

Independent Performance Evaluation (IPE) Report
on
Bangladesh Power Development Board (BPDB)
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 Power Development Board (BPDB) 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, BPDB achieved a weighted average score of 2.27 out of 4.00, earning a "Good" grade.

1. Introduction

The Bangladesh Power Development Board (BPDB) is a statutory organization established on May 31, 1972, under President's Order No. 59. As part of reform and restructuring the transmission sector was separated with the creation of the Power Grid Company of Bangladesh PLC as a BPDB subsidiary. Similarly, the distribution sector was restructured with the formation of new entities such as DPDC, DESCO, and BREB. Additionally, BPDB established three generation companies and two urban distribution companies as subsidiaries. To enhance power generation capacity, BPDB also formed three joint venture companies in collaboration with other organizations. Oversight of BPDB falls under the Power Division of the Ministry of Power, Energy & Mineral Resources. The entity's key operational activities are outlined below:

Key Operational Activities of PBDB

SL No	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
1.	Total Consumers	Nos.	3,451,534	3,670,816	3,980,433
2.	Grid Based Total Energy Generation Capacity	MW	22,031	22,482	24,911
3.	Energy Sales	MkWh	76,323	81,606	84,450
4.	Power Import	MkWh.	8,103	7,712	10,425
5.	Distribution System Loss	%	8.50	8.10	7.92

Source: BPDB Annual Report 2021-22 & 2022-23.

The Bangladesh Power Development Board (BPDB) has shown year-on-year steady improvement in its key operational activities. The total number of consumers increased by 6.4% from FY 2020-21 to FY 2021-22 and by 8.4% in FY 2022-23, reaching 3,980,433. Energy generation capacity rose by 2.0% in FY 2021-22 and then significantly by 10.8% in FY 2022-23, reaching 24,911 MW. Energy sales grew by 6.9% in FY 2021-22 and by 3.5% in FY 2022-23, totaling 84,450 MkWh. Power imports declined by 4.8% in FY 2021-22 but surged by 35.1% in FY 2022-23, reaching 10,425 MkWh, which

accounted for 12.34% of total energy sales. Distribution system losses improved gradually, reducing by 4.7% in FY 2021-22 and by 2.2% in FY 2022-23, decreasing from 8.50% to 7.92%. These trends reflect BPDB's continuous advancements in capacity, efficiency, and service delivery.

To promote clean energy in power generation, the entity has initiated numerous renewable energy projects, including solar power, wind power, and solid waste-to-energy conversion. According to the plan, renewable energy generation capacity is projected to reach 3,600 MW by 2030. Additionally, two nuclear power plant units, with a combined capacity of 2,400 MW, are set to be commissioned in the near future, contributing to the country's growing energy demands.

2. Role and Functions

Bangladesh Power Development Board (BPDB) mainly performs the following functions:

- i. Generating electricity to meet customer demand.
- ii. Purchasing power from public and private generation companies.
- iii. Supplying electricity to various distribution companies and the Bangladesh Rural Electrification Board.
- iv. Distributing and selling electricity within its designated distribution zones.
- v. Installing smart meters, prepaid meters, and net-meters for customers.

3. Core Business

Core Business:

- i. Ensuring uninterrupted and high-quality electricity supply for the people of Bangladesh.
- ii. Adopting modern technologies and optimizing the use of primary and alternative fuel sources for sustainable power generation.
- iii. Implementing generation and distribution projects approved by the Government of Bangladesh (GoB).
- iv. Reducing system losses through modern technologies and strategic measures.
- v. Providing customer-friendly services.
- vi. Developing generation and distribution expansion plans based on the country's energy demands.

4. Evaluation Parameters

Criteria: Business and Governance

Indices: A. Business Strategy and Social Responsibility

Table 1(a): Standard of Indices A

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	Entity Strategy							
	Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Growth Trajectory							
	2a. Net Income Growth	QN	4	10.00% or more	9.00% to 9.99%	8.00% to 8.99%	7.00% to 7.99%	Below 7.00%
	2b. Service Revenue Growth	QN	4	12.00% or more	10.00% to 11.99%	8.00% to 9.99%	6.00% to 7.99%	Below 6.00%
	2c. Other Growth	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Effective Implementation of Public Policy • Implement activities to achieve policy goal	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
4	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved"	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	Social Contribution • Environmental Contribution • CSR/WPPF • Training/Volunteering	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 1(b): Achievement of Indices A

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Entity Strategy						
	Entity Strategic Plan	QL	4	96.00%	Excellent	4	Note 1
2	Growth Trajectory						
	2a. Net Income Growth	QN	4	Negative	Under Performing	0	AFS
	2b. Service Revenue Growth	QN	4	18.61%	Excellent	4	AFS
	2c. Other Growth	QL	3	92.00%	Excellent	4	Note 2
3	Effective Implementation of Public Policy	QL	3	94.00%	Excellent	4	Note 3
4	Efficiency of Project Implementation/ Project Goal Achievement	QN	4	100%	Excellent	4	Note 4
5	Social Contribution	QL	3	92.00%	Excellent	4	Note 5
Sub-Total			25				

Note-1: The Bangladesh Power Development Board (BPDB) has formulated a long-term strategic plan in line with the Power Sector Master Plan (PSMP) 2016 to ensure sustainable and reliable electricity generation and distribution. With a target of increasing generation capacity to 30,000 MW by 2030 and 57,000 MW by 2041, BPDB is supporting the nation's growing energy demands and economic ambitions. The projected energy mix - 35% coal, 35% gas/LNG, and 30% clean energy - reflects a balanced approach to sustainability, energy security, and affordability. These initiatives are directly aligned with SDG 7 (Affordable and Clean Energy) and SDG 9 (Industry, Innovation, and Infrastructure), and also align with the National Strategic Plan, government policy directives outlined in the national budget, and the Sustainable Development Goals (SDGs).

Note-2: BPDB has implemented several initiatives to enhance its operational system:

- i. **Adoption of Modern Technology:** The organization is incorporating advanced technologies to ensure efficient utilization of both primary and alternative fuel sources, supporting sustainable power generation.
- ii. **Introduction of Prepaid Metering:** BPDB has transitioned from traditional postpaid billing methods to a prepaid metering system.
- iii. **Increased Electricity Generation:** BPDB increased its electricity generation capacity by 2,429 MW during the fiscal year 2022-23.
- iv. **Electricity Access:** As declared by BPDB, 100% of the population of the country has access to electricity.
- v. **Growth in Per Capita Electricity Generation:** In the fiscal year 2022-23, per capita electricity generation reached 602 kWh.

Note-3: As public service obligation, BPDB is selling electricity at a price fixed by Bangladesh Energy Regulatory Commission (BERC) as well as Government. Besides, in evaluation period purchase price of electricity was determined as per PPR and Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act, 2010.

Note-4: BPDB achieved 98.58% of its financial target and 106.83% of its physical target during FY 2022-23. These achievements were considered in determining its overall performance score for the fiscal year.

Note-5: BPDB has introduced various social and environmental activities to promote sustainability and community development:

- i. **Renewable Energy Projects:** BPDB has implemented numerous renewable energy-based power generation projects to support sustainable solutions. In FY 2022-23, it generated 459 MW of electricity from renewable sources, accounting for 1.84% of the total energy generation capacity.
- ii. **Power Imports:** A total of 10,425 MWh of electricity was imported during FY 2022-23 which reduced environmental pollution in the country.
- iii. **Community Development Programs:** BPDB operates 20 schools as part of its community development programs.
- iv. **Capacity Building and Training:** The organization provided training to 479 intern students from various universities and 327 officers and employees from DESCO, NESCO, and two ministries.

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	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Labor Productivity							
	Added Value per Employee (million Tk.)	QN	3	Tk.3.00 mil or more	Tk. 2.50 to 2.99 mil	Tk.2.00 to 2.49 mil	Tk.1.50 to 1.99 mil	Below Tk. 1.50 mil
3	Capital Productivity							
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.04 or more	Tk. 0.03 to 0.039	Tk. 0.02 to 0.029	Tk. 0.01 to 0.019	Below Tk. 0.01
	3b. Added Value Per Tk. Value of PPE	QN	3	Tk. 0.06 or more	Tk. 0.05 to 0.059	Tk. 0.04 to 0.049	Tk. 0.03 to 0.039	Below Tk. 0.03
4	Production							
	4a. Input Use Efficiency (%)	QN	3	42.00% or more	40.00% to 41.99%	38.00% to 39.99%	36.00% to 37.99%	Below 36%
	4b. Inventory Turnover (Times)	QN	3	20.00 or more	18.00 to 19.99	16.00 to 17.99	14.00 to 15.99	Below 14.00
	4c. Asset Turnover (Times)	QN	3	0.40 or more	0.30 to 0.39	0.20 to 0.29	0.10 to 0.19	Below 0.10
	4d. Capacity Utilization (%)	QN	3	62.00% or more	52.00% to 61.99%	42.00% to 51.99%	32.00% to 41.99%	Below 32.00%
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	4	91.00%	Excellent	4	Note 6
2	Labor Productivity						
	2a. Added Value per Employee (million Tk.)	QN	3	Negative	Under Performing	0	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	3	Negative	Under Performing	0	AFS
	3b. Added Value Per Tk. Value of PPE	QN	3	Negative	Under performing	0	AFS
4	Production						
	4a. Input Use Efficiency (%)	QN	3	42.51%	Excellent	4	SL-43 of Annexure -1
	4b. Inventory Turnover (Times)	QN	3	26.60	Excellent	4	AFS
	4c. Asset Turnover (Times)	QN	3	0.58	Excellent	4	AFS
	4d. Capacity Utilization (%)	QN	3	41%	Fair	1	SL-42 of Annexure -1
Sub-total			25				

Note-6: The entity has introduced the following service facilities for their stakeholders:

- i. Computerized Billing System
- ii. Easy Bill Pay System through mobile phone;
- iii. Online application for new connection;
- iv. Bill on Web;
- v. Pre-paid Metering;
- vi. ERP;
- vii. Supervisory Control and Data Acquisition (SCADA) system;
- viii. Online Vending System;
- ix. Identification, Verification, Valuation and Recording (IVVR).

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. 15,000 mil. more	Tk. 13,000 to Tk. 14,999 mil	Tk. 11,000 to Tk. 12,999 mil	Tk. 9,000 toTk. 10,999 mil	Below Tk. 9,000 mil
2	Profit before Tax	QN	2	Tk. 3,000 mil or more	Tk. 2,500 to Tk. 2,999 mil	Tk. 2,000 to Tk. 2499 mil	Tk. 1,500 to Tk. 1,999 mil	Below Tk. 1,500 mil
3	Return on Assets (%)	QN	2	0.11% or more	0.09% to 0.10 %	0.07%to 0.08%	0.05%to 0.06%	Below 0.05%
4	Return on Service Revenue (%)	QN	2	0.30% or more	0.25% to 0.29%	0.20% to 0.24%	0.15% to0.19%	Below 0.15%
5	Return on Equity (%)	QN	2	1.25% or more	1.00%to 1.24%	0.75% to 0.99%	0.50%to 0.74%	Below 0.50%
6	Net Worth Growth (%)	QN	2	6.00% or more	5.00%to 5.99%	4.00% to 4.99%	3.00% to3.99%	Below 3.00%
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	1	0.70 or less	0.71 to 1.00	1.01 to 1.30	1.31 to 1.60	More than 1.60
2	Debt to Assets (Times)	QN	2	0.40or less	0.41 to 0.60	0.61 to 0.80	0.81 to 1.00	More than 1.00
3	Debt Coverage Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50 to 1.74	1.25to 1.49	Below 1.25
4	Current Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50 to 1.74	1.25to 1.49	Below 1.25
5.	Accounts Receivable Period (Days)	QN	2	80 days or less	81 to 90 days	91 days to 100 days	101 days to 110 days	More than 110 days
6.	Accounts Payable Period (Days)	QN	2	160 days or less	161 to 180 days	181 days to 200 days	201 days to 220 days	More than 220 days
	iii. Transactions with Govt.							
1	Taxes Paid	QN	1	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Fees & Charges 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-indicators	Actual Performance	Achievement		Basis of Performance measuring
					Grade	Score	
	i. Financial Performance						
1	Operating profit	QN	2	Tk. (61,310.19) mil	Under Performing	0	AFS Note 7
2	Profit before Tax	QN	2	Tk. (90,615.43) mil	Under Performing	0	AFS
3	Return on Assets (%)	QN	2	(7.57%)	Under Performing	0	AFS
4	Return on Sales (%)	QN	2	(12.99) %	Under Performing	0	AFS
5	Return on Equity (%)	QN	2	Negative	Under Performing	0	AFS
6	Net Worth Growth (%)	QN	2	(188.27%)	Under Performing	0	AFS
7	Capital Budget Utilization (%)	QN	2	40.44%	Under Performing	0	SL-27,28 of Annexure -1
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	1	Negative	Under Performing	0	AFS
2	Debt to Assets (Times)	QN	2	1.03	Under Performing	0	AFS
3	Debt Coverage Ratio (Times)		2	Negative	Under Performing	0	AFS
4	Current Ratio (Times)	QN	2	0.80	Under Performing	0	AFS
5	Accounts Receivable Period (Days)	QN	2	88.22	Very Good	3	AFS Note 8
6	Accounts Payable Period (Days)	QN	2	192.70	Good	2	AFS Note 9
	iii) Transactions with Government						
1	Taxes Paid	QN	1	100%	Excellent	4	SL-31,32 of Annexure -1
2	Fees & Charges Paid	QN	2	100%	Excellent	4	SL-35,36 of Annexure -1
3	Debt Service Liabilities Paid	QN	2	46.41%	Fair	1	SL-33,34 of Annexure -1
Sub-total			30				

Note-7: BPDB has incurred net loss after tax Tk. 117,654.96 million during FY 2022-23 that increased by 261.95% compare to previous FY 2021-22. During FY 2022-23 generation and power purchase cost has increased significantly due to furnace oil and coal import price has increased remarkably in the international market. Besides import cost of electricity from India has also increased. In addition, dollar conversion rate to taka has notably increased during the evaluation period FY 2022-23. Due to above reasons BPDB cost of services rose more than total sales revenue as a result BPDB incurred Gross Loss of Tk. 45,027.91 million, operating loss of Tk. 61,310.19 million during FY 2022-23,

Note-8: In BPDB's Financial Statements for 2022-23, Accounts Receivable (Trade) amounts to Tk. 123,541.09 million. Of this total, 16.64% is owed by BPDB's retail consumers, GK project, 132KV & 230KV consumers, and PGCB, while the remaining 83.36% is due from BPDB's bulk consumers, including DESCO, DPDC, WZPDCL, BREB, and NESCO.

Note-9: According to BPDB's audit report, Accounts Payable amounts of Tk. 456,183.11 million was unpaid to suppliers, contractors, and power stations.

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 <ul style="list-style-type: none"> • Internal audit procedure and reporting authority • Entity's computer-based management information system (database) • Any authority of the board to mitigate the entity's emergency situation • Measures taken for safe working environment in the entity's premises 	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	Performance against the key Indicators of APA¹: <ul style="list-style-type: none"> • Total Performance score achieved on APA 	QN	4	100%	90%	80%	70%	60%

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

Table 4(b): Achievement of Indices D

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	4	91%	Excellent	4	Note 10
2	Board Practices	QL	4	91%	Excellent	4	Note 11
3	Transparency and Disclosure	QL	4	80%	Good	2	Note 12
4	Control Environment and Process.	QL	4	82%	Very Good	3	Note 13
5	Performance against the key Indicators of APA	QN	4	91.00%	Very Good	3	Score of APA for FY 2022-23
Sub-total			20				
Grand Total (A+B+C+D):			100				

* Standard for Financial and Non-Financial indicators are set on the basis of IPE process.

Note-10: BPDB operates under its own legislative act and adheres to various governance frameworks, including the Code of Conduct, Electricity Act 2018, Electricity Rules 2020, BERC Act 2003, PPA 2006, employee service rules and regulations, key policies of the Board, and the Ethics of the National Integrity Strategy. BPDB also has a Corporate Secretary for its Board.

Note-11: The BPDB Board comprises seven members, including the Chairman, all appointed by the Government. The Board operates according to its Terms of Reference (TOR) and has established seven committees. During FY 2022-23, the Board convened 48 meetings and implemented 732 decisions. The BPDB Act does not include provisions for appointing independent directors to the Board.

Note-12: The names and biographies of the Board of Directors and Senior Managers, along with the Audited Financial Statement, Citizen Charter, APA, Acts, Rules, Regulations, and Code of Conduct, are publicly available on BPDB's website.

Note-13: BPDB has implemented the following measures to enhance environmental and process control:

- i. Internal Control Directorates: BPDB has established two internal control directorates - the Directorate of Audit and the Directorate of Security & Investigation - to monitor financial and non-financial irregularities and ensure an efficient internal control system.
- ii. Enterprise Resource Planning (ERP): Initiatives have been undertaken to implement ERP for managing human resources, fixed assets, inventory, procurement, finance and administration.
- iii. Safety and Security: Adequate safety devices and fire safety equipment have been installed on BPDB premises, and operations follow a comprehensive Safety Manual.

5. IPE Process

- i. Performances of non-financial indicators of Bangladesh Power Development Board (BPDB) has been evaluated using information and documents of the inception report provided by BPDB.
- ii. Actual performance of non-financial indicators is determined through the collective decision of ERT members.
- iii. According to IPEG, actual financial performances of BPDB 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, BPDB'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 Power Development Board (BPDB) Fiscal Year: 2022-23

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
a	b	c	d	e	f
A	Business Strategy and Social Responsibility:	25			
1	Entity Strategy: • Entity Strategic Plan		4	4	0.16
2	Growth Trajectory: 2a. Net Income Growth		4	0	0.00
	2b. Service Revenue Growth		4	4	0.16
	2c. Other Growth		3	4	0.12
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
	Sub Total		25		0.84
B	Operational Efficiency:	25			
1	Service Delivery: • Service benefits and Accessibility		4	4	0.16
2	Labor Productivity: Added Value Per Employee		3	0	0.00
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		3	0	0.00
	3b. Added Value Per TK Value of PPE		3	0	0.00
4	Production:				
	4a. Input use Efficiency		3	4	0.12
	4b. Inventory Turnover		3	4	0.12
	4c. Asset Turnover		3	4	0.12
	4d. Capacity Utilization		3	1	0.03
	Sub Total		25		0.55

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	0	0.00
3	Return on assets		2	0	0.00
4	Return on Service Revenue		2	0	0.00
5	Return on equity		2	0	0.00
6	Net worth growth		2	0	0.00
7	Capital budget utilization		2	0	0.00
	ii. Financial Risk:				
1	Debt equity ratio		1	0	0.00
2	Debt to assets		2	0	0.00
3	Debt coverage ratio		2	0	0.00
4	Current ratio		2	0	0.00
5	Accounts receivable period		2	3	0.06
6	Accounts payable period		2	2	0.04
	iii. Transactions with Government:				
1	Taxes paid		1	4	0.04
2	Fees & charges paid		2	4	0.08
3	Debt Service Liabilities Paid		2	1	0.02
	Sub Total		30		0.24

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	4	0.16
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	4	0.16
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		0.64
	Grand Total (A+B+C+D)	100	100		2.27

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Bangladesh Power Development Board Scored 2.27 out of 4.00 in the year 2022-23.

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

- i. Service Delivery
- ii. Entity Strategic Plan
- iii. Social Contribution
- iv. Other Growth
- v. Corporate Governance
- vi. Effective Implementation of Public Policy
- vii. Efficiency of Project Implementation
- viii. Input Use Efficiency
- ix. Service Revenue Growth
- x. Inventory Turnover
- xi. Assets Turnover
- xii. Board Practices

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

- i. Control Environment and Process
- ii. Annual Performance Agreement (APA)
- iii. Accounts Receivable Period

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

- i. Transparency and Disclosure
- ii. Accounts Payable Period

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

- i. Capacity Utilization

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

- i. Net Income Growth
- ii. Return on Service Revenue
- iii. Net Worth Growth
- iv. Return on Equity
- v. Return on Assets
- vi. Debt Coverage Ratio
- vii. Current Ratio
- viii. Debt Equity Ratio
- ix. Capital Productivity
- x. Labor Productivity
- xi. Debt to Assets
- xii. Capital Budget Utilization

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

- a) BPDB has incurred operating loss of Tk. 61,310.19 million which includes Tk. 395,349.53 million subsidy receivable from Government.
- b) The entity incurred net Loss (after tax) of Tk. 117,654.96 million.
- c) BPDB Current Ratio (Times) 0.80 which indicates entity is not in a well position to meet its current liabilities in due period.
- d) Entity's Debt Equity Ratio (Times) shows negative indicates high leverage that poses a fiscal risk to GOB.
- e) BPDB Paid Taxes Tk. 24,622.40 million and DSL Tk. 26,231.29 million.
- f) GOB invested Tk. 5,912.54 million as equity and 3,989.17 million as loan to BPDB against the completion of development projects.

8. Findings and Observation from the Audit Report 2022-2023

8.1 In BPDB Audit Report 2022-23 the auditors provided qualified opinion on the following accounts and issues:

- i) Transmission assets of Tk. 32,332.42 million is included in Property, Plant & Equipment Accounts of BPDB, but it was transferred to PGCB as equity shares. Due to inclusion of transmission assets in property, plant & equipment and Revaluation Reserve of BPDB is overstated by Tk. 32,332.42 million which is a departure from IAS-16).
- ii) Entity's Inventory of Tk. 34,274.009 million did not considered at the lower of cost and net realizable value which constitutes a departure from the Accounting Standard-2 Valuation of Inventories.
- iii) The auditors did not confirm the investment of TK79,003.88 million to 7(Seven) associated companies due to lack of information and relevant documents.
- iv) In the audit report the auditors could not confirm the balance of Trade Receivable from Bulk Consumers of TK89,273.55 million due to non -availability of confirmation from bulk consumers.
- v) In the report Accounts Receivable – Others includes TK1,516.15 million receivables from PGCB PLC. During the period no amount was realized/adjusted, no aging, no provision against doubtful receivable were accounted for in the financial statement.
- vi) In audit report 2022-23 Accounts Payable Contractors & Suppliers includes TK22,414.12 million Adani Power (Jharkhand) Ltd but as per dollar conversion rate as at 30.06.2023 @TK108 it comes TK 24,491.40 million for

USD226,772,191. As a result, current liabilities of BPDB are understated by TK2,077.28 million and profit before tax is overstated by the same.

- vii) IN the report it is pointed out that BPDB never conducted any impairment test of its property, plant & equipment to ascertain whether any assets of BPDB incurred loss or not.
- viii) Accounts Payable to PGCB PLC TK3,110.33 million is unadjusted since long. But BPDB not made any provision for PGCBPLC which constitute departure from IAS 37.
- ix) The entity did not comply IAS-16 Property, Plant and Equipment for capitalized and transferred the capital work in progress projects cost to Property, Plant and Equipment Account without finalizing project completion report.

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

- i) BPDB invested Tk. 79,003.88 million in Associated Company, but did not apply IFRS-10: Consolidation of Financial Statement.
- ii) Notable un-reconciled amount included in cash at bank account since long period.
- iii) Receivable from DPDC TK1,640 million and NESCO TK 5,691.60 million were not collected since long and no provision for bad debt was made in the financial statement.

9. Recommendation for Performance Based Incentives

Bangladesh Power Development Board has obtained a weighted score of 2.27 out of a scale 4.00 and is graded “Good”. Therefore, IPEC recommended non-financial incentive for the employees of BPDB. Also, a certificate from Finance Division may be awarded to BPDB for being graded “Good” in IPE for the FY 2022-23.

10. Recommendations for Improvements:

To enhance BPDB's performance, the following recommendations are proposed based on findings from the IPE:

- a) **Timely Implementation of Renewable Energy Projects:** BPDB has initiated several renewable energy-based projects, including solar, wind, and solid waste-to-energy power generation. These projects should be completed within their scheduled timelines.
- b) **Expansion of Distribution Network:** The “Extension of Power Distribution System Network in Three Hilly Districts” project should be implemented to expand distribution areas and support socio-economic development in these regions.
- c) **Completion of ERP Implementation:** BPDB should complete the implementation of the Enterprise Resource Planning (ERP) software as planned to ensure smooth operational activities.
- d) **Adherence to IAS and IFRS Standards:** BPDB's financial statements should be prepared in compliance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to enhance financial discipline, transparency, and reporting quality.
- e) **Reduction of System Loss:** Efforts should be made to minimize system losses to acceptable levels.
- f) **Collection of Outstanding Receivables:** BPDB should take effective measures to recover significant outstanding receivables from debtors.
- g) **Elimination of Asset Duplication:** Transmission assets transferred to PGCBPLC as equity shares are also recorded in BPDB's asset account. This duplication should be resolved in the financial statements.
- h) **Reconciliation of Bank Accounts:** Bank accounts should be reconciled, and all relevant documents should be provided to auditors as required.
- i) **Preparation of Consolidated Statements:** BPDB is advised to prepare consolidated financial statements in accordance with IFRS- 10.

11. Conclusion

Based on Audited Financial Statements, data and documents of Bangladesh Power Development Board (BPDB), Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. In the report it is found that BPDB's financial performance during FY 2022-23 is in worsen position and non-financial performance has improved compared to last fiscal year. Hence, to improve the overall performance of BPDB, the entity should take effective measures to reduce their operating loss. In addition, the entity should emphasis the renewable energy- based power generation system for sustainable development of power generation in Bangladesh. BPDB should take appropriate steps to comply the relevant IAS/IFRS and resolve the financial anomalies mentioned in the Audit Report 2022-23.

Bangladesh Power Development Board (BPDB)
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	3,587,573,909	6,526,078,440
	• Accessories/ Supplies	26,887,951,069	26,855,897,078
	• Others (including spare parts)	3,798,484,482	3,801,813,670
	ii. Receivable:		
	• Trade	123,541,093,788	95,685,699,971
	• Others	10,809,825,896	7,975,199,215
	iii. Cash and Cash Equivalent	27,097,688,086	38,654,885,826
	iv. Others Current Assets including FDR	441,053,941,537	329,232,862,248
2	Total Current Assets (i+ii+iii+iv)	636,776,558,767	508,732,436,448
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	662,402,817,662	682,621,773,285
	• Capital Work in Progress	173,949,669,593	149,548,829,709
	• Investments in Associated Company & others	81,503,959,320	72,428,959,320
4	Total Assets (2+3)	1,554,633,005,342	1,413,331,998,761
5	Current Liabilities:		
	i. Payables:		
	• Trade	456,184,011,059	306,318,918,978
	• Others	4,155,097,660	1,718,501
	ii. Other Current Liabilities	334,462,727,639	312,497,520,182
6	Total Current Liabilities (i+ii)	794,801,836,358	618,818,157,661
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	743,683,901,304	671,839,386,353
	ii. Deferred Liabilities	62,109,011,623	57,716,907,520
	iii. Other Non-Current Liabilities	6,232,406,987	5,824,389,475
8	Total Non-Current Liabilities (i+ii+iii)	812,025,319,915	735,380,683,349
9	Total Liabilities (6+8)	1,606,827,156,273	1,354,198,841,010
10	Equity:		
	i. Share Capital	235,669,734,082	229,757,190,920
	ii. Govt. Equity against DESCO's Share		0
	iii. Grants	7,450,883,148	7,450,883,148
	iv. Funds & Other Reserves	9,187,277,132	8,240,131,594
	v. Revaluation Reserve	467,354,806,728	467,354,806,728
	vi. Retained Earnings/(Loss)	(771,856,852,021)	(653,669,854,639)
11	Total Equity (i+ii+iii+iv+v)	(52,194,150,931)	59,133,157,751
12	Total Equity and Liabilities (9+11)	1,554,633,005,342	1,413,331,998,761

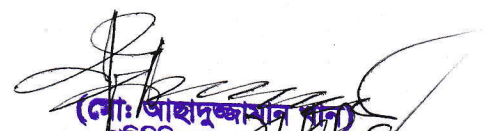
Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2022-23		2021-22	
		Amount	Percentage	Amount	Percentage
13	a. Net Sales Revenue	509,940,440,309	56.33%	429,930,642,465	59.18%
	b. Add: Subsidy from GoB	395,349,528,884	43.67%	296,584,262,614	40.82%
	Total Revenue	905,289,969,193	100.00%	726,514,905,079	100%
14	Less: Cost of Services	950,317,884,179	104.97%	714,932,370,968	98.41%
15	Gross Profit/(Loss) (13-14)	(45,027,914,986)	(4.97%)	11,582,534,111	1.59%
16	Less: Operating Expenses:				
	i. Administrative Expenses	4,743,233,903	0.52%	4,831,357,152	0.67%
	ii. Distribution Expenses	11,539,044,511	1.27%	11,117,283,610	1.53%
17	Total Operating Expenses (i+ii)	16,282,278,414	1.79%	15,948,640,762	2.20%
18	Operating Profit/(Loss) (15-17)	(61,310,193,400)	(6.77%)	(4,366,106,651)	(0.61%)
19	Add: Non-Operating Income	8,529,642,916		13,860,470,106	
20	Less: Financial Expenses	37,834,878,810		26,475,400,833	
21	Less: Other Non-Operating Expenses				
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	(90,615,429,293)		(16,981,037,377)	
23	Less: Provision for Tax				
	i. Current tax	23,159,912,323		7,389,615,186	
	ii. Deferred tax	3,879,621,836		7,956,761,693	
24	Net Profit/(Loss) After Tax (22-23)	(117,654,963,453)		(32,327,414,256)	

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales	511,120,956,731	413,589,847,157
26	Credit Purchases	864,053,247,176	658,560,351,928
27	Capital Budget Allocation	13,129,100,000	11,810,000,000
28	Actual Capital Expenditure	5,309,800,000	5,012,296,000
29	Dividend Payable		0
30	Dividend Paid		0
31	Taxes Payable	24,622,401,142	9,383,908,232
32	Taxes Paid	24,622,401,142	9,383,908,232
33	Debt Service Liabilities (DSL) Payable	56,524,858,406	46,852,946,000
34	Debt Service Liabilities (DSL) Paid	26,231,292,281	30,148,028,506
35	Fees, Fine and Charges Payable	188,587,542	125,821,024
36	Fees, Fine and Charges Paid	188,587,542	125,821,024
37	New Government Investment:		
	• Equity	5,912,543,162	9,089,948,278
	• Debts/Loan	3,989,174,241	6,106,178,990
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		0
	• Subsidies	295,106,900,000	128,000,400,000
	• Other Transfer (Specify)		0
39	Operating Cash Surplus/(Deficit)	(45,667,750,560)	34,570,041,173
40	Added Value	(8,717,492,747)	33,222,281,181
41	Employees cost includes wages, salaries, bonus, provident fund contribution and other allowances		3,797,735,150
42	Capacity Utilization (%)	41.00%	43%
43	Input use Efficiency (%)	42.51%	42.86%
44	Number of Employees (Nos)	11,686	12,610
45	Performance score achieved on APA	91.00%	92.08%

Schedule-2

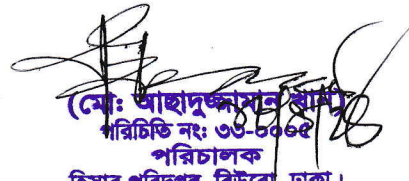
Non-financial Information format

Sl.	Particulars	
A	Enterprise Information and Legal Framework	
2	Sector	POWER SECTOR
3	Name of Entity	BANGLADESH POWER DEVELOPMENT BOARD
4	Number of Subsidiaries	6
5	Number of Branches	Not applicable
6	Website	www.bpdb.gov.bd
7	Email Address	secretary@bpdb.gov.bd
8	Year of Incorporation	1972
9	Governing Law	PO 59 of 1972
10	Other relevant Governing Laws & Regulations	Electricity Act, 2018, Electricity Rules, 2020, BERC Act, 2003, PPA 2006 & other relevant laws & Regulations
11	Incorporation Structure	BPDB is the nodal agency under the Power Division of the Ministry of Power, Energy and Mineral Resources, Government of Bangladesh (Page 07 of BPDB's Annual Report 2022-23).
12	Listed on the Stock Exchange	Not applicable
B	Ownership and Shareholder Protection	
14	Administrative Ministry	Ministry of Power, Energy and Mineral Resources
15	Structure of Organization	Shown on Board organisation chart in last page of BPDB's Annual Report 2022-23
C	Strategy and Governance Information	
17	Board of Directors (Number disaggregated by gender and profile)	One Chairman & Six Members irrespective of Gender & profile
18	Qualification of Board Members	Appointed by the Government minimum Joint Secretary Level
19	Number of Independent Director	Not applicable
20	Chairman to be Independent of Board	Not applicable
21	Board Committees	TEC-1, TEC-2, TEC-3, TEC-4, TEC-5, TEC-6 and PEC;
22	Number of Board Meetings held	48 (FY: 2022-23); 2041 (upto 17/04/2024)
23	Board Sitting Fees	Not applicable
24	Executive Management	Board
25	Selection process of Board Members	Appointed by the Government
26	Strategic Plan/Public Policy Goal (copy required)	To deliver uninterrupted quality power to all
27	Innovative work (Description)	Postpaid Bill Info and Payment Link through SMS
28	Project Completion Rate: Actual Achievement /Target	Financial: Achievement-59.12%; Target-59.97% & Physical: Achievement-64.10%; Target-60% (upto February 2024)
D	Ownership Structure	
30	Govt. Shareholding	100%
31	Private Shareholding	Not applicable
32	Others	Not applicable
E	Fiscal and Financial Discipline	
34	Who are the Primary Lenders to the Enterprise	GOB
F	Controls, Transparency and Disclosure	
36	Latest Audited Financial Statement	2022-2023
37	Audited by	K.M.ALAM & CO. and DEWAN NAZRUL ISLAM & CO. (Jointly)
38	Risk Assessment Report	2022-2023
39	Internal Control	Directorate of Audit, BPDB performed internal audit of the organization.


 (মো: আব্দুল হাকিম হান্না)
 পরিচিতি নং: ৩০-০৩০৬
 পরিচালক

Sl.	Particulars	
40	Timely public disclosure of financial statements	Annual audited financial statements duly published in the BPDB's website.
41	Measures for safe working Environment/Process (Description)	1. Followed Safety Mannual with adequate safety devices 2. Use fire safety Equipment 3. Follw labour law as mentioned in this regard
G	Human Resources	
43	Number of employees	11686 (as per ERP Record)
44	Number of New Job Creation (Regular, Internship, etc.)	472 (Approximately)
H	Employee and Social Welfare	
46	CSR, WPPF, Provident Fund,Gratuity Fund etc.	Followed government policies, relevant labour & other laws which is obligatory of the organization

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 মোঃ আছাদুজ্জামান
 পরিচিতি নং: ৩৬-৫৫৫৫
 পরিচালক
 হিসাব পরিদপ্তর, বিউবো, ঢাকা।
