

Independent Performance Evaluation (IPE) Report
on
Bangladesh Shipping Corporation (BSC)
For 2022-23

Table of contents

	Executive Summary	1
1.	Introduction	1
2.	Role and Functions	2
3.	Core Business	2
4.	Evaluation Parameters	3
5.	IPE Process	10
6.	Performance Evaluation Results	11
7.	Interpretation of Results	14
8.	Findings from the Audit Report 2022-23	15
9.	Recommendation for Performance Based Incentives	15
10.	Recommendation for Improvements	16
11.	Conclusion	16
Annexure		
	Annexure – 1: Financial Information	17
	Annexure – 2: Non-financial Information	20

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.

The Bangladesh Shipping Corporation (BSC) 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, BSC achieved a weighted average score of 3.33 out of 4.00, earning a "Very Good" grade.

1. Introduction

The Bangladesh Shipping Corporation (BSC) was established under President's Order (PO) No. 10 on February 5, 1972. Subsequently, the Bangladesh Shipping Corporation Act, 2017, was enacted on March 21, 2017. Under this Act, the authorized capital of BSC was increased to Taka 10,000,000,000 (one thousand crore), divided into 1,000,000,000 ordinary shares valued at Taka 10 each. BSC was listed on the Dhaka Stock Exchange in 1977 and Chittgong Stock Exchange in 1995. As of June 30, 2023, BSC's paid-up capital stood at Taka 1,525,350,400, with 52.10% owned by the Government of Bangladesh (GoB) and 47.90% held by the public. During the fiscal year 2022-23, BSC operated seven ships. It is the only national flag carrier of Bangladesh on international sea routes.

BSC plays a vital role in transporting Bangladesh's imported consignments. The shipping industry is a cornerstone of global import and export trade, accounting for approximately 90% of world trade. With the continuous growth in global trade activities, the demand for shipping services has been steadily increasing. To meet this demand, BSC is expanding its operations by deploying more ships on international routes. The Ministry of Shipping oversees BSC's activities. A summary of its operational highlights is presented below:

Key Operational Activities

SL No	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
1.	Crude Oil	Million MT	1.23	1.65	1.08
2.	Fertilizer	Million MT	0.33	2.67	2.04
3.	Bulk Products	Million MT	0.81	0.68	0.37
4.	Refined Products	Million MT	0.79	0.54	0.75

Source: BSC, Annual Performance Agreement (APA) 2022-23 & 2023-24

The Bangladesh Shipping Corporation (BSC) displayed varying performance in key operational activities over the past three fiscal years (FY 2020-21 to FY 2022-23), with notable percentage changes in transported volumes. Crude oil shipments increased by 34.15% from 1.23 million MT in FY 2020-21 to 1.65 million MT in FY 2021-22 but then dropped by 34.55% to 1.08 million MT in FY 2022-23. Fertilizer transport saw a remarkable surge of 709% from 0.33 million MT in FY 2020-21 to 2.67 million MT in FY 2021-22, followed by a 23.59% decrease to 2.04 million MT in FY 2022-23. Bulk products experienced a consistent decline, dropping by 16.05% from 0.81 million MT in FY 2020-21 to 0.68 million MT in FY 2021-22, and further by 45.59% to 0.37 million MT in FY 2022-23. Refined products dropped by 31.65% from 0.79 million MT in FY 2020-21 to 0.54 million MT in FY 2021-22 but rebounded by 38.89% to 0.75 million MT in FY 2022-23. These percentage changes reflect significant variability in commodity transportation, partly due to the loss of one ship during the Ukraine War, which reduced the fleet size from eight to seven ships in FY 2022-23.

2. Role and Functions

Bangladesh Shipping Corporation (BSC) mainly performs the following functions:

- i. Transporting all kinds of imported goods.
- ii. Developing skilled manpower in the maritime sector.
- iii. Offering all kinds of ship repair services through its marine workshop.

3. Core Business

Core Business:

- i. The entity transports imported food grains and fertilizers from abroad to ensure food security.
- ii. BSC handles the import of fuel and provides lighterage services, contributing to the country's energy security.

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	4	10.00% or more	9.00% to 9.99%	8.00% to 9.99%	7.00% to 7.99%	Below 7.00%
	2b. Service Revenue Growth	QN	4	15.00% or more	14.00% to 14.99%	13.00% to 13.99%	12.00% to 12.99%	Below 12.00%
	2c. Other Growth	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Effective Implementation of Public Policy: Implement activities to achieve policy goal	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	Social Contribution <ul style="list-style-type: none"> Environmental Contribution CSR/WPPF Training/Volunteering 	QL	4	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	95.00%	Excellent	4	Note-1
2	Growth Trajectory						
	2a. Net Income Growth	QN	4	9.07%	Very Good	3	AFS
	2b. Service Revenue Growth	QN	4	14.65%	Very Good	3	AFS
	2c. Other Growth	QL	4	90.00%	Very Good	3	Note-2
3	Effective Implementation of Public Policy: Implement activities to achieve policy goal	QL	4	89.00%	Very Good	3	Note-3
4	Social Contribution <ul style="list-style-type: none">Environmental ContributionCSR/WPPFTraining/Volunteering	QL	4	85.00%	Very Good	3	Note-4
	Sub-Total		25				

Note-1:

To align with the Sustainable Development Goals (SDGs) - particularly SDG 9 (Industry, Innovation and Infrastructure), SDG 8 (Decent Work and Economic Growth), and SDG 14 (Life Below Water) and Blue Economy Policy as well as National Strategic Plan, government policy directions in the National Budget, Bangladesh Shipping Corporation (BSC) has formulated several plans to modernize and expand its fleet to meet current commercial requirements and future maritime trade demands. In the short term, BSC plans to acquire two crude oil mother tankers, two mother bulk carriers, and two mother product oil tankers to strengthen its capacity on international sea routes. Over the long term, the corporation aims to procure six new cellular container vessels, three chemical/product oil tankers, six LNG carriers, and ten bulk carriers.

Note-2:

BSC has implemented the following measures to enhance its operational activities:

- I. Introduction of a Smart Asset Management System.
- II. Utilization of Marine Traffic Software.
- III. Adoption of Windy Premium Software.
- IV. Implementation of the Bridge Navigation Watch Alarm System (BNWAS);
- V. Deployment of an E-Store Management System.

Note-3: As a state-owned shipping company, BSC is legally obligated to transport government-funded sea-borne imported goods from abroad at the expense of public funds, in accordance with Section 3(2) of the Bangladesh Flag Vessels (Protection) Act, 2019.

Note-4: BSC has undertaken the following social and environmental initiatives:

- i. In compliance with International Maritime Organization (IMO) regulations, BSC's ships use Low Sulphur Fuel Oil (LSFO), which has a positive environmental impact.
- ii. The corporation adheres to decarbonization rules and regulations in shipping, steering operations toward zero-carbon shipping for emission control.
- iii. BSC follows the International Safety Management (ISM) Code for the safety of ships, cargoes, and premises.
- iv. Under its CSR program, in FY 2022-23 BSC provided financial assistance of TK 1.75 million to outsourcing and daily wage workers.
- v. The entity provided sea-time training for 33 cadets, both male and female, aboard various BSC ships in FY 2022-23.
- vi. BSC maintains a Day Care Center for the children of employees.

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	Service Delivery							
	Service Benefit & Accessibility	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Labor Productivity							
	Added Value per Employee (million Tk.)	QN	4	Tk. 10 million or more	Tk. 8 to 9 million	Tk. 6 to 7 million	Tk. 4 to 5 million	Below Tk. 4 million
3	Capital Productivity							
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.12 or more	Tk. 0.10 to Tk. 0.11	Tk. 0.08 to Tk. 0.09	Tk. 0.06 to Tk. 0.07	Below Tk. 0.06
	3b. Added Value per Tk. Value of PPE	QN	4	Tk. 0.20 or more	Tk. 0.18 to Tk. 0.19	Tk. 0.16 to Tk. 0.17	Tk. 0.14 to T k. 0.15	Below Tk. 0.14
4	Production							
	4a. Asset Turnover (Times)	QN	4	0.12 or more	0.11 to 0.119	0.10 to 0.109	0.09 to 0.099	Below .09
	4b. 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	Service Delivery						
	Service Benefit & Accessibility	QL	5	85.00%	Very Good	3	Note-5
2	Labor Productivity						
	Added Value per Employee (million Tk.)	QN	4	Tk.6.38 million	Good	2	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.09	Good	2	AFS
	3b. Added Value per Tk. Value of PPE	QN	4	Tk. 0.20	Excellent	4	AFS
4	Production						
	4a. Asset Turnover (Times)	QN	4	0.15	Excellent	4	AFS
	4b. Capacity Utilization (%)	QN	4	98.82%	Excellent	4	Annexure 1 SL 42
Sub-total			25				

Note-5: The entity has implemented the following automation facilities for stakeholders:

Previously, the NOC (No Objection Certificate) was issued manually. BSC has introduced an online NOC issuance service to streamline the process for private ship owners seeking approval to carry government cargo/goods.

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.1,100 million or more	Tk. 1,000 to Tk.1,099 million	Tk. 900 to Tk. 999 million	Tk. 800 to Tk.899 million	Below Tk. 800 million
2	Profit before Tax	QN	2	Tk. 1000 million or more	Tk. 900 to Tk. 999 million	Tk. 800 to Tk. 899 million	Tk. 700 to Tk. 799 million	Below Tk. 700 million
3	Return on Assets (%)	QN	2	3.50% or more	3.00% to 3.49%	2.50% or to 2.99%	2.50% to2.49%	Below 2.0%
4	Return on Service Revenue (%)	QN	2	25% or more	23% to 24%	21% to 22%	19% to 20%	Below 19%
5	Return on Equity (%)	QN	2	12% or more	10% to11%	8% to9%	6% to7%	Below 6%
6	Net Worth Growth (%)	QN	2	10% or more	9.00% to 9.99%	8.00% to 8.99%	7.00% to7.99%	Below 7.00%
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	2	1.5or less	1.51 to 2.0	2.01 to 2.50	2.51 to 3.00	More than 3.0
2	Debt to Assets (Times)	QN	2	0.60or 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	2	2.0 or more	1.75 to1.99	1.50 to 1.74	1.25 to 1.49	Below 1.25
4	Current Ratio (Times)	QN	2	2.0 or more	1.75 to1.99	1.50 to 1.74	1.25 to 1.49	Below 1.25
5	Accounts Receivable Period (Days)	QN	2	30 or less	31 to 40	41 to 50	51 to 60	more than 60
	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	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. 1,865.75 million	Excellent	4	AFS
2	Profit before Tax	QN	2	Tk. 2,915.82 million	Excellent	4	AFS
3	Return on Assets (%)	QN	2	7.19%	Excellent	4	AFS
4	Return on Sales (%)	QN	2	47.78%	Excellent	4	AFS
5	Return on Equity (%)	QN	2	18.63%	Excellent	4	AFS
6	Net Worth Growth (%)	QN	2	19.51%	Excellent	4	AFS
7	Capital Budget Utilization (%)	QN	2	69.73%	Fair	1	Annexure 1 SL 27 & 28
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	2	1.59	Very Good	3	AFS
2	Debt to Assets (Times)	QN	2	0.61	Very Good	3	AFS
3	Debt Coverage Ratio (Times)	QN	2	454	Excellent	4	AFS
4	Current Ratio (Times)	QN	2	3.96	Excellent	4	AFS
5	Accounts Receivable Period	QN	2	26.43	Excellent	4	AFS
	iii. Transactions with Govt.						
1	Dividend Paid	QN	2	100%	Excellent	4	Annexure 1 SL 29 & 30
2	Taxes Paid	QN	2	100%	Excellent	4	Annexure 1 SL 31 & 32
3	Debt Service Liabilities Paid	QN	2	100%	Excellent	4	Annexure 1 SL 33 & 34
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	87%	Very Good	3	Note-6
2	Board Practices	QL	4	88%	Very Good	3	Note-7
3	Transparency and Disclosure	QL	4	90%	Very Good	3	Note-8
4	Control Environment and Process.	QL	4	93%	Excellent	4	Note-9
5	Performance against the key Indicators of APA	QN	4	94.71%	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 basis of IPE process.

Note-6: The entity operates under its own act and adheres to various governance frameworks, including the Code of Conduct, the Ethics of Corporate Governance Code 2018, BSEC Rule 1987, key Board policies, IMO rules and regulations, Maritime Labour Convention (MLC) 2006, the International Safety Management (ISM) Code, BSC Share Rules 1999, and Employee Service Rules. BSC has a corporate secretary for the Board.

Note-7: In FY 2022-23, the BSC Board consisted of 10 members, though the entity's act allows for a maximum of 13 members. This includes one elected shareholder director and one independent nominated director. The Board followed its Terms of Reference (TOR) and established two committees: the Audit Committee and Nomination & Remuneration Committee (NRC). During FY 2022-23, the Board held five meetings, resulting in the implementation of 45 decisions.

Note-8: The names and biographies of BSC's Board of Directors and Senior Managers, along with the audited financial statements, Citizen Charter, APA, and Code of Conduct, are disclosed on BSC's website.

Note-9: BSC has implemented several measures to control the environment and process:

- i. BSC has an Internal Audit Department that identifies irregularities, defalcations, and misappropriation of funds, reporting directly to the Managing Director.
- ii. The entity utilizes various software systems, including Tally, ERP, PMIS, its own job portal, E-nothi, E-tendering system, and V-Sat for computer-based management information.
- iii. BSC has established a Crisis Management Team, led by the Managing Director, to address emergency situations.
- iv. Safety measures on the premises include IP-based CCTV, firefighting equipment, and adherence to safety protocols.
- v. The entity complies with the International Ship and Port Facility Security (ISPS) Code.
- vi. The entity maintains a digital access control and attendance system.

5. IPE Process

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

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		4	3	0.12
	2b. Service Revenue Growth		4	3	0.12
	2c. Other Growth		4	3	0.12
3	Effective Implementation of Public Policy: • Implement activities to achieve policy goal		4	3	0.12
4	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		4	3	0.12
	Sub Total		25		0.80
B	Operational Efficiency:	25			
1	Service Delivery: • Service benefits and Accessibility		5	3	0.15
2	Labor Productivity: 2a. Added Value Per Employee		4	2	0.08
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		4	2	0.08
	3b. Added Value Per TK Value of PPE		4	4	0.16
4	Production:				
	4a. Asset Turnover		4	4	0.16
	4b. 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	4	0.08
2	Profit before tax		2	4	0.08
3	Return on assets		2	4	0.08
4	Return on Service Revenue		2	4	0.08
5	Return on equity		2	4	0.08
6	Net worth growth		2	4	0.08
7	Capital budget utilization		2	1	0.02
	ii. Financial Risk:				
1	Debt equity ratio		2	3	0.06
2	Debt to assets		2	3	0.06
3	Debt coverage ratio		2	4	0.08
4	Current ratio		2	4	0.08
5	Accounts receivable period		2	4	0.08
	iii. Transactions with Government:				
1	Dividend paid		2	4	0.08
2	Taxes paid		2	4	0.08
3	Debt Service Liabilities Paid		2	4	0.08
	Sub Total		30		1.10

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	3	0.12
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	4	0.16
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		0.64
	Grand Total (A+B+C+D)	100	100		3.33

7. Interpretation of Results:

As per Independent Performance Evaluation (IPE) Bangladesh Shipping Corporation (BSC) Scored 3.33 out of 4.00 in the year 2022-23

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

- i. Entity Strategic Plan
- ii. Capacity Utilization
- iii. Assets Turnover
- iv. Return on Sales
- v. Debt Coverage Ratio
- vi. Current Ratio
- vii. Return on Assets
- viii. Return on Equity
- ix. Net Worth Growth
- x. Control Environment and Process
- xi. Accounts receivable Period

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

- i. Service Delivery
- ii. Debt Equity Ratio
- iii. Debt to Assets
- iv. Performance against APA
- v. Others Growth
- vi. Implementation of public policy
- vii. Corporate Governance
- viii. Board Practice
- ix. Transparency & Disclosure
- x. Social Contribution
- xi. Net Income Growth
- xii. Service Revenue Growth

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

- i. Labor Productivity
- ii. Capital Productivity

The performance of BSC is graded “Fair” in Capital budget utilization.

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

- BSC has earned operating profit of Tk.1,865.75 million;
- The entity has earned net profit (after tax) of Tk2,462.92 million;
- BSC Current Ratio (Times) 3.96 which indicates BSC is well position to meet its current liabilities. However, the excess liquidity fund may be invested for short period;
- BSC Paid Taxes Tk.107.86 million, DSL Tk. 7.60 million;
- BSC paid Tk. 198.66 million as dividend to government and other shareholders.

8. Findings from the Audit Report 2022-23

In the BSC Audit Report 2022-23, the Auditors emphasized and drew attention to the following accounts and issues:

a) As per IAS-12 Deferred Tax Assets and Deferred Tax Liability should be disclosed in Balance Sheet separately but BSC did not provide such statement in their Audit Report 2022-23. As because the Deferred Tax Assets and Deferred Tax Liability are material and significant.

b) According to IAS-36 Impairment of Assets a company should perform the impairment test at the end of each accounting period and sufficient disclosure is needed in audit report to show the major indications of impairments adjustment used to revalue the recoverable amount and any other elements considers for the impairment test. However, disclosures and clarifications are not found in the BSC audit report 2022-23 for such impairment test.

c) In the report BSC charged TK 25.675 million as bad debt expenses for FY 2022-23 which seems inadequate bad debt provision. Because of as on 30/06/2023 Accounts Receivable (Trade) stand TK227.54 million and Other Receivable TK 319.499 million are overdue over 2(Two) years. Considering the aging of both the receivables, more bad debt provision should be kept as per IFRS-9.

9. Recommendation for Performance Based Incentives

Bangladesh Shipping Corporation has obtained a weighted score of 3.33 out of a scale 4.0 and is graded “Very Good”. Therefore, IPEC recommended non-financial incentive for the employees of BSC. Also, a certificate from Finance Division may be awarded to BSC for being graded “Very Good” in IPE for the FY 2022-23.

10. Recommendations for Improvements:

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

- a) BSC should take initiative to procure crude oil mother tankers as per their procurement plan that helps to ensure uninterrupted energy supply as well as energy security of the country;
- b) The entity should give preference to procure mother bulk carriers to ensure food safety of the country;
- c) BSC should take initiative to buy all ships as per Ships Acquisition Plan for increasing their shipping services on the international sea routes;
- d) The entity should arrange on the job training for the newly recruited Nautical and Engineering Cadets to create skilled manpower in the maritime sector;
- e) BSC's marine workshop should be upgraded and automated to provide all types of shipping services efficiently and timely.
- f) Financial Statements of BSC need to be prepared in accordance with applicable IAS and IFRS to improve financial discipline, disclosure and reporting.
- g) Auditor's observations regarding impairment test and revenue recognition need to be recognized.
- h) The entity should calculate the provision for bad debts in accordance with IFRS 9 to ensure fair presentation of its financial statements.
- i) BSC should include the Aging Schedule of Accounts Payable in its financial statements to enhance transparency regarding the status of outstanding liabilities.

11. Conclusion

Based on Audited Financial Statements, data and documents of Bangladesh Shipping Corporation (BSC), Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. In the report it is found that BSC's financial and non- financial performance are in moderate position compared to last fiscal year. Therefore, to improve the overall performance of BSC, the entity should increase the number of existing fleets to provide more shipping services in the international sea routes.

Bangladesh Shipping Corporation (BSC)
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	42,790,682	37,477,549
	• Accessories/ Supplies	710,621	15,217,204
	• Others (including spare parts)	28,602,185	26,357,775
	ii. Receivable:		
	• Trade	373,273,257	470,365,164
	• Others	912,121,384	622,496,066
	iii. Short Term Investments	14,519,280,851	10,022,976,822
	iv. Cash and Cash Equivalent	1,685,521,512	1,039,994,638
	v. Others Current Assets	532,752,243	413,170,612
2	Total Current Assets (i+ii+iii+iv)	18,095,052,735	12,648,055,830
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	16,159,341,907	18,241,032,175
	• Capital Work in Progress		164,655,617
	• Other non-current assets		
4	Total Assets (2+3)	34,254,394,642	31,053,743,622
5	Current Liabilities:		
	i. Payables:		
	• Trade		0
	• Others	1,613,680,470	1,446,738,708
	ii. Other Current Liabilities	2,956,862,334	2,049,541,683
6	Total Current Liabilities (i+ii)	4,570,542,804	3,496,280,391
7	Non-Current Liabilities:		
	i. Long Term Loans	15,661,714,515	15,667,837,191
	ii. Deferred Liabilities	14,834,261	44,219,805
	iii. Deferred Tax Liabilities	786,943,713	782,892,460
8	Total Non-Current Liabilities (i+ii+iii)	16,463,492,489	16,494,949,456
9	Total Liabilities (6+8)	21,034,035,292	19,991,229,847
10	Equity:		
	i. Share Capital	1,525,350,400	1,525,350,400
	ii. Share Premium	4,647,680,000	4,647,680,000
	iii. Capital Reserve	130,360,425	130,360,425
	iv. Revaluation Reserve	4,076,100,142	4,076,100,142
	v. Retained Earnings/(Loss)	2,840,868,383	683,022,809
11	Total Equity (i+ii+iii+iv+v)	13,220,359,350	11,062,513,775
12	Total Equity and Liabilities (9+11)	34,254,394,642	31,053,743,622

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	5,154,335,441	100%	4,495,730,450	100%
14	Less: Cost of Sales/Services	2,868,249,121	55.65%	1,712,899,530	38.10%
15	Gross Profit/(Loss)/Surplus/(Deficit) (13-14)	2,286,086,320	44.35%	2,782,830,920	61.90%
16	Less: Operating Expenses:				
	i. Administrative Expenses	420,340,552	8.15%	414,470,761	9.22%
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	420,340,552	8.15%	414,470,761	9.22%
18	Operating Profit/(Loss)/Surplus/(Deficit) (15-17)	1,865,745,768	36.20%	2,368,360,159	52.68%
19	Add: Non-Operating Income	1,517,955,615		678,298,087	
20	Less: Financial Expenses	467,882,203		315,995,909	
21	Less: Other Non-Operating Expenses				
22	Net Profit/(Loss)/Surplus/(Deficit) before Tax (18+19-20-21)	2,915,819,179		2,730,662,337	
23	Less: Provision for Tax				
	i. Current tax	448,852,272		315,821,303	
	ii. Deferred tax	4,051,254		156,824,250	
24	Net Profit/(Loss)/Surplus/(Deficit) After Tax (22-23)	2,462,915,654		2,258,016,784	


Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales	5,154,335,441	4,495,730,450
26	Credit Purchases		
27	Capital Budget Allocation	324,700,000	311,000,000
28	Actual Capital Expenditure	226,400,386	22,037,040
29	Dividend Payable	198,658,600	158,926,880
30	Dividend Paid	198,658,600	158,926,880
31	Taxes Payable	107,860,738	315,821,303
32	Taxes Paid	107,860,738	315,821,303
33	Debt Service Liabilities (DSL) Payable	7,595,483	16,109,000
34	Debt Service Liabilities (DSL) Paid	7,595,483	16,109,000
35	Fees, Fine and Charges Payable		
36	Fees, Fine and Charges Paid		
37	New Government Investment:		
	• Equity		
	• Debts/Loan		
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		
	• Subsidies		
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	3,449,949,436	3,640,676,846
40	Added Value	3,215,692,961	3,694,214,381
41	Employee's cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)	98.82%	98.79%
43	Input use Efficiency (%)		0.00%
44	Number of Employees (Nos)	495	512
45	Performance score achieved on APA	94.71%	82.87%

Schedule-02

Non-Financial Information format:

Name of the SOE/AB: Bangladesh Shipping Corporation.

Serial	Particulars	
A	Enterprise Information and Legal framework	
2	Sector	Transport and Communication.
3	Name of Entity	Bangladesh Shipping Corporation.
4	Number of Subsidiaries	N/A
5	Number of Branches	03(Three)
6	Website	www.bsc.gov.bd
7	Email Address	Info@bsc.gov.bd
8	Year of Incorporation	1972
9	Governing Law	BSC Act 2017
10	Other relevant Governing Laws & Regulations	BSEC Rule 1987, IMO Rules and regulation, Maritime Labour convention (MLC)-2006,ISM Code, BSC Share Rules-1999
11	Incorporation Structure	An Enterprise of the People's Republic of Bangladesh.
12	Listed on the Stock Exchange	DSE-1977, CSE-1995
B	Ownership and Shareholder protection	
14	Administrative Ministry	Ministry of Shipping.
15	Structure of Organization	Statutory Body.
C	Strategy and Governance Information	
17	Board of Directors (Number disaggregated by gender and profile)	10 (Female-1, Male-09).
18	Qualification of Board Members	Attachment-A.
19	Number of Independent Director	02(Two)
20	Chairman to be Independent of Board	Yes
21	Board Committees	2 (sub-committee) a. Audit Committee. b. NRC.
22	Number of Board Meetings held	05(Five)
23	Board Sitting Fees	7,000/-
24	Executive Management	Yes
25	Selection process of Board Members	Attachment-B.
26	Strategic Plan/Public Policy Goal (copy required)	Attachment-C.
27	Innovative work (Description)	Attachment-D.
28	Project Completion Rate: Actual Achievement/Target	No Project has been taken during the FY 2022-23.


মোঃ আজমহার
মহাব্যবস্থাপক (অর্থ) অঃ দাঃ
বাংলাদেশ শিপিং কর্পোরেশন
চট্টগ্রাম।

Serial	Particulars	
D	Ownership Structure	
30	Govt. Shareholding	52.10%
31	Public Shareholding	47.90%
32	Others	-
E	Fiscal and Financial Discipline	
34	Who are the Primary Lenders to the Enterprise	Government of Bangladesh.
F	Controls, transparency and Disclosure	
36	Latest Audited financial Statement	Attachment-E
37	Audited by	Islam Quazi Shafique & Co. Ahmed Zakir & Co.
38	Risk Assessment Report	Attachment-F.
39	Internal Control	Attachment-G(1-5).
40	Timely public disclosure of financial statements	Attachment-H(1-4).
41	Measures for safe working Environment /Process (Description)	BSC take many steps for safe working environment in the BSC premises like; <ol style="list-style-type: none"> 1. Separate and well decorated wash room for female staff/officer 2. Digital Excess control and attendant system. 3. Establish well equipped gymnasium for employee. 4. Establish Day-care centre. 5. Separate Prayer space/room for female.
G	Human Resources	
43	Number of employees	495
44	Number of New Job Creation (regular, Internship, etc.)	19 Staff for shore Management have been recruited.
H	Employee and Social Welfare	
46	CSR, WPPF etc.	Attachment-I(1)

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

Signature, Name, and Designation of the Authorized Person:



MD. Azamgir

General Manager (Finance Department),
Bangladesh Shipping Corporation (BSC),
Phone Number: 01894-509981, 031-710149,
E-mail: gm-fin@bsc.gov.bd