

**Independent Performance Evaluation (IPE) Report**  
**on**  
**Bangladesh Small and Cottage Industries Corporation (BSCIC)**  
**For 2022-23**

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## **Executive Summary**

The Finance Division of the Ministry of Finance is implementing the "Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)." One of the key components of this program is the "Strengthening of State-owned Enterprises' Governance" scheme, which aims to strengthen the governance of State-owned Enterprises (SOEs) and Autonomous Bodies (ABs). To achieve this, the Finance Division has developed and approved an Independent Performance Evaluation Guideline (IPEG) for SOEs and ABs to evaluate their performance independently. Based on selection parameters of IPEG, Monitoring Cell, Finance Division has selected 10 (ten) more SOEs and ABs in addition to previously selected 10 (ten) SOEs/ABs in total 20 (twenty) SOEs/ABs to conduct Independent Performance Evaluation for the fiscal year 2022-23.

Bangladesh Small and Cottage Industries Corporation (BSCIC) has been evaluated for two consecutive years and is among the 20 selected State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) for Independent Performance Evaluation (IPE) for FY 2022-23. According to the evaluation results, BSCIC achieved a weighted average score of 2.21 out of 4.00, earning a "Good" grade.

### **1. Introduction**

The Bangladesh Small and Cottage Industries Corporation (BSCIC) provides support services to small, rural, and cottage industries across the country. Established under "The East Pakistan Small and Cottage Industries Corporation Act, 1957," it was renamed as Bangladesh Small and Cottage Industries Corporation (BSCIC) after the independence of Bangladesh. Recently, the Bangladesh Small and Cottage Industries Act, 1957 was repealed and replaced by the Bangladesh Small and Cottage Industries Act, 2023. BSCIC plays a pivotal role in promoting environment-friendly industries within its industrial estates and contributes significantly to reducing unemployment in the country. With a nationwide institutional network, it delivers services directly to entrepreneurs. Additionally, BSCIC provides comprehensive assistance for the development of key industries such as salt, honey, and leather. The Ministry of Industries oversees BSCIC's activities and operations. The key operational activities of BSCIC are provided below:

### Key Operational Activities

SL	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
1	Total Industrial Estates	Nos.	76	80	82
2	Total Industrial Plot	Nos.	10,897	11,922	12,313
3	Allotment of total Industrial Plot	Nos.	10,440	10,761	10,992
4	Setup of total Industrial Units	Nos.	5,981	5,949	5,984
5	Total Closed/Sick Industrial Units	Nos.	614	554	432
6	Total Export Oriented Industrial Units	Nos.	946	962	934
7	Entrepreneurs Investments	Million Taka	412,217.20	432,597.70	453,949.90
8	Loan to Entrepreneurs from BSCIC's Own Fund	Million Taka	156.35	226.65	178.70
9	Created Job Opportunities	Nos.	56,130	63,214	60,358
10	Issued Registration Certificates	Nos.	7,359	7,814	5,207
11	Salt Production	Million MT	1.65	1.83	2.24
12	Honey Production	MT	4,622	10,656	7,328

Source: BSCIC Annual Report, 2020-21, 2021-22 & 2022-23

The key operational activities of BSCIC demonstrate notable year-on-year changes across various metrics over the FY 2020-21, FY 2021-22, and FY 2022-23 periods. The number of industrial estates increased steadily from 76 in FY 2020-21 to 82 in FY 2022-23, reflecting a growth of 7.89% over the three years. Similarly, the total industrial plots grew by 13.01%, from 10,897 to 12,313 during the same period. The allotment of industrial plots also showed consistent growth, rising from 10,440 to 10,992 (5.29%).

The number of operational industrial units remained relatively stable, with a slight increase from 5,981 in FY 2020-21 to 5,984 in FY 2022-23. However, the number of closed or sick units significantly declined by 29.64%, from 614 to 432, indicating improved operational performance. Export-oriented industrial units saw fluctuations, with a slight drop from 946 in FY 2020-21 to 934 in FY 2022-23, marking a decrease of 1.27%.

Entrepreneurial investments showed robust growth, increasing by 10.14%, from 412,217.20 million Taka in FY 2020-21 to 453,949.90 million Taka in FY 2022-23. Loans from BSCIC's funds peaked in FY 2021-22 at 226.65 million Taka but declined to 178.70 million Taka in FY 2022-23. Job opportunities created dropped slightly in FY 2022-23 to 60,358 from a peak of 63,214 in FY 2021-22 but remained higher than FY 2020-21's figure of 56,130.

Salt production surged significantly, increasing by 35.76% from 1.65 million MT in FY 2020-21 to 2.24 million MT in FY 2022-23. Conversely, honey production fluctuated, with a remarkable rise in FY 2021-22 (10,656 MT) but declining to 7,328 MT in FY 2022-23, though still a 58.57% increase from FY 2020-21. Lastly, registration certificates issued decreased by 29.26%, dropping from 7,359 in FY 2020-21 to 5,207 in FY 2022-23. All these performance indicators of last 3 (three) consecutive shows that operational activities of BSCIC are gradually improving.

## **2. Role and Function**

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

- i. Registers of all small cottage industries.
- ii. Develops environment friendly infrastructure for industrial park/city;
- iii. Allots Plots, Buildings and Spaces to Entrepreneurs.
- iv. Arrange loans for small and cottage industries from their own funds 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. Encourage salt farmers to produce more salt by adopting modern technology and providing proper training.
- viii. Arrange marketing events for the products of small 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 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): Standard of Indices A

FY 2022-23

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	<b>Entity Strategy</b>							
	Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Growth Trajectory</b>							
	2a. Net Surplus Growth	QN	4	30.00% or more	25.00% to 29.99%	20.00% to 24.99%	15.00% to 19.99%	Below 15.00%
	2b. Service Revenue Growth	QN	4	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	3	91-100%	81-90%	71-80%	41-70%	Below 41%
3	<b>Effective Implementation of Public Policy</b> Implement activities to achieve policy goal	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
4	<b>Efficiency of Project</b> Implementation/ Project Goal Achievement: • Percentage of estimated target achieved	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	<b>Social Contribution</b> •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						
	Entity Strategic Plan	QL	4	87.00%	Very Good	3	Note 1
2	Growth Trajectory						
	2a.Net Surplus Growth	QN	4	(76.93%)	Under Performing	0	AFS
	2b Service Revenue Growth	QN	4	7.73%	Good	2	AFS
	2c. Other Growth	QL	3	88.00%	Very Good	3	Note 2
3	Effective Implementation of Public Policy	QL	3	86.00%	Very Good	3	Note 3
4	Efficiency of Project	QN	4	62.07%	Fair	1	Note 4
5	Social Contribution <ul style="list-style-type: none"><li>Environmental Contribution</li><li>CSR/WPPF</li><li>Training/Volunteering</li></ul>	QL	3	88.00%	Very Good	3	Note 5
Sub-Total			25				

**Note-1:** Bangladesh Small and Cottage Industries Corporation (BSCIC) has formulated a comprehensive long-term master plan to promote environmentally sustainable industrialization, foster the growth of small and cottage industries (SCI), and generate widespread employment. The plan is structured across three phases: short term (2021–2025), medium term (2025–2030), and long term (2030–2041). In the short term, BSCIC aims to establish 10 industrial parks on 5,000 acres of land, creating employment for 2 million people. The medium-term objective includes developing 50 industrial parks over 20,000 acres to generate 10 million jobs. In the long term, the plan envisions setting up 100 eco-friendly industrial parks across 40,000 acres, targeting employment for 20 million citizens. These initiatives directly support the National Strategic Plan, Government Policy Directives outlined in the National Budget, and key Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 13 (Climate Action).

**Note-2:** The entity maintains the following facilities for stakeholders:

- i. Online registration for trainees and contractors.
- ii. Assisted online marketing service for launching new products/service for the customers.

In FY 2022-23

- i. Currently salt is cultivated by using ground water that is extracted through deep tube well/sallow machine instead of traditional polythene method. By using ground water, salt is produced 1000 to 1,200 maunds that is 33.33% higher compared to traditional system (Using Canal Water);
- ii. Applied for Geographical Indication (GI) for Shitolpati.

**Note-3:** BSCIC plays a crucial role in implementing public policy aimed at fostering industrial growth, entrepreneurship, and rural development through the promotion of small and cottage industries (SCIs). By providing infrastructure, financial assistance, and technical support, BSCIC ensures the proper utilization of industrial plots, encourages environmentally friendly business practices, and supports the establishment of new industrial units.

**Note-4:** During FY 2022–23, BSCIC achieved 75.52% of its financial target and 48.62% of its physical targets in project implementation. A comprehensive performance score was assigned based on this combined achievement.

**Note-5:** BSCIC has undertaken several social and environmental initiatives to promote sustainability and community welfare:

- i. Ensures environmental compliance by requiring every industrial unit within its estates to obtain an environment clearance certificate from the Department of Environment annually.
- ii. In FY 2022-23 the entity provided training to 5,429 entrepreneurs in management and 4,497 entrepreneurs in efficiency development programs, including design, salt production, and beekeeping.
- iii. Organized 32 trade fairs across the country to promote local products and industries in FY 2022-23.
- iv. Participated in 58 domestic trade fairs to enhance market visibility for small and cottage industries in FY 2022-23.
- v. Established a Special Audit Unit in collaboration with the Department of Environment to mitigate environmental pollution in its industrial units.
- vi. Mandated the inclusion of dumping yards, green zones, and water bodies in newly constructed industrial estates to ensure environmental sustainability.
- vii. Allocated Tk. 0.88 million under its CSR program to support 83 employees of BSCIC in FY 2022-23.



## Indices: B. Operational Efficiency

**Table 2(a): Standard of Indices B**

FY 2022-23

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	<b>Service Delivery</b>							
	Service Benefit & Accessibility	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Labor Productivity</b>							
	Added Value per Employee (million Tk.)	QN	5	Tk.1.00 million or more	Tk.0.90 to 0.99 million	Tk.0.80 to 0.89 million	Tk.0.70 to 0.79 million	Below Tk. 0.70 million
3	<b>Capital Productivity</b>							
	3a. Added Value per Tk. Value of Assets	QN	5	Tk. 0.10 or more	Tk. 0.08 to 0.09	Tk. 0.06 to 0.07	Tk. 0.04 to 0.05	Below Tk. 0.04
	3b. Added Value Per Tk. Value of PPE	QN	5	Tk. 0.20 or more	Tk. 0.18 to 0.19	Tk. 0.16 to 0.17	Tk. 0.14 to 0.15	Below Tk. 0.14
4	<b>Production</b>							
	Asset Turnover (Times)	QN	5	0.15 or more	0.12 to 0.14	0.09 to 0.11	0.06to 0.08	Below 0.06
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						
	Service Benefit & Accessibility	QL	5	91.00%	Excellent	4	Note 6
2	Labor Productivity						
	Added Value per Employee (million Tk.)	QN	5	Tk. 0.78 million	Fair	1	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	5	Tk. 0.04	Fair	1	AFS
	3b. Added Value Per Tk. Value of PPE	QN	5	Tk.0.18	Very Good	3	AFS
4	Production						
	Asset Turnover (Times)	QN	5	0.06	Fair	1	AFS
Sub-total			25				

**Note 06:** The entity provided the following automation facilities for the stakeholders:

- i. One-stop service (OSS) center for enlistment of subcontracting, industrial registration, cancellation of registration, new registration of contractor, renewal of contractor, contract processing, IRC recommendation, Contractor reregistration and training program etc.
- ii. E-registration facilities
- iii. Online GIS based data-base for small and cottage industries.
- iv. Established product display and sales center at Rangamati, Bandervan and Khagrachori.
- v. Arranged 58 trade fair in Bangladesh and 13 abroad in FY 2022-23.
- vi. Assisted salt, honey and leather sectors to ensure quality, production and productivity etc.

### Indices: C. Financial

**Table 3(a): Standard of Indices C**

FY 2022-23

		* Standard						
Serial No.	Indicators & Sub-indicators	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 Performance							
1	Operating Surplus	QN	2	Tk. 450 mil or more	Tk. 400 to Tk. 449 mil	Tk. 350 to Tk. 399 mil	Tk. 300 to Tk. 349 mil	Below Tk. 300 mil
2	Surplus before Tax	QN	2	Tk.400 mil or more	Tk. 300 to Tk. 399 mil	Tk. 200 to Tk. 299 mil	Tk. 100 to Tk. 199 mil	Below Tk. 100 mil
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	12.00% or more	10.00% to 11.99%	8.00% to 9.99%	6.00% to 7.99%	Below 6.00%
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	1.50 or 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	3	0.60 or less	0.61 to 1.00	1.01 to 1.40	1.41 to 1.80	More than 1.80
3	Debt Coverage Ratio (Times)	QN	3	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
4	Current Ratio (Times)	QN	3	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	2	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 Performance						
1	Operating Surplus	QN	2	(Tk.212.31) mil	Under Performing	0	AFS
2	Surplus before Tax	QN	2	Tk.125.81 mil	Fair	1	AFS
3	Return on Assets (%)	QN	2	0.45%	Under Performing	0	AFS
4	Return on Service Revenue (%)	QN	2	7.11%	Fair	1	AFS
5	Return on Equity (%)	QN	2	0.83%	Under Performing	0	AFS
6	Net Worth Growth (%)	QN	2	17.92%	Excellent	4	AFS
7	Capital Budget Utilization (%)	QN	2	76.71%	Good	2	SL-27, 28 of Annexure -1
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	3	0.85	Excellent	4	AFS
2	Debt to Assets (Times)	QN	3	0.46	Excellent	4	AFS
3	Debt Coverage Ratio (Times)	QN	3	84.32	Excellent	4	AFS
4	Current Ratio (Times)	QN	3	0.40	Under Performing	0	AFS
	iii) Transactions with Government						
1	Fees & Charges Paid	QN	2	100%	Excellent	4	SL-35, 36 of Annexure -1
2	Debt Service Liabilities Paid	QN	2	100%	Excellent	4	SL-33, 34 of Annexure -1
Sub-total			30				

## Indices: D. Corporate Governance Practices

**Table 4(a): Standard of Indices D**

FY 2022-23

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	<b>Commitment to Corporate Governance:</b> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Ethics</li> <li>• Key policies of Board</li> <li>• Board structure</li> <li>• Employees service rules/ regulations</li> <li>• Appointment of Board Secretary</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Board Practices:</b> <ul style="list-style-type: none"> <li>• Composition of Board of Directors and number of meetings held</li> <li>• TOR of board</li> <li>• Number of independent Board Directors</li> <li>• Name &amp; Number of board committees and number of meetings held</li> <li>• Number of board decisions that have been implemented</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
3	<b>Transparency and Disclosure:</b> <ul style="list-style-type: none"> <li>• Board of directors and Senior managers name and biographies</li> <li>• Audited financial statement</li> <li>• Citizen charter</li> <li>• APA</li> <li>• Code of conduct</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	<b>Control Environment and Process:</b> <ul style="list-style-type: none"> <li>• Entity's internal control systems for different departments</li> <li>• Internal audit procedure and reporting authority</li> <li>• Entity's computer-based management information system (database)</li> <li>• Any authority of the board to mitigate the entity's emergency situation</li> <li>• Measures taken for safe working environment in the entity's premises</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	<b>Performance against the key Indicators of APA<sup>1</sup>:</b> <ul style="list-style-type: none"> <li>• Total Performance score achieved on APA</li> </ul>	QN	4	100%	90%	80%	70%	60%

<sup>1</sup>Standard 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-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	4	82%	Very Good	3	Note 7
2	Board Practices	QL	4	81%	Very Good	3	Note 8
3	Transparency and Disclosure	QL	4	75%	Good	2	Note 9
4	Control Environment and Process.	QL	4	76%	Good	2	Note 10
5	Performance against the key Indicators of APA	QN	4	96.11%	Very Good	3	Score of APA for FY 2022-23
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.

**Note-7:** BSCIC operates under Bangladesh Small and Cottage Industries Act 2023 and adheres to a robust framework of corporate governance, including a Code of Conduct, Rules and Regulations, Employees' Service Rules, and a Citizen Charter. The organization has a Corporate Secretary for its board.

**Note-8:** The BSCIC Board of Directors consists of 12 (twelve) members nominated by the Government of Bangladesh (GOB). The board includes a chairman, six regular directors from the corporation, and five additional members. Of these, three are representatives from various Ministries/Divisions, while the remaining 2 (two) are independent directors: one with significant experience in commerce and industries, and the other serving as the President of National Association of Small & Cottage Industries of Bangladesh (NASCIB) or a nominee of the President. During FY 2022-23, the board held 25 (twenty-five) meetings, implementing 185 (One thousand eighty-five) decisions. However, the entity has no board committee.

**Note-9:** BSCIC discloses its Acts, Rules, Audited Financial Statements, details of Board Directors, Senior Managers, Citizen Charter, and Annual Performance Agreement (APA) on its website, ensuring transparency. However, the entity published their Audited Financial Statements lately.

**Note-10:** BSCIC has implemented various measures to enhance environmental and process controls:

- i. Maintains an internal control system through a dedicated supervision and monitoring unit.
- ii. Operates an Audit Department to review, verify, and examine invoices, bills, and collections to ensure transaction authenticity.
- iii. The Purchase Committee adheres to the entity's purchase policy, rules, and tender procedures for verifying procurement transactions.
- iv. Installed fire extinguishers and CCTV cameras to enhance the security of its Head Office buildings.
- v. Assisted in the establishment of Effluent Treatment Plants (ETPs) in industrial estates and a Central Effluent Treatment Plant (CETP) in Tannery Estates to mitigate environmental impacts.

## **5. IPE Process**

- i. Performances of non-financial indicators of Bangladesh Small Cottage Industries Corporation (BSCIC) has been evaluated using information and documents of the inception report provided by BSCIC.
- ii. Actual performance of non-financial indicators is determined through 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 comparable entities in the country, BSCIC's financial performance was assessed based on its performance over the last five years 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 by IPEG.
- vi. Grades and scores are assigned according to the IPEG.

## 6. Performance Evaluation Results

### Bangladesh Small and Cottage Industries Corporation Fiscal Year: 2022-23

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	<b>Business Strategy and Social Responsibility:</b>	25			
1	<b>Entity Strategy:</b> • Entity Strategic Plan		4	3	0.12
2	<b>Growth Trajectory:</b> 2a. Net Surplus Growth		4	0	0.00
	2b. Service Revenue Growth		4	2	0.08
	2c. Other Growth		3	3	0.09
3	Effective Implementation of Public Policy Implement activities to achieve policy goal		3	3	0.09
4	<b>Efficiency of Project Implementation/ Project Goal Achievement:</b> • Percentage of estimated target achieved		4	1	0.04
5	<b>Social Contribution:</b> • Environmental Contribution • CSR / WPPF • Training / Volunteering		3	3	0.09
<b>Sub Total</b>			<b>25</b>		<b>0.51</b>
B	<b>Operational Efficiency:</b>	25			
1	<b>Service Delivery:</b> • Service benefits and Accessibility		5	4	0.20
2	<b>Labor Productivity:</b> 2a. Added Value Per Employee		5	1	0.05
	2b. Employees cost on Value addition (%)				
3	<b>Capital Productivity:</b> 3a. Added Value Per TK Value of Assets		5	1	0.05
	3b. Added Value Per TK Value of PPE		5	3	0.15
4	<b>Production:</b>				
	4a. Asset Turnover		5	1	0.05
<b>Sub Total</b>			<b>25</b>		<b>0.50</b>

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
C	<b>Financial:</b>	30			
	<b>i. Financial Performance:</b>				
1	Operating Surplus		2	0	0.00
2	Surplus before tax		2	1	0.02
3	Return on assets		2	0	0.00
4	Return on Service Revenue		2	1	0.02
5	Return on equity		2	0	0.00
6	Net worth growth		2	4	0.08
7	Capital budget utilization		2	2	0.04
	<b>ii. Financial Risk:</b>				
1	Debt equity ratio		3	4	0.12
2	Debt to assets		3	4	0.12
3	Debt coverage ratio		3	4	0.12
4	Current ratio		3	0	0.00
	<b>iii. Transactions with Government:</b>				
1	Fees & charges paid		2	4	0.08
2	Debt Service Liabilities Paid		2	4	0.08
	<b>Sub Total</b>		<b>30</b>		<b>0.68</b>



Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
D	<b>Corporate Governance Practices:</b>	20			
1	<b>Commitment to Corporate Governance:</b> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Ethics</li> <li>• Key policies of Board</li> <li>• Board structure</li> <li>• Employee's service rules/ regulations</li> <li>• Appointment of Board Secretary</li> </ul>		4	3	0.12
2	<b>Board Practices:</b> <ul style="list-style-type: none"> <li>• Composition of Board of Directors and number of meetings held</li> <li>• TOR of board</li> <li>• Number of independent Board Directors</li> <li>• Name &amp; Number of board committees and number of meetings held</li> <li>• Number of board decisions that have been implemented</li> </ul>		4	3	0.12
3	<b>Transparency and Disclosure:</b> <ul style="list-style-type: none"> <li>• Board of directors and Senior managers name and biographies</li> <li>• Audited financial statement</li> <li>• Citizen charter</li> <li>• APA</li> <li>• Code of conduct</li> </ul>		4	2	0.08
4	<b>Control Environment and Process:</b> <ul style="list-style-type: none"> <li>• Entity's internal control systems for different departments</li> <li>• Internal audit procedure and reporting authority</li> <li>• Entity's computer-based management information system (database)</li> <li>• Any authority of the board to mitigate the entity's emergency situation</li> <li>• Measures taken for safe working environment in the entity's premises</li> </ul>		4	2	0.08
5	<b>Performance against the key Indicators of APA:</b> <ul style="list-style-type: none"> <li>• Total Performance score achieved on APA</li> </ul>		4	3	0.12
	<b>Sub Total</b>		<b>20</b>		<b>0.52</b>
	<b>Grand Total (A+B+C+D)</b>	<b>100</b>	<b>100</b>		<b>2.21</b>

## 7. Interpretation of Results

As per Independent Performance Evaluation Bangladesh Small and Cottage Industries Corporation (BSCIC) Scored 2.21 out of 4.00 in the year 2022-23.

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

- Service Delivery
- Debt Equity Ratio
- Debt to Assets
- Debt Coverage Ratio
- Net Worth Growth

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

- Entity Strategic Plan
- Social Contribution
- Corporate Governance
- Board Practices
- Annual Performance Agreement (APA)
- Other Growth
- Effective Implementation of Public Policy

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

- Transparency and Disclosure
- Control Environment and Process
- Capital Budget Utilization
- Service Revenue Growth

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

- Capital Productivity
- Labour Productivity
- Return on Service Revenue
- Efficiency of Project Implementation
- Assets Turnover

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

- Current Ratio
- Net Surplus Growth
- Return on Equity
- Return on Assets

## **7. (B) Other important aspects of Performance during FY 2022-23:**

- i. BSCIC has incurred operating loss of Tk. 212.31 million which includes Tk. 1,398.02 million as grant from Government.
- ii. The entity earned net Surplus of Tk. 125.81 million.
- iii. BSCIC's Current Ratio (Times) 0.40 which indicates entity is not in a well position to meet its current liabilities in due period.
- iv. BSCIC Paid DSL Tk.50.00 million and Fees, Fine & charged Tk. 238.04 million
- v. GOB invested Tk. 159.05 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 2.21 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 2022-23.

## **9. Recommendations for Improvements:**

To enhance BSCIC's performance, the following measures are recommended:

- a) Establish a central database and software/server system to store and manage information on small and cottage industries (SCI).
- b) Reallocate unused or long-vacant industrial plots to maximize their utilization.
- c) Develop action plans to elevate leather and leather product standards to meet global requirements and obtain the Leather Working Group (LWG) certification, boosting export potential in the leather sector.
- d) Form Board Committees such as an Audit Committee, and Nomination & Remuneration Committee (NRC) to strengthen internal control and compliance.
- e) Assist industrial entrepreneurs in installing Effluent Treatment Plants (ETPs) and Central Effluent Treatment Plants (CETPs) to minimize environmental pollution.
- f) Prepare financial statements based on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to enhance transparency and reliability.
- g) Ensure the timely publication of Annual Financial Statements (AFS).
- h) Include accumulated costs of ongoing projects under the "Capital Work in Progress" account for fair and accurate financial reporting.
- i) Measures should be taken to complete ongoing projects within their stipulated timelines to avoid delays and cost overruns.
- j) Enhance financial discipline, disclosure, and reporting by preparing financial statements in compliance with applicable IAS and IFRS standards.
- k) Introduce Enterprise Resource Planning (ERP) software to centralize data storage, streamline operations, and generate timely reports for informed decision-making.

## **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 2022-23. 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 parks 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. In addition, implementation of master plan will also help sustainable industrialization, develop skilled manpower and transformation of rural agro-based economy into industrial economy in Bangladesh.

**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
		2022-23	2021-22
1	Current Assets:		
	i. Inventories		
	• Material		
	• Other including spare parts	5,145,775	5,145,775
	ii. Receivable:		
	• Trade		
	• Others	7,420,622	7,185,712
	iii. Cash and Cash Equivalent	2,535,968,298	3,853,998,288
	iv. Others Current Assets	475,720,812	569,004,248
2	Total Current Assets (i+ii+iii+iv)	3,024,255,507	4,435,334,022
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	6,694,756,497	6,993,735,274
	• Investments in FDR, Shares & other assets	18,376,701,082	12,888,341,381
	• Other non-current assets		
4	Total Assets (2+3)	28,095,713,085	24,317,410,677
5	Current Liabilities:		
	i. Payables:		
	• Trade		
	• Others	83,365,212	18,143,169
	ii. Other Current Liabilities	7,460,332,444	5,991,205,416
6	Total Current Liabilities (i+ii)	7,543,697,657	6,009,348,585
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	1,760,995,238	1,810,995,238
	ii. Fund Account	3,617,274,290	3,628,885,298
8	Total Non-Current Liabilities (i+ii+iii)	5,378,269,528	6,908,196,410
9	Total Liabilities (6+8)	12,921,967,185	12,917,544,995
10	Equity:		
	i. Equity Deposit for Projects	6,573,222,317	6,573,222,317
	ii. Grants	5,057,001,715	4,897,947,215
	ii. Retained Earnings/(Loss)	3,543,521,867	1,397,012,024
11	Total Equity (i+ii+iii)	15,173,745,899	12,868,181,556
12	Total Equity and Liabilities (9+11)	28,095,713,085	24,317,410,677

## Annexure 1

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2022-23		2021-22	
		Amount	Percent	Amount	Percent
13	Net Service Revenue	371,403,265	20.99%	344,749,792	15.09%
	Add: Grant from Government	1,398,020,181	79.01%	1,940,611,260	84.91%
	Total Revenue	1,769,423,446	100%	2,285,361,052	100%
14	Less: Cost of Services	1,865,320,324	105.42%	1,788,251,800	78.25%
15	Gross Surplus/(Deficit) (13-14)	(95,896,878)	5.42%	497,109,252	21.75%
16	Less: Operating Expenses:				
	i. Administrative Expenses	116,408,865	6.58%	52,699,134	
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	116,408,865	6.58%	52,699,134	2.31%
18	Operating Surplus/(Deficit)(15-17)	(212,305,743)	(12.00%)	444,410,118	19.44%
19	Add: Non-Operating Income	338,115,918		100,993,745	
20	Less: Financial Expenses				
21	Less: Other Non-Operating Expenses				
22	Net Surplus/(Deficit) before Tax (18+19-20-21)	125,810,175		545,403,863	
23	Less: Provision for Tax				
	i. Current tax				
	ii. Deferred tax				
24	Net Surplus/(Deficit) After Tax (22-23)	125,810,175		545,403,863	

## Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales		
26	Credit Purchases		
27	Capital Budget Allocation	207,350,000	2,272,000,000
28	Actual Capital Expenditure	159,054,500	2,249,100,000
29	Dividend Payable		0
30	Dividend Paid		0
31	Taxes Payable		0
32	Taxes Paid		0
33	Debt Service Liabilities (DSL) Payable	50,000,000	80,000,000
34	Debt Service Liabilities (DSL) Paid	50,000,000	80,000,000
35	Fees, Fine and Charges Payable	238,035,000	26,627,000
36	Fees, Fine and Charges Paid	238,035,000	26,627,000
37	New Government Investment:		
	• Equity		1,920,000
	• Capital Grants	159,054,500	500,000,000
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants	1,398,020,181	1,940,611,000
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	4,215,846,484	618,435,340
40	Added Value	1,199,847,295	1,796,744,505
41	Employee's cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)		
43	Input use Efficiency (%)		
44	Number of Employees (Nos)	1,456	1,613
45	Performance score achieved on APA	96.11%	84.17%

other allowances		
34. Capacity Utilization (%)	N/A	N/A
35. Input use efficiency (%)	N/A	N/A
36. Number of Employees (NOS) (Annual Report 2022-23, pg-5_	1456	1613

## Schedule – 2

## Non-financial Information format

Sl.	Particulars	
<b>A</b>	<b>Enterprise Information and Legal Framework</b>	
2	Sector	Service
3	Name of Entity	Bangladesh Small & Cottage Industries Corporation (BSCIC)
4	Number of Subsidiaries	N/A
5	Number of Branches	190
6	Website	<a href="http://www.bscic.gov.bd">http://www.bscic.gov.bd</a>
7	Email Address	bscicfinstatements@gmail.com
8	Year of Incorporation	1957
9	Governing Law	Attached with 2022-2023 Report.
10	Other relevant Governing Laws & Regulations	Plot Allotment Policy 2023
11	Incorporation Structure	2023
12	Listed in the Stock Exchange	N/A
<b>B</b>	<b>Ownership and Shareholder Protection</b>	
14	Administrative Ministry	Ministry of Industries
15	Structure of Organization	Attachement-6
<b>C</b>	<b>Strategy and Governance Information</b>	
17	Board of Directors (Number disaggregated by gender and profile)	7+5 (7 Person of BSCIC, 3 Person from Ministry of Industries, Ministry of Finance, President of (NASCIB) & Ministry of Commerce.
18	Qualification of Board Members	Post Graduation
19	Number of Independent Director	3
20	Chairman to be Independent of Board	N/A
21	Board Committees	1



22	Number of Board Meetings held	1
23	Board Sitting Fees	979895.00
24	Executive Management	Board of directors No-12
25	Selection process of Board Members	By designation
26	Strategic Plan/Public Policy Goal (copy required)	Annual Report 2022-23, pg. 03
27	Innovative work (Description)	<b>Annual Report Page- 93</b>
28	Project Completion Rate: Actual Achievement /Target	75.52%
<b>D</b>	<b>Ownership Structure</b>	
30	Govt. Shareholding	Autonomous Body
31	Private Shareholding	N/A
32	Others	N/A
<b>E</b>	<b>Fiscal and Financial Discipline</b>	
34	Who are the Primary Lenders to the Enterprise	Public
<b>F</b>	<b>Controls, Transparency and Disclosure</b>	
36	Latest Audited Financial Statement	2022-2023
37	Audited by	CA Firm
38	Risk Assessment Report	Some Plots of industries are not used in due time by entrepreneur.
39	Internal Control	(1)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' room only in head office & Regional offices. 20% employees are supplied computer sets. Photocopiers and faxes are available in every branch. But only fire extinguisher is available in head office.
<b>G</b>	<b>Human Resources</b>	
43	Number of employees	1456
44	Number of New Job Creation (Regular, Internship, etc.)	N/A
<b>H</b>	<b>Employee and Social Welfare</b>	
46	CSR, WPPF, Provident Fund, Gratuity Fund etc.	Tk. 36288.16 lac

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