

**Independent Performance Evaluation (IPE) Report**  
**on**  
**Bangladesh Rural Electrification Board (BREB)**  
**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 Rural Electrification Board (BREB) is included in the list of 20 selected SOEs/ABs for Independent Performance Evaluation (IPE) for FY 2022-23. As per the result of IPE Bangladesh Rural Electrification Board (BREB) has obtained a weighted average score of 3.25 out of 4.00 and is graded "Very Good" in FY 2022-23.

### 1. Introduction:

The Rural Electrification Board (REB) was established on October 31, 1977, under the Rural Electrification Board Ordinance, 1977 (Ordinance No. LI of 1977). In 2013, this ordinance was repealed and replaced by the Bangladesh Rural Electrification Board Act No. 57 of 2013. The Bangladesh Rural Electrification Board (BREB) is tasked with ensuring uninterrupted electricity supply in rural and semi-urban areas of the country and stands as the largest power distribution organization in Bangladesh. BREB plays a pivotal role in the socio-economic development of rural areas, supporting sectors such as agriculture, industry, education, healthcare, and infrastructure through electrification. Electricity is distributed in these areas via its network of Palli Bidyut Samities (PBS). To date, BREB has established 80 Palli Bidyut Samities across Bangladesh, covering 61 districts and 462 Upazilas. Its prime goal is to deliver uninterrupted and high-quality electricity to consumers, fostering sustainable socio-economic growth. The Power Division under the Ministry of Power, Energy, and Mineral Resources oversees BREB's activities. Below is an overview of BREB's operational activities:

#### Key Operational Activities

Sl No	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
1.	Total Consumers	Nos.	32,000,000	33,500,000	34,800,000
2.	Total Capacity	MVA	16,000	17,210	17,470
3.	Total Distribution line	Km	538,000	572,451	582,016
4.	Total Energized sub-station	Nos.	1,160	1,279	1,299
5.	Production of Solar Electricity	MW	30.77	42.87	80.22
6.	Electricity Supply	MW	-	8,600	9,801
7.	System Loss	%	9.67	9.01	8.56

Source: BREB Annual Report 2021-22 & 2022-23

The operational activities of BREB have shown significant growth and improvement across key areas during the fiscal years 2020-21 to 2022-23. The total number of consumers increased by 8.75%, from 32 million in FY 2020-21 to 34.8 million in FY 2022-23. Total capacity grew by 9.19%, reaching 17,470 MVA. The total distribution line expanded by 8.18%, increasing from 538,000 km to 582,016 km. The number of energized substations rose by 11.98%, from 1,160 to 1,299. Solar electricity production exhibited the most substantial growth, increasing by 160.69%, from 30.77 MW to 80.22 MW. Electricity supply grew by 13.96% from FY 2021-22 to FY 2022-23, reaching 9,801 MW. Additionally, system losses were reduced by 1.11 percentage points, dropping from 9.67% to 8.56%, reflecting improved efficiency in operations. These advancements indicate BREB's enhanced electricity distribution and operational efficiency.

BREB has a strategic plan to increase the share of electricity generated from renewable energy sources. As part of this plan, the entity is implementing the “Solar Photovoltaic Pumping for Agricultural Irrigation” project, funded by ADB. The project aims to install 2,000 solar irrigation pumps with a total capacity of 19.3 MWp. So far, 250 pumps have been installed, to meet the energy demands of the irrigation sector. Additionally, BREB has introduced a net metering system to encourage consumers to sell their surplus renewable energy back to the grid, fostering sustainable energy use.

## **2.Role & Function:**

The Bangladesh Rural Electrification Board (BREB) carries out the following functions:

- i. Distributing electricity in rural and semi-urban areas of Bangladesh.
- ii. Promoting rural industrial development and expanding irrigation facilities through rural electrification.
- iii. Developing by-laws, relending terms, fund rules, regulations, policies, and guidelines for Palli Bidyut Samities.
- iv. Transferring completed schemes to Palli Bidyut Samities for operation, maintenance, and management.
- v. Monitoring and preventing illegal electricity usage and disconnecting lines of defaulting customers.
- vi. Constructing substations and distribution lines in rural areas.
- vii. Installing smart meters and prepaid meters for customers.

## **3. Core Business and organizational structure:**

Core Business:

- i. Ensuring uninterrupted electricity supply.
- ii. Minimizing distribution system losses by adopting modern technology.
- iii. Delivering customer-friendly services and maintaining the quality of electricity supply.
- iv. Preparing project proposals, submitting them to the government for approval, and implementing approved projects.
- v. Securing loans and grants from the government and other agencies to support the Board's programs.

## 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	<b>Entity Strategy</b>							
	1a. Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Growth Trajectory</b>							
	2a. Net Income Growth	QN	4	20.00% or more	18.00 % to 19.99%	16.00% to 17.99%	14.00% to 15.99%	Below 14.00%
	2b. Service Revenue Growth	QN	4	25.00% or more	22..00% to 24.99%	19.00% to 21.99%	16.00% to 18.99%	Below 16.00%
	2c. Other Growth	QL	2	91-100%	81-90%	71-80%	41-70%	Below 41%
3	<b>Effective Implementation of Public Policy</b> • Implement activities to achieve policy goal	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	<b>Efficiency of Project</b> Implementation/ Project Goal Achievement: • Percentage of estimated target achieved	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	<b>Social Contribution</b> • Environmental Contribution • CSR/WPPF • Training/Volunteering	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 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	<b>Entity Strategy</b>						
	1a. Entity Strategic Plan	QL	4	92.00%	Excellent	4	Note 1
2	<b>Growth Trajectory</b>						
	2a.Net Income Growth	QN	4	411.82%	Excellent	4	AFS
	2b Service Revenue Growth	QN	4	151.11%	Excellent	4	AFS
	2c. Other Growth	QL	2	91.00%	Excellent	4	Note 2
3	<b>Effective Implementation of Public Policy</b>	QL	4	91.00%	Excellent	4	Note 3
4	<b>Efficiency of Project Implementation/Project Goal Achievement</b>	QN	4	96.63%	Excellent	4	Note 4
5	<b>Social Contribution</b>	QL	3	90.00%	Very Good	3	Note 5
Sub-Total			25				

**Note-1:** The Bangladesh Rural Electrification Board (BREB) has adopted a comprehensive strategic plan to expand, upgrade, and modernize the rural electricity distribution network across the country. These initiatives are designed to meet the increasing electricity demand, improve service quality, and ensure access to affordable and reliable power, particularly in underserved areas. BREB's efforts are closely aligned with the Power Sector Master Plan (PSMP) 2016, the National Strategic Plan, and government directives outlined in the national budget. Moreover, BREB's programs directly contribute to the achievement of SDG 7 (Affordable and Clean Energy) by promoting universal energy access and SDG 9 (Industry, Innovation, and Infrastructure) through infrastructure development.

**Note-2:** The Bangladesh Rural Electrification Board (BREB) has taken the following steps to enhance its operational processes:

- i. Activated Transformer Maintenance and Load Management software across all 80 Palli Bidyut Samities (PBSs).
- ii. Achieved its goal of bringing 100% of the population under the electricity network.
- iii. Introduced Geographic Information System (GIS) mapping for distribution lines, grid substations, and related infrastructure.
- iv. Implemented Net Metering installations, enabling consumers to generate renewable energy, primarily through solar panels, and supply surplus electricity to the national grid. This system allows consumers to reduce their electricity bills and earn credits for excess power supplied. It promotes clean energy adoption, reduces costs, and aligns with Bangladesh's renewable energy goals, fostering sustainability within rural electrification efforts.

**Note-3:** The Bangladesh Rural Electrification Board (BREB) plays a pivotal role in implementing national energy and development policies by expanding electricity access to rural and semi-urban areas. Through its mandate, BREB contributes directly to the government's vision of inclusive growth, rural industrialization, agricultural development, and poverty alleviation. Including electricity distribution, infrastructure development, and institutional support to Palli Bidyut Samities (PBSs) – BREB enables decentralized power management and foster grassroots development. By preparing regulatory frameworks and operational guidelines, BREB ensures effective governance and sustainability of rural electrification efforts.

**Note-4:** BREB achieved 100% of its financial targets and 96.63% of its physical targets for FY 2022-23. The performance score is assigned based on the level of target achievement during the fiscal year.

**Note-5:** BREB has undertaken following social and environmental activities:

- i. Launched a project to convert overhead distribution networks into underground electric distribution systems, reducing environmental pollution.
- ii. Undertaken the "Solar Photovoltaic Pumping for Agricultural Irrigation" project, funded by the Asian Development Bank (ADB), to promote renewable energy generation.
- iii. Under its Corporate Social Responsibility (CSR) program, provides up to 100 kWh of electricity free of charge to families of Shaheed (martyred) and injured Freedom Fighters.
- iv. Maintains Provident Fund and Gratuity Fund facilities for employees of Palli Bidyut Samities, along with a pension fund for BREB employees.

## Indices: B. Operational Efficiency

**Table 2(a): Standard of Indices B**

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Service Delivery</b>							
	Service Benefit & Accessibility	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Labor Productivity</b>							
	Added Value per Employee (million Tk.)	QN	4	Tk 9.00 million or more	Tk7.00 to 8.99 million	Tk.5.00 to 6.99 million	Tk3.00 to 4.99 million	Below Tk. 3.00 million
3	<b>Capital Productivity</b>							
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.04or more	Tk. 0.03to 0.0399	Tk. 0.02to 0.0299	Tk. 0.01to 0.009	Below Tk. 0.01
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk5.00..or more	Tk. 4.00 to 4.99	Tk. 3.00 to 3.99	Tk2.00 to 2.99	Below Tk. 2.00
4	<b>Production</b>							
	4a. Inventory Turnover (Times)	QN	4	0.10 or more	0.08 to 0.09	0.06 to 0.07	0.04 to 0.05	Below 0.04
	4b. Asset Turnover (Times)	QN	4	0.05 or more	0.04 to 0.049	0.03 to 0.039	0.02 to 0.029	Below 0.02
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	<b>Service Delivery</b>						
	Service Benefit & Accessibility	QL	5	92%	Excellent	4	Note 6
2	<b>Labor Productivity</b>						
	Added Value per Employee (million Tk.)	QN	4	Tk. 8.71 million	Very Good	3	AFS
3	<b>Capital Productivity</b>						
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.019	Fair	1	AFS
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk.4.87	Very Good	3	AFS
4	<b>Production</b>						
	4a. Inventory Turnover (Times)	QN	4	0.08	Very Good	3	AFS
	4b. Asset Turnover (Times)	QN	4	0.02	Fair	1	AFS
Sub-total			25				

**Note-6:** BREB has introduced the following initiatives to enhance customer service:

Establishment of a one-stop service center.

- i. Launch of the mobile app "Palli Bidyut Sheba."
- ii. Implementation of the "Uthan Boithak" program to address customer complaints and issues at the grassroots level.

- iii. The innovative "Alor Ferrywala" campaign, which provides instant electric connections directly to customers' homes.
- iv. Advancement of digitization in the rural electrification program, including Digital Phonebooks and Digital Bill Payment Certificates.
- v. Implementation of an Integrated Centralized Billing System.
- vi. Development of an online bill payment system through platforms such as Rocket, MCash, UCash, Bkash, GP, Robi, and others.
- vii. Introduction of an online connection application system.

### 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. 10,000 million or more	Tk. 8,000 to Tk. 9,999 million	Tk6,000 to Tk. 7,999 million	Tk.4,000 to Tk. 5,999 million	Below Tk. 4,000 million
2	Profit before Tax	QN	2	Tk.12,000 million or more	Tk.10,000 to Tk. 11,999 million	Tk.8,000 to Tk.9,999 million	Tk.6,000 to Tk7,999 million	Below Tk. 6,000 million
3	Return on Assets (%)	QN	2	2.00 % or more	1.75% to 1.99 %	1.50% to 1.74%	1.00% to1.49%	Below 1.00%
4	Return on Service Revenue (%)	QN	2	25.00% or more	20.00%to 24.99%	15.00% to 19.99%	10.00% to14.99%	Below 10.00%
5	Return on Equity (%)	QN	2	4.00% or more	3.00%to 3.99 %	2.00 % to 2.99%	1.00 % to1.99%	Below 1.00%
6	Net Worth Growth (%)	QN	2	12.00 or more	10.00%to 11.99%	8.00% to 9.99%	6.00% to7.99%	Below 6.00%
7	Capital Budget Utilization (%)	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
	ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	2	0.70or 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	1.50to 1.74	1.25to 1.49	Below 1.25
4	Current Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
	iii. Transactions with Govt.							
1	Taxes Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Dividend Paid	QN	3	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Debt Service Liabilities Paid	QN	3	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. 10,233.14 Million	Excellent	4	AFS
2	Profit before Tax	QN	2	Tk.13,557.84 million	Excellent	4	AFS
3	Return on Assets (%)	QN	2	1.47%	Fair	1	AFS
4	Return on Sales (%)	QN	2	72.01%	Excellent	4	AFS
5	Return on Equity (%)	QN	2	1.94%	Fair	1	AFS
6	Net Worth Growth (%)	QN	2	0.01%	Under Performing	0	AFS
7	Capital Budget Utilization (%)	QN	2	99.95	Excellent	4	SL-27,28 of Annexure -1
ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	2	0.32	Excellent	4	AFS
2	Debt to Assets (Times)	QN	2	0.24	Excellent	4	AFS
3	Debt Coverage Ratio (Times)		2	3.73	Excellent	4	AFS
4	Current Ratio (Times)	QN	2	2.64	Excellent	4	AFS
iii) Transactions with Government							
1	Taxes Paid	QN	2	100%	Excellent	4	SL-31,32 of Annexure -1
2	Dividend Paid	QN	3	100%	Excellent	4	SL-29,30 of Annexure-1
3	Debt Service Liabilities Paid	QN	3	100%	Excellent	4	SL-33,34 of Annexure -1
Sub-total			30				

## Indices: D. Corporate Governance Practices

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

FY 2022-23

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

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

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

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	4	85%	Very Good	3	Note 7
2	Board Practices	QL	4	86%	Very Good	3	Note 8
3	Transparency and Disclosure	QL	4	93%	Excellent	4	Note 9
4	Control Environment and Process.	QL	4	82%	Very Good	3	Note 10
5	Performance against the key Indicators of APA	QN	4	98.0%	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-7:** BREB operates under Bangladesh Rural Electrification Board Act 2013 and adheres to corporate governance standards, including the Code of Conduct, Employee Service Rules and Regulations, Key Board Policies, and the Citizen Charter. To make citizen service delivery more people-friendly and accessible, BREB has formulated the District Level Officers' Service Profiles and is delivering services accordingly at the grassroots level. Additionally, BREB has a Corporate Secretary for its board.

**Note-8:** The Board of Directors of BREB consists of 12 (twelve) members nominated by the Government of Bangladesh (GOB). The Board includes a chairman, five regular directors, and six directors from BPDB, BADC, BSCIC, BRDB, PGBPLC, ICAB. It operates in accordance with its Terms of Reference (TOR). BREB does not have any board committees. During the fiscal year 2022-23, 15 (fifteen) Board meetings were held, and 408 (four thousand eight) Board decisions were implemented.

**Note-9:** The Board of Directors, senior management profiles, audited financial statements, Citizen Charter, Annual Performance Agreement (APA), Act, Rules, Regulations, and Code of Conduct are all available on BREB's website. Additionally, all tenders and publications are regularly published on the website for public access.

**Note-10:** BREB has implemented the following measures to ensure effective environmental and process control:

- i. **Internal Audit Directorate:** BREB has established an Internal Audit Directorate responsible for maintaining financial control and discipline across its offices, which report directly to the Chairman.
- ii. **Integrated Financial Management System:** The organization is implementing an Integrated Financial Management System to streamline financial operations.

- iii. **ERP System Implementation:** BREB has deployed an ERP system covering HR-Payroll, Fixed Assets, Finance, and Procurement modules.
- iv. **E-Nothi System:** The e-Nothi system has been implemented in BREB and all PBSs to enhance administrative efficiency.
- v. **E-Tendering System:** An e-Tendering system is being implemented to ensure transparency in procurement processes.
- vi. **Safety Compliance:** BREB adheres to ISO-certified safety standards to maintain compliance.
- vii. **ISO Certification:** BREB has been an ISO-certified organization since 2014-15.

## 5. IPE Process

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

Fiscal Year: 2022-23

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
a	b	c	d	e	f
A	<b>Business Strategy and Social Responsibility:</b>	25			
1	Entity Strategy: • Entity Strategic Plan		4	4	0.16
2	Growth Trajectory: 2a. Net Income Growth		4	4	0.16
	2b. Service Revenue Growth		4	4	0.16
	2c. Other Growth		2	4	0.08
3	Effective Implementation of Public Policy: • Implement activities to achieve policy goal		4	4	0.16
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	3	0.09
<b>Sub Total</b>			<b>25</b>		<b>0.97</b>
B	<b>Operational Efficiency:</b>	25			
1	Service Delivery: • Service benefits and Accessibility		5	4	0.20
2	Labor Productivity: 2a. Added Value Per Employee		4	3	0.12
	2b. Employees cost on Value addition (%)				
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		4	1	0.04
	3b. Added Value Per TK Value of PPE		4	3	0.12
4	Production:				
	4a. Input use Efficiency				
	4b. Inventory Turnover		4	3	0.12
	4c. Asset Turnover		4	1	0.04
	4d. Capacity Utilization				
<b>Sub Total</b>			<b>25</b>		<b>0.64</b>

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
C	<b>Financial:</b>	30			
	<b>i. Financial Performance:</b>				
1	Operating profit		2	4	0.08
2	Profit before tax		2	4	0.08
3	Return on assets		2	1	0.02
4	Return on Service Revenue		2	4	0.08
5	Return on equity		2	1	0.02
6	Net worth growth		2	0	.0.00
7	Capital budget utilization		2	4	0.08
	<b>ii. Financial Risk:</b>				
1	Debt equity ratio		2	4	0.08
2	Debt to assets		2	4	0.08
3	Debt coverage ratio		2	4	0.08
4	Current ratio		2	4	0.08
5	Accounts receivable period				
6	Accounts payable period				
	<b>iii. Transactions with Government:</b>				
1	Taxes paid		2	4	0.08
2	Dividend paid		3	4	0.12
3	Debt Service Liabilities Paid		3	4	0.12
	<b>Sub Total</b>		<b>30</b>		<b>1.00</b>

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
D	<b>Corporate Governance Practices:</b>	20			
1	Commitment to Corporate Governance: <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Ethics</li> <li>• Key policies of Board</li> <li>• Board structure</li> <li>• Employee's service rules/ regulations</li> <li>• Appointment of Board Secretary</li> </ul>		4	3	0.12
2	Board Practices: <ul style="list-style-type: none"> <li>• Composition of Board of Directors and number of meetings held</li> <li>• TOR of board</li> <li>• Number of independent Board Directors</li> <li>• Name &amp; Number of board committees and number of meetings held</li> <li>• Number of board decisions that have been implemented</li> </ul>		4	3	0.12
3	Transparency and Disclosure: <ul style="list-style-type: none"> <li>• Board of directors and Senior managers name and biographies</li> <li>• Audited financial statement</li> <li>• Citizen charter</li> <li>• APA</li> <li>• Code of conduct</li> </ul>		4	4	0.16
4	Control Environment and Process: <ul style="list-style-type: none"> <li>• Entity's internal control systems for different departments</li> <li>• Internal audit procedure and reporting authority</li> <li>• Entity's computer-based management information system (database)</li> <li>• Any authority of the board to mitigate the entity's emergency situation</li> <li>• Measures taken for safe working environment in the entity's premises</li> </ul>		4	3	0.12
5	Performance against the key Indicators of APA: <ul style="list-style-type: none"> <li>• Total Performance score achieved on APA</li> </ul>		4	3	0.12
	<b>Sub Total</b>				<b>0.64</b>
	<b>Grand Total (A+B+C+D)</b>	<b>100</b>	<b>100</b>		<b>3.25</b>

## 7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Bangladesh Rural Electrification Board Scored 3.25 out of 4.00 in the year 2022-23.

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

- Entity Strategic Plan
- Other Growth
- Transparency and Disclosure
- Effective Implementation of Public Policy
- Efficiency of project Implementation
- Current Ratio
- Capital Budget Utilization
- Net Income Growth
- Debt Coverage Ratio
- Debt Equity Ratio
- Debt to Assets
- Service Revenue Growth
- Service Delivery
- Return on Service Revenue

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

- Control Environment and Process
- Annual Performance Agreement (APA)
- Labour Productivity
- Social Contribution
- Corporate Governance
- Board Practices
- Social Contribution
- Capital Productivity
- Inventory Turn Over

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

- Assets Turnover
- Return on Equity
- Return on Assets

The performance of BREB is graded “Under Performing” in the following area:

- Net Worth Growth



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

- BREB has earned operating profit of Tk.10,233.14 million.
- The entity earned net Profit (after tax) of Tk9,878.31 million.
- BREB Current Ratio (Times) 2.64 which indicates entity is in a well position to meet its current liabilities in due period.
- BREB Paid Taxes Tk.3,661.21 million, Dividend TK30.00 million and DSL Tk. 2,923.27 million to GOB.

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

In the BREB Audit Report 2022-23 the auditors emphasized and drew attention to the following notes/accounts:

- 1) BREB has an unsettled insurance claim of Tk. 47.15 million to Sadharan Bima Corporation against the damaged, lost and short landed imported goods for a long period. BREB shows this unsettled insurance claim as contingent assets of the board;
- 2) PBS reserve fund shows NIL balance during the FY 2022-23. The entity transferred the entire reserve fund Tk. 23,702.03 million of previous year to the different head of accounts. Management did not consider the auditor opinion in this respect;
- 3) In audit report the entity did not provide aging of receivable Tk. 103,194.62 million and no provision made for bad debt on receivable amount.

## **9. Recommendation for Performance Based Incentives**

Bangladesh Rural Electrification Board has obtained a weighted score of 3.25 out of a scale 4.00 and is graded “Very Good”. Therefore, IPEC recommended non-financial incentive for the employees of BREB. Also, a certificate from Finance Division may be awarded to BREB for being graded “Very Good” in IPE for the FY 2022-23.

## **10. Recommendations for Improvements:**

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

- a) BREB should undertake more renewable energy program to find sustainable solutions and make a green environment friendly country;
- b) The entity should take appropriate measures to reduce their system loss within the acceptable range;
- c) BREB should complete the Enterprise Resource Planning (ERP) & Supervisory Control and Data Acquisition (SCADA) software application system as per their timeline to run the operational activities efficiently;
- d) The entity should undertake necessary measures to complete its ongoing projects within the stipulated period.
- e) It should form Board Committees such as Audit Committee and Nomination & Remuneration Committee (NRC) for internal control and compliance;
- f) BREB should comply applicable IAS/IFRS for fair presentation of AFS;
- g) Auditor’s observations regarding unsettled insurance claim of Tk. 47.15 million and PBS reserve fund transferred to different accounts need to be recognized;
- h) BREB should take necessary measures to implement the automation system for efficient operation of whole distribution network.

## **11. Conclusion**

Based on Audited Financial Statements, data and documents of Bangladesh Rural Electrification Board (BREB), Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. In the report it is found that BREB's financial and non-financial performances have improved compared to previous fiscal year. Hence, to enrich the distribution network of BREB, the entity should implement all undertaken projects such as capacity enhancement, upgradation, modernization & expansion within timeline to provide sustainable uninterrupted and safe electricity supply to the peoples of Bangladesh. In a nutshell rural electrification will encourage to setup more large, medium & small industries in rural areas that will increase commercial activities, employment opportunity, reduce poverty, increase GDP and overall socio-economic development of the country.

**Bangladesh Rural Electrification Board (BREB)**  
**Financial & Other Information**

**Annexure-1**

Amount in BDT			
Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
1	Current Assets:		
	i. Inventories		
	• Material		
	• Accessories/ Supplies	14,991,086,981	13,958,212,494
	• Others (including spare parts)		
	ii. Receivable:		
	• Trade		
	• Others	103,194,620,986	93,452,265,631
	iii. Cash and Cash Equivalent	1,756,288,884	2,050,220,844
	iv. others Current Assets	4,210,418,434	2,296,506,329
2	Total Current Assets (i+ii+iii+iv)	124,152,415,285	111,757,205,298
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	2,571,048,926	2,605,614,008
	• Investments	54,233,733,707	45,099,634,082
	• Other Non Current Assets	489,835,930,816	499,386,244,397
4	Total Assets (2+3)	670,793,128,735	658,848,697,785
5	Current Liabilities:		
	i. Payables:		
	• Trade		
	• Others	30,975,193,106	22,727,839,603
	ii. Other Current Liabilities	16,049,625,789	10,796,486,904
6	Total Current Liabilities (i+ii)	47,024,818,895	33,524,326,507
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	114,941,773,944	116,527,189,328
	ii. Deferred Liabilities		
	iii. Other Non-Current Liabilities		
8	Total Non-Current Liabilities (i+ii+iii)	114,941,773,944	116,527,189,328
9	Total Liabilities (6+8)	161,966,592,839	150,051,515,835
10	Equity:		
	i. GOB Fund	458,178,535,439	454,800,899,778
	ii. Donated Capital	152,726,069	152,726,069
	iii. Grants		
	iv. Reserve Funds & Others	26,716,420,633	34,195,109,853
	v. Revaluation Reserve		
	vi. Retained Earnings/(Loss)	23,778,853,755	19,648,446,251
11	Total Equity (i+ii+iii+iv+v)	508,826,535,896	508,797,181,951
12	Total Equity and Liabilities (9+11)	670,793,128,735	658,848,697,785

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2022-23		2021-22	
		Amount	Percentage	Amount	Percentage
13	Net Sales Revenue	13,718,526,579	100%	5,463,161,730	100%
14	Less: Cost of Services	1,209,472,960	8.82%	1,244,800,227	22.79%
15	Gross Profit/(Loss) (13-14)	12,509,053,619	91.18%	4,218,361,503	77.22%
16	Less: Operating Expenses:				
	i. Administrative Expenses	2,275,911,212	16.59%	2,238,685,412	40.98%
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	2,275,911,212	16.59%	2,238,685,412	40.98%
18	Operating Profit/(Loss) (15-17)	10,233,142,408	74.59%	1,979,676,091	36.24%
19	Add: Non-Operating Income	3,324,730,837		2,969,564,142	
20	Less: Financial Expenses				
21	Less Contribution to WPPF				
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	13,557,873,245		4,949,240,234	
23	Less: Provision for Tax				
	i. Current tax	3,661,205,040		3,115,073,599	
	ii. Deferred tax	18,353,772		(95,853,869)	
24	Net Profit/(Loss) After Tax (22-23)	9,878,314,433		1,930,020,503	

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales		
26	Credit Purchases		
27	Capital Budget Allocation	1,853,600,000	1,225,300,000
28	Actual Capital Expenditure	1,852,593,000	1,170,000,000
29	Dividend Payable	30,000,000	
30	Dividend Paid	30,000,000	
31	Taxes Payable	3,661,205,040	3,115,073,599
32	Taxes Paid	3,661,205,040	3,115,073,599
33	Debt Service Liabilities (DSL) Payable	2,923,268,000	2,993,780,000
34	Debt Service Liabilities (DSL) Paid	2,923,268,000	2,993,780,000
35	Fees, Fine and Charges Payable		
36	Fees, Fine and Charges Paid		
37	New Government Investment:		
	• Equity		
	• Debts/Loan		
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		
	• Subsidies		
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	10,899,647,908	(3,977,173,787)
40	Added Value	12,509,053,619	4,218,361,503
41	Employee's cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)		
43	Input use Efficiency (%)		
44	Number of Employees (Nos)	1,437	1,437
45	Performance score achieved on APA	98.00	99.32

## Schedule - 2

## Non-financial Information format

Sl.	Particulars	
<b>A</b>	<b>Enterprise Information and Legal Framework</b>	
2	Sector	Power Sector
3	Name of Entity	Bangladesh Rural Electrification Board
4	Number of Subsidiaries	80 PBSs
5	Number of Branches	0
6	Website	www.reb.gov.bd
7	Email Address	-
8	Year of Incorporation	1977
9	Governing Law	Rural Electrification Board Act-2013
10	Other relevant Governing Laws & Regulations	N/A
11	Incorporation Structure	SOE
12	Listed in the Stock Exchange	N/A
<b>B</b>	<b>Ownership and Shareholder Protection</b>	
14	Administrative Ministry	Ministry of Power, Energy and Mineral Resources.
15	Structure of Organization	Multi-Divisional
<b>C</b>	<b>Strategy and Governance Information</b>	
17	Board of Directors (Number disaggregated by gender and profile)	12
18	Qualification of Board Members	As per REB ACT-2013
19	Number of Independent Director	6
20	Chairman to be Independent of Board	N/A
21	Board Committees	N/A
22	Number of Board Meetings held	695
23	Board Sitting Fees	BDT 5000 Per person
24	Executive Management	N/A
25	Selection process of Board Members	As per REB ACT-2013
26	Strategic Plan/Public Policy Goal (copy required)	N/A

27	Innovative work (Description)	N/A
28	Project Completion Rate: Actual Achievement /Target	99.97%/100%
<b>D</b>	<b>Ownership Structure</b>	
30	Govt. Shareholding	100%
31	Private Shareholding	0%
32	Others	0%
<b>E</b>	<b>Fiscal and Financial Discipline</b>	
34	Who are the Primary Lenders to the Enterprise	Government
<b>F</b>	<b>Controls, Transparency and Disclosure</b>	
36	Latest Audited Financial Statement	Attached
37	Audited by	Khan Wahab Shafique Rahman & co
38	Risk Assessment Report	N/A
39	Internal Control	As Per REB Instruction
40	Timely public disclosure of financial statements	Published timely on or before 28 December.
41	Measures for safe working Environment/Process (Description)	ISO Certified
<b>G</b>	<b>Human Resources</b>	
43	Number of employees	1437
44	Number of New Job Creation (Regular, Internship, etc.)	70
<b>H</b>	<b>Employee and Social Welfare</b>	
46	CSR, WPPF, Provident Fund, Gratuity Fund etc.	CPF, GPF, Gratuity are available.

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

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01.03.24  
অমিত পাল  
সহকারী পরিচালক (অর্থ)  
অর্থ পরিদপ্তর, বাণবিবো, ঢাকা।

01.03.24  
(মোঃ মাজেদুল ইসলাম)  
উপ-পরিচালক (অর্থ)  
অর্থ পরিদপ্তর, বাণবিবো, ঢাকা।