

Independent Performance Evaluation (IPE) Report
on
Bangladesh Petroleum Corporation (BPC)
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 Petroleum Corporation (BPC) 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, BPC achieved a weighted average score of 2.91 out of 4.00, earning a "Good" grade.

1. Introduction

The Bangladesh Petroleum Corporation (BPC) was established under President's Ordinance No. 88 in 1976, later replaced by the Bangladesh Petroleum Corporation Act of 2016. BPC is assigned with importing crude and refined oil, as well as lubricants, and is responsible for distributing and marketing fuel oil across the country. Currently, eight companies operate under BPC. Since July 1999, BPC has been importing lead-free gasoline and diesel with reduced sulfur content from the international market for domestic use. The Energy and Mineral Resources Division under the Ministry of Power, Energy, and Mineral Resources oversees BPC. Playing a crucial role in the nation's economic development, BPC ensures the supply of fuel. Bangladesh ranks 77th globally in petroleum oil consumption, meeting 92% of its fuel demand through imports and sourcing the remaining 8% domestically.

Key Operational Activities

SL No	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
1.	Crude Oil Import	MT	1,505,710	1,465,500	1,550,761
2.	Refined Petroleum Import	MT	4,222,649	5,141,724	5,316,511
3.	Sales of Petroleum Products	MT	6,299,730	6,915,010	7,346,095

Source: BPC Annual Report, 2021-22 & 2022-23

Between FY 2020-21 and FY 2022-23, the Bangladesh Petroleum Corporation (BPC) demonstrated significant growth in key performance areas. Crude oil imports increased by approximately 3%, rising from 1,505,710 MT to 1,550,761 MT. Refined petroleum imports showed a substantial growth of 25.9%, increasing from 4,222,649 MT to 5,316,511 MT. Similarly, the sales of petroleum products rose by 16.6%, from 6,299,730 MT to 7,346,095 MT that breaks up as diesel 67.19%, furnace oil 11.99%, petrol 6.19%, octane 5.36%, kerosene 1.05%, jet A-1 6.42% and other oil 1.80%. Sector wise break up of fuel consumption is communication and transportation 58.21%. Agriculture 15.504%, industry 5.63%, power 17.74%, household need 0.97% and another sector 1.95%. These figures indicate a steady rise in both imports and sales, reflecting the country's increasing energy demands and BPC's critical role in meeting them.

2. Role and Functions

The Bangladesh Petroleum Corporation (BPC) mainly performs the following functions:

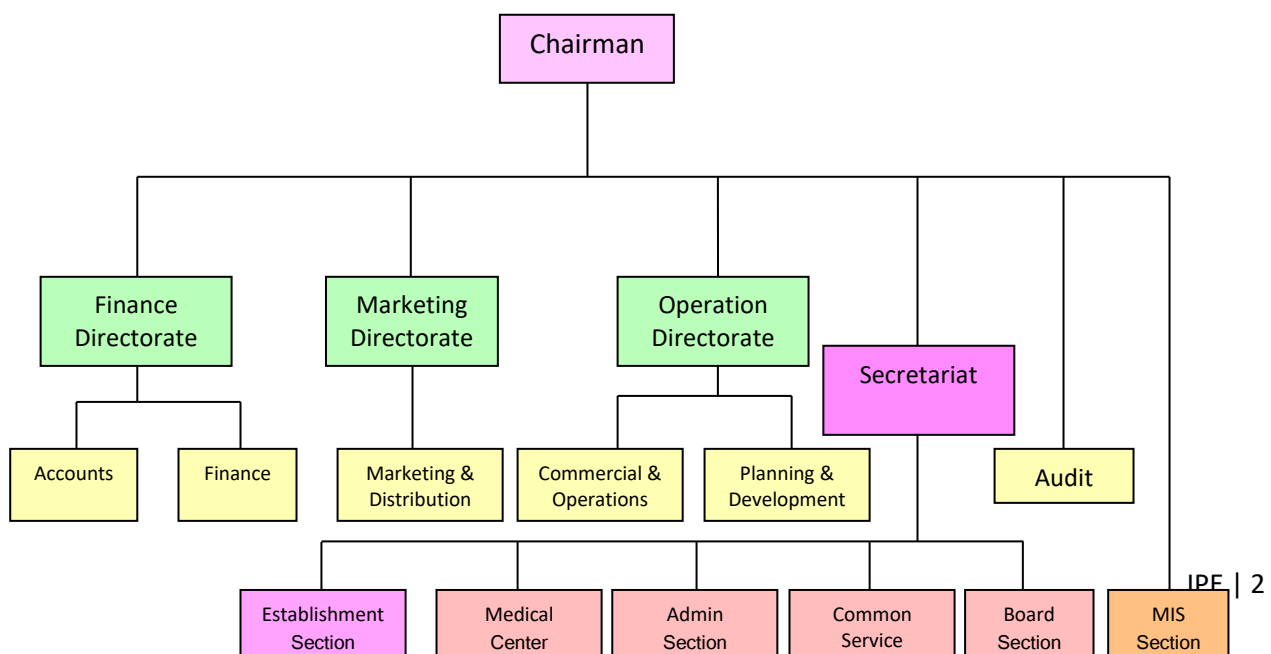
- i. Importing crude oil and refined petroleum products to meet the country's requirements.
- ii. Processing crude oil to produce various grades of petroleum.
- iii. Importing and producing lubricant oil.
- iv. Regulating the petroleum market through its subsidiary companies.
- v. Establishing plants for recycling used lubricants.

3. Core Business and Organizational Structure

Core Business of Bangladesh Petroleum Corporation (BPC):

- i. Maintain a minimum oil stock to ensure the country's fuel security.
- ii. Expand the market for petroleum products.
- iii. Import, store, distribute, and market petroleum products nationwide.
- iv. Develop storage facilities to meet the country's growing demand for petroleum products.
- v. Regulate the petroleum products market effectively.
- vi. Oversee and manage the country's fuel security.

Organizational Structure:



4. Evaluation Parameters

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

FY 2022-23

Table 1 (a): Standard of Indices A

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							
	Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Growth Trajectory							
	2a. Net Income Growth	QN	4	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 • Implement activities to achieve policy goal	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
4	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	Social Contribution • 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						
	Entity Strategic Plan	QL	4	91.00%	Excellent	4	Note 1
2	Growth Trajectory						
	2a. Net Income Growth	QN	4	269.50%	Excellent	4	AFS
	2b. Sales Growth	QN	4	47.81%	Excellent	4	AFS
	2c. Other Growth	QL	3	81.00%	Very Good	3	Note 2
3	Effective Implementation of Public Policy	QL	3	94.00%	Excellent	4	Note 3
4	Efficiency of Project Implementation/ Project Goal Achievement:	QN	4	92.00%	Excellent	4	Note 4
5	Social Contribution	QL	3	90.00%	Very Good	3	Note 5
Sub-Total			25				

Note-1: In alignment with the Sustainable Development Goals (SDGs) - particularly SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure), and SDG 12 (Responsible Consumption and Production) - as well as the National Strategic Plan and Government Policy Directives in the National Budget, Bangladesh Petroleum Corporation (BPC) has developed a long-term strategic plan, including a fuel and lubricant sales plan covering FY 2021–22 to 2029–30. The plan aims to ensure an uninterrupted and efficient fuel supply across the country. As part of this strategy, BPC is setting up ERL Unit-2, which will refine 3 million metric tons of crude oil annually, reducing dependency on imports and lowering fuel costs. In addition, the construction of an LPG terminal at Matarbari is underway to enable large-scale LPG distribution to private and public entities. During FY 2022–23, BPC also implemented several pipeline installation projects aimed at minimizing fuel handling and transportation costs, thereby enhancing energy security and operational efficiency in line with national development goals.

Note-2:

To comply with International Maritime Organization (IMO) regulations, the entity introduced the following products:

- Since FY 2020-21, BPC has been importing low-sulfur (0.5%) diesel to supply flag carrier ships.
- In alignment with these requirements, the entity also launched a low-sulfur product called 'Marine Fuel.'

Note-3: As part of its Public Service Obligation, BPC currently supplies fuel oil nationwide at pre-determined prices based on the Automatic Fuel Pricing Guideline. Fuel prices are calculated and finalized at the end of each month and remain effective for the following month.

Note-4: BPC achieved 100% financial progress against its target during FY 2022-23. However, the entity did not provide data on the physical progress of its projects. Consequently, the evaluation is based solely on financial target achievement for the fiscal year.

Note-5: BPC has engaged in the following social and environmental initiatives:

- i. **Environmental Efforts:** Imported low-sulfur petroleum products to minimize environmental pollution in the country.
- ii. **Support for Employees and Families:** Provided financial assistance for medical treatment and scholarships to staff members' children, as well as support for casual staff during religious festivals.
- iii. **Community Maintenance:** Oversees the upkeep of a mosque located in the BPC Residential Complex.
- iv. **Capacity Building:** Offers internship training opportunities to its subsidiary companies.
- v. **CSR Program:** In FY 2022–23, BPC spent Tk. 5 million under its Corporate Social Responsibility program.

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	Product Delivery							
	Product Benefit & Accessibility	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Labor Productivity							
	Added Value per Employee (million Tk.)	QN	3	Tk.500 mil or more	Tk. 450 to 499 mil	Tk. 400 to 449 mil	Tk. 350 to 399 mil	Below Tk. 350 mil
3	Capital Productivity							
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.10 or more	Tk. 0.08 to 0.09	Tk. 0.06 to 0.07	Tk. 0.04to 0.05	Below Tk. 0.04
	3b. Added Value Per Tk. Value of PPE	QN	3	Tk. 20.00 or more	Tk. 18.00 to 19.99	Tk. 16.00 to 17.99	Tk. 14.00 to 15.99	Below Tk. 14.00
4	Production							
	4a. Input Use Efficiency (%)	QN	3	97.50% or more	95.00% to 97.49%	92.50% to 94.99%	90.00% to 91.49%	Below 90.00%
	4b. Inventory Turnover (Times)	QN	3	40.00 or more	35.00 to 39.99	30.00 to 34.99	25.00 to 29.99	Below 25.00%
	4c. Asset Turnover (Times)	QN	3	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-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Product Delivery						
	Product Benefit & Accessibility	QL	3	89.00%	Very Good	3	Note 6
2	Labor Productivity						
	Added Value per Employee (million Tk.)	QN	3	Tk. 450.94 mil	Very Good	3	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.074	Good	2	AFS
	3b. Added Value Per Tk. Value of PPE	QN	3	Tk.16.56	Good	2	AFS
4	Production						
	4a. Input Use Efficiency (%)	QN	3	97.50 %	Excellent	4	Annexure 1, SL 43
	4b. Inventory Turnover (Times)	QN	3	48.06	Excellent	4	AFS
	4c. Asset Turnover (Times)	QN	3	0.97	Very Good	3	AFS
	4d. Capacity Utilization (%)	QN	4	97.50%	Excellent	4	Annexure 1, SL 42
Sub-total			25				

Note-6:

BPC has implemented the following facilities:

- i. **Online Accessibility:** Uploaded relevant policies, rules, forms, and customer service information on its official website.
- ii. **Fuel Station Locator:** Integrated a Google-based application with a database on the website, enabling easy search for fuel stations across the country.

Indices: C. Financial**Table 3(a): Standards 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 profit	QN	2	Tk. 60,000 mil or more	Tk. 50,000 to Tk.59,999 mil	Tk. 40,000 to Tk. 49,999 mil	Tk. 30,000 to Tk. 39,999 mil	Below Tk. 30,000 mil
2	Profit before Tax	QN	2	Tk. 70,000 mil or more	Tk. 60,000 to Tk. 69,999 mil	Tk. 50,000 to Tk. 59,999 mil	Tk. 40,000 to Tk. 49,999 mil	Below Tk. 40,000 mil
3	Return on Assets (%)	QN	2	10.00% or more	8.00% to 9.99%	6.00% to 7.99%	4.00% to 5.99%	Below 4.00%
4	Return on Sales (%)	QN	2	12.00% or more	10.00% to 11.99%	8.00% to9.99%	6.00% to 7.99%	Below 6.00%
5	Return on Equity (%)	QN	2	20.00% or more	18.00% to 19.99%	16.00% to 17.99%	14.00% to 15.99%	Below 14.00%
6	Net Worth Growth (%)	QN	2	20% or more	18% to 19%	16% to17%	14% to 15%	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	2	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	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%
3	Dividend 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 profit	QN	2	Tk. 58,589.53 mil	Very Good	3	AFS
2	Profit before Tax	QN	2	Tk. 62,961.84 mil	Very Good	3	AFS
3	Return on Assets (%)	QN	2	5.62%	Fair	1	AFS
4	Return on Sales (%)	QN	2	5.79%	Under Performing	0	AFS
5	Return on Equity (%)	QN	2	15.41%	Fair	1	AFS
6	Net Worth Growth (%)	QN	2	25.79%	Excellent	4	AFS
7	Capital Budget Utilization (%)	QN	2	102.06%	Excellent	4	Annexure 1 SL 27 & 28
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	2	1.74	Very Good	3	AFS
2	Debt to Assets (Times)	QN	2	0.64	Very Good	3	AFS
3	Current Ratio (Times)	QN	2	2.44	Excellent	4	AFS
4	Accounts Receivable Period (Days)	QN	2	116.75	Fair	1	AFS
5	Accounts Payable Period (Days)	QN	2	301.61	Under Performing	0	AFS
	iii. Transactions with Government						
1	Taxes Paid	QN	2	100%	Excellent	4	Annexure 1 SL 31 & 32
2	Debt Service Liabilities Paid	QN	2	0%	Under Performing	0	Annexure 1 SL 33 & 34
3	Dividend Paid	QN	2	100%	Excellent	4	Annexure 1 SL 29 & 30
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	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	77%	Good	2	Note 7
2	Board Practices	QL	4	75%	Good	2	Note 8
3	Transparency and Disclosure	QL	4	78%	Good	2	Note 9
4	Control Environment and Process.	QL	4	81%	Very Good	3	Note 10
5	Performance against the key Indicators of APA	QN	4	90.30%	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: The entity operates under its own legislation and adheres to the Bangladesh Petroleum Act of 1974, along with relevant rules, regulations, policies, employee service rules, and a code of conduct and ethics to uphold corporate governance. BPC also employs a corporate secretary for its board.

Note-8 The entity's Board of Directors comprises seven members, including the Chairman, three regular members, and three part-time members nominated by the government. During the fiscal year 2022-23, 14 board meetings were held, resulting in the implementation of 38 board decisions. It is noteworthy that BPC does not have any board committees, and the BPC Act does not include provisions for appointing independent directors to the board.

Note-9: The entity publishes a wide range of information on its website, including acts, rules, operational details, fuel pricing, financial data, names and biographies of board directors and senior managers, audited financial statements, the citizen charter, and the Annual Performance Agreement (APA).

Note-10: BPC has implemented the following measures to enhance environmental and process control:

- i. **Internal Control:** Established an Audit Division to implement an internal control system across various departments that report directly to the Chairman.
- ii. **Technology Utilization:** Uses Tally software for recording financial transactions and operates a partially computer-based Management Information System (MIS).
- iii. **Emergency Response:** Empowers the board to address and manage emergency situations effectively.
- iv. **Safety Compliance:** Ensures adherence to all safety measures for a secure working environment on its premises, following government directives.

5. IPE Process

- I. Performances of non-financial indicators of Bangladesh Petroleum Corporation (BPC) has been evaluated using information and documents of the inception report provided by BPC.
- II. Actual performance of non-financial indicators is determined through 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 the non-availability of such standard and comparable entities in the country, BPC'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 Petroleum Corporation (BPC)

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	Business Strategy and Social Responsibility:	25			
1	Entity Strategy: • Entity Strategic Plan		4	4	0.16
2	Growth Trajectory: 2a. Net Income Growth		4	4	0.16
	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		3	4	0.12
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	3	0.09
	Sub Total		25		0.94

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		3	3	0.09
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		3	2	0.06
	3b. Added Value Per TK Value of PPE		3	2	0.06
4	Production:				
	4a. Input Use Efficiency (%)		3	4	0.12
	4b. Inventory Turnover (Times)		3	4	0.12
	4c. Asset Turnover (Times)		3	3	0.09
	4d. Capacity Utilization (%)		4	4	0.16
	Sub Total		25		0.79

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	3	0.06
2	Profit before tax		2	3	0.06
3	Return on assets		2	1	0.02
4	Return on Sales		2	0	0.00
5	Return on equity		2	1	0.02
6	Net worth growth		2	4	0.08
7	Capital budget utilization		2	4	0.08
	ii. Financial Risk:				
1	Debt equity ratio		2	3	0.06
2	Debt to assets		2	3	0.06
3	Current ratio		2	4	0.08
4	Accounts Receivable Period (Days)		2	1	0.02
5	Accounts Payable Period (Days)		2	0	0.00
	iii. Transactions with Government:				
1	Taxes paid		2	4	0.08
2	Debt Service Liabilities Paid		2	0	0.00
3	Dividend Paid		2	4	0.08
	Sub Total		30		0.70

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	2	0.08
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	3	0.12
5	Performance against the key Indicators of APA: <ul style="list-style-type: none"> • Total Performance score achieved on APA 		4	3	0.12
	Sub Total		20		0.48
	Grand Total (A+B+C+D)	100	100		2.91

7. Interpretation of Results

As per Independent Performance Evaluation (BPC) Bangladesh Petroleum Corporation Scored 2.91 out of 4.00 in the year 2022-23.

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

- Entity Strategic Plan
- Input Use Efficiency
- Inventory Turnover
- Efficiency of Project Implementation
- Effective Implementation of Public Policy
- Capacity Utilization
- Current Ratio
- Sales Growth.
- Net Income Growth
- Capital Budget Utilization
- Net Worth Growth

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

- Product Delivery
- Control Environment and Process
- Other Growth
- Social Contribution
- Debt Equity Ratio
- Debt to Assets
- Annual Performance Agreement (APA)
- Labour Productivity
- Assets Turnover

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

- Capital Productivity
- Transparency and Disclosure
- Corporate Governance
- Board Practices

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

- Return on Assets
- Accounts Receivable Period
- Return on Equity

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

- Return on Sales
- Accounts Payable Period

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

- i. BPC recorded an operating profit of Tk. 58,589.53 million.
- ii. The entity earned net profit (after tax) of Tk. 45,860.98 million.
- iii. BPC's current ratio stood at 2.44, reflecting a strong position to meet current liabilities within the due period.
- iv. Tk. 17,129.61 million was paid as taxes.
- v. Tk. 2,000 million was distributed to the Government of Bangladesh (GOB) as dividends.
- vi. No DSL was paid during the fiscal year.
- vii. Tk. 5,000 million was deposited as surplus funds to GOB.

8. Findings from the Audit Report 2022-23

In the BPC Audit Report 2022-23, the Auditors emphasized and drew attention to the following notes:

- i. Investment with Eastern Refinery Limited (ERL) shows Tk. 3,674.22 million but investment to ERL and ownership of these assets is still unresolved between ERL & BPC.
- ii. Capital reserves on account of ERL, Padma Oil Company & LP Gas Ltd. total Tk. 55.67 million represents pre-incorporation liabilities assumed by BPC which has been pending for a long period.
- iii. Pre-liberation liabilities Tk. 143.10 million remained pending for a long time.
- iv. Payable to the Government for shares invested in BPC Tk. 300.80 million has been laying pending for a long time, neither interest was provision nor repayment was made against the loan.
- v. BPC restated TK 554.09 million as prior year adjustment in the Statement of Changes in Equity as their longtime practice which is non-compliance of IAS-1 (Fair Presentation Financial Statement). So, BPC should keep necessary records and supporting evidence for all balances shows in prior year adjustment.

9. Recommendation for Performance Based Incentives

Bangladesh Petroleum Corporation has obtained a weighted score 2.91 out of a scale 4.00 and is graded "Good". Therefore, IPEC recommended a 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 2022-23.

10. Recommendations for Improvements:

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

- a) **Implement the "Automation of Oil Depots" Project:** To enhance the safety and security of operations at all depots, this project should be completed within the stipulated timeframe.
- b) **Accelerate the ERL Unit-2 Project:** The "Installation of ERL Unit-2" project should be expedited to increase crude oil processing capacity.
- c) **Complete Pipeline Installation Projects on Time:** These projects are important for improving operational efficiency in discharging imported crude/refined oil, saving time, and reducing lighterage and tanker handling costs.
- d) **Establish Board Committees:** BPC should form key Board Committees, including an Audit Committee and Nomination & Remuneration Committee (NRC), to strengthen internal controls and ensure compliance.
- e) **Construct the LPG Terminal at Matarbari:** The project should be implemented promptly to ensure an uninterrupted supply of LPG to various LPG companies.
- f) **Resolve ERL Investment Issues:** BPC should address unresolved investment matters with ERL and adhere to VAT and TDS rules as recommended by the auditors.
- g) **Adjust Pre-Liberation Liabilities:** Steps should be taken to settle outstanding liabilities from the pre-liberation period.
- h) **Settle Government Payables:** The entity should resolve the payment to the government for share investments in BPC across seven subsidiary companies to ensure fair presentation of the Annual Financial Statements (AFS).
- i) **Comply with IAS and IFRS:** The financial statements of the Bangladesh Petroleum Corporation (BPC) should be prepared in alignment with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to improve financial discipline, disclosure, and reporting.
- j) **Address Advances to Government:** BPC should take steps to resolve outstanding advances to the government for the fair presentation of financial statements.
- k) **Equity Growth:** The entity should take initiatives to increase its equity fund to achieve a standard debt-equity ratio.
- l) **DSL Payment:** BPC should solve their DSL-related issues with the relevant authorities and ensure timely, regular payments to GOB.
- m) **Accounting Standards:** The entity should address the auditor's concerns in accordance with IAS/IFRS guidelines to ensure accurate and compliant financial statement presentation.

11. Conclusion

Based on AFS, data and documents of BPC, Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. The evaluation result shows BPC's financial and non-financial performance has improved compared to the previous fiscal year. The entity should complete all undertaken projects within a timeline that will improve the operational activities/efficiency significantly and resolve/settle the financial issues mentioned in BPC Audit Report 2022-23.

Bangladesh Petroleum Corporation (BPC)
Financial & Other Information

Amount in BDT

		2022-23	2021-22
1	Current Assets:		
	i. Inventories		
	• Material	8,222,616,986	4,587,193,647
	• Accessories/ Supplies		
	• Work-in-Progress (WIP)	258,012,456	365,203,780
	• Others (including spare parts)	165,999,747	133,207,190
	• Finished goods	6,715,709,100	9,990,827,033
	ii. Receivable:		
	• Trade	253,294,752,931	178,438,934,516
	• Others	20,799,343,586	19,996,213,642
	iii. Cash and Cash Equivalent	224,148,069,585	145,086,630,881
	iv. Others Current Assets	67,288,099,547	62,038,969,065
2	Total Current Assets (i+ii+iii+iv)	580,892,603,939	420,637,179,753
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	3,648,535,988	3,791,593,900
	• Capital Work in Progress	56,570,016,592	53,740,543,362
	• Investments	59,529,496,861	116,518,517,812
	• Other non-current assets	115,306,336,724	112,428,630,152
4	Total Assets (2+3)	815,946,990,104	707,116,464,979
5	Current Liabilities:		
	i. Payables:		
	• Trade	48,988,426,530	48,809,194,358
	• Others	100,974,784,072	73,392,728,512
	ii. Other Current Liabilities	87,690,351,313	59,230,552,384
6	Total Current Liabilities (i+ii)	237,653,561,915	181,432,475,254
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	280,218,950,000	288,598,083,668
	ii. Deferred Liabilities	644,270	29,390,306
	iii. Other Non-Current Liabilities	443,897,843	443,897,843
8	Total Non-Current Liabilities (i+ii+iii)	280,663,492,113	289,071,371,817
9	Total Liabilities (6+8)	518,317,054,028	470,503,847,071
10	Equity:		
	i. Share Capital	1,000,000	1,000,000
	ii. Development & Depreciation Fund	4,343,382,395	2,284,697,077
	iii. Capital Reserve	10,897,884,689	55,670,391
	iv. Revaluation Reserve	3,438,506,312	3,562,333,183
	v. Retained Earnings/(Loss)	278,949,162,680	230,708,917,257
11	Total Equity (i+ii+iii+iv+v)	297,629,936,076	236,612,617,908
12	Total Equity and Liabilities (9+11)	815,946,990,104	707,116,464,979

Annexure 1

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2022-23		2021-22	
		Amount	Percentage	Amount	Percentage
13	Net Sales Revenue/Receipts	791,875,110,329	100%	535,755,677,436	100%
14	Less: Cost of Sales/Services	731,448,946,351	92.37%	570,128,832,321	106.42%
15	Gross Profit/(Loss)/Surplus/(Deficit) (13-14)	60,426,163,977	7.63%	(34,373,154,885)	(6.42%)
16	Less: Operating Expenses:				
	i. Administrative Expenses	216,805,405	0.03%	221,929,694	0.04%
	ii. Marketing Expenses	1,619,831,339	0.20%	215,580,962	0.04%
17	Total Operating Expenses (i+ii)	1,836,636,745	0.23%	437,510,656	0.08%
18	Operating Profit/(Loss)/Surplus/(Deficit) (15-17)	58,589,527,232	7.40%	(34,810,665,541)	(6.50%)
19	Add: Non-Operating Income	14,985,541,759		18,264,519,318	
20	Less: Financial Expenses	10,613,229,620		5,675,991,549	
21	Less: Other Non-Operating Expenses	0		0	
22	Net Profit/(Loss)/Surplus/(Deficit) before Tax (18+19 – 20 – 21)	62,961,839,371		(22,222,137,772)	
23	Less: Provision for Tax				
	i. Current tax	17,129,607,451		4,840,867,006	
	ii. Deferred tax	(28,746,036)		(6,555,026)	
24	Net Profit/(Loss)/Surplus/(Deficit) After Tax (22-23)	45,860,977,956		(27,056,449,752)	

Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales	791,875,110,329	535,755,677,436
26	Credit Purchases	59,285,103,486	470,004,759,298
27	Capital Budget Allocation	3,758,600,000	37,746,800,000
28	Actual Capital Expenditure	3,835,900,000	10,126,600,000
29	Dividend Payable	2,000,000,000	0
30	Dividend Paid	2,000,000,000	0
31	Taxes Payable	17,129,607,451	48,408,670,060
32	Taxes Paid	17,129,607,451	48,408,670,060
33	Debt Service Liabilities (DSL) Payable	120,423,000,000	120,423,000,000
34	Debt Service Liabilities (DSL) Paid		0
35	Fees, Fine and Charges Payable		0
36	Fees, Fine and Charges Paid		0
37	New Government Investment:		
	• Equity		728,970,000
	• Debts/Loan		1,093,455,000
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		0
	• Subsidies		0
	• Other Transfer (Specify)		0
39	Operating Cash Surplus/(Deficit)	62,916,725,585	(12,918,007,489)
40	Added Value	60,426,163,977	(34,373,154,885)
41	Employee's cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)	97.50%	97.20%
43	Input use Efficiency (%)	97.50%	97.20%
44	Number of Employees (Nos)	134	134
45	Performance score achieved on APA	90.30%	86.29%

BANGLADESH PETROLEUM CORPORATION

Saltgola Road, Chattogram

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	14 (Fourteen)
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.

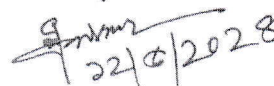
BANGLADESH PETROLEUM CORPORATION

Saltgola Road, Chattogram

28	Project Completion Rate: Actual Achievement /Target	
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 2022-23
37	Audited by	1. M A Fazal & Co. 2. Mahmud Sabuj & 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 2022-23 to ensure safe working environment in the entity's premises.
G	Human Resources	
43	Number of employees	137 at present
44	Number of New Job Creation (Regular, Internship, etc.)	7 persons appointed in 2022-23.
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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