Independent Performance Evaluation (IPE) Report
on
Bangladesh Rural Electrification Board (BREB)
For 2023-24

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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 20 (twenty) SOEs/ABs in total 30 (thirty) SOEs/ABs to conduct Independent Performance Evaluation for the FY 2023-24.

Bangladesh Rural Electrification Board (BREB) has been evaluated for 2(two) consecutive years and is included in the list of 30 (thirty) selected SOEs/ABs for Independent Performance Evaluation (IPE) for FY 2023-24. As per the result of IPE Bangladesh Rural Electrification Board (RREB) has obtained a weighted average score of 3.23 out of 4.00 and is graded "Very Good" in FY 2023-24.

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 In 2013, this ordinance was repealed and replaced by the Bangladesh Rural Electrification Board Act No. 57 of 2013.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 Biddyut 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:

Table 1: Key Operational Activities

Sl No	Particulars	Unit	FY 2021-22	FY 2022-23	FY 2023-24
1.	Total Consumers	Nos.	33,500,000	34,800,000	36,000,000
2.	Total Capacity	MVA	17,210	17,470	17,585
3.	Total Distribution line	Km	572,451	582,016	537,830
4.	Total Energized sub-station	Nos.	1,279	1,299	1,304
5.	Production of Solar Electricity	MW	42.87	80.22	80.22
6.	Electricity Purchases	MkWh	45,605	47,216	51,982
7.	Electricity Sales	MkWh		43,174	47,738
8.	System Loss	%	9.01	8.56	8.16

Source: BREB Annual Report 2021-22, 2022-23 & 2023-24

The key operational activities of Bangladesh Rural Electrification Board show steady growth in most operational indicators over the period from FY 2021–22 to FY 2023–24. The total number of consumers increased consistently from 33.5 million in FY 2021–22 to 34.8 million in FY 2022–23, and further to 36.0 million in FY 2023–24, reflecting the expansion of rural electrification coverage. Similarly, total capacity rose gradually from 17,210 MVA to 17,470 MVA and 17,585 MVA, indicating modest enhancement of electricity supply capability. The total distribution line length increased from 572,451 km in FY 2021–22 to 582,016 km in FY 2022–23, but declined to 537,830 km in FY 2023–24, which may reflect network restructuring or data adjustment. The number of energized substations also increased slightly from 1,279 to 1,299, and further to 1,304, supporting improved power distribution infrastructure.

In terms of renewable energy, solar electricity production nearly doubled from 42.87 MW in FY 2021–22 to 80.22 MW in FY 2022–23, and remained stable at the same level in FY 2023–24. Electricity purchases increased steadily from 45,605 MkWh to 47,216 MkWh and further to 51,982 MkWh, indicating higher energy demand and supply requirements. Correspondingly, electricity sales also increased from 43,174 MkWh in FY 2022–23 to 47,738 MkWh in FY 2023–24, reflecting improved electricity distribution and consumption. Importantly, system loss decreased progressively from 9.01% in FY 2021–22 to 8.56% in FY 2022–23, and further to 8.16% in FY 2023–24, demonstrating improved operational efficiency and better management of the power distribution system. Overall, the data indicate expansion in consumer coverage, gradual improvement in infrastructure capacity, increased electricity supply and sales, and enhanced efficiency in system operations.

2.Role & Function:

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

i. Distributes electricity in rural and semi-urban areas of Bangladesh.
ii. Promotes rural industrial development and expanding irrigation facilities through rural electrification.
iii. Formulates by-laws, relending terms, fund rules, regulations, policies, and guidelines for Palli Bidyut Samities.
iv. Transfers completed schemes to Palli Bidyut Samities for operation, maintenance, and management.
v. Monitors and prevents unauthorized electricity use while disconnecting services of defaulting customers. Constructs substations and distribution lines in rural areas.
vi. Installs 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 2 (a): Standard of Indices A FY 2023-24

		* 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**
1	**Entity Strategy**							
	1a. Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	**Growth Trajectory**							
	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	**Effective Implementation of Public Policy** • Implement activities to achieve policy goal	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
4	**Efficiency of Project** Implementation/ Project Goal Achievement: • Percentage of estimated target achieved	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	**Social Contribution** • Environmental Contribution • CSR/WPPF • Training/Volunteering	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 2 (b): Achievement of Indices A

Serial No.	**Indicators & Sub-Indicators**	**Types of Measurement**	**Weight for sub-indicators**	**Actual Performance**	**Achievement**		**Basis of Performance Measuring**
					Grade	**Score**	
1	**Entity Strategy**						
	1a. Entity Strategic Plan	QL	4	85.00%	Very Good	3	Note 1
2	**Growth Trajectory**						
	2a.Net Income Growth	QN	4	46.92%	Excellent	4	AFS
	2b Service Revenue Growth	QN	4	48.75%	Excellent	4	AFS
	2c. Other Growth	QL	2	92.00%	Excellent	4	Note 2
3	**Effective Implementation of Public Policy**	QL	4	93.00%	Excellent	4	Note 3
4	**Efficiency of Project Implementation/Project Goal Achievement**	QN	4	98.32%	Excellent	4	Note 4
5	**Social Contribution**	QL	3	76.00%	Good	2	Note 5
		Sub-Total	25				

Note-1. Bangladesh Rural Electrification Board has launched an extensive program to modernize and expand the rural electricity network by upgrading 50,000 km of distribution lines, modernizing and enhancing the capacity of 500 substations, and installing 3.6 million smart prepaid meters over the next five years. These efforts are aim to meet the growing electricity demand, improve service quality, and ensure affordable and reliable power supply, particularly in underserved rural areas. BREB's initiatives are aligned with the Power System Master Plan 2016, the National Strategic Plan, and policy directives outlined in the national budget. Furthermore, these programs contribute to achieving SDG 7 by promoting universal access to energy and SDG 9 through the development and modernization of power infrastructure.

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.
v. Installed 600,000 pre-paid meter.

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 96.63% of its financial targets and 100% of its physical targets for FY 2023-24. The performance score is calculated 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, it provides up to 100 kWh of electricity free of charge to families of Shaheed (martyred) and injured Freedom Fighters.

iv. Under BREB's Renewable Energy program 5,717 Solar Home System, 120,164 Rooftop Solar System and 400 Solar irrigation pumps have been installed, contributing positively to environmental sustainability and the reduction of pollution.

Indices: B. Operational Efficiency

Table 3 (a): Standard of Indices B FY 2023-24

		* 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**
1	**Service Delivery**							
	Service Benefit & Accessibility	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	**Labor Productivity**							
	Added Value per Employee (million Tk.)	QN	4	Tk 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	**Capital Productivity**							
	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	**Production**							
	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 3 (b): Achievement of Indices B

Serial No.	**Indicators & Sub-Indicators**	**Types of Measurement**	**Weight for sub-indicators**	**Actual Performance**	**Achievement**		**Basis of Performance Measuring**
					Grade	**Score**	
1	**Service Delivery**						
	Service Benefit & Accessibility	QL	5	90%	Very Good	3	Note 6
2	**Labor Productivity**						
	Added Value per Employee (million Tk.)	QN	4	Tk.12.98 million	Excellent	4	AFS
3	**Capital Productivity**						
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.027	Good	2	AFS
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk.7.29	Excellent	4	AFS
4	**Production**						
	4a. Inventory Turnover (Times)	QN	4	0.12	Excellent	4	AFS
	4b. Asset Turnover (Times)	QN	4	0.03	Good	2	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" and Durjoge Allor Gerilla 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 4 (a): Standard of Indices C FY 2023-24

		* Standard						
Serial No.	**Indicators & Sub-indicators**	**Types of Measurement**	**Weight for Sub-indicators**	**Grade: Excellent Score: 4**	**Grade: Very Good Score: 3**	**Grade: Good Score: 2**	**Grade: Fair Score: 1**	**Grade: Under-performing Score: 0**
	i. Financial Performance							
1	Operating profit	QN	2	Tk. 15,000 mil or more	Tk. 13,000 to Tk. 14,999 mil	Tk11,000 to Tk. 12,999 mil	Tk.9,000 to Tk.10,999 mil	Below Tk. 9,000 mil
2	Profit before Tax	QN	2	Tk. 18,000 mil or more	Tk.16,000 to Tk. 17,999 mil	Tk.14,000 to Tk.15,999 mil	Tk.12,000 to Tk13,999 mil	Below Tk. 12,000 mil
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 4 (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. 16,362.28 mil	Excellent	4	AFS
2	Profit before Tax	QN	2	Tk.19,205.83 mil	Excellent	4	AFS
3	Return on Assets (%)	QN	2	2.10 %	Excellent	4	AFS
4	Return on Sales (%)	QN	2	71.12%	Excellent	4	AFS
5	Return on Equity (%)	QN	2	2.65%	Good	2	AFS
6	Net Worth Growth (%)	QN	2	7.56%	Fair	1	AFS
7	Capital Budget Utilization (%)	QN	2	79.87%	Good	2	SL-27,28 of Annexure -1
ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	2	0.26	Excellent	4	AFS
2	Debt to Assets (Times)	QN	2	0.21	Excellent	4	AFS
3	Debt Coverage Ratio (Times)	QN	2	Negative	Under Performing	0	AFS
4	Current Ratio (Times)	QN	2	6.50	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	0	Under Performing	0	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 5 (a): Standard of Indices D FY 2023-24

		* 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**
1	**Commitment to Corporate Governance:** • Code of Conduct • Ethics • Key policies of Board • Board structure • Employees service rules/ regulations • Appointment of Board Secretary	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	**Board Practices:** • Composition of Board of Directors and number of meetings held • TOR of board • Number of independent Board Directors • Name & Number of board committees and number of meetings held • Number of board decisions that have been implemented	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
3	**Transparency and Disclosure:** • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
4	**Control Environment and Process:** • Entity's internal control systems for different departments • Internal audit procedure and reporting authority • Entity's computer-based management information system (database) • Any authority of the board to mitigate the entity's emergency situation • Measures taken for safe working environment in the entity's premises	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 5 (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	5	91%	Excellent	4	Note 7
2	Board Practices	QL	5	87%	Very Good	3	Note 8
3	Transparency and Disclosure	QL	5	94%	Excellent	4	Note 9
4	Control Environment and Process.	QL	5	85%	Very Good	3	Note 10
		Sub-total	20				
		Grand Total (A+B+C+D):	100				

* Standard for Financial and Non-Financial indicators are set based on 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 committee. During the fiscal year 2023-24, 18 (eighteen) Board meetings were held, and 380 (three hundred eighty) Board decisions were implemented.

Note-9: The Board of Directors, senior management profiles, audited financial statements, Citizen Charter, 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. BREB has established an Internal Audit Directorate responsible for maintaining financial control and discipline across its offices, which report directly to the Chairman.
ii. The organization is implementing an Integrated Financial Management System to streamline financial operations.
iii. BREB has deployed an ERP system covering HR-Payroll, Fixed Assets, Finance, and Procurement modules.
iv. The e-Nothi system has been implemented in BREB and all PBSs to enhance administrative efficiency.
v. An e-Tendering system is being implemented to ensure transparency in procurement processes.
vi. BREB adheres to ISO-certified safety standards to maintain compliance.
vii. BREB has been an ISO 9001:2008–certified organization since 2014–15. By 2018, it had also obtained ISO 14001:2004 and ISO 18001:2007 certifications.

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 scores of non-financial indicators is determined through the collective decision of ERT members.

iii. Non-financial Indicators’ Score will be based on specific documentary evidence.

iv. 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.

v. Performances of all financial indicators are evaluated based on audited financial statements.

vi. Measurement tools used for financial indicators are suggested by IPEG.

vii. Grades and scores are assigned according to the IPEG.

6. Performance Evaluation Results

Bangladesh Rural Electrification Board (BREB)

Fiscal Year: 2023-24

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
a	b	c	d	e	f
A	**Business Strategy and Social Responsibility:**	25			
1	Entity Strategy: • Entity Strategic Plan		4	3	0.12
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	2	0.06
		Sub Total	**25**		**0.90**
B	**Operational Efficiency:**	25			
1	Service Delivery: • Service benefits and Accessibility		5	3	0.15
2	Labor Productivity: 2a. Added Value Per Employee		4	4	0.16
	2b. Employees cost on Value addition (%)				
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		4	2	0.08
	3b. Added Value Per TK Value of PPE		4	4	0.14
4	Production:				
	4a. Input use Efficiency				
	4b. Inventory Turnover		4	4	0.16
	4c. Asset Turnover		4	2	0.08
	4d. Capacity Utilization				
		Sub Total	**25**		**0.77**

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
C	**Financial:**	30			
	i. Financial Performance:				
1	Operating profit		2	4	0.08
2	Profit before tax		2	4	0.08
3	Return on assets		2	4	0.08
4	Return on Service Revenue		2	4	0.08
5	Return on equity		2	2	0.04
6	Net worth growth		2	1	0.02
7	Capital budget utilization		2	2	0.04
	ii. Financial Risk:				
1	Debt equity ratio		2	4	0.08
2	Debt to assets		2	4	0.08
3	Debt coverage ratio		2	0	0.00
4	Current ratio		2	4	0.08
5	Accounts receivable period				
6	Accounts payable period				
	iii. Transactions with Government:				
1	Taxes paid		2	4	0.08
2	Dividend paid		3	0	0.00
3	Debt Service Liabilities Paid		3	4	0.12
		Sub Total	**30**		**0.86**

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
D	**Corporate Governance Practices:**	20			
1	Commitment to Corporate Governance: • Code of Conduct • Ethics • Key policies of Board • Board structure • Employee's service rules/ regulations • Appointment of Board Secretary		5	4	0.20
2	Board Practices: • Composition of Board of Directors and number of meetings held • TOR of board • Number of independent Board Directors • Name & Number of board committees and number of meetings held • Number of board decisions that have been implemented		5	3	0.15
3	Transparency and Disclosure: • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct		5	4	0.20
4	Control Environment and Process: • Entity's internal control systems for different departments • Internal audit procedure and reporting authority • Entity's computer-based management information system (database) • Any authority of the board to mitigate the entity's emergency situation • Measures taken for safe working environment in the entity's premises		5	3	0.15
	Sub Total				**0.70**
	Grand Total (A+B+C+D)	**100**	**100**		**3.23**

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Bangladesh Rural Electrification Board Scored 3.23 out of 4.00 in the year 2023-24.

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

- Other Growth
- Transparency and Disclosure
- Effective Implementation of Public Policy
- Efficiency of project Implementation
- Current Ratio
- Net Income Growth
- Debt Equity Ratio
- Debt to Assets
- Service Revenue Growth
- Labour Productivity
- Corporate Governance
- Inventory Turn Over
- Return on Assets
- Return on Service Revenue

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

- Control Environment and Process
- Entity Strategic Plan
- Service Delivery
- Annual Performance Agreement (APA)
- Board Practices
- Capital Productivity

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

- Capital Productivity
- Assets Turnover
- Social Contribution
- Capital Budget Utilization
- Return on Equity

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

- Net Worth Growth

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

- Debt Coverage Ratio

7. (B) Other important aspects of Performance during FY 2023-24:

- BREB has earned operating profit of Tk. 16,362.28 million.
- The entity earned net Profit (after tax) of Tk. 14,513.45 million.
- BREB Current Ratio (Times) 6.50 which indicates entity is in a well position to meet it current liabilities in due period.
- BREB Paid Taxes Tk.4,741.95 million and DSL Tk.5,019.31 million to GOB.
- No dividend paid during FY 2023-24.

8.Findings and Observation from the Audited Financial Statement 2023-2024

In the BREB Audit Report 2023-24 the following findings are given below:

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) In audit report the entity did not provide aging of receivable Tk. 124,265.39 million and no provision for bad debts was made against this receivable amount.
3) The entity shows TK18,339.42 million as prior year adjustment under Retained Earnings head. However, explanation of this adjustment should be included in the financial statement for fair presentation of the accounts.

9. Recommendation for Performance Based Incentives

Bangladesh Rural Electrification Board has obtained a weighted score of 3.23 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 2023-24.

10. Recommendations for Improvements:

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

i. Bangladesh Rural Electrification Board should undertake comprehensive renewable energy programs to promote sustainable solutions that reduce carbon emissions and support the development of an environmentally friendly and green economy.
ii. BREB has identified several measures to reduce system loss, therefore, the entity should implement these initiatives promptly to bring system losses within the acceptable limit.
iii. BREB should arrange regular training programs for its employees to develop skilled and technologically competent manpower.
iv. The organization should complete the implementation of Enterprise Resource Planning (ERP) and Supervisory Control and Data Acquisition (SCADA) systems within the stipulated timeline to ensure efficient and effective operational management.
v. BREB should take necessary steps to ensure that its ongoing projects are completed within the planned timeframe.
vi. The entity should establish Board committees, such as an Audit Committee and a Nomination and Remuneration Committee (NRC), to strengthen internal control, governance, and compliance mechanisms.
vii. BREB should ensure compliance with applicable International Accounting Standards and International Financial Reporting Standards to ensure fair and transparent presentation of its Audited Financial Statements (AFS).
viii. The observations of the auditors regarding the unsettled insurance claim amounting to Tk. 47.15 million should be properly addressed and recognized in the financial records.
ix. BREB should implement an integrated automation system to enhance the efficiency and reliability of the entire electricity distribution network.
x. The entity should maintain an updated and comprehensive asset register, including costs or fair values, to ensure accurate and transparent financial reporting.
xi. The entity may consider appointing women directors to its Board in alignment with the OECD Guidelines on Corporate Governance of State-Owned Enterprises (2024), UN Sustainable Development Goal (SDG) 5 on Gender Equality, and World Bank/IFC corporate governance recommendations to promote gender diversity.
xii. BREB should introduce a Grievance Redress System (GRS) for its stakeholders to effectively address complaints and improve stakeholder satisfaction.
xiii. The entity should ensure occupational safety measures for its operational employees to minimize workplace accidents and ensure safe service delivery.
xiv. The entity should strengthen infrastructure security through enhanced surveillance, community monitoring, and coordinated law enforcement to prevent theft and ensure uninterrupted rural electricity supply.
xv. BREB recorded an adjustment of Tk. 18,339.42 million as a prior-year adjustment in its audited financial statements for 2023–24. Accordingly, a clear explanation and appropriate disclosure should be included in the financial statements.

11. Conclusion

Based on the Audited Financial Statements and relevant data and documents of Bangladesh Rural Electrification Board (BREB), the Independent Performance Evaluation (IPE) Report for FY 2023–24 has been prepared. The report indicates that BREB's financial and non-financial performance improved compared to the previous fiscal year. To further strengthen the electricity distribution network, BREB should ensure the timely implementation of its ongoing projects, including capacity enhancement, system upgradation, modernization, and network expansion. The successful completion of these projects within the scheduled timeframe will help ensure sustainable, uninterrupted, and safe electricity supply for the people of Bangladesh. In addition, BREB should undertake and implement more renewable energy projects to gradually replace fossil fuel–based power generation with sustainable energy sources. Overall, rural electrification will facilitate the establishment of large, medium, and small industries in rural areas. This, in turn, will stimulate commercial activities, create employment opportunities, reduce poverty, increase Gross Domestic Product, and contribute to the overall socio-economic development of the country.

Bangladesh Rural Electrification Board (BREB) **Annexure-1**

Financial & Other Information

Amount in BDT

Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
1	Current Assets:		
	i. Inventories		
	• Material		
	• Accessories/ Supplies	13,501,296,444	14,991,086,981
	• Others (including spare parts)		
	ii. Receivable:		
	• Trade		
	• Others	124,265,390,048	103,194,620,986
	iii. Cash and Cash Equivalent	1,885,144,863	1,756,288,884
	iv. Others Current Assets	7,700,880,266	4,210,418,434
2	Total Current Assets (i+ii+iii+iv)	147,352,711,621	124,152,415,285
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	2,569,115,631	2,571,048,926
	• Capital Work in Progress	2,227,883,700	15,945,000
	• Investments	60,204,886,983	54,233,733,707
	•Long Term Loan to PBS	477,263,921,499	489,819,985,816
4	Total Assets (2+3)	689,618,519,434	670,793,128,735
5	Current Liabilities:		
	i. Payables:		
	• Trade		
	• Others	11,542,288,814	30,538,304,057
	ii. Other Current Liabilities	11,128,249,545	16,486,514,838
6	Total Current Liabilities (i+ii)	22,670,538,359	47,024,818,895
7	Non-Current Liabilities:		
	i. Long Term Foreign Loans/Debts	114,951,699,509	110,357,453,555
	ii. Govt. Loan	2,156,329,971	2,012,892,716
	iii. Other loans	2,571,427,673	2,571,427,673
8	Total Non-Current Liabilities (i+ii+iii)	119,679,457,153	114,941,773,944
9	Total Liabilities (6+8)	142,349,995,512	161,966,592,839
10	Equity:		
	I. GOB Fund	458,822,138,789	458,178,535,439
	ii. Donated Capital	668,055,426	152,726,069
	iii. Reserve & Others Funds	47,686,455,314	26,716,420,633
	iv. Retained Earnings/(Loss)	40,091,874,394	23,778,853,755
11	Total Equity (i+ii+iii+iv+v)	547,268,523,923	508,826,535,896
12	Total Equity and Liabilities (9+11)	689,618,519,434	670,793,128,735

Annexure 1

Serial No	**Statement of Profit or Loss and Other Comprehensive Income (Income Statement)**	2023-24		2022-23	
		Amount	Percentage	Amount	Percentage
13	Net Sales Revenue	20,405,985,835	100%	13,718,526,579	100%
14	Less: Cost of Services	1,681,998,613	8.24%	1,209,472,960	8.82%
15	Gross Profit/(Loss) (13-14)	18,723,987,222	91.76%	12,509,053,619	91.18%
16	Less: Operating Expenses:				
	i. Administrative Expenses	2,361,708,157	11.57%	2,275,911,212	16.59%
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	2,361,708,157	11.57%	2,275,911,212	16.59%
18	Operating Profit/(Loss) (15-17)	16,362,279,065	80.18%	10,233,142,408	74.59%
19	Add: Non-Operating Income	2,843,554,796		3,324,730,837	
20	Less: Financial Expenses				
21	Less Contribution to WPPF				
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	19,205,833,861		13,557,873,245	
23	Less: Provision for Tax				
	i. Current tax	4,741,949,608		3,661,205,040	
	ii. Deferred tax	(49,561,997)		18,353,772	
24	Net Profit/(Loss) After Tax (22-23)	14,513,446,250		9,878,314,433	

Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
25	Credit Sales		
26	Credit Purchases		
27	Capital Budget Allocation	5,596,600,000	1,853,600,000
28	Actual Capital Expenditure	4,469,905,000	1,852,593,000
29	Dividend Payable		30,000,000
30	Dividend Paid		30,000,000
31	Taxes Payable	4,741,949,608	3,661,205,040
32	Taxes Paid	4,741,949,608	3,661,205,040
33	Debt Service Liabilities (DSL) Payable	5,019,311,000	2,923,268,000
34	Debt Service Liabilities (DSL) Paid	5,019,311,000	2,923,268,000
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)	(32,709,535,186)	10,899,647,908
40	Added Value	18,723,987,222	12,509,053,619
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)	1,449	1,437
45	Performance score achieved on APA		98.00