

Independent Performance Evaluation (IPE) Report
on
Bangladesh Forest Industries Development Corporation (BFIDC)
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 Forest Industries Development Corporation (BFIDC) 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, BFIDC achieved a weighted average score of 2.22 out of 4.00, earning a "Good" grade.

1. Introduction

The Government of Pakistan was established the "East Pakistan Forest Development Corporation," which was later renamed the "Bangladesh Forest Industries Development Corporation (BFIDC)" after the country's independence, under the President's Order No. 48 of 1972. Recently, the Bangladesh Forest Industries Development Corporation Act 2022 was drafted. The primary objective of BFIDC is to extract timber, rubber wood, and other forest products from forest lands to meet the country's demand for timber products such as veneered boards, plywood, firewood, wooden electric poles, logs, railway sleepers, and more. In 2022-2023, the Corporation managed a rubber plantation covering 32,961 acres, with approximately 4,014 thousand rubber trees producing raw rubber to meet national demand. During the evaluation period, all eight of BFIDC's furniture and timber processing units were profitable. Out of its 18 rubber gardens, 7 were profitable, while the remaining 11 incurred losses.

BFIDC plays a crucial role in the socio-economic development of marginalized village communities by involving them in tree and rubber plantation programs, which contribute to poverty reduction. Additionally, raw rubber is used to produce various essential commodities, and rubber trees also help meet the country's timber demands. The Ministry of Environment, Forest, and Climate Change holds the oversight responsibility for BFIDC.

Key Operational Activities

SL No	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
1.	Rubber Production	MT	5,300	5,249	5,804
2.	Rubber Sales	MT	5,050	5,100	2,897
3.	Rubber Export	USD	2,990,971	4,598,000	1,001,000
4.	Sale of Furniture	Cft	286,000	180,000	206,265

Source: BFIDC, Annual Report & APA 2022-23 & 2023-24

In the fiscal year 2022-23, BFIDC experienced mixed operational performance. Rubber production increased by 10.57% compared to the previous year, reaching 5,804 MT, and saw a 9.52% rise from FY 2020-21. However, rubber sales drastically declined by 43.28% from FY 2021-22, dropping to 2,897 MT, and fell by 42.74% from FY 2020-21. Similarly, rubber exports saw a sharp 78.2% drop from the previous year, totaling only USD 10,01,000, a 66.48% decline compared to FY 2020-21. On a more positive note, furniture sales showed some recovery, increasing by 14.59% from FY 2021-22 to 2,06,265 Cft, though still down by 27.89% compared to FY 2020-21. Overall, while BFIDC saw growth in rubber production and furniture sales, the significant drops in rubber sales and exports highlighted challenges faced in those areas.

2. Role and Functions

Bangladesh Forest Industries Development Corporation (BFIDC) mainly performs the following functions:

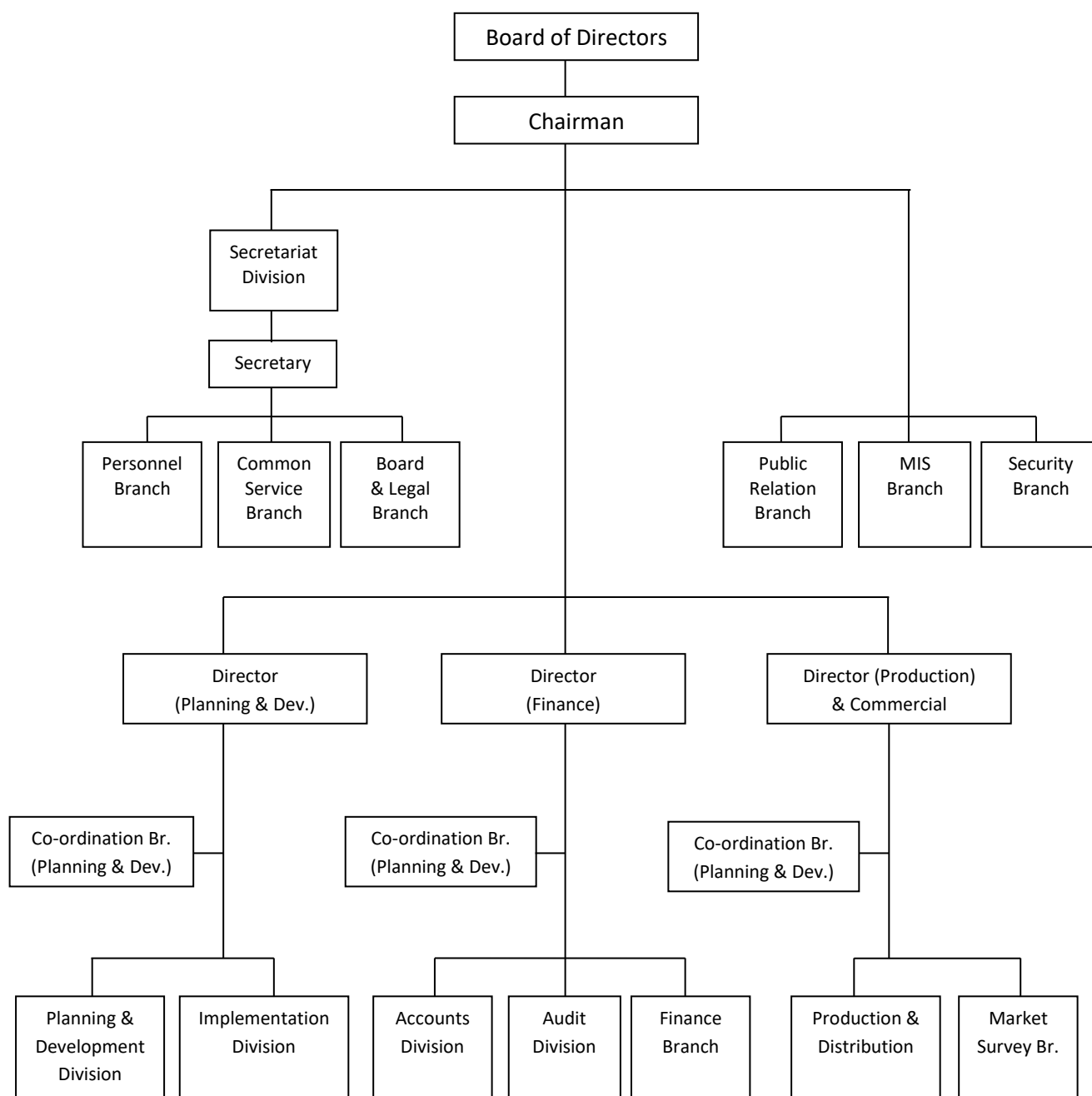
- i. Manufacture, supply, and sell custom-designed furniture and wooden products.
- ii. Establish new nurseries for rubber plants.
- iii. Regularly engage in replantation and rehabilitation of rubber trees in rubber gardens.
- iv. Promote and expand rubber marketing efforts.
- v. Ensure timely seasoning and treatment of extracted timber/wood to maintain quality.
- vi. Collect latex from rubber trees and process it into rubber sheets (RSS) at the rubber processing plant.
- vii. Sell rubber sheets both locally and for export to international markets.

3. Core Business and Organizational Structure

Core Business:

- i. Develop infrastructure for industrial units.
- ii. Plan and implement extensive rubber plantation using hybrid rubber plants.
- iii. Manufacturing high-quality furniture and wooden products tailored to market demands.
- iv. Modernize technology for both rubber processing and furniture manufacturing plants.
- v. Extract timber and rubber wood from forest land and rubber gardens.

Organizational Structure:



4. Evaluation Parameters

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

Table1(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	Entity Strategy							
	Entity Strategic Plan	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Growth Trajectory							
	2a. Net Income Growth	QN	5	20% or more	18% to 19%	16% to 17%	14% to 15%	Below 14%
	2b. Sales Growth	QN	5	10% or more	8% to 9%	6% to 7%	4% to 5%	Below 4%
	2c. Other Growth	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Social Contribution <ul style="list-style-type: none"> Environmental Contribution CSR/WPPF Training/Volunteering 	QL	5	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	5	93.00%	Excellent	4	Note-1
2	Growth Trajectory						
	2a. Net Income Growth	QN	5	(9.43%)	Under Performing	0	AFS
	2b. Sales Growth	QN	5	(19.69%)	Under Performing	0	AFS
	2c. Other Growth	QL	5	91.00%	Excellent	4	Note-2
3	Social Contribution <ul style="list-style-type: none">Environmental ContributionCSR/WPPFTraining/Volunteering	QL	5	91.00%	Excellent	4	Note-3
Sub-Total			25				

Note-1: To contribute to the achievement of Sustainable Development Goals (SDGs) - particularly SDG 13 (Climate Action), SDG 15 (Life on Land), and SDG 9 (Industry, Innovation, and Infrastructure) - as well as to align with the National Strategic Plan, Government Policy Directives outlined in the National Budget, the Bangladesh Forest Industries Development Corporation (BFIDC) has formulated a long-term strategy focused on environmental restoration and industrial modernization. As part of this plan, BFIDC aims to restore degraded land and enhance soil quality by expanding rubber and timber plantations over 17,000 acres, subject to land lease approvals from the Forest Department. Additionally, the organization is implementing a comprehensive infrastructure development and modernization program across all its industrial units, including the establishment of a new factory in Gazipur, to support sustainable industrial growth and resilience against climate-related challenges.

Note-2: The entity has undertaken the following measures to enhance its operational processes:

- i. Installation of a CNC Router Machine for furniture design.
- ii. Introduction of a Water Spray Booth for burnishing furniture.
- iii. Implementation of a Lacquered Polishing Chamber.
- iv. Installation of a Modern & Gas-Usable Smoke House.
- v. Deployment of a Rubber Latex Cleaner.
- vi. Installation of a Dust Collector in the furniture units.

Note-3: BFIDC has carried out several social and environmental initiatives:

- i. With 4,014 thousand rubber trees across 18 rubber gardens, the entity contributes to carbon sequestration and soil erosion prevention, benefiting the environment.
- ii. The entity has allocated TK 14.47 million under the Workers' Profit Participation Fund (WPPF) for distribution among employees.
- iii. Leguminous plants have been planted within the 18 rubber gardens, which absorb carbon dioxide, creating a more environmentally friendly workplace.
- iv. BFIDC has supported students from Chattogram University in conducting research within the rubber gardens.
- v. The entity provides its employees with benefits such as a provident fund, gratuity fund, group insurance, and WPPF facilities.

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	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Labor Productivity							
	2a. Added Value per Employee (million Tk.)	QN	3	Tk. 0.20 mil or more	Tk. 0.15 to 0.19 mil	Tk. 0.10 to 0.14 mil	Tk. 0.05 to 0.09 mil	Below 0.05 mil
3	Capital Productivity							
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.05 or more	Tk. 0.04 to Tk. 0.049	Tk. 0.03 to Tk. 0.039	Tk. 0.02 to Tk. 0.029	Below Tk. 0.02
	3b. Added Value per TK value of PPE	QN	3	Tk. 0.50 or more	Tk. 0.40 to Tk. 0.49	Tk. 0.30 to Tk. 0.39	Tk. 0.20 to Tk. 0.29	Below Tk. 0.20
4	Production							
	4a. Input Use Efficiency (%)	QN	3	25% or more	23% to 24%	21% to 22%	19% to 20%	Below 19%
	4b. Inventory Turnover (Times)	QN	3	5.00 or more	4.00 to 4.99	3.00 to 3.99	2.00 to 2.99	Below 2.00
	4c. Asset Turnover (Times)	QN	3	0.15 or more	0.13 to 0.14	0.11 to 0.12	0.09 to 0.10	Below .09
	4d. Capacity Utilization (%)	QN	3	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	4	91.00%	Excellent	4	Note-4
2	Labor Productivity						
	Added Value per Employee (million Tk.)	QN	3	Tk. 09 mil	Fair	1	Note-5
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 03	Good	2	AFS
	3b. Added Value per TK Value of PPE	QN	3	TK0.50	Excellent	4	
4	Production						
	4a. Input Use Efficiency (%)	QN	3	25%	Excellent	4	Annexure 1, SL 44
	4b. Inventory Turnover (Times)	QN	3	1.92	Under Performing	0	AFS
	4c. Asset Turnover (Times)	QN	3	0.10	Fair	1	AFS
	4d. Capacity Utilization (%)	QN	3	109%	Excellent	4	Annexure 1, SL 43
Sub-total			25				

Note-4: The entity is maintaining several facilities to enhance stakeholder benefits and streamline operations:

- i. Under its sales procedure automation plan, BFIDC updates the rubber sheet (RSS) selling price on its website twice a month for customer convenience.
- ii. Facilitates online order submission for ease of transactions.
- iii. Enables rubber bill payments through RTGS (Real-Time Gross Settlement).
- iv. Provides home delivery services for furniture sales.
- v. Offers customizable furniture design options to meet specific customer needs.
- vi. Promotes cashless transactions for better financial transparency and convenience.

Note-5: According to BFIDC's Audited Financial Statements for FY 2022-23, the organization did not separately disclose wages, salaries, depreciation, and other detailed financial information. Consequently, in the absence of comprehensive data, the gross profit amount is considered as the Added Value of BFIDC for analysis purposes.

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 profit	QN	2	Tk. 100 mil or more	Tk. 90 to Tk. 99 mil	Tk. 80 to Tk. 89 mil	Tk. 70 to Tk. 79 mil	Below Tk. 70 million
2	Profit before Tax	QN	2	Tk. 300 mil or more	Tk. 250 to Tk. 299 mil	Tk. 200 to Tk. 249 mil	Tk. 150 to Tk. 199 mil	Below Tk. 150 mil
3	Return on Assets (%)	QN	2	2.5% or more	2.0% to 2.49%	1.5% to 1.99%	1.0% to 1.49%	Below 1.0%
4	Return on Sales (%)	QN	2	14% or more	12% to 13%	10% to 11%	8% to 9%	Below 8%
5	Return on Equity (%)	QN	2	7% or more	6% to 6.99%	5% to5.99%	4% to 4.99%	Below 4%
6	Net Worth Growth (%)	QN	2	5% or more	4% to 4.99%	3% to 3.99%	2% to 2.99%	Below 2%
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	1.5or less	1.51to 2.00	2.01 to 2.50	2.51 to 3.00	More than 3.00
2	Debt to Assets (Times)	QN	3	0.60or less	0.61 to 1.00	1.01 to 1.40	1.41 to 1.80	More than 1.80
3	Current Ratio (Times)	QN	2	2.0 or more	1.75 to 1.99	1.5 to 1.74	1.25 to1.49	Below 1.25
	iii. Transactions with Govt.							
1	Dividend Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Taxes Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Fees, Fine and Charges Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
4	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-	Actual Performance	Achievement		Basis of Performance measuring
					Grade	Score	
	i. Financial Performance						
1	Operating profit	QN	2	Tk. (310.52) mil	Under-performing	0	AFS
2	Profit before Tax	QN	2	Tk. 248.55 million	Good	2	AFS
3	Return on Assets (%)	QN	2	1.23%	Fair	1	AFS
4	Return on Sales (%)	QN	2	12.26%	Good	2	AFS
5	Return on Equity (%)	QN	2	5.15%	Good	2	AFS
6	Net Worth Growth (%)	QN	2	3.38%	Good	2	AFS
7	Capital Budget Utilization (%)	QN	2	43.39%	Fair	1	Annexure 1 SL 28 & 29
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	3	3.18	Under-performing	0	AFS
2	Debt to Assets (Times)	QN	3	0.76	Good	2	AFS
3	Current Ratio (Times)	QN	2	1.12	Under-performing	0	AFS
	iii. Transactions with Govt.						
1	Dividend Paid	QN	2	0%	Under-performing	0	Annexure 1 SL 30 & 31
2	Taxes Paid	QN	2	100%	Excellent	4	Annexure 1 SL 32 & 33
3	Fees, Fine & Charges Paid	QN	2	100%	Excellent	4	Annexure 1 SL 36 & 37
3	Debt Service Liabilities Paid	QN	2	0%	Under-performing	0	
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%

¹ 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-	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	4	81%	Very Good	3	Note-6
2	Board Practices	QL	4	82%	Very Good	3	Note-7
3	Transparency and Disclosure	QL	4	80%	Good	2	Note-8
4	Control Environment and Process.	QL	4	82%	Very Good	3	Note-9
5	Performance against the key Indicators of APA	QN	4	91.26%	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 of IPE process.

Note-6: The Bangladesh Forest Industries Development Corporation (BFIDC) operates under its own governing Acts. Complementing this, the corporation follows detailed internal rules and regulations as well as employee service rules, which govern operational procedures and staff conduct.

BFIDC also emphasizes public accountability through its Citizen Charter. Additionally, the entity has a Corporate Secretary for its board.

Note-7: The board of directors consists of four members, including the chairman, all of whom are government-nominated. In FY 2022-23, the board convened 13 (thirteen) meetings, resulting in the implementation of 133 board decisions. BFIDC does not have any board committees, and its governing act does not provide for the appointment of independent directors to the board.

Note-8: The entity maintains transparency by publishing various key documents and information on its website, including its governing acts, rules, operational updates, rubber pricing, financial and audited statements, board and senior management profiles, citizen charter, and APA.

Note-9: For control of the environment and process, BFIDC has implemented the following measures:

- i. An Internal Audit Department is tasked with establishing and maintaining internal controls across departments and reports directly to the Chairman.
- ii. The board holds the authority to address emergency situations as they arise.
- iii. Compliance with government safety instructions ensures a secure working environment across all operational units.

5. IPE Process

- i. Performances of non-financial indicators of Bangladesh Forest Industries Development Corporation (BFIDC) has been evaluated using information and documents of the inception report provided by BFIDC.
- ii. Actual performance of non-financial indicators is determined through the collective decision of ERT members.
- iii. According to IPEG, actual financial performances of BFIDC 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, BFIDC'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

Name of SOE/AB: Bangladesh Forest Industries Development Corporation (BFIDC)
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		5	4	0.20
2	Growth Trajectory: 2a. Net Income Growth		5	0	0.00
	2b. Sales Growth		5	0	0.00
	2c. Other Growth		5	4	0.20
3	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		5	4	0.20
	Sub Total		25		0.60
B	Operational Efficiency:	25			
1	Product Delivery: Product benefits and Accessibility		4	4	0.16
2	Labor Productivity: Added Value Per Employee		3	1	0.03
3	Capital Productivity: Added Value Per TK Value of Assets		3	2	0.06
	3b. Added Value per TK Value of PPE		3	4	0.12
5	Production:				
	4a. Input use Efficiency		3	4	0.12
	4b. Inventory Turnover		3	0	0.00
	4c. Asset Turnover		3	1	0.03
	4d. Capacity Utilization		3	4	0.12
	Sub Total		25		0.64

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
C	Financial:	30			
	i. Financial Performance:				
1	Operating profit		2	0	0.00
2	Profit before tax		2	2	0.04
3	Return on assets		2	1	0.02
4	Return on Sales		2	2	0.04
5	Return on equity		2	2	0.04
6	Net worth growth		2	2	0.04
7	Capital budget utilization		2	1	0.02
	ii. Financial Risk:				
1	Debt equity ratio		3	0	0.00
2	Debt to assets		3	2	0.06
3	Current ratio		2	0	0.00
	iii. Transactions with Government:				
1	Dividend paid		2	0	0.00
2	Taxes paid		2	4	0.08
3	Fees, Fine & Charges		2	4	0.08
4	Debt Service Liabilities Paid		2	0	0.00
	Sub Total		30		0.42

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 • Employee's 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	3	0.12
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		0.56
	Grand Total (A+B+C+D)	100	100		2.22

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Bangladesh Forest Industries Development Corporation (BFIDC) Scored 2.22 out of 4.00 in the year 2022-23.

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

- Entity Strategic Plan
- Input use Efficiency
- Social Contribution
- Product Delivery
- Capacity Utilization
- Other Growth

The performance of BFIDC is graded “Very good” in the following areas:

- Corporate Governance
- Annual Performance Agreement (APA)
- Board Practices
- Control Environment & Process.

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

- Net Worth Growth
- Return on Sales
- Debt to Assets
- Capital Productivity
- Return on Equity
- Transparency & Disclosure

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

- Labor Productivity
- Return on Assets
- Assets Turnover
- Capital Budget Utilization

The performance of BFIDC is graded “Underperforming” in the following areas:

- Debt Equity Ratio
- Current ratio
- Net Income Growth
- Sales Growth
- Inventory Turnover

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

- i. BFIDC has incurred an operating loss of Tk. 310.52 million.
- ii. The entity earned net Profit (after tax) of Tk. 180.20 million.
- iii. Entity Debt Equity Ratio (Times) 3.18 indicates high leverage that poses a fiscal risk to GOB.
- iv. BFIDC Capacity utilization (Based on targets) was 109%, which indicates that it is within the optimum level.
- v. BFIDC Current Ratio (Time) 1.13 which indicates entity is in a moderate position to meet its current liabilities in due period.
- vi. BFIDC Paid Taxes Tk. 68.35 million and Fees, Fine and Charges TK.305.77 to GOB.
- vii. BFIDC did not pay Dividend and DSL to the government.

8. Findings from the Audit Report 2022-23

In BFIDC Audit Report 2022-23 the following anomalies are found:

- a) BFIDC did not maintain the Deferred Tax account in their financial statement.
- b) Golden Handshake accounts of TK364.97 million show more or less same amount under non-current assets as well as non-current liabilities and all those accounts are unadjusted for a long time.
- c) Fourteen (14) accounts under current liabilities and six (6) accounts under current assets are carried forward with the same amount for a long time. The auditor had no comment on these pending accounts.
- d) Government Loan (ADP) of Tk. 533.75 million and Interest Payable on ADP loan Tk. 786.13 million shows under non-current liabilities with same amount for a long period.

9. Implementation Status of Performance Improvement Strategy (PIS) of FY 2021-22:

Serial	Recommendations	Implementation Status
1.	Remove the elapsed life cycled rubber tree and replace it with High Yield Variety's (HYVs)	BFIDC already sent request letter to Bangladesh Rubber Board permit to import the high yield varieties of Rubber Trees
2.	Recruit specialized employees like Tapper, Designer, Carpenter, Polisher, marketing executives	Recruiting process ongoing for Designer
3.	Carry out Cashflow Statement on quarterly basis	Executed from FY 2024-25
4.	Separate Management from the Board of Directors	Proposed in their Draft Act
5.	Reconstitute the Board Composition by updating the Act. It should have at least "Audit Committee"	Proposed in their Draft Act
6.	The operational/organizational manual should be prepared to ensure more transparency, accountability and competence with the competitors.	For MOU with IBA and BUET regarding preparation of manual, a letter has been sent to Line Ministry for approval
7.	Product diversification is required for both revenues earning section i.e. Rubber and furniture related products).	Taken 9 (nine) initiatives for Product Diversifications, Research & Development, and Marketing

10. Recommendation for Performance Based Incentives

Bangladesh Forest Industries Development Corporation has obtained a weighted average score of 2.22 out of a scale 4.00 and is graded 'Good'. Therefore, IPEC recommended non-financial incentive for the employees of BFIDC. Also, a certificate from Finance Division may be awarded to BFIDC for being graded 'Good' in IPE for the FY 2022-23.

11. Recommendation for Improvements:

To improve the performance of BFIDC, the following recommendations are proposed based on the findings of IPE:

- i. BFIDC should develop a plan to upgrade and adopt modern technologies for rubber processing and storage.
- ii. The entity should initiate the automation of its furniture units to produce smart, aesthetically designed, and high-quality furniture for customers.
- iii. High-yielding rubber clones should be procured to increase latex production, reduce costs and improve productivity.
- iv. BFIDC should diversify the use of rubber plantation areas to generate additional income streams for the corporation.
- v. The entity should develop a modern and strategic business plan to increase rubber exports.
- vi. Training programs should be introduced to enhance the skills and efficiency of the workforce for better and more modern operations.
- vii. Board Committees such as an Audit Committee and Nomination & Remuneration Committee (NRC) should be formed to strengthen internal controls and compliance.
- viii. BFIDC should take initiative to include an Independent Director on its board to enhance transparency, objectivity, and accountability in the Board's decision-making processes.
- ix. Financial statements should be prepared in accordance with the applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to improve financial discipline, transparency, and reporting.
- x. BFIDC should prepare dividend policy to pay dividend to the Government of Bangladesh (GoB) from the profits earned by its operational units.
- xi. BFIDC may adopt the 'Internal Audit Manual' issued by the Finance Division as a guideline for conducting its internal audits.

12. Conclusion:

Based on Audited Financial Statements, data and documents of Bangladesh Forest Industries Development Corporation (BFIDC) Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. In the report it is found that BFIDC's financial performance is not satisfactory and non-financial performance is in moderate position. Hence, to improve the overall performance of BFIDC, the entity's operating performance should be improved by implementing modern technology for rubber and automation processes in furniture sector. In addition, rubber plantation areas should be increased with high yielding rubber clone to procure more latex from rubber trees.

Bangladesh Forest Industries Development Corporation (BFIDC)
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		
	• Accessories/ Supplies		0
	• Work-in-Progress (WIP)		0
	• Others (including spare parts)	36,430,298	32,028,283
	• Finished goods	668,869,367	399,361,577
	ii. Receivable:		
	• Trade		0
	• Others	7,447,527,352	6,981,883,534
	iii. Cash and Cash Equivalent	958,751,545	1,274,299,914
	iv. Others Current Assets	965,992,722	2,149,152,160
2	Total Current Assets (i+ii+iii+iv)	10,077,571,284	10,836,725,468
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	757,762,169	740,955,609
	• Investments	2,754,538,450	2,599,123,652
	• Other non-current assets	1,041,466,328	922,080,926
4	Total Assets (2+3)	14,631,338,231	15,098,885,654
5	Current Liabilities:		
	i. Payables:		
	• Trade		0
	• Others	7,344,037,423	6,841,262,625
	ii. Other Current Liabilities	1,639,981,615	2,748,301,091
6	Total Current Liabilities (i+ii)	8,984,019,038	9,589,563,716
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	1,319,885,363	1,296,338,310
	ii. Other Non-Current Liabilities	826,769,560	826,769,560
8	Total Non-Current Liabilities (i+ii)	2,146,654,923	2,123,107,871
9	Total Liabilities (6+8)	11,130,673,961	11,712,671,587
10	Equity:		
	i. Share Capital	77,248,000	1,016,000
	ii. Capital Reserve & Surplus	3,427,431	2,434,993,057
	iii. Capital Fund	284,270	284,270
	iv. Equity Loan & Equity loan into Equity	1,428,000	1,428,000
	v. Retained Earnings/(Loss)	3,418,276,569	948,492,739
11	Total Equity (i+ii+iii + iv + v)	3,500,664,270	3,386,214,066
12	Total Equity and Liabilities (9+11)	14,631,338,231	15,098,885,654

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	1,469,750,225	100%	1,830,048,107	100%
14	Less: Cost of Sales/Services	1,089,299,178	74.11%	1,380,182,379	75.42%
15	Gross Profit/(Loss)/Surplus/(Deficit) (13-14)	380,451,047	25.89%	449,865,728	24.58%
16	Less: Operating Expenses:				
	i. Administrative Expenses	687,227,669	46.76%	627,924,212	34.31%
	ii. Marketing Expenses	3,739,188	0.25%	3,840,310	0.21%
17	Total Operating Expenses (i+ii)	690,966,857	47.01%	631,764,522	34.52%
18	Operating Profit/(Loss)/Surplus/(Deficit) (15-17)	(310,515,810)	(21.12%)	(181,898,794)	(9.94%)
19	Add: Non-Operating Income	567,790,925		470,912,520	
20	Less: Financial Expenses			119,385	
21	Less: Other Non-Operating Expenses			0	
22	Less: Provision for WPPF	8,721,136		14,473,156	
23	Net Profit/(Loss)/Surplus/(Deficit) before Tax (18+19-20-21-22)	248,553,979		274,421,185	
24	Less: Provision for Tax				
	i. Current tax	68,352,344		75,465,826	
	ii. Deferred tax			0	
25	Net Profit/(Loss)/Surplus/(Deficit) After Tax (22-23)	180,201,635		198,955,359	

Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
26	Credit Sales		0
27	Credit Purchases		0
28	Capital Budget Allocation	198,425,000	9,990,000
29	Actual Capital Expenditure	86,100,000	1,096,000
30	Dividend Payable		0
31	Dividend Paid		0
32	Taxes Payable	68,352,000	75,465,826
33	Taxes Paid	68,352,000	75,465,826
34	Debt Service Liabilities (DSL) Payable		0
35	Debt Service Liabilities (DSL) Paid		0
36	Fees, Fine and Charges Payable	305,766,000	0
37	Fees, Fine and Charges Paid	305,766,000	0
38	New Government Investment:		
	• Equity		0
	• Debts/Loan		0
39	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		0
	• Subsidies		0
	• Other Transfer (Specify)		0
40	Operating Cash Surplus/(Deficit)	(93,959,005)	337,372,051
41	Added Value	380,451,047	449,865,729
42	Employees cost includes wages, salaries, bonus, provident fund contribution and other allowances		0
43	Capacity Utilization (%)	109%	89.29%
44	Input use Efficiency (%)	25%	25%
45	Number of Employees (NoS)	4,575	5,343
46	Performance score achieved on APA	91.26%	97.50%

Non-financial Information format

Sl.	Particulars	
A	Enterprise Information and Legal Framework	
2	Sector	Corporation
3	Name of Entity	Bangladesh Forest Industries Development Corporation
4	Number of Subsidiaries	N/A
5	Number of Branches	30
6	Website	www.bfidc.gov.bd
7	Email Address	bfidc.bd@gmail.com
8	Year of Incorporation	1959
9	Governing Law	LXVII of 1959
10	Other relevant Governing Laws & Regulations	
11	Incorporation Structure	
12	Listed in the Stock Exchange	N/A
B	Ownership and Shareholder Protection	
14	Administrative Ministry	Ministry of Environment Forest & Climate change.
15	Structure of Organization	Autonomous
C	Strategy and Governance Information	
17	Board of Directors (Number disaggregated by gender and profile)	Chairman and three Directors.
18	Qualification of Board Members	Three Joint secretaries as a board members & One Additional Secretary hold a chair.

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19	Number of Independent Director	N/A
20	Chairman to be Independent of Board	
21	Board Committees	Chairman & 3 directors.
22	Number of Board Meetings held	13 times in this fiscal year.
23	Board Sitting Fees	5,000/-.
24	Executive Management	Chairman.
25	Selection process of Board Members	Appointed by the government.
26	Strategic Plan/Public Policy Goal (copy required)	Planting High yielding rubber tree to improve rubber quality, automation furniture factory to produce smart furniture.
27	Innovative work (Description)	Simplification of Rubber sales process, Contributory provident fund(CPF) payment.
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	Chairman.
F	Controls, Transparency and Disclosure	
36	Latest Audited Financial Statement	2022 - 23
37	Audited by	K. M. Hasan & Co.
38	Risk Assessment Report	
39	Internal Control	Internal Audit Division works audit manual.


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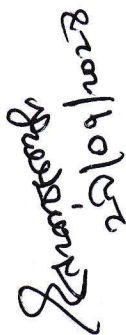
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Signature

40	Timely public disclosure of financial statements	Yes
41	Measures for safe working Environment/Process (Description)	Health checkup and first aid by appointed physician. Fire safety equipment and safe drinking water.
G	Human Resources	
43	Number of employees	4575 (As per MIS report).
44	Number of New Job Creation (Regular, Internship, etc.)	
H	Employee and Social Welfare	
46	CSR, WPPF, Provident Fund, Gratuity Fund etc.	Group Insurance, WPPF, CPF, Gratuity Fund, Donation.

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


 (মোঃ জিয়াউল হক)
 ব্যবস্থাপক (হিসাব)
 বাংলাদেশ কন শিল্প উন্নয়ন কর্পোরেশন
 ০২, মতিঝিল বা/এ, ঢাকা-১০০০


 ২২/০৭/২০২৪

খন্দকার মোহাম্মদ আব্দুল্লাহ আল মাহমুদ
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 বিএফআইউসি সদর দপ্তর, ঢাকা।

