

**Independent Performance Evaluation (IPE)
Report
on
Bangladesh Petroleum Corporation (BPC)
For 2021-22**

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Executive Summary

Finance Division, Ministry of Finance is implementing the programme “Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)”. The Scheme of Strengthening of State-owned Enterprises’ Governance is one of the components of SPFMS program. The objective of the scheme is to strengthen the governance of State-owned Enterprises (SOEs) and Autonomous Bodies (ABs). For this purpose, an Independent Performance Evaluation Guideline (IPEG) of SOEs and ABs has been prepared and approved by the Finance Division to evaluate the performance of SOEs and ABs independently. Based on selection parameters of IPEG, Monitoring Cell, Finance Division has selected 10 SOEs and ABs to conduct Independent Performance Evaluation for the fiscal year 2021-22.

Bangladesh Petroleum Corporation (BPC) is included in the list of 10 selected SOEs/ABs for Independent Performance Evaluation (IPE) for FY 2021-22. As per the result of IPE, Bangladesh Petroleum Corporation has obtained a weighted average score of 2.74 out of 4.00 and graded ‘Good’ in FY 2021-22.

1. Introduction

Bangladesh Petroleum Corporation (BPC) was established by President’s Ordinance No 88 in 1976. Later on, BPC Ordinance 1976 was replaced by Bangladesh Petroleum Corporation Act 2016. BPC is assigned to import crude and refined oil and lubricants for the country. BPC is also responsible for distributing and marketing the fuel oil throughout the country at the rate fixed by GOB from time to time. Seven companies are now operating under BPC. Since July 1999, BPC is importing lead free gasoline and diesel with reduced Sulphur content from the international market for marketing in the country. Energy and Mineral Resources Division, Ministry of Power, Energy and Mineral Resources has the oversight responsibility for BPC.

BPC Plays important roles in the economic development of the country by supplying fuel. Countries 92% fuel demand is fulfilled by import and rest 8% from domestic sources. During 2021-22 BPC sold 6.915 million MT Petroleum Products which is 9.77% higher compare to previous year 2020-21. In FY 2021-22 that breaks up as diesel 70.15%, furnace oil 8.27%, petrol 6.46%, octane 5.72%, kerosene 1.25%, jet A-1 6.19% and other oil 1.97%. Sector wise break up of fuel consumption is communication and transportation 61.61%. Agriculture 16.64%, industry 5.49%, power 12.77%, household need 1.31% and another sector 2.18%.

2. Role and Functions

Bangladesh Petroleum corporation (BPC) is responsible for the

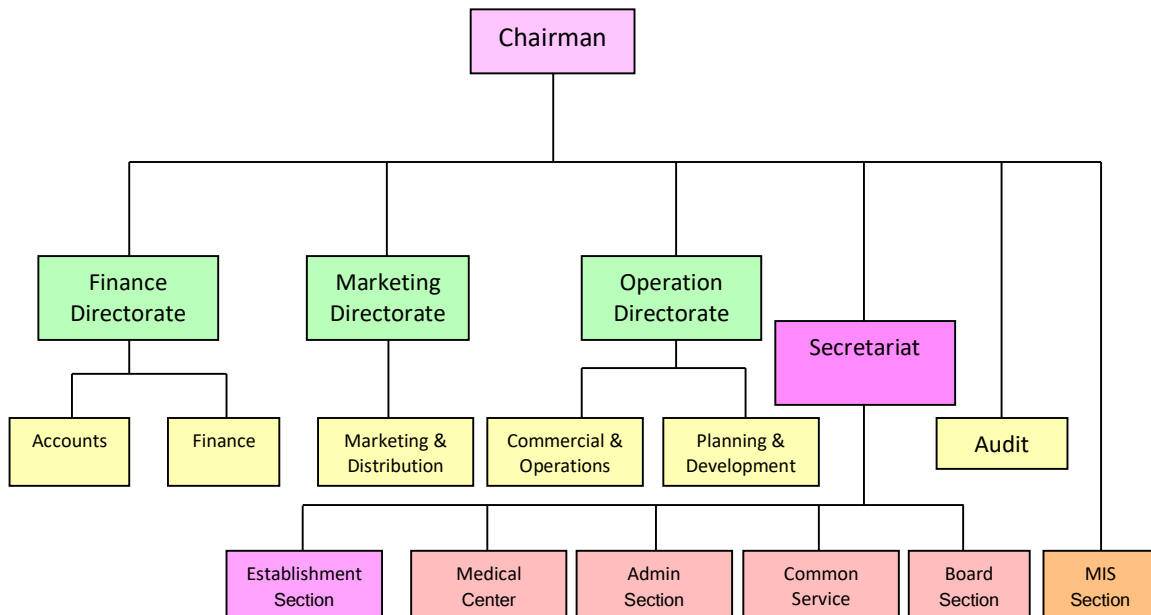
- i. Import of refined oil and crude Petroleum Products based on requirement of the country.
- ii. Process of crude oil & produce different grades Petroleum.
- iii. Import and produce lubricant oil.
- iv. Control the Petroleum market through its own subsidiary companies.
- v. Set up of plant for recycling used lubricants.

3. Core Business and Organizational Structure

Core Business:

- i. Maintain the minimum oil stock for the fuel safety of the Country.
- ii. Expand Petroleum Products market.
- iii. Import, preserve, distribute and market Petroleum Products in the Country.
- iv. Build up storage facilities for the Petroleum Products to meet the growing demand of the Country.
- v. Control the Petroleum Products market
- vi. Manage fuel security of the country.

Organizational Structure:



4. Evaluation Parameters

Criteria: Business and Governance
Indices: A. Business Strategy and Social Responsibility

Table 1 (a): Standards of Indices A

FY 2021-22

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	Entity Strategy							
	1a. Entity Strategic Plan	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Growth Trajectory							
	2a. Net Income Growth	QN	2	20% or more	18% to 19%	16% to 17%	14% to 15%	Below 14%
	2b. Sales Growth	QN	4	20% or more	18% to 19%	16% to 17%	14% to 15%	Below 14%
	2c. Other Growth	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Effective Implementation of Public Policy <ul style="list-style-type: none"> • Implement activities to achieve policy goal 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	Efficiency of Project Implementation/ Project Goal Achievement: <ul style="list-style-type: none"> • Percentage of estimated target achieved" 	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	Social Contribution <ul style="list-style-type: none"> • Environmental Contribution • CSR 	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 1(b): Achievement of Indices A

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Entity Strategy						
	1a. Entity Strategic Plan	QL	5	93.00%	Excellent	4	Note 1
2	Growth Trajectory						
	2a. Net Income Growth	QN	2	(129.76) %	Under Performing	0	AFS Note 2
	2b. Sales Growth	QN	4	35.60%	Excellent	4	AFS
	2c. Other Growth	QL	3	82.00%	Very Good	3	Note 3
3	Effective Implementation of Public Policy <ul style="list-style-type: none"> Implement activities to achieve policy goal 	QL	4	92.00%	Excellent	4	Note 4
4	Efficiency of Project Implementation/ Project Goal Achievement: <ul style="list-style-type: none"> Percentage of estimated target achieved" 	QN	4	103.92%	Excellent	4	Note 5
5	Social Contribution <ul style="list-style-type: none"> Environmental Contribution CSR 	QL	3	91.00%	Excellent	4	Note 6
Sub-Total			25				

Note-1: BPC has long-term sales plan (2021-22to 2029-30) for fuel energy and lubricants to ensure the fuel supply throughout the country. In addition, the entity has a plan to install ERL unit-2 that will refine crude oil of 3 million metric tons which will minimize the fuel cost. It has another plan to construct LPG terminal at Matarbari to supply in bulk quantity LPG to different companies. During FY 2021-22 BPC is implementing a good number of pipeline installation projects which will reduce the handling and transportation cost of fuel. All these plans are aligned with National Strategic Plan, Government Policy Directives of FYPs, SDGs and Perspective Plan 2041.

Note-2: BPC incurred net loss of Tk. 27,056.45 million during the FY 2021-22. This loss was occurred mainly due to the gap between purchase and selling price. For global economic situation, the sourcing cost of fuel was much higher than the selling price; but BPC sold their products at Government administered price without being able to adjust their selling price.

Note-3: To fulfill the International Maritime Organization (IMO) regulation, BPC is now importing Low Sulphur (0.5%) Diesel to replenish the flag carrier ships. Keeping this in view, the entity launched a low Sulphur product named 'Marine Fuel'.

Note-4: As Public Service Obligation BPC is supplying fuel oil all over the Country at government prefixed rate.

Note-5: Based on entity's 100% Project implementation rate against financial targets during FY2021-22.

Note-6: BPC has under taken following activities during FY 2021-22 that will have positive impact on environment and society:

- i. Imported low sulphur petroleum product instead of high sulphur.
- ii. Donated the staff's sons and daughter for their medical treatment, scholarship and also gave financial support to the casual staffs during EID Festivals.
- iii. Maintains one mosque in the BPC Residential Complex.

Indices: B. Operational Efficiency

Table 2(a): Standards of Indices B

FY 2021-22

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	Product Delivery							
	1a. Product Benefit & Accessibility	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Labor Productivity							
	2a. Added Value per Employee (million Tk.)	QN	2	Tk. 800 million or more	Tk. 700to799 million	Tk. 600to699 million	Tk. 500to599 million	Below Tk. 500 million
3	Capital Productivity							
	3a. Added Value per Tk. Value of Assets	QN	2	Tk. 0.15 or more	Tk. 0.13to 0.14	Tk. 0.11to 0.12	Tk. 0.09to 0.10	Below Tk. 0.09
	3b. Added Value Per Tk. Value of PPE	QN	2	Tk. 25 or more	Tk. 20to 24	Tk. 15to 19	Tk. 10to 14	Below Tk. 10
4	Production							
	4a. Input Use Efficiency (%)	QN	4	97% or more	95% to 96%	93% to 94%	91% to 92%	Below 91%
	4b. Inventory Turnover (Times)	QN	4	35 or more	30 to 34	25 to 29	20 to 24	Below 20%
	4c. Asset Turnover (Times)	QN	4	0.75 or more	0.65 to 0.74	0.55 to 0.64	0.45 to 0.54	Below 0.45
	4d. Capacity Utilization (%)	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
Sub-total			25					

Table 2(b): Achievement of Indices B

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Product Delivery						
	1a. Product Benefit & Accessibility	QL	3	88.00%	Very Good	3	Note 6
2	Labor Productivity						
	2a. Added Value per Employee (million Tk.)	QN	2	Tk. (259.42 million)	Under Performing	0	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	2	Tk. (0.05)	Under Performing	0	AFS
	3b. Added Value Per Tk. Value of PPE	QN	2	Tk. (9.07)	Under Performing	0	AFS
4	Production						
	4a. Input Use Efficiency (%)	QN	4	97.20%	Excellent	4	Annexure 1 SL 43
	4b. Inventory Turnover (Times)	QN	4	48.80	Excellent	4	AFS
	4c. Asset Turnover (Times)	QN	4	0.76	Excellent	4	AFS
	4d. Capacity Utilization (%)	QN	4	93.53%	Excellent	4	Annexure 1 SL 42
Sub-total			25				

Note-6: The entity has uploaded the relevant policies, rules, forms, customer service information to their website. The website also contains a Google based apps with database for easy search of fuel stations all over the country.

Indices: C. Financial

Table 3(a): Standards of Indices C

FY 2021-22

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
i. Financial								
1	Operating profit	QN	2	Tk. 90000 million or more	Tk. 80000 to Tk. 89999 million	Tk. 70000 to Tk. 79999 million	Tk. 60000 to Tk. 69999 million	Below Tk. 60000 million
2	Profit before Tax	QN	2	Tk. 80000 million or more	Tk. 70000 to Tk. 79999 million	Tk. 60000 to Tk. 69999 million	Tk. 50000 to Tk. 59999 million	Below Tk. 50000 million
3	Return on Assets (%)	QN	2	12% or more	10%to11%	8%to9%	6%to7%	Below 6%
4	Return on Sales (%)	QN	2	20% or more	18%to 19%	16% to17%	14% to15%	Below 14%
5	Return on Equity (%)	QN	2	25% or more	23%to 24%	21%to22%	19%to20%	Below 19%
6	Net Worth Growth (%)	QN	2	20% or more	18%to 19%	16% to17%	14% to15%	Below 14%
7	Capital Budget Utilization (%)	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
ii. Financial Risk								
1	Debt Equity Ratio (Times)	QN	2	1.50or less	1.51 to 2.00	2.01 to 2.50	2.51 to 3.00	More than 3.00
2	Debt to Assets (Times)	QN	2	0.60or less	0.61 to 1.00	1.1 to 1.4	1.41 to 1.8	More than 1.8
3	Current Ratio (Times)	QN	3	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
4.	Accounts Receivable Period (Days)	QN	2	60 days or less	61 days to 80 days	81 days to 100 days	101 days to 120 days	More than 120 days
5.	Accounts Payable Period (Days)	QN	2	60 days or less	61 days to 80 days	81 days to 100 days	101 days to 120 days	More than 120 days
iii. Transactions with Govt.								
1	Taxes Paid	QN	3	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Debt Service Liabilities Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 3(b): Achievement of Indices C

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance measuring
					Grade	Score	
i. Financial							
1	Operating profit	QN	2	Tk. (34810.67)mil lion	Under Performing	0	AFS
2	Profit before Tax	QN	2	Tk. (22222.14)mil lion	Under Performing	0	AFS
3	Return on Assets (%)	QN	2	(3.83)%	Under Performing	0	AFS
4	Return on Sales (%)	QN	2	(5.05)%	Under Performing	0	AFS
5	Return on Equity (%)	QN	2	(11.44)%	Under Performing	0	AFS
6	Net Worth Growth (%)	QN	2	(0.89)%	Under Performing	0	AFS
7	Capital Budget Utilization (%)	QN	2	26.83%	Under Performing	0	Annexure 1 SL 27 & 28
ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	2	1.99	Very Good	3	AFS
2	Debt to Assets (Times)	QN	2	0.67	Very Good	3	AFS
3	Current Ratio (Times)	QN	3	2.32	Excellent	4	AFS
4	Accounts Receivable Period (Days)	QN	2	121.55	Under Performing	0	AFS
5	Accounts Payable Period (Days)	QN	2	37.96	Excellent	4	AFS
iii. Transactions with Government							
1	Taxes Paid	QN	3	100%	Excellent	4	Annexure 1 SL 31 & 32
2	Debt Service Liabilities Paid	QN	2	0%	Under Performing	0	Annexure 1 SL 33 & 34
Sub-total			30				

Indices: D. Corporate Governance Practices

Table 4(a): Standards of Indices D

FY 2021-22

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	Commitment to Corporate Governance: <ul style="list-style-type: none"> • Code of Conduct • Ethics • Key policies of Board • Board structure • Employees service rules/regulations • Appointment of Board Secretary 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Board Practices: <ul style="list-style-type: none"> • Composition of Board of Directors and number of meetings held • TOR of board • Number of independent Board Directors • Name & Number of board committees and number of meetings held • Number of board decisions that have been implemented 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Transparency and Disclosure: <ul style="list-style-type: none"> • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	Control Environment and Process: <ul style="list-style-type: none"> • Entity's internal control systems for different departments • Internal audit procedure and reporting authority • Entity's computer-based management information system (database) • Any authority of the board to mitigate the entity's emergency situation • Measures taken for safe working environment in the entity's premises 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	Performance against the key Indicators of APA¹: <ul style="list-style-type: none"> • Total Performance score achieved on APA 	QN	4	100%	90%	80%	70%	60%

¹Standard of APA Indicator is set on the basis of Annual Performance Agreement (APA) Guideline.

Table 4(b): Achievement of Indices D

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	4	92%	Excellent	4	Note 8
2	Board Practices	QL	4	91%	Excellent	4	Note 9
3	Transparency and Disclosure	QL	4	94%	Excellent	4	Note 10
4	Control Environment and Process.	QL	4	82%	Very Good	3	Note 11
5	Performance against the key Indicators of APA	QN	4	86.29%	Good	2	Score of APA for FY 2021-22
Sub-total			20				
Grand Total (A+B+C+D):			100				

* Standard for Financial and Non-Financial indicators are set on the basis of IPE process (Section 5, page 11).

Note-8: The entity has its own act. It follows Bangladesh Petroleum Act 1974, rules, regulation, policies, employee's service rules, Code of conduct and ethics as corporate governance. BPC has a corporate secretary for board.

Note-9: The entity's board of directors consist of seven members including the Chairman, three regular members and three government nominated members. During FY 2021-22 nineteen (19) Board meeting were held and forty eight (48) board decisions have been implemented. Note that BPC has no board committee. BPC Act has no provision to appoint independent director for board.

Note-10: The entity discloses acts, rules, operations, fuel pricing, accounts, finance, name & biographies of board directors, senior managers, audited financial statement, citizen charter, APA etc. on its website.

Note-11: BPC has Audit Division to establish internal control system for different departments that directly report to Chairman. The entity maintains Tally software for recording financial transactions & MIS is partly computer based. BPC board has the authority to mitigate the emergency situation, ensures all safety measures for safe working environment in its premises as instructed by government time to time.

5. IPE Process

- i. Performances of non-financial indicators of Bangladesh Petroleum Corporation (BPC) has been evaluated on the basis of information and documents of the inception report provided by BPC.
- ii. Actual performance of non-financial indicators is determined by the collective decision of ERT members.
- iii. According to IPEG, actual financial performances of BPC are to be evaluated on the basis of national best practices/standard. However due to non-availability of such standard and similar entities in the country, BPC's financial performance was compared with its last five years' performance on respective financial indicators.
- iv. Performances of all financial indicators are evaluated based on audited financial statements.
- v. Measurement tools used for financial indicators are suggested based on IPEG.
- vi. Grade and score are given as per IPEG.

6. Performance Evaluation Results

Bangladesh Petroleum Corporation (BPC)

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score (%)
a	b	c	D	e	f
A	Business Strategy and Social Responsibility:	25			
1	Entity Strategy: • Entity Strategic Plan		5	4	0.20
2	Growth Trajectory: 2a. Net Income Growth		2	0	0.00
	2b. Sales Growth		4	4	0.16
	2c. Other Growth		3	3	0.09
3	Effective Implementation of Public Policy • Implement activities to achieve policy goal		4	4	0.16
4	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved"		4	4	0.16
4	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		3	4	0.12
	Sub Total		25		0.89

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score (%)
B	Operational Efficiency:	25			
1	Product Delivery: • Product benefits and Accessibility		3	3	0.09
2	Labor Productivity: 2a. Added Value Per Employee		2	0	0.00
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		2	0	0.00
	3b. Added Value Per TK Value of PPE		2	0	0.00
4	Production:				
	4a. Input Use Efficiency (%)		4	4	0.16
	4b. Inventory Turnover (Times)		4	4	0.16
	4c. Asset Turnover (Times)		4	4	0.16
	4d. Capacity Utilization (%)		4	4	0.16
	Sub Total		25		0.73

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score (%)
C	Financial:	30			
	i. Financial Performance:				
1	Operating profit		2	0	0.00
2	Profit before tax		2	0	0.00
3	Return on assets		2	0	0.00
4	Return on Sales		2	0	0.00
5	Return on equity		2	0	0.00
6	Net worth growth		2	0	0.00
7	Capital budget utilization		2	0	0.00
	ii. Financial Risk:				
1	Debt equity ratio		2	3	0.06
2	Debt to assets		2	3	0.06
3	Current ratio		3	4	0.12
4	Accounts Receivable Period (Days)		2	0	0.00
5	Accounts Payable Period (Days)		2	4	0.08
	iii. Transactions with Government:				
1	Taxes paid		3	4	0.12
2	Debt Service Liabilities Paid		2	0	0.00
	Sub Total		30		0.44

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score (%)
D	Corporate Governance Practices:	20			
1	Commitment to Corporate Governance: <ul style="list-style-type: none"> • Code of Conduct • Ethics • Key policies of Board • Board structure • Employees service rules/ regulations • Appointment of Board Secretary 		4	4	0.16
2	Board Practices: <ul style="list-style-type: none"> • Composition of Board of Directors and number of meetings held • TOR of board • Number of independent Board Directors • Name & Number of board committees and number of meetings held • Number of board decisions that have been implemented 		4	4	0.16
3	Transparency and Disclosure: <ul style="list-style-type: none"> • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct 		4	4	0.16
4	Control Environment and Process: <ul style="list-style-type: none"> • Entity's internal control systems for different departments • Internal audit procedure and reporting authority • Entity's computer-based management information system (database) • Any authority of the board to mitigate the entity's emergency situation • Measures taken for safe working environment in the entity's premises 		4	3	0.12
5	Performance against the key Indicators of APA: <ul style="list-style-type: none"> • Total Performance score achieved on APA 		4	2	0.08
	Sub Total		20		0.68
	Grand Total (A+B+C+D)	100	100		2.74

7. Interpretation of Results

As per Independent Performance Evaluation (BPC) Bangladesh Petroleum Corporation Scored 2.74 out of 4.00 in the year 2021-22.

7. (A) The performance of BPC is graded “Excellent” in the following areas:

- Entity Strategic Plan
- Social Contribution
- Input Use Efficiency
- Inventory Turnover
- Efficiency of Project Implementation
- Effective Implementation of Public Policy
- Capacity Utilization
- Current Ratio
- Accounts Payable Period
- Board Practices
- Transparency and Disclosure
- Corporate Governance
- Assets Turnover
- Sales Growth.

The performance of BPC is graded “Very Good” in the following areas:

- Product Delivery
- Control Environment and Process
- Other Growth
- Debt Equity Ratio
- Debt to Assets.

The performance of BPC is graded “Good” in Annual Performance Agreement (APA).

The performance of BPC is graded “Under Performing” in the following areas:

- Net Income Growth
- Labour Productivity
- Return on Sales
- Capital Budget Utilization
- Net Worth Growth
- Capital Productivity
- Return on Equity
- Return on Assets
- Accounts Receivable Period

7. (B) Other important aspects of Performance during FY 2021-22:

- i. BPC has incurred operating loss of Tk. 34,810.66 million.
- ii. The entity incurred net Loss (after tax) of Tk. 27,056.45 million.
- iii. BPC Current Ratio (Times) 2.32 which indicates entity is in a well position to meet its current liabilities in due period.
- iv. BPC Paid Taxes Tk. 4,840.87 million.
- v. Paid no Dividend and DSL.
- vi. Deposited Surplus fund Tk. 10,000 million to GoB.
- vii. GoB invested TK1,822.43 million to install Single Point Moring with double pipe line project (Equity Tk 728.97 million and Debt Tk 1,093.46 million).

8. Findings from the Audit Report 2021-22

In the BPC Audit Report 2021-22, the Auditors emphasized and drew attention to the following notes:

- i. Investment with Eastern Refinery Limited (ERL) shows Tk. 3057.21 million (Auditor's Report 2021-22, page 1 &15, Note 8.02) but investment to ERL and ownerships of these assets is still unresolved.
- ii. Capital reserve on account of ERL, Padma Oil Company & LP Gas Ltd. total Tk. 55.67 million represents pre-incorporation liabilities assumed by BPC (Auditor's Report 2021-22, page 1 &21, note 15) which has been laying pending for a long time.
- iii. Pre-liberation liabilities Tk. 143.10 million (Auditor's Report 2021-22, page 1 &21, Note 18) remained pending for a long time.
- iv. Payable to Government for shares invested in BPC Tk. 300.80 million (Auditor's Report 2021-22, page 1 &21, note 17) has been laying pending for a long time.

9. Recommendation for Performance Based Incentives

Bangladesh Petroleum Corporation has obtained a weighted score of 2.74 out of a scale 4.00 and is graded "Good". Therefore, IPEC recommended non-financial incentive for the employees of BPC. Also, a certificate from Finance Division may be awarded to BPC for being graded "Good" in IPE for the FY 2021-22.

10. Recommendations

To improve the performance of BPC the following recommendations are made based on the finding of IPE:

- a) To ensure the safety and security of operational work of all depots “Automation of oil depots” Project should be implemented within the stipulated period;
- b) To increase the processing capacity of crude oil “Installation of ERL unit-2 project” should be completed as early as possible;
- c) The entity is implementing a good number of Pipeline Installation Projects to increase the operational efficiency in discharging the importable crude/refined oil as well as save time and reduce lighterage and tanker handling cost. All those projects should be completed within timeline;
- d) BPC should form Board Committees such as Audit Committee, Remuneration and Nomination Committee for internal control and compliance;
- e) BPC should comply applicable IAS/IFRS for fair presentation of AFS.
- f) BPC is advised to implement ongoing all projects on time.

11. Conclusion

Based on AFS, data and documents of BPC, Independent Performance Evaluation (IPE) report has been prepared for FY 2021-22. The evaluation result shows BPC’s financial performance during FY 2021-22 is not satisfactory and non-financial performance has improved compared to previous fiscal year. Hence, to improve the overall performance of BPC, the entity should take effective measures to recover operating loss.

Bangladesh Petroleum Corporation (BPC)
Financial & Other Information

Amount in BDT

Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2021-22	2020-21
1	Current Assets:		
	i. Inventories		
	• Material	4,587,193,647	3,557,870,746
	• Accessories/ Supplies	0	0
	• Work-in-Progress (WIP)	365,203,780	174,030,767
	• Others (including spare parts)	133,207,190	176,838,137
	• Finished goods	9,990,827,033	4,379,693,375
	ii. Receivable:		
	• Trade	178,438,934,516	125,966,457,337
	• Others	19,996,213,642	1,751,331,511
	iii. Cash and Cash Equivalent	145,086,630,881	158,223,104,729
	iv. Others Current Assets	62,038,969,065	71,930,763,346
2	Total Current Assets (i+ii+iii+iv)	420,637,179,754	366,160,089,948
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	3,791,593,900	3,879,433,075
	• Investments	116,518,517,812	140,579,606,035
	• Other non-current assets	166,169,173,514	142,579,867,187
4	Total Assets (2+3)	707,116,464,980	653,198,996,245
5	Current Liabilities:		
	i. Payables:		
	• Trade	48,809,194,358	9,309,847,228
	• Others	73,392,728,512	32,530,967,020
	ii. Other Current Liabilities	59,230,552,384	85,360,697,613
6	Total Current Liabilities (i+ii)	181,432,475,254	127,201,511,861
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	288,598,083,668	286,775,658,668
	ii. Deferred Liabilities	29,390,306	35,945,332
	iii. Other Non-Current Liabilities	443,897,843	443,897,843
8	Total Non-Current Liabilities (i+ii+iii)	289,071,371,817	287,255,501,843
9	Total Liabilities (6+8)	470,503,847,071	414,457,013,704
10	Equity:		
	i. Share Capital	1,000,000	1,000,000
	ii. Share Premium	0	0
	iii. Capital Reserve	2,340,367,468	899,718,633
	iv. Revaluation Reserve	3,562,333,183	3,707,408,839
	v. Retained Earnings/(Loss)	230,708,917,257	234,133,855,069
11	Total Equity (i+ii+iii+iv+v)	236,612,617,908	238,741,982,541
12	Total Equity and Liabilities (9+11)	707,116,464,979	653,198,996,245

Annexure 1

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2021-22		2020-21	
		Amount	Percentage	Amount	Percentage
13	Net Sales Revenue/Receipts	535,755,677,436	100%	395,108,114,135	100%
14	Less: Cost of Sales/Services	570,128,832,321	106.42%	281,477,513,910	71.24%
15	Gross Profit/(Loss)/Surplus/(Deficit) (13-14)	(34,373,154,885)	(6.42%)	113,630,600,225	28.76%
16	Less: Operating Expenses:				
	i. Administrative Expenses	221,929,694	0.04%	243,742,773	0.06%
	ii. Marketing Expenses	215,580,962	0.04%	223,465,293	0.06%
17	Total Operating Expenses (i+ii)	437,510,656	0.08%	467,208,066	0.12%
18	Operating Profit/(Loss)/Surplus/(Deficit) (15-17)	(34,810,665,541)	(6.50%)	113,163,392,159	28.64%
19	Add: Non-Operating Income	18,264,519,318		17,726,958,563	
20	Less: Financial Expenses	5,675,991,549		1,403,521,534	
21	Less: Other Non-Operating Expenses	0		0	
22	Net Profit/(Loss)/Surplus/(Deficit) before Tax (18+19 – 20 – 21)	(22,222,137,772)		129,486,829,188	
23	Less: Provision for Tax	4,834,311,980		38,560,714,618	
	i. Current tax	4,840,867,006		38,569,203,477	
	ii. Deferred tax	(6,555,026)		(8,488,859)	
24	Net Profit/(Loss)/Surplus/(Deficit) After Tax (22-23)	(27,056,449,752)		90,926,114,570	

Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2021-22	2020-21
25	Credit Sales	535,755,677,436	395,108,114,135
26	Credit Purchases	470,004,759,298	214,306,138,052
27	Capital Budget Allocation	37,746,800,000	12,192,400,000
28	Actual Capital Expenditure	10,126,600,000	9,830,121,000
29	Dividend Payable	0	3,000,000,000
30	Dividend Paid	0	3,000,000,000
31	Taxes Payable	48,408,670,060	38,569,203,477
32	Taxes Paid	48,408,670,060	38,569,203,477
33	Debt Service Liabilities (DSL) Payable	120,423,000,000	120,423,000,000
34	Debt Service Liabilities (DSL) Paid	0	0
35	Fees, Fine and Charges Payable	0	0
36	Fees, Fine and Charges Paid	0	0
37	New Government Investment:		
	• Equity	728,970,000	763,908,400
	• Debts/Loan	1,093,455,000	1,145,862,600
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants	0	0
	• Subsidies	0	0
	• Other Transfer (Specify)	0	0
39	Operating Cash Surplus/(Deficit)	(12,918,007,489)	88,349,294,968
40	Added Value	(34,373,154,885)	113,630,600,225
41	Employees cost includes wages, salaries, bonus, provident fund contribution and other allowances	126,319,505	109,844,794
42	Capacity Utilization (%)	97.20%	103.02%
43	Input use Efficiency (%)	97.20%	97.50%
44	Number of Employees (NoS)	134	131
45	Performance score achieved on APA	86.29%	81.66%

Schedule - 2

Non-financial Information format

Sl.	Particulars	
A	Enterprise Information and Legal Framework	
2	Sector	Energy
3	Name of Entity	Bangladesh Petroleum Corporation
4	Number of Subsidiaries	Seven
5	Number of Branches	No branch
6	Website	www.bpc.gov.bd
7	Email Address	gmacbpc@gmail.com (GM Accounts)
8	Year of Incorporation	1976
9	Governing Law	Bangladesh Petroleum Corporation Act 2016 (It replaced BPC Ordinance 1976)
10	Other relevant Governing Laws & Regulations	Petroleum Act 2016, The Bangladesh Petroleum Act-1974, The Bangladesh Petroleum Corporation Rules 1976, The Bangladesh Petroleum Corporation Employees Service Rules 1989 etc.
11	Incorporation Structure	Commercial
12	Listed in the Stock Exchange	Not applicable
B	Ownership and Shareholder Protection	
14	Administrative Ministry	Ministry of Power, Energy & Mineral Resources
15	Structure of Organization	SOE
C	Strategy and Governance Information	
17	Board of Directors (Number disaggregated by gender and profile)	07 (seven)
18	Qualification of Board Members	All board members are posted and nominated by Government
19	Number of Independent Director	Not applicable
20	Chairman to be Independent of Board	Not Applicable
21	Board Committees	Not Applicable
22	Number of Board Meetings held	19 (Nineteen)
23	Board Sitting Fees	Taka 5,000 per member nominated directors only.
24	Executive Management	Chairman, Directors, Secretary and General Managers
25	Selection process of Board Members	Selected by Government
26	Strategic Plan/Public Policy Goal (copy required)	Bangladesh Petroleum Corporation (BPC) has many plans to ensure the smooth supply of clean energy at affordable price to serve the nation but not in the form of a book or not in the name "strategic plan".
27	Innovative work (Description)	Online Payment System against sales of petroleum products by subsidiary companies.

BANGLADESH PETROLEUM CORPORATION**Saltgola Road, Chattogram**

28	Project Completion Rate: Actual Achievement /Target	103.92%
D	Ownership Structure	
30	Govt. Shareholding	100%
31	Private Shareholding	N/A
32	Others	N/A
E	Fiscal and Financial Discipline	
34	Who are the Primary Lenders to the Enterprise	International Islamic Trade Finance Corporation (ITFC)
F	Controls, Transparency and Disclosure	
36	Latest Audited Financial Statement	FY 2021-22
37	Audited by	1. Rahman Mostafa Alam & Co. 2. Khan Wahab Shafique Rahman & Co.
38	Risk Assessment Report	Not Done
39	Internal Control	Internal Audit Division
40	Timely public disclosure of financial statements	Yes
41	Measures for safe working Environment/Process (Description)	BPC ensures all safety measures. Besides BPC followed all instruction from government which were issued during evaluation year 2021-22 to ensure safe working environment in the entity's premises.
G	Human Resources	
43	Number of employees	134 at present
44	Number of New Job Creation (Regular, Internship, etc.)	11 persons appointed in 2021-22.
H	Employee and Social Welfare	
46	CSR, WPPF, Provident Fund, Gratuity Fund etc.	BPC has donated for medical treatment of staffs, scholarship for sons and daughters of staffs. It also gave financial support to casual staffs.

Signature, Name, and Designation of the Authorized Person:

Syed Mohammad Zakir Hossain
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IPE/22