



**Aggregate Report**  
**on**  
**Non-Financial State-owned Enterprises**  
**and**  
**Autonomous Bodies**

**Monitoring Cell, Finance Division**  
MINISTRY OF FINANCE

## Abbreviation

### A

- ABs – Autonomous Bodies
- AFS – Annual Financial Statements
- APA – Annual Performance Agreement

### B

- BADC – Bangladesh Agricultural Development Corporation
- BBA – Bangladesh Bridge Authority
- BEZA – Bangladesh Economic Zones Authority
- BEPZA – Bangladesh Export Processing Zones Authority
- BFA – (Not found in text, placeholder)
- BFIDC – Bangladesh Forest Industries Development Corporation
- BITAC – Bangladesh Industrial Technical Assistance Center
- BOESL – Bangladesh Overseas Employment and Services Limited
- BPB – Bangladesh Parjatan Board
- BPC – Bangladesh Petroleum Corporation
- BPDB – Bangladesh Power Development Board
- BREB – Bangladesh Rural Electrification Board
- BSC – Bangladesh Shipping Corporation
- BSCIC – Bangladesh Small and Cottage Industries Corporation
- BSCPLC – Bangladesh Submarine Cable PLC
- BSEC – Bangladesh Securities and Exchange Commission
- BSTI – Bangladesh Standards and Testing Institution
- BTRC – Bangladesh Telecommunication Regulatory Commission
- BRTC – Bangladesh Road Transport Corporation

### C

- CAAB – Civil Aviation Authority of Bangladesh
- CETP – Common Effluent Treatment Plant
- CPA – Chittagong Port Authority

### D

- DCL – Debt and Contingent Liability
- DPDC – Dhaka Power Distribution Company
- DSL – Direct Subsidized Loan

### E

- EBITDA – Earnings Before Interest, Taxes, Depreciation, and Amortization
- ERP – Enterprise Resource Planning
- ERT – Evaluation Research Team
- ETP – Effluent Treatment Plant

## **F**

- FD – Finance Division
- FM – Finance Ministry

## **G**

- GDP – Gross Domestic Product
- GoB – Government of Bangladesh
- GM – General Manager

## **H**

- HR – Human Resources
- HRD – Human Resource Development
- HYVs – High Yield Varieties

## **I**

- IAS – International Accounting Standards
- IPEC – Independent Performance Evaluation Committee
- IPE – Independent Performance Evaluation
- IPEG – Independent Performance Evaluation Guidelines
- IFRS – International Financial Reporting Standards

## **K**

- KDA – Khulna Development Authority
- KGDCL – Karnaphuli Gas Distribution Company Ltd.
- KPIs – Key Performance Indicators
- KWASA – Khulna Water Supply and Sewerage Authority

## **L**

- LA – Loan Agreement
- LM – Line Ministry

## **M**

- MC – Monitoring Cell
- MIS – Management Information System
- MTDS – Medium-Term Debt Management Strategy

## **N**

- NHTTI – National Hotel and Tourism Training Institute

## **O**

- OECD – Organization for Economic Co-operation and Development

## **P**

- PGBPLC – Power Grid Bangladesh PLC
- PIS – Performance Improvement Strategy
- PLC – Public Limited Company
- PPE – Property, Plant and Equipment
- PSO – Public Service Obligation

## **R**

- RAJUK – Rajdhani Unnayan Kartripakkha
- REB – Rural Electrification Board
- RJSC – Registrar of Joint Stock Companies and Firms
- ROE – Return on Equity
- RSS – Ribbed Smoked Sheets

## **S**

- SABRE+ – State Owned Organizations and Autonomous Bodies Budget, Reporting and Evaluation System
- SDG – Sustainable Development Goal
- SLA – Special Loan Agreement
- SOE – State Owned Enterprise
- SOO – State Owned Organization
- SOP – Standard Operating Procedure
- SPFMS – Strengthening Public Financial Management Program to Enable Service Delivery

## **T**

- TCB – Trading Corporation of Bangladesh
- TNA – Training Needs Assessment

## **W**

- WASA – Water Supply and Sewerage Authority

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## Executive Summary

State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) are instrumental in Bangladesh's economic growth and public service delivery. The Government, through the Finance Division, has initiated major governance, fiscal, and institutional reforms to enhance its efficiency, transparency, and sustainability. The current report, covering 91 non-financial SOEs/ABs, integrates financial data, performance evaluation, and strategic improvement plans, using tools such as the SABRE+ platform and the Independent Performance Evaluation (IPE) framework.

### Key Financial Highlights:

Figure in BDT Crore

Description	2025–26 Budget	2024–25 Revised	% Change (Year on Year)
Total Income	554,760.59	510,331.89	+8.7%
Total Expenditure	486,235.64	444,235.65	+9.45%
Surplus	68,524.94	66,096.24	+3.67%
Capital Expenditure	58,143.36	33,494.13	+73.57%
Govt. Treasury Contribution	49,919.92	46,321.35	+7.77%

### Financial Indicators:

- Operating Cost Ratio: 0.95 (improved efficiency)
- Surplus Ratio: 12.35% (down from 15.97% actual in FY 2023–24)
- Return on Operating Income: 13.69%
- Self-Financing Ratio: 0.63 (shows external dependence)

### Governance and Reform Initiatives:

- SABRE+ platform operational with budget and DCL modules to digitalize and centralize SOE data.
- Public disclosure of AFS for 127 institutions via the Finance Division website.
- Code of Conduct for boards, employees, and vendors to enhance ethics.
- Mandatory 20% Independent Directors on SOE boards (RJSC-registered) with rigorous eligibility.

In FY 2023–24, the Independent Performance Evaluation (IPE) assessed 20 SOEs/ABs, with 5 rated “Very Good” (e.g., BREB, BSCPLC, BOESL, BSC, CAAB) and 15 rated “Good” (e.g., BPC, BPDB, BRTC, BTRC, RWASA, KWASA), while none were marked “Fair” or “Underperforming.” To address underperformance, targeted Performance Improvement Strategies (PIS) were initiated for BRTC and Bangladesh Parjatan Corporation in FY 2024–25, focusing on

governance reform, IAS/IFRS compliance, ERP systems, HR and infrastructure modernization, and SOP-driven performance monitoring. Meanwhile, 15 SOEs received BDT 1,539.54 crore in government grants (↑9.3% YoY), with BIWTA (36.85%), BADC (31.38%), and BSCIC (12.49%) as top recipients. On the fiscal risk side, total SOE/AB debt rose to BDT 6.39 trillion (↑26%), with contingent liabilities at BDT 185,907.44 million (0.16% of GDP). Risk grading shows 37 entities as moderate risk, 28 as high risk (1.67% of GDP), and 14 as very high risk (3.13% of GDP), underscoring the need for continued reform and risk mitigation.

### **Structural & Legal Reforms:**

- Proposal to enact a Common Ownership and Governance Act to unify SOEs, ABs, and statutory bodies under a single framework.
- **Recommended nomenclature: Government-Owned and Controlled Institutions (GOCI).**
- Aim: Standardize ownership, governance, and performance accountability.

### **Strategic Way Forward:**

- Enhance self-financing capacity through surplus reinvestment and revenue diversification.
- Institutionalize PSO framework for transparency in subsidies.
- Enforce sovereign loan repayment through Loan Repayment Funds.
- Regularly monitor DCLs and asset management under the upcoming PPE Manual.
- Align practices with OECD, IMF, and GFSM 2014 standards.

The reform initiatives led by the Finance Division mark a significant shift toward data-driven, performance-based governance of SOEs and ABs. With growing income, increased treasury contributions, and strengthened institutional oversight, Bangladesh is advancing toward a more resilient and transparent public enterprise sector. However, continuous improvements in financial sustainability, asset efficiency, and governance are crucial to minimize fiscal risks and meet national development goals.

## The Role of SoEs and ABs

The non-financial State-owned Enterprises/Autonomous Bodies (SoEs/ABs) of Bangladesh play a significant role in contributing to the national economy in various ways. These entities support the government across key sectors such as industry, power, energy, agriculture and transportation. Through these organizations, the government ensures the provision of essential goods and services, which are vital for improving the quality of life for the general population. Non-financial SOEs/ABs are crucial for implementing national development plans, infrastructural projects, strategic sector management and maintaining long-term economic stability. They also create employment opportunities for thousands of people and help reduce regional disparities. While some of these organizations operate at a loss, the government is actively working to make them profitable and sustainable through efficient management, financial reforms and enhanced transparency. Overall, State-owned industrial organizations are indispensable partners in Bangladesh's economic development and social welfare. Each year, the Finance Division reviews the income and expenditures of non-financial SOEs/ABs and publishes their budgets. For the fiscal years 2024–25 and 2025–26, revised and estimates have been prepared for 91 non-financial SoEs/ABs, which include 72 organizations operating online and 19 offline. These organizations have been categorized into seven sectors based on the Bangladesh Standard Industrial Classification (BSIC). Table 1 provides their classification.

**Table 1: Non-Financial State Enterprises/Autonomous Bodies:**

Sl.	Sector	No. of SoEs/ ABs	Name SoEs/ABs
1	<b>Industry</b>	15	1. Bangladesh Textile Mills Corporation 2. Bangladesh Steel & Engineering Corporation 3. Bangladesh Sugar & Food Industries Corporation 4. Bangladesh Chemical Industries Corporation 5. Bangladesh Forest Industries Development Corporation 6. Bangladesh Jute Mills Corporation 7. Eastern Cables Ltd. 8. Eastern Tubes Ltd. 9. Gazi Wires Ltd. 10. General Electric Manufacturing Co. Ltd. 11. Atlas Bangladesh Ltd.

Sl.	Sector	No. of SoEs/ ABs	Name SoEs/ABs
			12. National Tubes Ltd. 13. Pragati Industries Ltd. 14. Bangladesh Blade Factory Ltd. 15. Dhaka Steel Works Ltd.
2	<b>Power, Gas &amp; Water</b>	30	1. Petrobangla 2. Bangladesh Power Development Board 3. Dhaka Water Supply & Sewerage Authority 4. Chattogram WASA 5. Khulna WASA 6. Rajshahi WASA 7. Power Grid Company of Bangladesh 8. West Zone Power Distribution Co. Ltd. 9. Dhaka Power Distribution Co. Ltd. 10. Northern Electricity Supply Co. Ltd. 11. Dhaka Electric Supply Co. Ltd. 12. Ashuganj Power Station Co. Ltd. 13. North-West Power Generation Co. Ltd. 14. Electricity Generation Co. Ltd. 15. Coal Power Generation Co. Ltd. 16. BR Power Generation Co. Ltd. 17. Rural Power Co. Ltd. 18. Bangladesh Petroleum Exploration & Production Co. Ltd. 19. Bangladesh Gas Fields Co. Ltd. 20. Titas Gas Transmission & Distribution PLC 21. Rupantarita Prakritik Gas Co. Ltd. 22. Sylhet Gas Fields Ltd. 23. Jalalabad Gas Transmission & Distribution System Ltd. 24. Bakhrabad Gas Distribution Co. Ltd. 25. Barapukuria Coal Mining Co. Ltd. 26. Maddhapara Granite Mining Co. Ltd. 27. Western Zone Gas Co. Ltd. 28. Gas Transmission Co. Ltd. 29. Karnaphuli Gas Distribution Co. Ltd.

Sl.	Sector	No. of SoEs/ ABs	Name SoEs/ABs
			30. Sundarban Gas Co. Ltd.
3	<b>Transport &amp; Communication</b>	9	1. Bangladesh Shipping Corporation 2. Bangladesh Inland Water Transport Corporation 3. Bangladesh Road Transport Corporation 4. Chattogram Port Authority 5. Mongla Port Authority 6. Bangladesh Land Port Authority 7. Bangladesh Bridge Authority 8. Bangladesh Telecommunication Regulatory Commission 9. Payra Port Authority
4	<b>Trade</b>	11	1. Bangladesh Petroleum Corporation 2. Trading Corporation of Bangladesh (TCB) 3. Bangladesh Jute Corporation 4. Eastern Refinery Ltd. 5. Meghna Petroleum Ltd. 6. Jamuna Oil Co. Ltd. 7. Padma Oil Co. Ltd. 8. Standard Asiatic Oil Co. Ltd. 9. Eastern Lubricants Blenders PLC 10. LP Gas Ltd. 11. Petroleum Transmission Co. PLC
5	<b>Agriculture &amp; Fisheries</b>	2	1. Bangladesh Fisheries Development Corporation 2. Bangladesh Agricultural Development Corporation (BADC)
6	<b>Construction</b>	6	1. Rajdhani Unnayan Kartripakkha (RAJUK) 2. Chattogram Development Authority 3. Rajshahi Development Authority 4. Khulna Development Authority 5. Cox's Bazar Development Authority 6. National Housing Authority
7	<b>Services</b>	18	1. Bangladesh Economic Zones Authority 2. Bangladesh Standards & Testing Institution 3. Bangladesh Film Development Corporation

Sl.	Sector	No. of SoEs/ ABs	Name SoEs/ABs
			4. Bangladesh Parjatan Corporation 5. Bangladesh Muktijoddha Welfare Trust 6. Civil Aviation Authority of Bangladesh 7. Bangladesh Inland Water Transport Authority 8. Bangladesh Small & Cottage Industries Corporation 9. Bangladesh Export Processing Zones Authority (BEPZA) 10. Bangladesh Rural Electrification Board 11. Bangladesh Rural Electricity Societies 12. Bangladesh Tea Board 13. Bangladesh Sericulture Development Board 14. Bangladesh Energy Regulatory Commission 15. Export Promotion Bureau 16. Bangladesh Industrial Technical Assistance Center (BITAC) 17. Bangabandhu Sheikh Mujibur Rahman Novo Theatre 18. Bangladesh Handloom Board

### Analysis of the Budget for Non-Financial SoEs/ABs

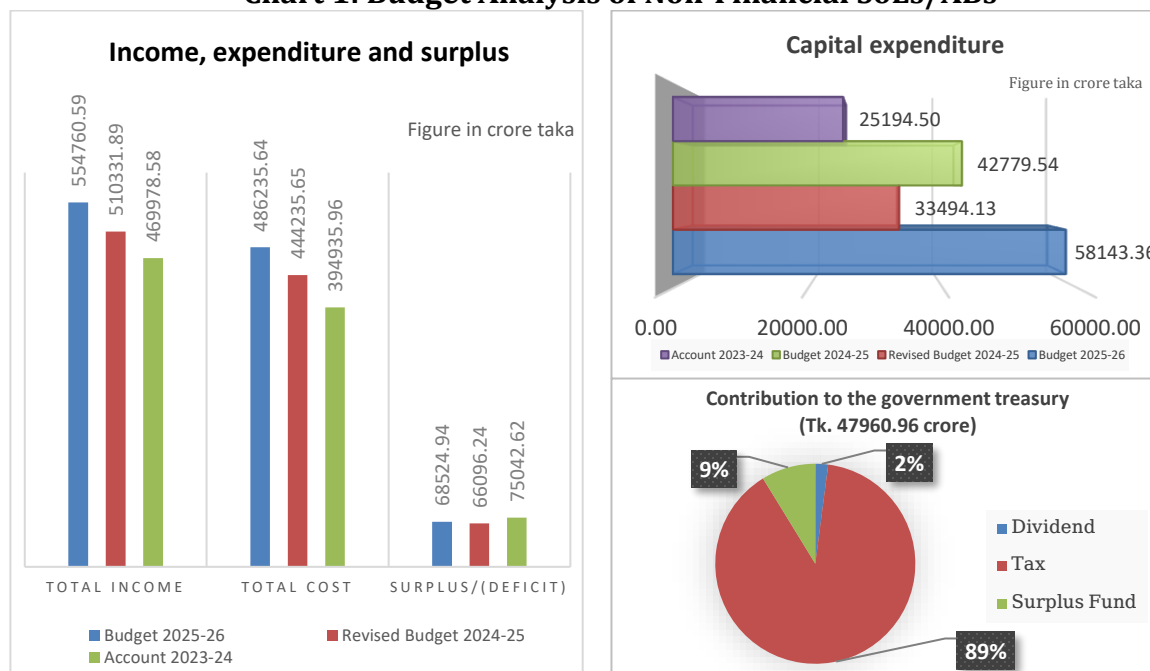
Under the ongoing Public Finance Reform initiative, the activities of the Monitoring Cell have been expanded to improve transparency and accountability in the SOEs/ABs sector. As a result, the number of institutions under review has increased this year. Previously, the Finance Division's Monitoring Cell examined the income and expenditure of 49 organizations solely for budget preparation. In the current fiscal year, an integrated online database called the State-Owned Enterprise Autonomous Bodies Budget Reporting and Evaluation System (SABRE+) has been developed for SOEs and Autonomous Bodies (ABs). This year, budgets have been prepared for 72 organizations online and 19 offline out of a total of 91 organizations for the fiscal years 2024–25 and 2025–26, respectively. Detailed discussions covering income, expenditure, investment, dividends and other related matters have been conducted both directly and virtually with each of the 91 SoEs/ABs. Following these discussions, revised estimated budgets for fiscal years 2024–25 and 2025–26 have been prepared.

**Table 2: The following is a summary of the prepared budgets:  
(Figure in crore BDT)**

Description	Budget 2025-26	Revised Budget 2024-25	Budget 2024-25	Actual 2023-24
1. Operating Income	500,551.04	454,503.89	466,429.90	419,044.40
2. Non-Operating Income	54,209.55	55,828.00	52,092.38	50,934.18
<b>a. Total Income (1 + 2)</b>	<b>554,760.59</b>	<b>510,331.89</b>	<b>518,522.28</b>	<b>469,978.58</b>
3. Operating Expenditure	477,559.07	436,003.13	462,806.69	384,989.18
4. Non-Operating Expenditure	8,676.57	8,232.52	8,867.26	9,946.78
<b>b. Total Expenditure (3 + 4)</b>	<b>486,235.64</b>	<b>444,235.65</b>	<b>471,673.95</b>	<b>394,935.96</b>
<b>Surplus/(Deficit) (a-b)</b>	<b>68,524.94</b>	<b>66,096.24</b>	<b>46,848.33</b>	<b>75,042.62</b>
5. Capital Expenditure	58,143.36	33,494.13	42,779.54	25,194.50
6. Dividend Paid	1,247.92	1,176.14	1,003.27	991.15
7. Tax Paid	44,784.49	41,362.64	34,541.20	42,769.68
8. Payment from Surplus Funds	3,887.51	3,782.58	3,069.09	4,200.16
<b>Total Contribution to Government Treasury (6 + 7 + 8)</b>	<b>49,919.92</b>	<b>46,321.35</b>	<b>38,613.56</b>	<b>47,960.96</b>

In FY 2025–26, the entity's total income increases 8.70% from the revised budget of FY 2024–25 and a 6.99% rise from the original FY 2024–25 budget. Operating income is expected to grow by 10.12% compared to the revised FY 2024–25 budget, while non-operating income is anticipated to decline slightly by 2.90%. Total expenditure is estimated at BDT 486,235.64 crore, reflecting a 9.45% increase from the previous revised budget. The surplus is projected to be BDT 68,524.94 crore, showing a 3.67% rise over the revised FY 2024–25 figure. Furthermore, investment expenditure is planned to increase significantly by 73.57%, indicating an expansionary capital strategy. Contributions to the government treasury, through dividends, taxes and surplus payments, are expected to grow by 7.77%, reaching BDT 49,919.92 crore. This financial plan reflects strong income growth, controlled non-operating expenses and enhanced public contributions, all aligned with strategic capital investment goals.

**Chart 1: Budget Analysis of Non-Financial SoEs/ABs**



Source: SABRE+ Database, Monitoring Cell, Finance Division

**Table 3: Key Financial Ratios and Analysis (Figures in % or Ratio):**

Ratio	2025-26 (Budget)	2024-25 (Revised)	2024-25 (Budget)	2023-24 (Actual)
Operating Cost Ratio	0.95	0.96	0.99	0.92
Non-Operating Income Ratio	0.10	0.11	0.10	0.11
Surplus Ratio	12.35%	12.95%	9.03%	15.97%
Investment Coverage Ratio	1.18	1.97	1.10	2.98
Treasury Contribution Ratio	9.00%	9.08%	7.45%	10.20%
Tax Efficiency Ratio	8.07%	8.11%	6.66%	9.10%
Capital Expenditure Ratio	11.96%	7.54%	9.07%	6.38%
Self-Financing Ratio	0.63	0.83	0.58	1.03
Return on Operating Income	13.69%	14.54%	10.04%	17.91%
Return to Government Ratio	9.97%	10.19%	8.28%	11.45%

In FY 2025–26, the financial indicators show that the entity maintains strong operating efficiency, with an operating cost ratio of 0.95, indicating that income exceeds operating expenses. Non-operating income remains stable at 10%, reflecting modest reliance on non-core revenues. The projected surplus is 12.35% of total income, signaling sound fiscal performance, though slightly below the actual 2023–24 level (15.97%). Capital expenditure is set to rise significantly, with 11.96% of total expenditure allocated for investment, yet the

self-financing ratio (0.63) suggests dependence on external funds or reserves to meet development and treasury obligations. The return on operating income remains robust at 13.69%, while government contributions (dividends, taxes, surplus payments) are projected at 9% of total income—slightly declining from previous years. Overall, the financial outlook is stable with controlled costs, sustained surplus, and a development-focused budget, but improving internal financing capacity is essential to reduce fiscal pressure. The formula and interpretation of these ratios are Annex -5

To strengthen fiscal sustainability and performance, policy should focus on enhancing self-financing capacity by improving surplus utilization and optimizing capital investment returns. Maintaining current operating efficiency is crucial, but greater emphasis is needed on increasing tax efficiency and broadening revenue streams to reduce reliance on non-operating income. The rising capital expenditure must be matched with effective monitoring and performance-linked evaluation to ensure value for money. Additionally, stabilizing and gradually increasing contributions to the government treasury—without undermining investment capacity—will help balance development needs with fiscal responsibility.

### **Government Support Provided to Non-Financial SoEs/ABs**

The government provides grants to SoEs/ABs to help cover their operating expenses, develop infrastructure and implement various urgent projects. From an economic standpoint, these grants play a crucial role in ensuring the effective functioning of organizations. They help sustain employment, deliver essential services to marginalized communities and maintain overall economic stability. To ensure that these grants contribute to sustainable development by addressing genuine needs and being used effectively, the Monitoring Cell of the Ministry of Finance continuously reviews the financial capacity of these organizations. This year, the Monitoring Cell has evaluated the budgets of a total of 91 institutions. Among them, 15 non-financial organizations have received government grants. According to the revised estimates for the fiscal year 2024-25, a total government grant of 1,539.54 crore taka is proposed for organizations. This amount is approximately 9.3% higher than the provisional accounts for the fiscal year 2023-24. The top three organizations receiving grants are:

- Bangladesh Inland Water Transport Authority, which accounts for approximately 36.85% of the total grant;

- Bangladesh Agricultural Development Corporation, receiving about 31.38% of the total grant; and
- Bangladesh Small and Cottage Industries Corporation, with around 12.49% of the total grant.

**Table 4: Government Grants Awarded to SoEs/ABs:**  
(Amounts in Crore Taka)

Name of Institution	2022-23 (Actual)	2023-24 (Provisional)	2024-25 (Revised)
1. Bangladesh Inland Water Transport Corporation	0.50	0.50	0.50
2. Rajshahi Development Authority	3.18	3.10	4.50
3. Bangladesh Inland Water Transport Authority	519.26	510.31	567.21
4. Bangladesh Small and Cottage Industries Corporation	194.06	191.10	192.31
5. Bangladesh Sericulture Development Board	30.06	23.71	29.09
6. Export Promotion Bureau	25.41	12.91	12.00
7. Bangladesh Agricultural Development Corporation	456.30	466.86	483.01
8. National Housing Authority	18.72	15.02	15.02
9. Bangladesh Economic Zones Authority	44.13	41.32	37.46
10. Khulna Water Supply and Sewerage Authority	16.00	11.43	11.73
11. Rajshahi Water Supply and Sewerage Authority	24.16	17.70	13.00
12. Novo Theatre	5.57	7.12	4.52
13. Cox's Bazar Development Authority	7.55	6.70	9.90
14. Bangladesh Industrial Technical Assistance Center	62.36	44.75	49.56
15. Payra Port Authority	87.41	56.54	109.73
<b>Total (1+2+...+15)</b>	<b>1494.67</b>	<b>1409.07</b>	<b>1539.54</b>

*Source: SABRE+ Database, Monitoring Cell, Ministry of Finance*

In contrast, the institutions that receive relatively smaller grants include the Bangladesh Inland Water Transport Corporation, the Cox's Bazar Development Authority, Novo Theatre and the Export Promotion Bureau. It's important to note that the government provides grants to the Bangladesh Inland Water Transport Corporation to cover costs associated with vessel operations along coastal routes.

### Independent Performance Evaluation (IPE) of SoEs/ABs

A scheme titled "Strengthening the Governance of State-Owned Enterprise" is being implemented under the Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS) by the Monitoring Cell of the Ministry of Finance. As part of this initiative, Independent Performance Evaluation Guidelines (IPEG) have been developed to assess the performance of SoEs/ABs. A 13-member independent committee, composed of

sector experts and professionals, has been established to evaluate the performance of these organizations. To support this committee, three Evaluation Research Teams (ERTs) have been formed. The goal of the IPEG is to ensure good governance of SoEs/ABs, enhance efficiency, transparency and accountability and promote overall effectiveness, as well as improve service and financial management through independent performance evaluations.

#### **Performance Evaluation Framework:**

The performance of SoEs/ABs is assessed using a comprehensive, indicator-based framework that captures key dimensions of strategic, operational, financial and governance excellence. The framework is structured into four major indices, each with relevant indicators:

**Table 5: Indices and Indicators for IPE of SOEs/ABs**

<b>Indices</b>	<b>Indicators</b>
<b>A. Business Strategy and Social Responsibility</b>	1. Strategic Plan
	2. Income/Surplus Growth
	3. Sales/Service Revenue Growth
	4. Other Growth
	5. CSR, Social Contribution
<b>B. Operational Efficiency</b>	1. Service/Product Accessibility & Quality
	2. Value Added per Employee
	3. Value Added per Asset, PPE
	4. Asset Turnover, Capacity Utilization
<b>C. Financial</b>	<b>i. Financial</b>
	1. Operating Profit
	2. Profit Before Tax
	3. Return on Assets
	4. Return on Sales/Service Revenue
	5. Return on Equity
	6. Net Worth Growth
	7. Capital Budget Utilization
	<b>ii. Financial Risk</b>
	8. Debt to Equity Ratio
	9. Debt to Assets Ratio
	10. Current Ratio
	<b>iii. Transactions with Govt.</b>
	11. Taxes Paid
	12. Dividend Paid
	13. Debt Service Liabilities Paid
<b>D. Corporate Governance Practices</b>	1. Commitment to Corporate Governance
	2. Board Practices
	3. Transparency & Disclosure
	4. Control Environment and Process
	5. APA (Performance against APA Indicators)

### Standard grade guide for IPE:

This grading scale helps evaluate performance in a clear way. A score of 4.00 means excellent performance, while lower scores show the need for improvement. For example, scoring between 3.00 and 3.99 is considered very good, while a score below 1.00 indicates underperformance.

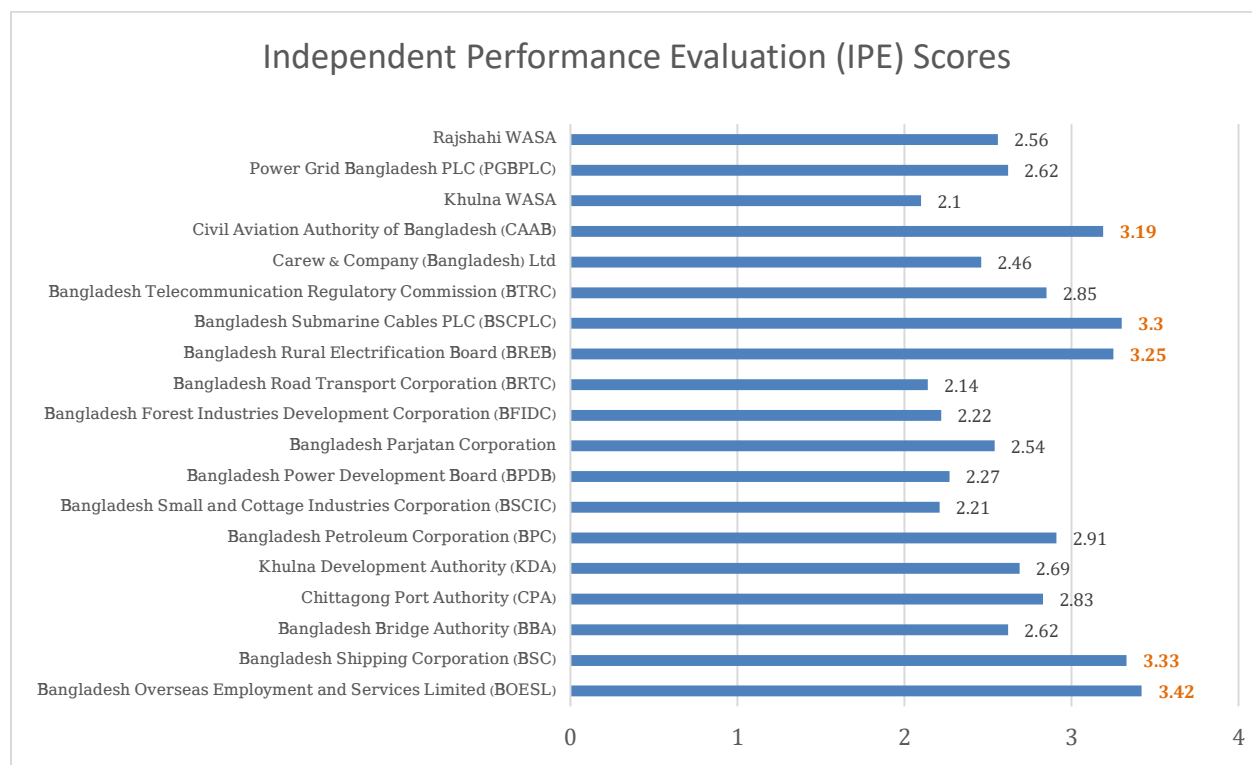
Grade	Score	Percentage (%)
Excellent	4.00	91%–100%
Very Good	3.00–3.99	81%–90%
Good	2.00–2.99	71%–80%
Fair	1.00–1.99	41%–70%
Underperforming	0.00–0.99	0%–40%

### Consolidated Table of Weighted Scores Based on Indicators

In the fiscal year 2023-24, the Monitoring Cell of the Ministry of Finance completed Independent Performance Evaluations (IPE) for 10 organizations. The grading criteria, based on scores, have been uploaded to the Ministry of Finance's website. The evaluation process analyzed the organizations' audit reports for the fiscal year 2021-22, as well as their achievement of non-financial activity targets by the IPEG (inception report). The IPE analysis indicated that 4 organizations received a "Very Good" grade, while 6 organizations received a "Good" grade. Notably, no organization was rated as "Incompetent" or "Average," reflecting a positive trend. As part of the evaluation cycle, each **SoEs/ABs** are allocated three years to improve its performance. Building on this momentum, the current fiscal year (2024-25) has expanded the initiative, with **IPEs underway for 20 entities**, including follow-up assessments for the previously evaluated institutions. The grading scores of 20 organizations are given below.

**Table 6: Index-wise Weighted Scores and Corresponding Grades**

SL	Name of SOE/AB (Arranged in Alphabetical Order)	Score	Grade*
1	Bangladesh Bridge Authority (BBA)	2.62	Good
2	Bangladesh Forest Industries Development Corporation (BFIDC)	2.22	Good
3	Bangladesh Overseas Employment and Services Limited (BOESL)	3.42	Very Good
4	Bangladesh Parjatan Corporation	2.54	Good
5	Bangladesh Petroleum Corporation (BPC)	2.91	Good
6	Bangladesh Power Development Board (BPDB)	2.27	Good
7	Bangladesh Road Transport Corporation (BRTC)	2.14	Good
8	Bangladesh Rural Electrification Board (BREB)	3.25	Very Good
9	Bangladesh Shipping Corporation (BSC)	3.33	Very Good
10	Bangladesh Small and Cottage Industries Corporation (BSCIC)	2.21	Good
11	Bangladesh Submarine Cable PLC (BSCPLC)	3.30	Very Good
12	Bangladesh Telecommunication Regulatory Commission (BTRC)	2.85	Good
13	Carew & Company (Bangladesh) Ltd	2.46	Good
14	Chittagong Port Authority (CPA)	2.83	Good
15	Civil Aviation Authority of Bangladesh (CAAB)	3.19	Very Good
16	Karnaphuli Gas Distribution Company Ltd (KGDCL)	2.58	Good
17	Khulna Development Authority (KDA)	2.69	Good
18	Khulna WASA	2.10	Good
19	Power Grid Bangladesh PLC (PGBPLC)	2.62	Good
20	Rajshahi WASA	2.56	Good

**Chart 2: Grade-wise IPE Results of 20 SOEs and ABs**

The Independent Performance Evaluation (IPE) scores for FY 2022–23, based on the approved IPEG framework, reflect a broad but consistent performance trend across the 20 evaluated SOEs and Autonomous Bodies. Analysis of the weighted scores reveals that **no entity achieved the “Excellent” grade**, while **5 organizations attained a “Very Good” grade**—notably in sectors like employment services, tourism, shipping, electrification and aviation—indicating high operational efficiency and governance standards. The **remaining 15 entities fell under the “Good” category**, suggesting that while these institutions meet most performance expectations, there remains substantial room for improvement in areas such as strategic planning, financial sustainability, or service quality. No entities were rated as "Fair" or "Underperforming," which reflects a generally positive but not outstanding performance across the evaluated SOEs and ABs.

### **Approval process of IPE Report**

Contextually, based on the financial, non-financial and other relevant information of the fiscal year 2022–23 obtained from 20 selected SOEs and Autonomous Bodies (ABs), the Evaluation Research Team (ERT) prepared separate draft IPE reports for each entity. These draft reports were presented to the Independent Performance Evaluation Committee (IPEC) for vetting. Subsequently, after discussion and review of the draft reports, the final IPE reports were prepared, incorporating the recommendations and suggestions of the IPEC. Feedback was also collected from the respective SOEs, ABs and their concerned administrative ministries/divisions. Based on this feedback, the individual IPE reports and a consolidated IPE report for the 20 entities were finalized and approved by the Secretary of the Finance Division and uploaded to the Finance Division’s website.

### **General Recommendations**

During the evaluation period, some entities—such as BPDB, BRTC, RWASA, KWASA, BFIDC, BSCIC, KDA and Bangladesh Parjatan Corporation—faced higher costs in providing services, which caused operating losses. However, despite these losses, BFIDC, Bangladesh Parjatan Corporation, KDA, BSCIC and RWASA still made net profits for the year. To fix these problems, BPDB, RWASA, KWASA, BRTC, BFIDC, KDA and Bangladesh Parjatan Corporation should immediately create and carry out plans to recover from their losses. To overcome these challenges, IPEC recommends a set of strategic actions. If implemented effectively, these measures will help create jobs, boost the national economy, increase productivity, reduce poverty and contribute to the overall development of Bangladesh.

## Key Strategic Recommendations

### 1. **Strengthen Governance Structures**

Establish Board Committees such as Audit, Remuneration and Nomination Committees to enhance internal controls, ensure regulatory compliance and promote good governance.

### 2. **Adopt and comply with IAS/IFRS**

Prepare financial statements fully aligned with IAS and IFRS to improve transparency, consistency and sound financial management.

### 3. **Enhance Financial Management Practices**

Address audit qualifications proactively, ensure accurate classification of accounts, reconcile discrepancies and maintain comprehensive and error-free asset registers.

### 4. **Digitalization and ERP Implementation**

Implement Enterprise Resource Planning (ERP) systems and digitize key functions such as revenue collection, toll management and terminal/container operations to boost efficiency and service quality.

### 5. **Timely Project Implementation**

Complete ongoing infrastructure, pipeline, tourism and IT projects within stipulated deadlines to enhance operational capacity and service delivery.

### 6. **Revenue Enhancement Strategies**

Develop robust business plans, optimize service/product efficiency, leverage idle assets and expand service portfolios to increase income and profitability.

### 7. **Environmental and Social Contributions**

Promote renewable energy initiatives, eco-tourism and strict adherence to environmental regulations (e.g., ETP/CETP installations) in line with sustainable development objectives.

### 8. **Human Resource Development**

Invest in structured training and capacity-building programs to develop a skilled workforce equipped to meet modern technological and service requirements.

### 9. **Improve Receivables Management and Reduce System Losses**

Implement prompt recovery mechanisms for outstanding receivables and take targeted measures to reduce technical losses, particularly in energy and utility sectors.

## **10. Enhanced Disclosures and Audit Evidence**

Strengthen the quality and completeness of disclosures in Annual Financial Statements (AFS) and ensure timely submission of audit evidence to improve audit quality and credibility.

### **Performance Improvement Strategy (PIS)**

Under the Independent Performance Evaluation Guideline (IPEG), a Performance Improvement Strategy (PIS) is developed for less-performing State-owned Enterprises (SOEs) or Autonomous Bodies (ABs). In FY 2023-24, BFIDC, with a score of 2.28 and BSCIC, scoring 2.58, have been selected for PIS to enhance efficiency and service delivery. They are currently implementing strategic recommendations from the PIS. For FY 2024-25, two additional organizations, Bangladesh Road Transport Corporation and Bangladesh Parjatan Corporation, have been chosen for PIS. The IPE scores for these organizations are 2.14 and 2.54, respectively.

### **Performance Improvement Strategy (PIS) of BFIDC**

The ERT and IPEC committee conducted a technical analysis of BFIDC's performance according to the IPEG framework and identified significant areas that need to be addressed. Based on the recommendations received from IPEC, the Monitoring Cell of the Finance Division has developed a performance improvement strategy. The issues identified by IPEC, along with the recommendations from the Performance Improvement Strategy (PIS), are outlined below:

#### **Key Issues Identified:**

- The governance structure under the BFIDC Act 2023 is unclear, leading to confusion between Board and Management roles;
- The use of outdated machinery is negatively impacting productivity and worker safety;
- There is insufficient marketing of products in a highly competitive industry;
- Replacing old rubber trees with high-yield varieties has proven to be challenging;
- There is a lack of modern furniture design equipment: and
- Key functions such as finance, marketing and audit suffer from weak human resource capacity.

## **Key Recommendations:**

Transform BFIDC into a financially sustainable, competitive and well-governed State organization that significantly contributes to Bangladesh's rubber and wood industries and overall economy, provided that the recommendations are accurately implemented.

### **1. Governance Reforms**

- Amend the BFIDC Act to separate the roles of Management and Board;
- Appoint independent directors to ensure accountability and transparency;
- Establish the following Board Committees:
  - ✓ Audit Committee
  - ✓ Nomination & Remuneration Committee
  - ✓ Executive Committee

### **2. Operational & Financial Reforms**

- Modernize machinery and production facilities to enhance product quality, design and workplace safety.
- Implement targeted marketing strategies, especially to promote furniture products.
- Replace old rubber trees with high-yielding clonal varieties for increased latex production.
- Advocate for latex and RSS (Ribbed Smoked Sheets) to be formally recognized as agricultural products, ensuring policy support and incentives.

### **3. Human Resource Strengthening**

- Recruit and train skilled professionals in key functional areas:
  - ✓ Accounts & Finance
  - ✓ Marketing & Sales
  - ✓ Internal Audit & Compliance
  - ✓ Human Resource Management

## BFIDC Performance Improvement Strategy and Action Plan

Sl.	Recommendations	Implementing Agency
<b>Short Term (within 1 year)</b>		
1	Remove the elapsed life-cycled rubber trees and replace with High Yield Varieties (HYVs)	BFIDC – Director, Production
2	Recruit specialized employees (e.g., Tapper, Designer, Carpenter, Polisher, Marketing Executives)	BFIDC
3	Prepare and review Cash Flow Statement on a quarterly basis	BFIDC – Director, Finance
4	Reduce high staff turnover among top executives	Line Ministry
5	Separate Management from the Board of Directors	BFIDC, Line Ministry (LM), Finance Division (FD)
6	Reconstitute Board with inclusion of Audit Committee and update the Act accordingly	BFIDC, LM, FD
7	Prepare Operational/Organizational Manual to ensure transparency, accountability and competitiveness	BFIDC
<b>Mid Term (within 1–2 years)</b>		
1	Diversify products in rubber and furniture segments	BFIDC – GM, Sales and Marketing
2	Conduct variance analysis and quarterly budget review	BFIDC – Accounts and Finance Department
3	Establish a Research and Development (R&D) Department	BFIDC
4	Establish a strong and dedicated Sales and Marketing Department	BFIDC
<b>Long Term (within 3–5 years)</b>		
1	Update the Act, Rules and Regulations	BFIDC, LM, FD
2	Strengthen and make Regional GM Offices more functional	BFIDC, LM, FD
3	Provide adequate training based on Training Needs Assessment (TNA); recruit professionally qualified heads in HR, Finance, Sales & Marketing	BFIDC, LM, FD

## Performance Improvement Strategy (PIS) for BSCIC

To transform BSCIC into an efficient, transparent and competitive organization, enhancing its role in promoting small and cottage industries, supporting economic growth and contributing to employment generation and the SDGs.

### Key Challenges Identified:

- Overlapping governance structure under the BSCIC Act 2023, which conflates the roles of the Board and Management.
- Underutilization of allocated land plots, along with inefficiencies in the selection and allocation of these plots.
- Inadequate initial screening process for plot allocation.

- Shortage of qualified professionals in finance, human resources, marketing and internal audit.

## Key Recommendations

### 1. Governance Reform:

- Revise BSCIC Act 2023 to separate **Board and Management functions**.
- Introduce **independent directors**.
- Establish key Board committees: **Audit, Remuneration & Nomination, Executive**.

### 2. Operational Improvements:

- Reform the **land allotment process**, ensuring efficiency, transparency and involvement of local business experts.
- Address land underutilization and optimize **industrial plot management**.

### 3. Human Resource Development:

- Recruit **qualified professionals** in core departments (Accounts, Finance, HR, Marketing, Internal Audit).

## BSCIC Performance Improvement Strategy and Action Plan:

Sl.	Recommendations	Implementing Agency
<b>Short Term (within 1 year)</b>		
1	Develop a standard operational flowchart with desk-wise roles and responsibilities, in addition to the approved organogram	Line Ministry (LM)
2	Prepare and review quarterly Cash Flow Statements to monitor liquidity	BSCIC – Director, Finance
3	Separate Management from the Board of Directors	BSCIC, LM, Finance Division (FM)
4	Form an Audit Committee in the Board, headed by a qualified professional (CA, ACCA, CPA)	BSCIC, LM, FM
5	Revisit feasibility reports of Industrial Estates to identify reasons for unused plots and take corrective actions	BSCIC, LM, FM
<b>Mid Term (within 1-2 years)</b>		
1	Establish a standardized Internal Audit Department with skilled staff and clear reporting structure	BSCIC
2	Conduct feasibility studies before developing industrial plots; invest only if there's adequate current/future demand	BSCIC, LM, FM
3	Reclaim plots from allottees who failed to begin operations within stipulated timeframes	BSCIC, LM

Sl.	Recommendations	Implementing Agency
4	Conduct quarterly variance analysis to monitor deviations from budgeted income and expenditure	BSCIC – Accounts & Finance Dept.
5	Implement ERP software for data preservation and fast decision-making	BSCIC
<b>Long Term (within 3 years)</b>		
1	Update the Act, Rules and Regulations	BSCIC, LM, FM
2	Establish effective budgetary control practices to ensure revenue and expenditure align with projections	BSCIC, LM
3	Appoint a professionally qualified head of HRD for performance monitoring and effectiveness of initiatives	BSCIC, LM
4	Review and refine BSCIC's goals to ensure clarity, measurability and alignment with the organizational mission	BSCIC, LM, FM

### Performance Improvement Strategy (PIS) for BRTC

BRTC, a key state-owned Enterprise under the Ministry of Road Transport and Bridges, plays a vital role in national transport and economic development but continues to face governance and operational challenges. It scored 2.14 in the IPE report, indicating poor overall performance. As a result, BRTC has been selected for the Performance Improvement Strategy (PIS). A thorough due diligence identified root causes such as weak governance, unviable projects and skill gaps. Based on these findings, short-, mid- and long-term measures have been proposed to align BRTC's transformation with SDG goals like infrastructure, decent work and economic growth.

#### Key issues identified:

- Board and management roles are merged under BRTC Act 2020, creating conflict of interest and lack of strategic oversight due to absence of Audit and other sub-committees.
- Financial statements are prepared manually without adhering to IAS/IFRS, lacking digital systems, fixed asset registers and timely audit submission.
- There are no approved SOPs, workflow charts, or desk-wise responsibilities, causing delays in decision-making, budgeting, procurement and service delivery.
- Over 1,200 buses and 200 trucks operate without a modern fleet management system, preventive maintenance plan, or route optimization tools, leading to high fuel and repair costs.

- One-third of approved posts are vacant; existing staff are untrained in key areas like finance, operations and IT and promotions are blocked for internal staff.
- Internal Audit reports to the executive Chairman instead of an independent Audit Committee, lacking independence, clarity of purpose and skilled auditors.
- ERP is underutilized; digital ticketing, real-time data tracking and KPIs are absent and the training institute lacks capacity, equipment and modern curriculum.

## **Recommendations:**

### **Organizational Structure**

- The Board of Directors should be downsized to 7–9 members; stakeholder committees may be formed and report to the Board;
- Management must be separated from the Board. An **Audit Committee** should be introduced, led by a non-executive director (preferably a CA, ACCA, or CPA) and
- The **BRTC Act 2020** should be amended to align with BSEC and OECD good governance guidelines.

### **Operational Processes**

- BRTC should develop **Standard Operating Procedures (SOPs)** outlining desk-wise responsibilities in line with the approved organogram.

### **Accounts and Finance**

- Prepare **financial statements** in full compliance with IAS/IFRS, endorsed by the Audit Committee Chairman.
- Prepare **quarterly cash flow statements** to monitor liquidity.
- Conduct **quarterly variance analysis** to track budget vs actuals.
- Appoint/promote professionally qualified department heads to ensure merit-based progression and staff motivation.

### **Internal Audit**

- Establish a fully functional **Internal Audit Department** with skilled personnel and clear reporting lines.

### **MIS, Innovation & Integration**

- Leverage ERP-generated reports for real-time, data-driven decision-making.

## Human Resources Management

- Appoint a professionally qualified head to lead HR operations and ensure monitoring effectiveness.
- Identify **skill gaps**, conduct **targeted training** and foster a **learning culture** with continuous development opportunities.

## Performance Monitoring & Evaluation

- Regularly review and update **Key Performance Indicators (KPIs)**.
- Conduct periodic **performance reviews** to improve outcomes and recognize achievements.

## Training Institute

- Modernize curriculum and equipment, expand training capacity, strengthen industry links and improve quality assurance in training delivery.

## BRTC Performance Improvement Strategy and Action Plan

Serial	Recommendations	Implementing Agency	Time Frame
Short Term		Within 1 Year	
1	Financial Statements should be prepared in accordance with the IAS/IFRS and endorsed by the Chairman Audit Committee, who is preferably independent Director.		
2	Prepare cashflow statements on quarterly basis to check liquidity position of the Corporation.		
3	Carry out variance analysis on quarterly basis to check the deviations of budgeted income and expenditure with the actual.		
4	Upgrade curriculum and equipment, expand capacity, build industry partnerships and enhance training quality monitoring.		
Mid Term		Within 1-2 year	
1	Board of Directors shall be down sized to 7-9, if required some committee can be formed with the stakeholders who should report to the Board.		
2	Management should be separated from the Board and Board should have at least an AUDIT COMMITTEE headed by a non-executive director preferably professionally qualified CA, ACCA, CPA		
3	BRTC should have a standard operational flowchart/ Standard Operational Process (SOP)		

	with desk wise roles and responsibilities in addition to the approved organogram.		
4	Should appoint/promote professionally qualified departmental head to ensure career progression and incentivize feeder employees.		
5	Should carry out regular review and adjust key performance indicators (KPIs) based on organizational needs.		
Long Term		Within 3 Years	
1	BRTC Act 2020 should be updated to ensure good governance guidelines of BSEC and OECD.		
	HRD should be headed by a professionally qualified person who is capable of robust monitoring to track the impact of initiatives and ensure effectiveness, ultimately enhancing employee performance and organizational success.		

### Performance Improvement Strategy (PIS) for Bangladesh Parjatan Corporation

BPC, a key SOE under the Ministry of Civil Aviation and Tourism, faces major challenges including weak governance, outdated infrastructure, poor financial practices and limited institutional capacity. It suffers from leadership instability, manual operations, underqualified staff and inadequate internal audit and MIS systems. With an IPE score of 2.54, BPC requires urgent reforms to improve transparency, efficiency and competitiveness, enhancing its role in tourism promotion, economic growth and SDG achievement.

#### Key issues identified:

- Overlapping governance roles and frequent leadership changes weaken accountability and strategic direction.
- Outdated and poorly maintained infrastructure results in declining service quality and financial losses.
- Manual operations and absence of SOPs cause inefficiencies in service delivery and internal processes.
- Financial reporting is non-compliant with IAS/IFRS, lacks transparency and misses audit deadlines.
- Internal audit lacks independence, skills and proper reporting structure, weakening internal controls.

- Severe staffing shortages, lack of training and no clear career progression hinder HR capacity.
- MIS and ERP systems are underdeveloped, limiting data-driven decision-making and monitoring.
- BPC lacks a dedicated, skilled marketing team to promote tourism and enhance global visibility.

## **Recommendation:**

### **Key Recommendations for Performance Improvement of BPC**

#### **1. Strengthen Governance Structure**

- Appoint the Chairman and CEO for a fixed 3-year tenure.
- Form essential Board Committees (Audit, Remuneration, Nomination) to ensure oversight and accountability.
- Amend the BPC Act to clearly define leadership roles and align with best governance practices.

#### **2. Modernize Financial Management**

- Prepare financial statements in English, compliant with IAS/IFRS and complete statutory audits within 6 months.
- Conduct quarterly cash flow analysis and variance tracking to improve transparency and financial control.

#### **3. Digital Transformation**

- Establish a dedicated MIS department and implement an ERP system to digitize finance, HR and operations.
- Promote data-driven decision-making and real-time performance monitoring.

#### **4. Upgrade Tourism Infrastructure and Branding**

- Modernize all hotels, motels and restaurants with quality amenities.
- Launch a professional Marketing and Branding Department to promote the “Beautiful Bangladesh” brand globally.

## 5. Restructure Human Resource Development

- Appoint a qualified HR professional to lead recruitment, training and performance evaluation.
- Promote internal talent and ensure merit-based career progression.

## 6. Establish a Robust Internal Audit System

- Set up an independent Internal Audit Department reporting directly to the Audit Committee to enhance risk management and compliance.

## 7. Merge BPC and Bangladesh Parjatan Board

- Consider merging to eliminate duplication, reduce costs and ensure unified tourism policy and execution under one authority.

### BPC Performance Improvement Strategy and Action Plan

Serial	Recommendations	Implementing Agency	Time frame
<b>Short term</b>		<b>within 1 year</b>	
1	Prepare cashflow statements on quarterly basis to check liquidity positions.	BPC	
2	Carry out variance analysis on quarterly basis to check the deviations of budgeted income and expenditure with the actual	BPC	
3	BPC should have a standard operational flowchart with desk wise roles and responsibilities in addition to the approved organogram.	BPC, LM, FM	
4	Financial Statements should be prepared in English (and Bangla if required) and in line with the IAS/IFRS and endorsed by Audit Committee before statutory Audit.	BPC, LM, FM	
<b>Mid Term</b>		<b>within 1-2 year</b>	
1	Government should appoint the chairman and chief executive for at least three years to ensure the belongingness and management responsibilities may be clearly separated from the Board to avoid conflicts of interest.	LM, FM	

Serial	Recommendations	Implementing Agency	Time frame
2	Board should have at least an AUDIT COMMITTEE headed by a non-executive director preferably professionally qualified CA, ACCA, CPA	LM FM	
3	Should appoint/promote professionally qualified departmental head to ensure career progression and incentivize feeder employees.	BPC LM FM	
<b>Long Term within 3 years</b>			
1	The Bangladesh Parjatan Corporation Order, 1972 (PRESIDENT'S ORDER NO. 143 OF 1972) last revised in 2022 should be updated to ensure good governance guidelines and avoid the confusion of “President” and Chairman.	BPC LM FM	
<b>Long Term within 3 years</b>			
2	BPC and the BPB may merge could bring significant cost savings and avoid duplication of work.	BPC LM FM	
3	Appoint a qualified professional to lead HRD and ensure effective and efficient use of human resources to improve the performance of the corporation	BPC LM	
4	NHTTI should expand its training facilities, upgrade its curriculum in line with global standards and enhance industry partnerships for practical exposure.	BPC LM FM	
5	BPC should establish a comprehensive performance monitoring and evaluation system with clear KPIs, real-time data tracking and regular reporting to support informed decision-making	BPC LM	

### Debt and Contingent Liability Statement Report

In FY 2024–25, the Monitoring Cell (MC) of the Finance Division released the debt and contingent liability statement for 101 State-owned Enterprises (SOEs) and Autonomous Bodies (ABs), based on their audited financial statements for FY 2023–24, by the Procedure to Regulate Debt and Contingent Liabilities (DCL). The report reveals a total outstanding debt

of BDT 6,397,825.80 million, representing a significant 26.04% increase from the previous year and indicating rising financial exposure. The debt composition is as follows: 46% consists of other types of debt, 43% comes from borrowings by the Government of Bangladesh (GoB) through Special Loans Agreements (SLA) and Loans Agreements (LA), 6% is from financial institutions and 5% originates from related parties. Importantly, long-term liabilities account for 54% of the total debt, highlighting a potential fiscal risk to public finances and underscoring the need for enhanced monitoring and sustainable debt management strategies.

The report reveals that total contingent liabilities of SoEs/ABs stand at BDT 185,907.44 million, accounting for 0.16% of GDP. These arise primarily from **loan guarantees (39%)**, followed by **pending litigation (31%)**, **other obligations (26%)** and **statutory obligations (4%)**, with 24 SoEs/ABs reporting such liabilities. In addition, total **residual liabilities**—which represent obligations net of Sovereign Loans and Advances (SLA/LA) and cash equivalents—amount to BDT 3,047,610.54 million. These off-balance sheet and uncovered exposures pose significant potential fiscal risks, highlighting the need for stronger contingent liability disclosure and risk mitigation strategies.

### Fiscal Risk Assessment by Ratios

The financial risk assessment framework classifies the health of State-Owned Enterprises (SOEs) based on key financial ratios across five risk thresholds: Very Low, Low, Moderate, High and Very High/Worst. A Cost Recovery Ratio of  $\geq 1.5$  is considered very low risk, while below 0.75 indicates severe operational inefficiency. A Return on Equity (ROE) of 15% or more signals strong profitability, whereas negative returns below -10% reflect acute financial distress. For liquidity, a Current Ratio of  $\geq 2.0$  denotes robust short-term solvency, while below 1 suggests potential cash flow problems. The Creditor Turnover Ratio identifies payment discipline—less than 30 days is ideal, whereas over 120 days or negative figures point to delayed or uncertain payments. Regarding solvency, a Debt-to-Assets Ratio under 0.25 indicates minimal leverage, while a ratio of 1 or more signals insolvency risk. Lastly, the Debt to EBITDA Ratio—a measure of debt servicing capacity—is safest below 1.5, with values above 5 or negative reflecting unsustainable debt burdens. This threshold-based system enables targeted oversight and timely intervention.

**Table 6: Ratio Threshold and Respective Grade**

<b>Ratio</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>High</b>	<b>Very High / Worst</b>
Cost Recovery	≥ 1.5	1.25–1.49	1.00–1.24	0.75–0.99	< 0.75
Return on Equity	≥ 15%	8%–14.99%	0–7.99%	-10% or less than 0%	< -10%
Current Ratio	≥ 2.0	1.5–1.99	1.25–1.49	1.0–1.24	< 1
Creditor Turnover	< 30 days	30–59 days	60–89 days	90–119 days	≥ 120
Debt to Assets	< 0.25	0.25–0.49	0.50–0.74	0.75–0.99	≥ 1
Debt to EBITDA	< 1.5	1.5–1.99	2.0–2.99	3.0–4.99	≥ 5

**Cost Recovery Ratio** measures the ability to generate adequate revenue to cover operating expenses. The formula is below:

$$CRR = \frac{\text{Operating Revenue}}{\text{Operating Expenses}}$$

**Return on equity ratio (ROE)** measures the ability of an entity to generate profits using the capital its shareholders have invested in the entity. The formula is below:

$$ROE = \frac{\text{Net Income}}{\text{Equity}}$$

**Current ratio** measures a company's ability to pay short-term obligations or those due within one year. The formula is below:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

**Creditor Turnover Days** measure the speed with which an SOE pays its suppliers. According to threshold value, creditors turn over days between 30 and less than 60 is considered as low-risk category. The formula is below:

$$\text{Creditor Turnover Ratio} = \frac{\text{Cost of Goods Sold (or Purchases)}}{\text{Average Accounts Payable}}$$

**Debt to Assets ratio** measures the proportion of a company's financing that comes from liabilities. The formula is below:

$$\text{Debt to Assets} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

**Debt to Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)** measure the ability of a company to service any debt it holds. The formula is below:

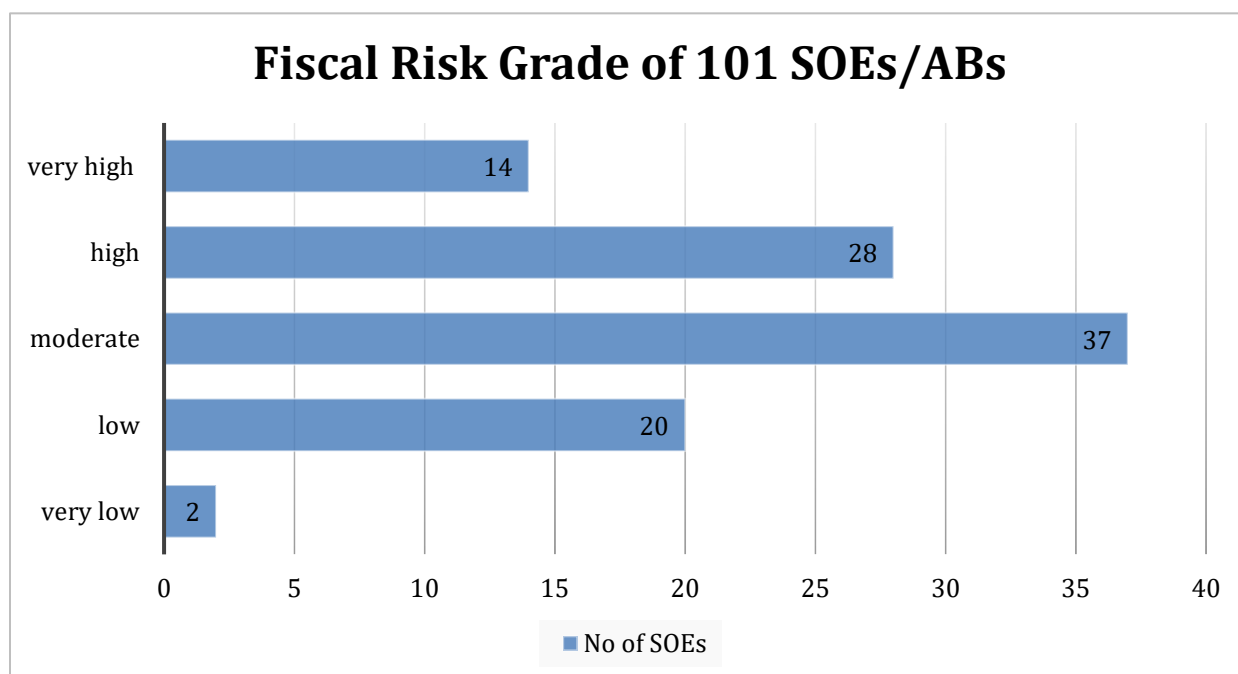
$$\text{Debt to EBITDA} = \frac{\text{Total Debt}}{\text{EBITDA}}$$

Based on composite risk scoring, the report categorizes SoEs/ABs into five risk grades. Out of the total assessed entities, **2 SoEs/ABs fall under the "Very Low" risk grade** with scores  $\leq 1.49$ , indicating strong financial health. **20 SoEs/ABs are classified as "Low" risk** (1.50–2.49), while the largest group—**37 SoEs/ABs—fall in the "Moderate" risk range** (2.50–3.49), reflecting average financial and operational performance. **28 SoEs/ABs are identified as "High" risk** (3.50–4.49), signaling elevated vulnerabilities and **14 SoEs/ABs are in the "Very High" risk grade** with scores  $\geq 4.50$ , indicating critical financial stress. This distribution underscores the need for targeted reforms and risk management interventions, particularly for entities in the higher-risk categories. The list of 101 SoEs and ABs, Annex-1, Annex-2, Annex-3, Annex-4 and Annex-5 respectively.

#### Risk Grades by Score:

Grade	Score Range	No. of SoEs/ABs
Very Low	$\leq 1.49$	2
Low	1.50 – 2.49	20
Moderate	2.50 – 3.49	37
High	3.50 – 4.49	28
Very High	$\geq 4.50$	14

**Chart 3: Fiscal Risk Assessment by grading**



### **Impact on Fiscal Plan:**

The report indicates that liabilities from High and Very High Risk SoEs/ABs collectively amount to 4.8% of GDP, with High Risk SoEs/ABs contributing 1.67% and Very High Risk SoEs/ABs 3.13%. Despite this significant exposure, no liabilities have intruded into the fiscal budget as of June 2023, suggesting effective containment so far. The overall fiscal risk is assessed as moderate and explicit fiscal risks remain negligible within the broader macro-fiscal framework, although continued monitoring and prudent risk management are essential to prevent future fiscal stress.

### **Mitigation of Risk:**

To address fiscal risks arising from quasi-fiscal activities, unfunded Public Service Obligations (PSOs) and the inefficiency or underperformance of SoEs/ABs, the Finance Division has undertaken several key reform initiatives. These include the development of a comprehensive Debt and Contingent Liability Manual by the Monitoring Cell (MC), aimed at improving oversight and risk management in SoEs/ABs. To enhance transparency and accountability, audited financial statements of SoEs/ABs are now regularly published on the websites of the respective ministries/divisions and the Finance Division. The Independent Performance Evaluation Guideline (IPEG) has been implemented, enabling structured and objective assessments of financial and non-financial performance, with annual Independent Performance Evaluation (IPE) reports published.

In addition, several reform measures are currently in progress: the MC is preparing a Manual on Property, Plant and Equipment (PPE) to standardize asset management and developing a Performance Improvement Strategy (PIS) targeting underperforming SoEs/ABs to enhance their operational and financial outcomes. To mitigate sovereign debt risks, the Sovereign Guarantee Guidelines 2014 make the formation of a Loan Repayment Fund mandatory for all SOEs borrowing under sovereign guarantees. Furthermore, a comprehensive Medium-Term Debt Management Strategy (MTDS) has been adopted to address fiscal vulnerabilities linked to PSOs and quasi-fiscal operations. Together, these initiatives reflect the Finance Division's proactive commitment to strengthening fiscal sustainability, improving SOE governance and minimizing public sector financial risk.

## **Recommended Ways Forward**

To ensure long-term fiscal sustainability and enhance the performance of SoEs/ABs, a set of strategic forward-looking recommendations has been proposed. First, it is essential to strengthen asset monitoring to ensure their productive and profit-generating use, while addressing cost recovery challenges through operational efficiency and diversifying funding sources to reduce reliance on government support. To contain rising debt pressure, particularly Debt-to-EBITDA risks, improving operating margins is critical. Ensuring timely repayment of DSLs (Direct Subsidized Loans) by SoEs/ABs and increasing oversight on high-risk entities are key to mitigating fiscal exposure.

A regular review of Debt and Contingent Liabilities (DCLs) is recommended to maintain healthy liquidity levels, especially improving the current ratio. Before issuing sovereign guarantees, it is vital to thoroughly assess the financial health of recipient SoEs/ABs to avoid unfunded obligations. Asset revaluation should be conducted to reflect the true financial position of enterprises. Additionally, the Loan Repayment Fund and its Management Policy must be strictly enforced under the Sovereign Guarantee framework. Strengthening internal controls, maintaining accurate asset registers and adhering to proper accounting standards will further improve financial governance.

To manage quasi-fiscal risks, institutionalizing a Public Service Obligation (PSO) framework is crucial, ensuring transparent subsidy allocation and fiscal accountability. Finally, enacting an overarching legal act for unified SOO governance will provide a robust legal foundation for reform, bringing consistency, transparency and strategic direction to the governance of all State-owned entities. These measures collectively aim to transform the SOO landscape into a resilient, transparent and performance-driven public sector.

## **Policy and Procedures Manual for PPE and Other Assets:**

The **Policy and Procedures Manual for Property, Plant, Equipment (PPE) and Other Assets** provides a comprehensive framework to ensure the effective management, accounting, control, and reporting of fixed assets in State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) in Bangladesh. The manual aligns with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), ensuring

consistency, transparency, and accountability in the management of government-owned fixed and intangible assets.

**Objectives:**

- Establish standardized policies for acquisition, maintenance, depreciation, transfer, disposal, and financial reporting of assets.
- Ensure regulatory compliance and optimal asset utilization.
- Promote accurate financial reporting and prevent asset misappropriation.

**Scope:**

The policy covers all tangible and intangible fixed assets (e.g., land, buildings, IT equipment, machinery, software) with a value of BDT 5,000 or more and a useful life exceeding one year. It applies to all SOEs and ABs regardless of funding source or acquisition method.

**Key Components:**

- **Asset Classification:** Clear categorization of both tangible (e.g., land, vehicles, infrastructure) and intangible assets (e.g., software, patents).
- **Recognition and Capitalization:** Guidelines for asset recognition, capitalization thresholds, and accounting treatment including work-in-progress and capitalized interest.
- **Depreciation and Impairment:** Standard methods for calculating and recording depreciation, impairment testing, and revaluation protocols.
- **Procurement and Acquisition:** Alignment with Public Procurement Act (PPA) and Public Procurement Rules (PPR).
- **Fixed Asset Register and Tagging:** Mandatory maintenance of an updated Fixed Asset Register, asset coding, and tagging for traceability.
- **Transfers and Disposals:** Procedures for transferring or disposing of assets, including write-offs and asset retirement.
- **Physical Verification and Insurance:** Required periodic physical verification and insurance coverage for all major assets.
- **Lease Accounting:** Guidance for both lessees and lessors, incorporating IFRS 16 lease standards.

- **Roles and Responsibilities:** Defined roles via a RACI matrix to clarify responsibilities among departments and stakeholders.

### Recent other Advancements in SoE/AB Reforms

The Government of Bangladesh has continued to advance its reform agenda for SoEs/ABs to enhance transparency, accountability and financial performance. A major technological milestone is the launch of SABRE+, an integrated digital database housing comprehensive legal, regulatory, financial, non-financial and governance data of all State-owned and autonomous bodies. SABRE+ features four interactive modules, including a budget module and a Debt and Contingent Liability (DCL) module, to support data-driven oversight and policy formulation.

To enhance transparency, the annual audited financial statements of 127 institutions have been made publicly accessible via the Finance Division's website. Furthermore, a Code of Conduct has been established for non-financial public entities—encompassing board members, employees, business partners and service providers—to promote ethical practices and strengthen the overall public financial management system. In a significant governance reform, the Finance Division has issued mandatory directives for appointing at least 20% Independent Directors to the boards of SoEs/ABs registered with the Registrar of Joint Stock Companies and Firms (RJSC), accompanied by specific eligibility criteria to ensure competence and integrity. These reforms collectively reflect a strong institutional commitment to modernizing SoEs/ABs, reinforcing fiscal discipline and aligning public sector governance with international best practices.

An Independent Director must be free from any material or financial interest or relationship with the management, major shareholders, or ownership entities of the concerned organization. The Independent Director must also possess the following qualifications:

- a) Must have at least 10 (ten) years of technical or professional experience in the relevant field;
- b) Must not have been convicted of any criminal offense, or involved in fraud, financial crime, or other unlawful activities;

- c) Must not have been subject to any adverse observation by any legal authority or legal proceeding;
- d) Must not have been found guilty of violating the rules, regulations, or discipline of any regulatory authority of a sector;
- e) Must not be associated with any company or firm whose registration or license has been withdrawn, canceled, or which has been liquidated;
- f) Must not have defaulted on any loan from any bank or financial institution, either personally or through related parties;
- g) Must not have been declared bankrupt by any court;
- h) Must not have any association with the concerned company/organization or any of its directors, sponsors, shareholders, or any of its holding or sister concerns; and
- i) Must not be a serving government employee.

MC, Finance Division, with technical assistance from the International Monetary Fund (IMF), has initiated a systematic classification of State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) into market producers and non-market producers. This classification is crucial for aligning the fiscal accounts with international standards such as the Government Finance Statistics Manual (GFSM 2014) and improving the transparency of quasi-fiscal operations.

## Future Reform Agenda for SOEs/ABs

### Governance and Financial Sustainability:

- The Finance Division will expand reforms to enhance financial sustainability, governance, and accountability of SoEs/ABs.
- Risk-based indicators and performance-linked metrics will continue to be integrated into the budgetary process.
- Independent Performance Evaluation (IPE) coverage will increase annually, institutionalizing objective and transparent assessment of SOEs and ABs.

### Performance Improvement and Operational Efficiency:

- Annual increase in the preparation and implementation of **Performance Improvement Strategies (PIS)** for underperforming SoEs/ABs.
- PIS will focus on:
  - ✓ Improving operational efficiency,

- ✓ Enhancing asset utilization,
- ✓ Ensuring financial viability.

### **Policy Development and Oversight Mechanisms:**

- New policy manuals and advanced financial oversight tools will be developed.
- A comprehensive legal framework for **unified SOO governance** will be proposed.

### **Public Service Obligation (PSO) Guidelines in Power Sector:**

- PSO guidelines will be implemented immediately for SOEs in the power sector.
- Key objectives:
  - ✓ Define, quantify, and finance essential public services,
  - ✓ Ensure delivery of below-market cost services to meet social and strategic goals.
- The PSO framework will expand annually to improve:
  - ✓ Fiscal transparency,
  - ✓ Cost-efficiency,
  - ✓ Service accountability.
  - ✓

### **Corporate Governance Alignment:**

- All listed SOEs must comply with the **Code of Corporate Governance**, in line with **OECD Guidelines**.
- Mandated reforms include:
  - ✓ Formation of professional, merit-based boards,
  - ✓ Separation of regulatory and ownership functions,
  - ✓ Establishment of board committees and risk oversight units,
  - ✓ Regular public financial disclosures.

### **Centralized Ownership and Oversight Structure:**

- Bangladesh currently lacks a unified SOE ownership policy—ownership remains scattered across line ministries.
- Reform goals:

- ✓ Adopt a formal **SOE ownership policy**,
- ✓ Establish a **central ownership coordination unit** under the Finance Division,
- ✓ Standardize governance codes and ownership practices with OECD guidelines.

### **Unified Legal Identity and Governance Framework:**

- Current classification of public sector entities (SOEs, ABs, Statutory Authorities) is fragmented and overlapping.
- Proposed reforms:
  - ✓ Adopt a unified nomenclature such as **State-Owned Organization (SOO)**
  - ✓ Enact a **Common Ownership and Governance Act** to:
    - Classify SoEs/ABs,
    - Define ownership principles and governance standards, and
    - Establish performance reporting and fiscal oversight requirements.

## **Conclusion**

Bangladesh's SoEs/ABs are essential pillars of national development, providing critical infrastructure, public services and employment. The comprehensive reforms led by the Finance Division—spanning budgetary oversight, performance evaluation, risk management and governance—reflect a concerted effort to transform these entities into transparent, accountable and financially sustainable organizations. The increased budgetary allocations, strategic capital investments and government grants demonstrate a commitment to supporting SoEs/ABs' growth and efficiency while safeguarding fiscal stability. Continued monitoring, data-driven evaluations and legislative reforms will be key to consolidating progress, minimizing fiscal risks and ensuring SoEs/ABs contribute effectively to Bangladesh's long-term economic and social development goals.

## Annexure 01: List of SOE with Very Low Risk

SL	Name of SOEs and ABs	Score
1	Bangladesh Export Processing Zone Authority (BEPZA)	1.17
2	Bangladesh Energy Regulatory Commission (BERC)	1.16

## Annexure 02: List of SOE with Low Risk

SL NO	Name of SOEs and ABs	Score
1	Bangladesh Petroleum Corporation (BPC)	2.33
2	Rupantarita Prakritik Gas Company Limited (RPGCL)	2.33
3	Barapukuria Coal Mining Company Limited (BCMCL)	1.83
4	TSP Complex Ltd.	2.33
5	Ceru and Co. (BD) Ltd.	2.33
6	Khulna Development Authority (KDA)	2.17
7	Chattagram Development Authority (CDA)	2.33
8	Rajshahi Development Authority (RDA)	2.16
9	Chattagram Port Authority (CPA)	1.83
10	Bangladesh Shipping Corporation (BSC)	2.00
11	Mongla Port Authority (MPA)	1.67
12	Bangladesh Submarin Cable Company Limited (BSCCL)	2.00
13	Bangladesh Cable Shilpa Limited (BCSL)	1.50
14	Bangladesh Satellite Company Limited (BSCL)	2.17
15	Civil Aviation Authority of Bangladesh (CAAB)	2.17
16	Nuclear Power Plant Co. Bangladesh Ltd. (NPCBL)	2.40
17	Bangladesh Overseas Employment and Services Limited (BOESL)	2.00
18	Small and Medium Enterprise Foundation (SMEF)	1.83
19	Palli Karmo Shohaiyak Foundation (PKSF)	2.17
20	Bangladesh Municipal Development Fund (BMDF)	1.50

### Annexure 03: List of SOE with Moderate Risk

SL NO	Name of SOEs and ABs	Score
1	Bangladesh Economic Zone Authority (BEZA)	3.17
2	Power Grid Company of Bangladesh (PGCB)	3.17
3	Coal Power Generation Co. Bangladesh Limited (CPGCBL)	3.00
4	Rural Power Company Limited (RPCL)	2.83
5	North West Power Generation Company Limited (NWPGL)	2.67
6	B-R Powergen Limited	3.00
7	Bangladesh Rural Electrification Board (REB)	2.67
8	Eastern Refinery Limited (ERL)	2.67
9	Padma Oil Company Limited (POCL)	3.17
10	Meghna Petroleum Limited (MPL).	3.00
11	LP Gas Ltd.	2.50
12	Eastern Lubricants Blending Limited (ELBL)	3.00
13	Sylhet Gas Fields Limited (SGFL)	2.67
14	Pashchimanchal Gas Company Limited (PGCL)	2.83
15	Karnaphuli Gas Distribution Company Limited (KGDCL)	3.00
16	Sundarban Gas Company Limited (SGCL)	3.33
17	Bangladesh Chemical Industries Corp. (BCIC) (H.O)	3.17
18	Jamuna Fertilizer Company Limited (JFCL)	2.83
19	Ashuganj Fertilizer and Chemical Company Limited (AFCCL)	3.33
20	Usmania Glass Sheet Factory Ltd. (UGSFL)	3.17
21	DAP Fertilizer Company Limited.	2.50
22	Training Institute for Chemical Industries (TICI)	2.67
23	Bangladesh Sugar and Food Industries Corp. (BSFIC) (HO)	2.83
24	Gazi Wires Limited (GWL)	2.50
25	National Tubes Limited (NTL)	3.30
26	Pragati Industries Ltd. (PIL)	3.00
27	General Electric Manufacturing Co. Ltd. (GEMCL)	3.17
28	Dhaka Steel Works Ltd. (DSWL)	3.33
29	Dhaka Water and Sewerage Authority (DWASA)	3.00
30	Rajshahi Water and Sewerage Authority (RWASA)	2.66
31	Bangladesh Bridge Authority (BBA)	2.67
32	Dhaka Mass Transit Company Limited (DMTCL)	2.80
33	Bangladesh Telecommunication Regulation Commission (BTRC)	3.17
34	Bangladesh Telecommunication Company Ltd (BTCL)	2.50
35	Telephone Shilpa Sangstha Limited (TSS)	3.00
36	Bangladesh Parjatan Corporation (BPRC)	2.50
37	Bangladesh Forest Industries Develop. Corp. (BFIDC)	3.33

#### Annexure 04: List of SOE with High Risk

Sl No	Name of SOEs and ABs	Score
1	Dhaka Electricity Supply Company Limited (DESCO)	4.00
2	Dhaka Power Distribution Company Limited (DPDC)	3.67
3	Ashugonj Power Station Company Limited (APSC)	3.50
4	Electricity Generation Company of Bangladesh Limited (EGCB)	3.67
5	West Zone Power Distribution Company Limited (WZPDCL)	3.83
6	Northern Electricity Supply Company (NESCO) Limited	3.67
7	Jamuna Oil Company Limited (JOCL)	3.50
8	Bangladesh Petroleum Exploration and Production Company Limited (BAPEX)	3.50
9	Bangladesh Gas Fields Company Limited (BGFCL)	3.67
10	Gas Transmission Company Limited (GTCL)	4.17
11	Titas Gas Transmission and Distribution Company Limited (TGTDCL)	4.00
12	Bakhrabad Gas Distribution Company Limited (BGDCL)	3.83
13	Jalalabad Gas Transmission and Distribution System Limited (JGTDSL)	3.67
14	Shahjalal Fertilizer Company Limited (SFCL)	3.50
15	Chittagong Urea Fertilizer Factory Ltd. (CUFL)	3.50
16	Chhatak Cement Company Limited (CCCL)	4.33
17	Dhaka Leather Company Limited (DLCL)	4.33
18	Panchagar Sugar Mill Ltd. (PSML)	4.33
19	Thakurgaon Sugar Mill Ltd. (TSML)	4.17
20	Setabgonj Sugar Mill Ltd. (SSML)	4.17
21	Rangpur Sugar Mill Ltd. (RSML)	4.33
22	North Bengal Sugar Mill Ltd. (NBSML)	4.33
23	Zeal Bangla Sugar Mill Ltd. (ZBSML)	3.66
24	Atlas BD Limited (A.BD.L)	4.33
25	Khulna Water and Sewerage Authority (KWSA)	3.50
26	Bangladesh Inland Water Transport Authority (BIWTA)	3.50
27	Bangladesh Inland Water Transport Authority (BIWTA)	4.33
28	Trading Corporation of Bangladesh (TCB)	4.17
29	Biman Bangladesh Airlines Limited (BBAL)	4.00

## Annexure 05: List of SOE with Very High Risk

SL NO	Name of SOEs and ABs	Score
1	Bangladesh Power Development Board (BPDB) (H.O)	4.83
2	Maddhapara Granite Mining Company Limited (MGMCL)	4.67
3	Dhaka Leather Company Limited (DLCL)	5.00
4	Shaympur Sugar Mill Ltd. (SSM)	5.00
5	Joypurhat Sugar Mill Ltd. (JSML)	4.50
6	Rajshahi Sugar Mill Ltd. (RSML)	4.50
7	Natore Sugar Mill Ltd. (NSML)	5.00
8	Kustia Sugar Mill Ltd. (KSML)	5.00
9	Mobarakgonj Sugar Mill Ltd. (MSML)	5.00
10	Pabna Sugar Mill Ltd. (PSML)	5.00
11	Faridpur Sugar Mill Ltd. (FSML)	4.50
12	Renwik Jajneswar and Company Limited (RJCL)	5.00
13	Bangladesh Road Transport Corporation (BRTC)	4.83
14	National Tea Company Limited (NTCL)	4.83