and Relationship Capital; and	
	f) Natural Capital.	
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2.05	The effects of the given factors on the company strategy and resource allocation:	66
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	c) Initiatives taken by the company in promoting and enabling innovation; and	
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2.08	Board's statement on the internal controls including IT controls of the company.	120 - 122, 200
2.09	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	119, 64, 193, 260
2.10	a) Information about defaults in payment of any debt with reasons and its repayment plan;	122, 187
	b) Board strategy to overcome liquidity problems and plans to meet operational losses.	64
3	Risks and Opportunities	
3.01	Key risks and opportunities (internal and external), including sustainability-related risks and opportunities, affecting availability, quality and affordability of Capitals.	72 - 75, 86 - 87
3.02	Company's robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.	72 - 75, 121 - 122
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	72 - 76, 89
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.	72 - 75, 86 - 87
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).	78 - 79
4	Sustainability Disclosures & Corporate Social Responsibility (CSR)	
4.01	Disclosure of the role of the Board to address the company's sustainability risks and opportunities, as required under the recent amendments of the SECP 'Listed Companies (Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12, 2024 for the following:	

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	a) Disclosures of company specific sustainability-related risks and opportunities (climate-related risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated;	86 - 87, 122
	b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company.	88 - 91
	c) Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored.	84 - 85, 90 - 91, 122
	d) Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines (https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/)	84, 91
4.02	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability:	
	· Social initiatives - financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc.;	94 - 98, 101
	· Environmental initiatives - climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources; and indirect like investment/financing in green /sustainable project.	92 - 94
	· Technological innovation - use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs;	96 - 97
	· Information on consumption and management of materials, energy, water, emissions and waste.	87, 90, 93, 94
4.03	a) Has the board established a dedicated sustainability committee, having at least one female director, or assign additional responsibilities to an existing board committee.	88, 91
	b) Has the committee submitted to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	
4.04	Board's statement for the adoption of CSR best practices including Board's commitment to promote CSR and how the company's sustainable practices can affect the financial performance of the company.	84 - 85, 119
4.05	Highlights of the company's performance, policies, initiatives for CSR.	99 - 101
5	Governance	
5.01	Board composition:	
	a) Leadership structure of those charged with governance;	43 - 45, 120 - 121
	b) Name of independent directors indicating justification for their independence;	120, 125
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience;	113 - 115, 125, 91
	d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.;	113 - 115
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	125
5.02	A brief description about role of the Chairman and the CEO.	150 - 151
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.	124
5.04	Chairman's Review Report on the overall performance of the board including:	
	a) Effectiveness of the role played by the board in achieving the company's objectives;	117, 124
	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.	120 - 121
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	121
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.	121, 124
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	121, 124
5.08	Details of formal orientation courses for directors.	124
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.	124, 148
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.	154
5.11	Disclosure about related party transactions:	
	a) Approved policy for related party transactions;	34 - 35, 109 - 110, 125, 135 - 138, 259 - 260, 264
	b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding;	
	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;	
	d) Disclosure of director's interest in related party transactions;	109 - 110, 259 - 260, 264
	e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	131
5.12	Disclosure of Board's Policy on the following significant matters:	
	a) Risk Management and internal control policies.	140
	b) Disclosure of director's interest in significant contracts and arrangements.	131, 135 - 138, 109 - 110
	c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	135
	d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	125

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	e) Security clearance of foreign directors.	N/A
	f) Board meetings held outside Pakistan.	125
	g) Human resource management including:	127 - 129, 143
	· Preparation of succession plan;	
	· Merit based recruitment;	
	· Performance based appraisal system;	
	· Promotion, reward and motivation;	
	· Training and development;	
	· Diversity, Equity & Inclusion (DE&I) policy; and	
	· Employee engagement /feedback.	
	h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.	144
	i) Communication with stakeholders.	212 - 213
	j) Dividend policy.	141
	k) Investors' relationship and grievances.	139, 212 - 213
	l) Employee's health, safety and protection.	33, 95 - 96, 119
	m) Whistle blowing policy	132
	n) anti-harassment policy to safeguard the rights and well-being of employees.	133
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5.15	Disclosure about:	
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	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).	262 - 264
5.16	Details about Board meetings and its attendance.	120 - 121
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	120 - 121, 152 - 153
5.18	Timely Communication:	
	Date of authorization of financial statements by the board of directors:	260
	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	
	(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).	

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5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	154
	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.	
	b) Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed.	
	c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure.	
	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.	
	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.	
	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.	
	g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.	
	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.	
	i) Results of the self-evaluation of the Audit Committee carried out of its own performance.	
	j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	132
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.	213
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:	56, 121 - 122, 134, 200 - 205
	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;	
	b) Management support in the effective implementation and continuous updation;	
	c) Details about user training of ERP software;	
	d) How the company manages risks or control risk factors on ERP projects;	
	e) How the company assesses system security, access to sensitive data and segregation of duties.	
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.	118 - 123
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.)	120, 214, 84 - 101, 249, 254
6	Analysis of the Financial Information	
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between:	158 - 164
	a) Past and current performance;	
	b) Performance against targets /budget; and	
	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.	165 - 173, 187
6.02	a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators.	
	b) Explanation of negative change in the performance as compared to last year.	174 - 183
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.	
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	184
6.05	a) Information about business segment and non-business segment; and	186, 253 - 254
	b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	
6.06	Disclosure of market share of the company and share price sensitivity analysis.	186 - 189

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6.07	Statement of value added and its distribution with graphical presentation:	214
	a) Employees as remuneration;	
	b) Government as taxes (separately direct and indirect);	
	c) Shareholders as dividends;	
	d) Providers of financial capital as financial charges;	
	e) Society as donation; and	
	f) Retained within the business.	
6.08	Statement of Economic value added (EVA)	173
	[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]	
6.09	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).	213
7	Business Model	
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	196 - 197
7.02	Explanation of any material changes in the entity's business model during the year.	
8	Disclosures on IT Governance and Cybersecurity	
8.01	The Board responsibility statement on the IT system/ controls and AI strategy of the company including compliance of legal and regulatory requirements regarding data privacy and cyber security and how the board is engaging with management in case of any breaches.	121 - 122, 200
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	126, 200 - 202
8.03	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.	202
8.04	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.	202 - 203
8.05	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	203
8.06	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.	203 - 204
8.07	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (<i>Artificial Intelligence (AI)</i>), RPA, Data Analytics, Block Chain, Cloud Computing etc.) to improve transparency and governance, value creation and reporting.	204 - 205
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	205
9	Future Outlook	
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.	208 - 209
9.02	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year and whether the performance of the company is aligned with the forward-looking statement.	
9.03	Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.	
9.04	Disclosure about company's future Research & Development initiatives.	
9.05	Sources of information and assumptions used for projections / forecasts in the forward-looking statement, and any assistance taken by any external consultant	
10	Stakeholders Relationship and Engagement	
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	212 - 213
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.	212 - 213
	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.	
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	213
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	213
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	213
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and	212 - 213
	b) Disclosure of brief summary of Corporate Analyst briefing conducted during the year.	
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	212
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	141, 159, 165, 214, 260

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10.09	Disclosure of whistle blowing mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in the Audit Committee's report.	32, 67, 132
11	Striving for Excellence in Corporate Reporting	
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>).	218
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>).	218
12	Specific Disclosures of the Financial Statements	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).	Refer Annexure II
Annexure II - Specific Disclosures of the Financial Statements (refer section 12 of the criteria)		
1	Fair value of Property, Plant and Equipment.	242
2	Particulars of significant / material assets and immovable property including location and area of land.	233
3	Capacity of an industrial unit, actual production and the reasons for shortfall.	261
4	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.	258 - 259
5	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 (<i>through SECP S.R.O. 53(I)/2022 dated January 12, 2022</i>)	N/A
6	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).	261
7	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.	N/A



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