

**Independent Performance Evaluation (IPE)
Report
on
Bangladesh Small and Cottage Industries Corporation (BSCIC)
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 Small and Cottage Industries Corporation (BSCIC) 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, BSCIC has obtained a weighted average score of 2.58 out of 4.00 and graded ‘Good’ in FY 2021-22.

1. Introduction

Bangladesh Small and Cottage Industries Corporation (BSCIC) provides support services to small, rural, and cottage industries in Bangladesh. It was established by “The East Pakistan Small and Cottage Industries Corporation Act, 1957”. After the independence of Bangladesh, the corporation was renamed as Bangladesh Small and Cottage Industries Corporation (BSCIC). Recently ‘The Bangladesh Small and Cottage Industries Act, 1957’ is repealed and replaced by ‘Bangladesh Small & Cottage Industries Act, 2023’. It has a countrywide institutional network to provide doorstep services to entrepreneurs. BSCIC has developed a total of 80 industrial estates having 5,949 industrial units including 962 export-oriented industries. The entity allotted 10,761 plots out of total 11,922 plots with necessary infrastructural facilities to foster the growth of Small and Cottage Industries (SCI) in a balanced manner. The Ministry of Industries has oversight responsibility for BSCIC.

BSCIC plays a significant role in establishing environment-friendly industries in their estate and helps to reduce the unemployment problem of the country. Besides, the entity provides all kind of assistance to develop the salt and leather industries in Bangladesh. Till FY 2021-22 total 5,949 industrial units were set up in different estates with an investment of Tk. 432,597.70 million and created job opportunities for 825,000 people. In addition, the entity assisted to produce salt of 1.83 million MT, honey of 10,655.55 MT and created job opportunities for 63,214 people during FY 2021-22. BSCIC distributed a loan of TK 226.65 million from its own fund and issued registration certificates to 7,814 industrial units in the evaluation year (FY 2021-22).

2. Role and Function

Bangladesh Small Cottage Industries Corporation (BSCIC) mainly performs the following functions:

- i. Registers all small and cottage industries;
- ii. Develops environment friendly infrastructure for industrial park/city;
- iii. Allots Plots, Buildings and Spaces to the Entrepreneurs;
- iv. Arranges loans for small and cottage industries from its own fund and other sources;
- v. Arranges fair, seminar, workshop, and conference for sellers and buyers;
- vi. Provides technical and job-oriented training to create efficient manpower for BSCIC estate;
- vii. Encourages salt farmers to produce more salt by adopting modern technology and providing proper training;
- viii. Arranges marketing events for the products of small and cottage industries;
- ix. Assists sick small and cottage industries;
- x. Assists farmers' apiculture by applying modern technology to produce more honey;
- xi. Provides technical and consultancy services for establishing new industrial units and quality improvement of SCI products.

3. Core Business

- i. Ensure proper utilization of all allotted industrial plots;
- ii. Assist to setup up more environment-friendly small and cottage industries in BSCIC estate;
- iii. The entity regulates small and cottage industries by Rules & Regulations;
- iv. Undertakes women entrepreneur development program;
- v. Innovate and adopt appropriate technology in the SCI sector;
- vi. Conduct Research studies and survey in the SCI sector.

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	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Growth Trajectory							
	2a. Net Surplus Growth	QN	5	20.00% or more	18.00% to 19.99%	16.00% to 17.99%	14.00% to 15.99%	Below 14.00%
	2b. Service Revenue Growth	QN	5	10.00% or more	8.00% to 9.99%	6.00% to 7.99%	4.00% to 5.99%	Below 4.00%
	2c. Other Growth	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved"	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	Social Contribution •Environmental Contribution •CSR/WPPF •Training/Volunteering	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	4	87.00%	Very Good	3	Note 1
2	Growth Trajectory						
	2a.NetSurplus Growth	QN	5	65.58%	Excellent	4	Audited Financial Statements (AFS)
	2b Service Revenue Growth	QN	5	(18.02%)	Under Performing	0	AFS
	2c. Other Growth	QL	4	75.00%	Good	2	Note 2
3	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved"	QN	4	93.43%	Excellent	4	Note 3
4	Social Contribution • Environmental Contribution • CSR/WPPF • Training/Volunteering	QL	3	88.00%	Very Good	3	Note 4
Sub-Total			25				

Note-1: BSCIC has a long term master plan with an aim to SCI development and create employment opportunities for the people of Bangladesh. The entity’s master plan is divided into three terms such as Short term (2021-25), Medium term (2025-30) and Long term (2030-41). Under short term plan the entity will setup 10 industrial parks in 5,000 acres of land that will create job opportunities for 2 million people. In medium term the entity will establish 50 industrial parks in 20,000 acres of land with an aim to create employment opportunity for 10 million people. In long term the entity will setup 100 environment friendly industrial parks in 40,000 acres of land with a view to create job opportunities for 20 million people of the country. The entity’s strategic plan is aligned with National Strategic plan, Government Policy Directives of FYPs, SDGS, Perspective plan 2041, and Bangladesh Delta Plan 2100.

Note-2: The entity introduced the following facilities for stakeholders:

- i. Online registration for trainee and contractors;
- ii. Arranged 52 online trade fair in the country;
- iii. Assisted online marketing service for launching new product/service for the customers.

Note-3: Based on the entity's 93.43% project implementation rate against financial targets during FY 2021-22.

Note-4: BSCIC has undertaken the following social/environmental activities during 2021-22.

- i. Every industrial unit of BSCIC estate obtains an environment clearance certificate from Department of Environment each year to ensure environmental compliance;
- ii. Trained 10,014 entrepreneurs in management and 6,871 entrepreneurs in efficiency development programs;
- iii. Arranged 48 trade fairs in the country;
- iv. Participated in 5 trade fairs within the country;
- v. Arranged 4 (four) seller and buyers conference;
- vi. Formed Special Audit Unit in collaboration with the Department of Environment to mitigate the environmental issues of its industrial units;
- vii. Dumping yard, Green Zone, Water Bodies have been made mandatory for newly constructed industrial estate;
- viii. Under CSR program grant is given Tk. 1.88 Million to 233 employees of BSCIC and stipend is provided to 165 students from Kallayan fund.

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	Service Delivery							
	1a. Service Benefit & Accessibility	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Labor Productivity							
	2a. Added Value per Employee (million Tk.)	QN	4	Tk.1.50 million or more	Tk. 1.25 to 1.49 million	Tk.1.00 to 1.24 million	Tk.0.75 to 0.99 million	Below Tk. 0.75 million
	2b. Employees Cost on Value Addition (%)	QN	4	45.00% or more	40.00% to 44.99%	35.00% to 39.99%	30.00% to 34.99%	Below 30.00%
3	Capital Productivity							
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.10 or more	Tk. 0.08 to 0.099	Tk. 0.06 to 0.079	Tk. 0.04 to 0.059	Below Tk. 0.04
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk. 0.20 or more	Tk. 0.18 to 0.199	Tk. 0.16 to 0.179	Tk. 0.14 to 0.159	Below Tk. 0.14
4	Production							
	4c. Asset Turnover (Times)	QN	5	0.15 or more	0.13 to 0.149	0.11 to 0.129	0.09 to 0.109	Below 0.09
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	Service Delivery						
	1a. Service Benefit & Accessibility	QL	4	85.00%	Very Good	3	Note 5
2	Labor Productivity						
	2a. Added Value per Employee (million Tk.)	QN	4	Tk. 1.10 Million	Good	2	AFS
	2b. Employees Cost on Value Addition (%)	QN	4	49.25%	Excellent	4	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.07	Good	2	AFS
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk.0.21	Excellent	4	AFS
4	Production						
	4a. Asset Turnover (Times)	QN	5	0.09	Fair	1	AFS
	Sub-total		25				

Note 05: The entity provided the following automation facilities for the stakeholders:

- i. One-stop service (OSS) center
- ii. E-registration facilities
- iii. Online data-base for small and cottage industries.
- iv. E- filling
- v. Product display and sales center

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 Surplus	QN	2	Tk. 450 million or more	Tk. 400 to Tk. 449 million	Tk. 350 to Tk. 399 million	Tk. 300 to Tk. 349 million	Below Tk. 300 million
2	Surplus before Tax	QN	2	Tk. 550 million or more	Tk. 500 to Tk. 549 million	Tk. 450 to Tk. 499 million	Tk. 400 to Tk. 449 million	Below Tk. 400 million
3	Return on Assets (%)	QN	2	3.00% or more	2.75% to 2.99 %	2.50 % to 2.74%	2.00% to 2.49%	Below 2.00%
4	Return on Service Revenue (%)	QN	2	20.00% or more	18.00% to 19.99%	16.00% to 17.99%	14.00% to 15.99%	Below 14.00%
5	Return on Equity (%)	QN	2	6.00% or more	5.00% to 5.99%	4.00% to 4.99%	3.00% to 3.99%	Below 3.00%
6	Net Worth Growth (%)	QN	2	7.00% or more	6.00% to 6.99%	5.00% to 5.99%	4.00% to 4.99%	Below 4.00%
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	3	0.90or less	0.91 to 1.00	1.01 to 1.10	1.11 to 1.20	More than 1.20
2	Debt to Assets (Times)	QN	3	0.40or less	0.41 to 0.50	0.51 to 0.60	0.61 to 0.70	More than 0.70
3	Debt Coverage Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
4	Current Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
iii. Transactions with Govt.								
1	Fees & Charges Paid	QN	3	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Debt Service Liabilities Paid	QN	3	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 Surplus	QN	2	Tk. 444.41 million	Very Good	3	AFS
2	Surplus before Tax	QN	2	Tk. 545.40 million	Very Good	3	AFS
3	Return on Assets (%)	QN	2	2.12%	Fair	1	AFS
4	Return on Service Revenue (%)	QN	2	23.87%	Excellent	4	AFS
5	Return on Equity (%)	QN	2	4.24%	Good	2	AFS
6	Net Worth Growth (%)	QN	2	(10.68%)	Under Performing	0	AFS
7	Capital Budget Utilization (%)	QN	2	98.99%	Excellent	4	SL-27, 28 of Annexure -1
ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	3	1.00	Very Good	3	AFS
2	Debt to Assets (Times)	QN	3	0.50	Very Good	3	AFS
3	Debt Coverage Ratio (Times)	QN	2	7.73	Excellent	4	AFS
4	Current Ratio (Times)	QN	2	0.74	Under Performing	0	AFS
iii) Transactions with Government							
1	Fees & Charges Paid	QN	3	100%	Excellent	4	SL-35, 36 of Annexure -1
2	Debt Service Liabilities Paid	QN	3	100%	Excellent	4	SL-33, 34 of Annexure -1
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	82%	Very Good	3	Note 6
2	Board Practices	QL	4	78%	Good	2	Note 7
3	Transparency and Disclosure	QL	4	75%	Good	2	Note 8
4	Control Environment and Process.	QL	4	76%	Good	2	Note 9
5	Performance against the key Indicators of APA	QN	4	84.17%	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 12).

Note-6: The entity has its own act. It follows Code of Conduct, Rules and Regulations, Employees' Service Rules, Citizen Charter as Corporate Governance. BSCIC has a corporate secretary.

Note-7: The entity's board of directors consist of Chairman and six directors nominated by the government. During FY 2021-22, thirty (30) board meetings were held and One hundred Seventy Six (176) board decisions have been implemented. Note that BSCIC has no board committee and no independent director for the board.

Note-8: The entity discloses own Acts, Rules, Audited Financial Statement, name and biographies of Board Directors, Senior Managers, Citizen Charter and APA on its website.

Note-9: BSCIC has undertaken the following measures to control environment and process during 2021-22:

- i. BSCIC has an internal control system among the different departments through the supervision and monitoring unit.
- ii. The entity has audit department to check, verify and examine the invoice/bills and collection for authenticity of transactions.
- iii. Purchase committee follows the entity's purchase policy, rules and tender procedure to verify the purchase transaction.
- iv. Installed fire extinguisher and CCTV Camera to cover the whole Head Office Buildings Security.
- v. Assisted to setup ETP in Industrial Estates and CETP in Tannery Estates.

5. IPE Process

- i. Performances of non-financial indicators of Bangladesh Small Cottage Industries Corporation (BSCIC) has been evaluated on the basis of information and documents of the inception report provided by BSCIC.
- ii. Actual performance of non-financial indicators is determined by the collective decision of ERT members.
- iii. According to IPEG, actual financial performances of BSCIC 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, BSCIC'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 Small and Cottage Industries Corporation Fiscal Year: 2021-22

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		4	3	0.12
2	Growth Trajectory: 2a. Net Surplus Growth		5	4	0.20
	2b. Service Revenue Growth		5	0	0.00
	2c. Other Growth		4	2	0.08
3	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	3	0.09
	Sub Total		25		0.65
B	Operational Efficiency:	25			
1	Service Delivery: • Service benefits and Accessibility		4	3	0.12
2	Labor Productivity: 2a. Added Value Per Employee		4	2	0.08
	2b. Employees cost on Value addition (%)		4	4	0.16
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		4	2	0.08
	3b. Added Value Per TK Value of PPE		4	4	0.16
4	Production:				
	4a. Asset Turnover		5	1	0.05
	Sub Total		25		0.65

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 Surplus		2	3	0.06
2	Surplus before tax		2	3	0.06
3	Return on assets		2	1	0.02
4	Return on Service Revenue		2	4	0.08
5	Return on equity		2	2	0.04
6	Net worth growth		2	0	0.00
7	Capital budget utilization		2	4	0.08
	ii. Financial Risk:				
1	Debt equity ratio		3	3	0.09
2	Debt to assets		3	3	0.09
3	Debt coverage ratio		2	4	0.08
4	Current ratio		2	0	0.00
	iii. Transactions with Government:				
1	Fees & charges paid		3	4	0.12
2	Debt Service Liabilities Paid		3	4	0.12
		Sub Total	30		0.84

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	3	0.12
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	2	0.08
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	2	0.08
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	2	0.08
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		0.44
	Grand Total (A+B+C+D)	100	100		2.58

7. Interpretation of Results

As per Independent Performance Evaluation Bangladesh Small and Cottage Industries Corporation(BSCIC)Scored 2.58 out of 4.00 in the year 2021-22.

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

- Net Surplus Growth
- Input Use Efficiency
- Return on Service Revenue
- Efficiency of Project Implementation
- Capital Budget Utilization
- Debt Coverage Ratio

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

- Entity Strategic Plan
- Service Delivery
- Social Contribution
- Debt Equity Ratio
- Debt to Assets
- Corporate Governance

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

- Capital Productivity
- Other Growth
- Transparency and Disclosure
- Labour Productivity
- Return on Equity
- Control Environment and Process
- Board Practices
- Annual Performance Agreement (APA)

The performance of BSCIC is graded “Fair” in the following areas:

- Assets Turnover
- Return on Assets

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

- Service Revenue Growth
- Net Worth Growth
- Current Ratio

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

- i. BSCIC has earned operating surplus of Tk. 444.41 million which includes Tk. 1,940.61 million as grant from Government.
- ii. The entity earned net Surplus of Tk. 545.40 million.
- iii. BSCIC's Current Ratio (Times) 0.74 which indicates entity is not in a well position to meet its current liabilities in due period.
- iv. BSCIC Paid DSL Tk. 80.00 million and Fees, Fine & charged Tk. 26.63 million
- v. GoB invested Tk.1.92 million as equity and Tk. 500.00 million as Capital Grants to BSCIC against the completion of development projects.

8. Recommendation for Performance Based Incentives

Bangladesh Small and Cottage Industries Corporation has obtained a weighted score of 2.58 out of a scale 4.00 and is graded "Good". Therefore, IPEC recommended non-financial incentive for the employees of BSCIC. Also, a certificate from Finance Division may be awarded to BSCIC for being graded "Good" in IPE for the FY 2021-22.

9. Recommendations

To improve the performance of BSCIC the following actions may be taken:

- a. BSCIC should maintain central database, software/server to store SCI information/data.
- b. The entity should take initiative to re-allot its allotted but unused and vacant industrial plots that remain vacant for long time.
- c. BSCIC should form Board Committees such as Audit Committee, Remuneration and Nomination Committee for Internal Control and Compliance.
- d. The entity should assist the industrial entrepreneurs to install Effluent Treatment Plant (ETP) and Central Effluent Treatment Plant (CETP) as and where applicable to prevent from environmental pollution.
- e. BSCIC should prepare its financial statements on the basis of IAS/IFRS guideline.
- f. The entity should take appropriate steps to publish its AFS timely.
- g. BSCIC should include accumulated costs of all its ongoing projects in "Capital Work in Progress" account for fair presentation of their Annual Financial Statements.
- h. The entity should undertake necessary measures to complete its ongoing projects within the stipulated timeline.

10. Conclusion

Based on Audited Financial Statements, data and documents of Bangladesh Small and Cottage Industries Corporation (BSCIC), Independent Performance Evaluation (IPE) report has been prepared for FY 2021-22. In the report it is found that BSCIC's financial performance is not satisfactory and non-financial performance is in moderate position compared to previous fiscal year. Hence, the entity should execute its short, medium and long term plan within stipulated period to establish 100 environment friendly industrial park by 2041 that will create 20 million job opportunities for the people. Implementation of Master Plan will reduce the poverty as well as contribute to the SCI development in the country.

Bangladesh Small & Cottage Industries Corporation (BSCIC)
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		
	• Other including spare parts	5,145,775	5,145,775
	ii. Receivable:		
	• Trade		
	• Others	7,185,712	20,897,333
	iii. Cash and Cash Equivalent	3,853,998,288	3,221,137,354
	iv. Others Current Assets	569,004,248	164,494,663
2	Total Current Assets (i+ii+iii+iv)	4,435,334,023	3,411,675,125
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	8,462,051,147	8,360,892,209
	• Investments	12,888,341,381	11,907,321,605
	• Other non-current assets		
4	Total Assets (2+3)	25,785,726,551	23,679,888,940
5	Current Liabilities:		
	i. Payables:		
	• Trade		
	• Others	18,143,169	3,382,352
	ii. Other Current Liabilities	5,991,205,416	6,002,412,774
6	Total Current Liabilities (i+ii)	6,009,348,585	6,005,795,126
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	1,810,995,238	1,890,995,238
	ii. Fund Account	3,628,885,298	324,178,760
	iii. Reserve for Depreciation	1,468,315,874	1,052,739,905
8	Total Non-Current Liabilities (i+ii+iii)	6,908,196,410	3,267,913,905
9	Total Liabilities (6+8)	12,917,544,995	9,273,709,029
10	Equity:		
	i. Equity Deposit for Projects	6,573,222,317	6,571,302,317
	ii. Grants	4,897,947,215	4,397,947,215
	ii. Retained Earnings/(Loss)	1,397,012,024	3,436,930,378
11	Total Equity (i+ii+iii)	12,868,181,556	14,406,179,910
12	Total Equity and Liabilities (9+11)	25,785,726,551	23,679,888,940

Annexure 1

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2021-22		2020-21	
		Amount	Percent	Amount	Percent
13	Net Service Revenue	344,749,792	15.09%	420,509,962	17.82%
	Add: Grant from Government	1,940,611,260	84.91%	1,939,682,260	82.18%
	Total Revenue	2,285,361,052	100%	2,360,192,222	100%
14	Less: Cost of Services	1,788,251,800	78.25%	2,056,084,398	87.12%
15	Gross Surplus/(Deficit) (13-14)	497,109,252	21.75%	304,107,824	12.88%
16	Less: Operating Expenses:				
	i. Administrative Expenses	52,699,134		46,541,405	
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	52,699,134	2.31%	46,541,405	1.97%
18	Operating Surplus/(Deficit)(15-17)	444,410,118	19.44%	257,566,419	10.91%
19	Add: Non-Operating Income	100,993,745		71,823,455	
20	Less: Financial Expenses				
21	Less: Other Non-Operating Expenses				
22	Net Surplus/(Deficit) before Tax (18+19-20-21)	545,403,863		329,389,874	
23	Less: Provision for Tax				
	i. Current tax				
	ii. Deferred tax				
24	Net Surplus/(Deficit) After Tax (22-23)	545,403,863		329,389,874	

Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2021-22	2020-21
25	Credit Sales		
26	Credit Purchases		
27	Capital Budget Allocation	2,272,000,000	2,251,100,000
28	Actual Capital Expenditure	2,249,100,000	2,387,100,000
29	Dividend Payable	0	0
30	Dividend Paid	0	0
31	Taxes Payable	0	0
32	Taxes Paid	0	0
33	Debt Service Liabilities (DSL) Payable	80,000,000	80,000,000
34	Debt Service Liabilities (DSL) Paid	80,000,000	80,000,000
35	Fees, Fine and Charges Payable	26,627,000	22,602,000
36	Fees, Fine and Charges Paid	26,627,000	22,602,000
37	New Government Investment:		
	• Equity	1,920,000	6,549,543,230
	• Capital Grants	500,000,000	0
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants	1,940,611,000	1,939,682,260
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	618,435,340	1,632,083,965
40	Added Value	1,796,744,505	1,814,952,465
41	Employees cost includes wages, salaries, bonus, provident fund contribution and other allowances	884,954,949	1,025,743,585
42	Capacity Utilization (%)		
43	Input use Efficiency (%)		
44	Number of Employees (Nos)	1,613	1,653
45	Performance score achieved on APA	84.17%	88.24%

Schedule - 2

Non-financial Information format

Annexure :- 2

Sl.	Particulars	
A	Enterprise Information and Legal Framework	
2	Sector	Service
3	Name of Entity	Bangladesh Small & Cottage Industries Corporation (BSCIC)
4	Number of Subsidiaries	N/A
5	Number of Branches	188
6	Website	http://www.bscic.gov.bd
7	Email Address	bscicfinstatements@gmail.com
8	Year of Incorporation	1957
9	Governing Law	Attached with 2020-2021 Rrport.
10	Other relevant Governing Laws & Regulations	Salt Act-2021(Attached)
11	Incorporation Structure	1957
12	Listed in the Stock Exchange	N/A
B	Ownership and Shareholder Protection	
14	Administrative Ministry	Ministry of Industries
15	Structure of Organization	Attachement-6
C	Strategy and Governance Information	
17	Board of Directors (Number disaggregated by gender and profile)	6 (gents)
18	Qualification of Board Members	Post Graduate
19	Number of Independent Director	N/A
20	Chairman to be Independent of Board	N/A
21	Board Committees	7
22	Number of Board Meetings held	30
23	Board Sitting Fees	1076450/- (including income tax, vat & entertainment)

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24	Executive Management	Board of directors
25	Selection process of Board Members	By designation
26	Strategic Plan/Public Policy Goal (copy required)	Annual Report 2021-22, pg. 03
27	Innovative work (Description)	Attached
28	Project Completion Rate: Actual Achievement /Target	67%
D	Ownership Structure	
30	Govt. Shareholding	N/A
31	Private Shareholding	N/A
32	Others	N/A
E	Fiscal and Financial Discipline	
34	Who are the Primary Lenders to the Enterprise	Public
F	Controls, Transparency and Disclosure	
36	Latest Audited Financial Statement	2021-2022
37	Audited by	CA Firm
38	Risk Assessment Report	Plots of industries are not used in due time by entrepreneur.
39	Internal Control	Audit Department of BSCIC, (2) Purchase Committee, (3) Monitoring Cell, (4) CCTV Camera
40	Timely public disclosure of financial statements	Yes
41	Measures for safe working Environment/Process (Description)	Fans are available in all rooms except AC rooms. AC is available in some department/ section chiefs only in head office & Regional offices. 20% employees are supplied computer sets. Photocopiers, faxes and are available in every branch. But only fire extinguisher are available only in head office.
G	Human Resources	
43	Number of employees	1613
44	Number of New Job Creation (Regular, Internship, etc.)	123 (regular jobs) are recruiting.
H	Employee and Social Welfare	
46	CSR, WPPF, Provident Fund, Gratuity Fund etc.	Tk. 3128.16 lac

Note: Above mentioned non-financial information to be provided for IPE.

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