

**Independent Performance Evaluation (IPE) Report**  
**on**  
**Carew & Company (Bangladesh) Limited**  
**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.

Carew & Company (Bangladesh Ltd) is among the 20 selected State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) for Independent Performance Evaluation (IPE) for FY 2022-23. Based on the evaluation results, Carew & Company achieved a weighted average score of 2.46 out of 4.00, earning a grade of "Good" for the fiscal year.

### 1.Introduction:

Carew and Company (Bangladesh Ltd) has been established in the year 1938 and incorporated with the Registrar of joint stock companies in 1962. After the independence of Bangladesh, the company was declared an abandoned property. Under P.O 27 of 1972 the Government nationalized the Carew & Company (Bangladesh) Ltd and transferred the Company to Bangladesh Sugar and Food Industries Corporation (BSFIC) for management and control.

The Company produces & sells sugar, sprit, liquor, industrial alcohol and pharmaceutical products and agro- crops such as cane seed, dhanicha seed, mustard seed, organic bio-fertilizer etc. the main objective of the company is to produce the quality sugar, diversification of by-products and expand marketing to add productivity in economic activities of the country. The Ministry of Industries has the oversight responsibility for Carew and Company (Bangladesh) Ltd. The key operational activities of the company are given below:

#### Key Operational Activities at a glance

	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
1.	Sugar Production	M. Ton	5,883.00	3,023.50	2,381.50
2.	Molasses Production	M. Ton	4,486.76	2,152.86	1,857.59
3.	Spirits & Liquor	Lac. Proof liter	42.70	53.79	81.89 (April23)
4.	Bio- Fertilizer Production	M. Ton	1,670	1,590.00	2,200.00
5.	Sugar Recovery Rate	%	5.25	5.62	5.08

Source: Carew & Company (Bangladesh) Ltd, Annual Report 2022-23

The key operational activities at Carew & Co. reflect significant year-on-year changes. Sugar production declined sharply, dropping from 5,883 metric tons (FY 2020-21) to 3,023.5 metric tons (FY 2021-22), a decrease of 48.6%, and further to 2,381.5 metric tons (FY 2022-23), a 21.2% decline. Molasses production followed a similar downward trend, falling from 4,486.76 metric tons (FY 2020-21) to 2,152.86 metric tons (FY 2021-22), a 52% reduction, and then to 1,857.59 metric tons (FY 2022-23), a 13.7% decrease. In contrast, spirits and liquor production saw remarkable growth, increasing from 42.70 lac proof liters (FY 2020-21) to 53.79 (FY 2021-22), a 25.9% rise, and surging to 81.89 lac proof liters (FY 2022-23), a 52.3% increase. Bio-fertilizer production experienced moderate growth, decreasing slightly from 1,670 metric tons (FY 2020-21) to 1,590 metric tons (FY 2021-22), a 4.8% decline, before jumping to 2,200 metric tons (FY 2022-23), a 38.4% rise. The sugar recovery rate fluctuated, improving from 5.25% (FY 2020-21) to 5.62% (FY 2021-22), a 7% increase, before dropping to 5.08% (FY 2022-23), a 9.6% decrease.

## **2. Role & Functions:**

Carew & Company (Bangladesh) Ltd. performs the following functions:

- i. Cultivating high-yield sugarcane.
- ii. Enhancing sugar production.
- iii. Promoting good governance and implementing reform programs.
- iv. Providing training to develop a skilled workforce.
- v. Building institutional capacity and modernizing factory operations.

## **3. Core Business:**

- i. Employing modern technology in sugarcane cultivation.
- ii. Enhancing the sugar recovery rate.
- iii. Executing new projects to boost the production of sugar, pharmaceutical products, and agro-based crops.

#### 4. Evaluation Parameters

##### Criteria: Business and Governance

##### Indices: A. Business Strategy and Social Responsibility

Table 2(a): Standard of Indices A

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Entity Strategy</b>							
	Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Growth Trajectory</b>							
	2a. Net Income Growth	QN	4	30.00% or more	25.00% to 29.99%	20.00% to 24.99%	15.00% to 19.99%	Below 15.00%
	2b. Sales Revenue Growth	QN	4	18.00% or more	15.00% to 17.99%	12.00% to 14.99%	9.00% to 11.99%	Below 9.00%
	2c. Other Growth	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
3	<b>Effective Implementation of Public Policy</b> Implement activities to achieve policy goal	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
4	<b>Efficiency of Project Implementation/ Project Goal Achievement:</b> • Percentage of estimated target achieved"	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	<b>Social Contribution</b> • Environmental Contribution • CSR/WPPF • Training/Volunteering	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 2(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	79.00%	Good	2	Note 1
2	Growth Trajectory						
	2a. Net Income Growth	QN	4	31.18 %	Excellent	4	AFS
	2b. Sales Revenue Growth	QN	4	4.76%	Under Performing	0	AFS
	2c. Other Growth	QL	3	76.00%	Good	2	Note 2
3	Effective Implementation of Public Policy	QL	3	91.00%	Excellent	4	Note 3
4	Efficiency of Project	QN	4	95.00%	Excellent	4	Note 4
5	Social Contribution	QL	3	91.00%	Excellent	4	Note 5
Sub-Total			25				

**Note-1:** Carew & Company (Bangladesh) Ltd has undertaken a strategic plan to enhance operational efficiency and sustainability, aiming to achieve breakeven for its sugar unit by FY 2026–27. In addition the entity has a plan for automating the distillery unit, upgrading the Anujiv Laboratory, and installing Effluent Treatment Plants (ETPs) - contribute to SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production), and SDG 6 (Clean Water and Sanitation). These efforts align with the National Strategic Plan and Government Policy Directives outlined in the National Budget.

**Note-2:** To upgrade its production processes, the company has implemented the following measures:

- i. Execution of a BMR project to improve the efficiency and capacity of turbines, boilers, and milling plants, along with factory operations.
- ii. Automation of distillery units.
- iii. Introduction of bottling facilities for distillery products to enhance market reach.

**Note-3:** Carew & Company (Bangladesh) Ltd. demonstrates effective implementation of public policy through its focus on agricultural productivity, industrial modernization, and institutional development. By cultivating high-yield sugarcane, enhancing sugar recovery rates, and adopting modern technologies, the company supports SDG 2 (Zero Hunger) and SDG 9 (Industry, Innovation and Infrastructure). Its initiatives in workforce training and governance reforms contribute to SDG 8 (Decent Work and Economic Growth) and align with national strategies and national budget.

**Note-4:** Carew & Company (Bangladesh) Ltd achieved 100% of its financial target during FY 2022-23. However, the entity did not provide information on the physical progress of its projects. Consequently, the performance score for FY 2022-23 was determined based solely on financial target achievement.

**Note-5:** Carew & Company (Bangladesh) Ltd has undertaken significant social and environmental initiatives:

- i. Established Effluent Treatment Plants (ETP) in 14 (fourteen) sugar mills to prevent environmental pollution.
- ii. Operates a primary school, high school, madrasah, mosque, temple, and church as part of its CSR program.
- iii. Maintains a hospital with comprehensive medical facilities for employees and local communities.
- iv. Provides Provident Fund and Gratuity Fund benefits to employees.
- v. The entity has a provision to allocate Tk. 44.49 million under the Workers' Profit Participation Fund (WPPF) for distribution among employees.

## Indices: B. Operational Efficiency

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

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Service Delivery</b>							
	Service Benefit & Accessibility	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Labor Productivity</b>							
	Added Value per Employee (million Tk.)	QN	3	Tk.2.00 million or more	Tk.1.75 to 1.99 million	Tk. 1.50 to 1.74 million	Tk.1.25 to 1.49 million	Below Tk. 1.25 million
3	<b>Capital Productivity</b>							
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.15 or more	Tk. 0.13 to 0.14	Tk. 0.11 to 0.12	Tk. 0.09 to 0.10	Below Tk. 0.09
	3b. Added Value Per Tk. Value of PPE	QN	3	Tk.12.00 or more	Tk.10.00 to 11.99	Tk. 8.00 to 9.99	Tk. 6.00 to 7.99	Below Tk. 6.00
4	<b>Production</b>							
	4a. Input Use Efficiency (%)	QN	3	7.00% or more	6.00% to 6.99%	5.00% to 5.99%	4.00% to 4.99%	Below 4.00%
	4b. Inventory Turnover (Times)	QN	3	5.50 or more	4.50 to 5.49	3.50 to 4.49	2.50 to 3.49	Below 2.50
	4c. Asset Turnover (Times)	QN	3	0.20 or more	0.18 to 0.19	0.16 to 0.17	0.14 to 0.15	Below 0.14
	4d. Capacity Utilization (%)	QN	3	91-100%	81-90%	71-80%	41-70%	Below 41%
Sub-total			25					

**Table 3(b): Achievement of Indices B**

	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	4	81.00%	Very Good	3	Note-6
2	Labor Productivity						
	Added Value per Employee (million Tk.)	QN	3	Tk. 1.72 mil	Good	2	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.13	Very Good	3	AFS
	3b. Added Value Per Tk. Value of PPE	QN	3	Tk. 10.59	Very Good	3	AFS
4	Production						
	4a. Input Use Efficiency (%)	QN	3	5.08%	Good	2	Annexure 1, SL 44
	4b. Inventory Turnover (Times)	QN	3	3.52	Good	2	AFS
	4c. Assets Turnover (Times)	QN	3	0.21	Excellent	4	AFS
	4d. Capacity Utilization (%)	QN	3	Sugar 20.71% Distillery.44.20%	Fair	1	Annexure 1 SL 43

**Note-6:** Carew & Company (Bangladesh) Ltd has implemented the following facilities for its stakeholders:

- i. Published a gazette listing the names of sugarcane farmers to facilitate subsidy payments.
- ii. Introduced mobile banking services for paying sugarcane prices directly to farmers.
- iii. Packaged sugar in 1 kg and 2 kg sizes for customer convenience.
- iv. Established bottling facilities for distillery products to enhance marketing.
- v. Produced and marketed hand sanitizers.

### 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. 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
2	Profit before Tax	QN	2	Tk. 900 million or more	Tk.800 to Tk. 899 million	Tk. 700 to Tk. 799 million	Tk.600 to Tk. 699 million	Below Tk. 600 million
3	Return on Assets (%)	QN	2	5.00% or more	4.00% to 4.99%	3.00% to 3.99%	2.00% to2.99%	Below 2.00%
4	Return on Sales (%)	QN	2	20.00% or more	18.00% to19.99%	16.00 to 17.99%	14.00% to 15.99%	Below 14.00%
5	Return on Equity (%)	QN	2	25.00% or more	23.00 % to24.99%	21.00% to22.99%	19.00% to 20.99%	Below 19.00%
6	Net Worth Growth (%)	QN	2	35.00% or more	30.00% to 34.99%	25.00% to 29.99%	20.00% to 24.99%	Below 20.00%
7	Capital Budget Utilization (%)	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
	ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	3	1.50 or less	1.51to 1.75	1.76 to 2.00	2.01 to 2.25	More than 2.25
2	Debt to Assets (Times)	QN	3	0.60 or less	0.61 to 1.00	1.10 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
4	Debt Coverage 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	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	
	<b>i. Financial Performance</b>						
1	Operating profit	QN	2	Tk. 1,078.81 million	Excellent	4	AFS
2	Profit before Tax	QN	2	Tk. 889.75 million	Very Good	3	AFS
3	Return on Assets (%)	QN	2	3.78%	Good	2	AFS
4	Return on Sales (%)	QN	2	18.08%	Very Good	3	AFS
5	Return on Equity (%)	QN	2	32.42%	Excellent	4	AFS
6	Net Worth Growth (%)	QN	2	46.35%	Excellent	4	AFS
7	Capital Budget Utilization (%)	QN	2	77.08%	Good	2	Annexure 1 SL 28 & 29
	<b>ii. Financial Risk</b>						
1	Debt Equity Ratio (Times)	QN	3	7.59	Under-Performing	0	AFS
2	Debt to Assets (Times)	QN	3	0.88	Very Good	3	AFS
3	Current Ratio (Times)	QN	2	4.92	Excellent	4	AFS
4	Debt Coverage Ratio (Times)	QN	2	1.05	Under Performing	0	AFS
	<b>iii. Transactions with Govt.</b>						
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	Debt Service Liabilities Paid	QN	2	0%	Under-performing	0	Annexure 1 SL 34 & 35
Sub-total			30				

## Indices: D. Corporate Governance Practices

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

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Commitment to Corporate Governance:</b> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Ethics</li> <li>• Key policies of Board</li> <li>• Board structure</li> <li>• Employees service rules/regulations</li> <li>• Appointment of Board Secretary</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Board Practices:</b> <ul style="list-style-type: none"> <li>• Composition of Board of Directors and number of meetings held</li> <li>• TOR of board</li> <li>• Number of independent Board Directors</li> <li>• Name &amp; Number of board committees and number of meetings held</li> <li>• Number of board decisions that have been implemented</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
3	<b>Transparency and Disclosure:</b> <ul style="list-style-type: none"> <li>• Board of directors and Senior managers name and biographies</li> <li>• Audited financial statement</li> <li>• Citizen charter</li> <li>• APA</li> <li>• Code of conduct</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	<b>Control Environment and Process:</b> <ul style="list-style-type: none"> <li>• Entity's internal control systems for different departments</li> <li>• Internal audit procedure and reporting authority</li> <li>• Entity's computer-based management information system (database)</li> <li>• Any authority of the board to mitigate the entity's emergency situation</li> <li>• Measures taken for safe working environment in the entity's premises</li> </ul>	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	<b>Performance against the key Indicators of APA<sup>1</sup>:</b> <ul style="list-style-type: none"> <li>• Total Performance score achieved on APA</li> </ul>	QN	4	100%	90%	80%	70%	60%

<sup>1</sup> Standard of APA Indicator is set on the basis of Annual Performance Agreement (APA) Guideline.

**Table 4(b): Achievement of Indices D**

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	4	80%	Good	2	Note-7
2	Board Practices	QL	4	79%	Good	2	Note-8
3	Transparency and Disclosure	QL	4	76%	Good	2	Note-9
4	Control Environment and Process.	QL	4	82%	Very Good	3	Note-10
5	Performance against the key Indicators of APA	QN	4	81.40%	Good	2	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-7:** Carew & Company (Bangladesh) Ltd operates under its own Memorandum and Articles of Association, adhering to the entity's rules and regulations, employee service rules, and citizen charter as part of its corporate governance framework. The company has a corporate secretary for its board.

**Note-8:** The Board of Directors consists of seven (7) members, including the ex-officio Managing Director, one director from the Ministry of Industries, four (4) directors from the Bangladesh Sugar and Food Industries Corporation, and one director from Janata Bank PLC. All board members are appointed by the government and operate under the Terms of Reference (TOR) of the board. During FY 2022-23, four (4) board meetings were held, resulting in the implementation of 159 board decisions. The board does not have any committees.

**Note-9:** The entity publishes its Memorandum and Articles of Association, rules and regulations, biographies of Board Directors and Senior Managers, audited financial statements, citizen charter, Annual Performance Agreement (APA), and other relevant information on its website for transparency.

**Note-10:** Carew & Company (Bangladesh) Ltd has implemented the following measures to enhance environmental and operational control:

- Established an internal control system to detect irregularities, defalcations, and misappropriation of funds, reporting directly to the Managing Director.
- Installed fire extinguishers at factory and office buildings to ensure fire safety.
- Set up CCTV cameras to monitor security across the entire factory and office premises.
- Adheres to required safety regulations to maintain a safe working environment.

## 5. IPE Process

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

### Carew & Company (Bangladesh) Ltd Fiscal Year: 2022-23

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
a	b	c	d	e	f
A	<b>Business Strategy and Social Responsibility:</b>	25			
1	Entity Strategy: • Entity Strategic Plan		4	2	0.08
2	Growth Trajectory: 2a. Net Income Growth		4	4	0.16
	2b. Sales Growth		4	0	0.00
	2c. Other Growth		3	2	0.06
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
5	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		3	4	0.12
	<b>Sub Total</b>		<b>25</b>		<b>0.70</b>
B	<b>Operational Efficiency:</b>	25			
1	Product Delivery: Product benefits and Accessibility		4	3	0.12
2	Labor Productivity: Added Value Per Employee		3	2	0.06
3	3a. Capital Productivity: Added Value Per TK Value of Assets		3	3	0.09
	3b Added Value Per TK Value of PPE		3	3	0.09
4	Production:				
	4a. Input use Efficiency		3	2	0.06
	4b. Inventory Turnover		3	2	0.06
	4c. Asset Turnover		3	4	0.12
	4d. Capacity Utilization		3	1	0.03
	<b>Sub Total</b>		<b>25</b>		<b>0.63</b>

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
C	<b>Financial:</b>	30			
	<b>i. Financial Performance:</b>				
1	Operating profit		2	4	0.08
2	Profit before tax		2	3	0.06
3	Return on assets		2	2	0.04
4	Return on Sales		2	3	0.06
5	Return on equity		2	4	0.08
6	Net worth growth		2	4	0.08
7	Capital budget utilization		2	2	0.04
	<b>ii. Financial Risk:</b>				
1	Debt equity ratio		3	0	0.00
2	Debt to assets		3	3	0.09
3	Current ratio		2	4	0.08
4	Debt Coverage Ratio		2	0	0.00
	<b>iii. Transactions with Government:</b>				
1	Dividend paid		2	0	0.00
2	Taxes paid		2	4	0.08
3	Debt Service Liabilities Paid		2	0	0.00
	<b>Sub Total</b>		<b>30</b>		<b>0.69</b>

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
D	<b>Corporate Governance Practices:</b>	20			
1	Commitment to Corporate Governance: <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Ethics</li> <li>• Key policies of Board</li> <li>• Board structure</li> <li>• Employee's service rules/ regulations</li> <li>• Appointment of Board Secretary</li> </ul>		4	2	0.08
2	Board Practices: <ul style="list-style-type: none"> <li>• Composition of Board of Directors and number of meetings held</li> <li>• TOR of board</li> <li>• Number of independent Board Directors</li> <li>• Name &amp; Number of board committees and number of meetings held</li> <li>• Number of board decisions that have been implemented</li> </ul>		4	2	0.08
3	Transparency and Disclosure: <ul style="list-style-type: none"> <li>• Board of directors and Senior managers name and biographies</li> <li>• Audited financial statement</li> <li>• Citizen charter</li> <li>• APA</li> <li>• Code of conduct</li> </ul>		4	2	0.08
4	Control Environment and Process: <ul style="list-style-type: none"> <li>• Entity's internal control systems for different departments</li> <li>• Internal audit procedure and reporting authority</li> <li>• Entity's computer-based management information system (database)</li> <li>• Any authority of the board to mitigate the entity's emergency situation</li> <li>• Measures taken for safe working environment in the entity's premises</li> </ul>		4	3	0.12
5	Performance against the key Indicators of APA: <ul style="list-style-type: none"> <li>• Total Performance score achieved on APA</li> </ul>		4	2	0.08
	<b>Sub Total</b>		<b>20</b>		<b>0.44</b>
	<b>Grand Total (A+B+C+D)</b>	<b>100</b>	<b>100</b>		<b>2.46</b>

## 7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Carew & Company (Bangladesh) Ltd Scored 2.46 out of 4.00 in the year 2022-23.

**7. (A)**The performance of Carew & Company (Bangladesh) Ltd Carew & Company (Bangladesh) Ltd is graded “Excellent” in the following areas:

- Net Income Growth.
- Efficiency of project implementation.
- Assets Turnover.
- Return on Equity
- Current ratio
- Social Contribution
- Effective Implementation of Public Policy
- Net Worth Growth

The performance of Carew & Company (Bangladesh) Ltd is graded “Very good” in the following areas:

- Product Delivery
- Control Environment & Process.
- Return on Sales
- Debt to Assets
- Capital Productivity

The performance of Carew & Company (Bangladesh) Ltd is graded “Good” in the following areas:

- Other Growth
- Entity Strategic Plan
- Inventory Turnover
- Annual Performance Agreement (APA)
- Labor Productivity
- Input use Efficiency
- Return on Assets.
- Corporate Governance
- Board Practices
- Transparency & Disclosure
- Capital Budget Utilization

The performance of Carew & Company (Bangladesh) Ltd is graded “Fair” in the following area:

- Capacity Utilization

The performance of Carew & Company (Bangladesh) Ltd is graded “Underperforming” in the following areas:

- Sales Revenue Growth
- Debt Coverage Ratio
- Debt Equity Ratio



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

- i. Carew & Company (Bangladesh) Ltd has earned operating profit of Tk.1,078.81 million.
- ii. The entity earned net Profit (after tax) of Tk.645.07 million.
- iii. Entity's Debt Equity Ratio (Times) 7.59 indicates high leverage that poses a fiscal risk to GOB.
- iv. Carew & Company (Bangladesh) Ltd Current Ratio (Time) 4.92 which indicates entity is in a well position to meet its current liabilities in due period.
- v. Carew & Company (Bangladesh) Ltd Paid Taxes Tk. 244.68 million to GOB.
- vi. Carew & Company (Bangladesh) Ltd did not paid Dividend and DSL to the government.

**8. Findings from the Audit Report 2022-23**

A) In Carew & Company (Bangladesh) Ltd. Audit report 2022-23 provided the qualified opinion on the following accounts and issues:

- i. The auditor did not verify the five (5) accounts balances total TK231.93 million since long period due to non-submission of proper evidence by the company.
- ii. Company's inventories included unusable & slow-moving items of TK 8.08 million since long period.
- iii. The entity invested gratuity and leave pay amounting to TK700 million without maintaining a separate bank account for gratuity fund. Moreover, the company did not provide gratuity fund policy & trust deed to the auditor.
- iv. The company did not deposit the specific portion of WPPF amount to the welfare fund of Bangladesh Worker's Foundation. But the entity transferred entire amount to WPPF bank account, which is a violation WPPF Act.
- v. The company did not maintain differed tax liability account, that is a non-compliance of IAs -12.
- vi. Accrual basis of accounting was not followed for interest income of FDR investment.
- vii. Current position of long-term loan did not show separately in financial statement which is a non-compliance of IAS -1.
- viii. The company did not maintain Assets Register for worth of TK 249.43 million, it is noncompliance of IAS

B) In the Carew & Company (Bangladesh) Ltd. Audit report 2022-23 the auditor emphasized the following notes:

- i. Cumulative loss of sugar unit now stands Tk. 8,086.54 million but in the report the entity did not provide explanation in this regard.;
- ii. Auditor did not receive balance confirmation of Tk. 102.49 million from suppliers and North Bengal Sugar Mills;
- iii. Growers old loan of Tk. 144.96 million carried forward since long.

**9. Recommendation for Performance Based Incentives**

Carew & Company (Bangladesh) Ltd has obtained a weighted average score of 2.46 out of a scale 4.00 and is graded 'Good'. Therefore, IPEC recommended non-financial incentive for the employees of the company. Also, a certificate from Finance Division may be awarded to Carew & Company (Bangladesh) Ltd for being graded 'Good' in IPE for the FY 2022-23.

## **10. Recommendations for Improvement:**

To improve the performance of Carew & Company (Bangladesh) Ltd., the following recommendations are proposed based on findings from the Independent Performance Evaluation (IPE):

- i. Modernize the distillery unit with automation facilities and introduce bottling for effective marketing.
- ii. Procure high-yielding sugarcane and take measures to improve the sugar recovery rate within acceptable ranges to maximize productivity.
- iii. Provide comprehensive training for employees to ensure efficient and modern operations.
- iv. Upgrade the Anujib Laboratory and Effluent Treatment Plant (ETP) for the distillery unit to enhance operational efficiency.
- v. Establish two foreign liquor sales centers as part of the company's plans and programs.
- vi. Develop and execute a strategic action plan to bring the sugar unit to breakeven by reducing costs.
- vii. Expand production of by-products in the pharmaceutical and agricultural sectors to ensure sustainable growth and development.
- viii. Prepare financial statements in compliance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to improve financial discipline, disclosure, and transparency, ensuring the provision of necessary evidence for auditors.
- ix. Revaluation of 3,566.66 acres of company-owned land at current market value to accurately reflect its fair value in the financial statements.
- x. The entity should regularly deposit dividends and DSL payments to the government exchequer.
- xi. The entity should maintain a specific provision for the significant amount of accounts receivable in accordance with IAS 36, due to the potential risk of non-recovery of long-outstanding receivables. In line with the Prudence Principle, an adequate provision should be ensured to cover such risks.

## **12. Conclusion:**

Based on Audited Financial Statements, data and documents of Carew & Company (Bangladesh) Ltd, Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. In the report it is found that Carew & Company (Bangladesh) Ltd financial and non-financial performances have improved compared to previous fiscal year. Hence, to improve the overall performance of Carew & Company (Bangladesh) Ltd, the entity's operating performance should be improved by implementing modern technology in sugar, pharmaceutical and bio- fertilizer units. In addition, high yield sugarcane cultivation should be arranged to increase sugar recovery rate. The entity should take appropriate measures to resolve the financial irregularity mentioned in Carew & Company (Bangladesh) Ltd Audit Report 2022-23.

## Carew &amp; Company (Bangladesh) Ltd

## Financial &amp; 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	274,010,740	154,339,094
	• Accessories/ Supplies	39,696,084	30,926,006
	• Work-in-Progress (WIP)	1,173,000	756,200
	• Others (including spare parts)	90,868,167	51,194,772
	• Finished goods	221,408,929	166,155,538
	ii. Receivable:		
	• Trade	41,969,014	3,241,660
	• Others	3,410,839,605	12,398,698
	iii. Cash and Cash Equivalent	1,876,426,653	1,718,550,043
	iv. Others Current Assets	10,735,661,671	12,430,871,491
2	Total Current Assets (i+ii+iii+iv)	16,692,053,863	14,568,433,502
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	206,893,434	203,589,030
	• Capital Work in Progress	185,162,536	45,838,745
	• Other non-current assets		
4	Total Assets (2+3)	17,084,109,833	14,817,861,277
5	Current Liabilities:		
	• Trade	42,069,194	77,726,119
	• Others	282,769,516	265,163,050
	ii. Other Current Liabilities	3,070,317,668	2,866,304,359
6	Total Current Liabilities (i+ii)	3,395,156,378	3,209,193,528
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	444,041,303	404,132,828
	ii. Other Non-Current Liabilities	11,255,212,974	10,137,067,647
8	Total Non-Current Liabilities (i+ii)	11,699,254,277	10,541,200,475
9	Total Liabilities (6+8)	15,094,410,655	13,750,394,003
10	Equity:		
	i. Share Capital	7,565	7,565
	ii. Government Equity	32,164,891	32,164,891
	iii. Capital Reserve	20,427,653	20,427,653
	iv. Government & Other Grants	1,429,864	1,429,864
	v. Retained Earnings/(Loss)	1,935,669,205	1,013,437,301
11	Total Equity (i+ii+iii + iv + v)	1,989,699,178	1,067,467,274
12	Total Equity and Liabilities (9+11)	17,084,109,833	14,817,861,277

**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	3,567,294,880	100%	3,405,227,207	100%
14	Less: Cost of Sales/Services	1,812,227,650	50.80%	1,823,594,834	53.55%
15	Gross Profit/(Loss)/Surplus/(Deficit) (13-14)	1,755,067,230	49.20%	1,581,632,373	46.45%
16	Less: Operating Expenses:				
	i. Administrative Expenses	670,933,092	18.81%	683,703,356	20.08%
	ii. Marketing Expenses	5,327,552	0.15%	5,565,353	0.16%
17	Total Operating Expenses (i+ii)	676,260,644	18.96%	689,268,709	20.24%
18	Operating Profit/(Loss)/Surplus/(Deficit) (15-17)	1,078,806,586	30.24%	892,363,664	26.21%
19	Add: Non-Operating Income	83,956,242		39,305,868	
20	Less: Financial Expenses	228,530,354		219,465,744	
21	Less: Other Non-Operating Expenses				
22	Less: Provision for WPPF	44,487,261		33,914,466	
23	Net Profit/(Loss)/Surplus/(Deficit) before Tax (18+19-20-21-22)	889,745,212		678,289,322	
24	Less: Provision for Tax				
	i. Current tax	244,679,933		186,529,564	
	ii. Deferred tax				
25	Net Profit/(Loss)/Surplus/(Deficit) After Tax (22-23)	645,065,279		491,759,759	

## Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
26	Credit Sales		
27	Credit Purchases		
28	Capital Budget Allocation	258,210,000	123,607,000
29	Actual Capital Expenditure	199,037,000	57,423,000
30	Dividend Payable		
31	Dividend Paid		
32	Taxes Payable	244,679,933	186,529,564
33	Taxes Paid	244,679,933	186,529,564
34	Debt Service Liabilities (DSL) Payable	160,365,660	145,102,271
35	Debt Service Liabilities (DSL) Paid		
36	Fees, Fine and Charges Payable		
37	Fees, Fine and Charges Paid		
38	New Government Investment:		
	• Equity		
	• Debts/Loan	13,105,999	4,934,365
39	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		
	• Subsidies		
	• Other Transfer (Specify)		
40	Operating Cash Surplus/(Deficit)	152,480,933	716,612,029
41	Added Value	2,190,274,746	1,995,683,120
42	Employee's cost includes wages, salaries, bonus, provident fund contribution and other allowances		
43	Capacity Utilization (%)	Sugar: 20.71% 44.20%	26.29%
44	Input use Efficiency (%)	5.08%	
45	Number of Employees (nos.)	1,092	1,259
46	Performance score achieved on APA	60.00%	75.40%

## Schedule-2

## Non-financial Information format

SI.	Particulars	
<b>A</b>	<b>Enterprise Information and Legal Framework</b>	
2	Sector	Sugar & Food Industries
3	Name of Entity	Carew & Company (BD) Ltd.
4	Number of Subsidiaries	Not applicable
5	Number of Branches	6 Branches ( Sugar, Distillery, Pharmaceuticals, Bio-Fertilizer, Commercial Farm, Akondobaria Farm.
6	Website	carewco.bsfc.gov.bd
	Email Address	carewco38@gmail.com
8	Year of incorporation	22-Jul-72
9	Governing Law	Bangladesh Industrial enterprises ( Nationalisation) Act 2018
10	Other relevant Governing Laws & Regulations	Labour law-2006, company Act-1994, Income tax law-2023, vat law-2012
11	Incorporation Structure	Organogram enclosed
12	Listed in the Stock Exchange	Not applicable
<b>B</b>	<b>Ownership and Shareholder Protection</b>	
14	Administrative Ministry .	Ministry of Industries
15	Structure of Organization	Organogram enclosed
16	<b>Strategy and Governance Information</b>	
17	Board of Directors (Number disaggregated by gender and profile)	07 (SEVEN)
18	Qualification of Board Members	At least 5th Grade officer of Bangladesh government pay scale 2015
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	At least 4 (Four) held
23	Board Sitting Fees	5000 tk per participants Member
24	Executive Management	Managing Director (MD), General Manager ( Factory), General manager ( Finance), General Manager( Agriculture), General Manager (Adiministration), General Manager (Distillery)
25	Selection process of Board Members	Board members are selected according to companys Articles of Association.
26	Strategic Plan/Public Policy Goal(copy required)	



27	Innovative work (Description)	
28	Project Completion Rate: Actual Achievement /Target	

<b>D</b>	<b>Ownership Structure</b>	
30	Govt. Shareholding	100 % government
31	Private Shareholding	Not Applicable
32	Others	Not Applicable
<b>E</b>	<b>Fiscal and Financial Discipline</b>	
34	Who are the Primary Lenders to the Enterprise	Governments
<b>F</b>	<b>Controls, Transparency and Disclosure</b>	
36	Latest Audited Financial Statement	Enclosed
37	Audited by	Rahman & Mostafa & co, Chartered Accountants
38	Risk Assessment Report	
39	Internal Control	various internal control system are available like budgetry control etc.
40	Timely public disclosure of financial statements	Financial Statements are enclosed in carew website (carewco.bsfc.gov.bd)
41	Measures for safe working Environment/Process (Description)	
<b>G</b>	<b>Human Resources</b>	
43	Number of employees	1092 person
44	Number of New Job Creation (Regular, Internship, etc.)	
<b>H</b>	<b>Employee and Social Welfare</b>	

46	CSR, WPPF, Provident Fund, Gratuity Fund etc.	<ol style="list-style-type: none"> <li>1. During 2022-2023 financial year Carew &amp; company has transferred 4,44,87,261.00 tk to Workers Profit participation fund (WPPF) within which 3,65,83,031 tk equally distributed among 881 number of employees amounting 41,510 tk per.</li> <li>2. Besides this Company has established A primary school and High school where about 1050 students receives quality education.</li> <li>3. This company Also established Mosjid, Madrasa, Mondir, Girja and financilally contributed them to run .</li> <li>4. Company has established a residential hospital with all medical facilities where employees including local people receives treatment.</li> <li>5. During Evaluation year 2022-2023 this company has contributed Education shess fund tk 4,06,198. from which company gives education scholarship to poor students and local school, Colleges.</li> <li>6. Company Also prepare and repair local road from its own finance for the convenient of local people.</li> <li>7. Carew and company have Separate Provident Fund trust and leave pay and Gratuity fund</li> </ol>
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**Note: Above mentioned non-financial information to be provided for IRE.**