Independent Performance Evaluation (IPE) Report
on
Bangladesh Power Development Board (BPDB)
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 Power Development Board (BPDB) has been evaluated for 3 (three) consecutive years and is among the 30 (thirty) selected State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) for Independent Performance Evaluation (IPE) for FY 2023-24. According to the evaluation results, BPDB achieved a weighted average score of 2.20 out of 4.00, earning a “Good” grade.

1. Introduction

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

Table 1: Key Operational Activities of PBDB

SL No	Particulars	Unit	FY 2021-22	FY 2022-23	FY 2023-24
1.	Total Consumers	Nos.	3,670,816	3,980,433	4,303,324
2.	Grid Based Total Energy Generation Capacity	MW	22,482	24,911	28,098
3.	Energy Sales	MkWh	81,606	84,450	91,927
4.	Power Import	MkWh.	7,712	10,425	16,715
5.	Distribution System Loss	%	8.10	7.92	5.86

Source: BPDB Annual Report 2022-23 & 2023-24.

The Bangladesh Power Development Board (BPDB) demonstrated steady year-on-year operational growth from FY 2021-22 to FY 2023-24. Total consumers increased from 3.67 million to 4.30 million, indicating expanded electricity coverage and rising demand. Grid-based generation capacity grew significantly from 22,482 MW to 28,098 MW, reflecting substantial infrastructure expansion. Energy sales rose from 81,606 MkWh to 91,927 MkWh in line with increased consumption, while power imports surged from 7,712 MkWh to 16,715 MkWh to help meet growing domestic demand. Notably, distribution system loss declined markedly from 8.10% to 5.86%, demonstrating improved operational efficiency and strengthened transmission and distribution management.

To promote clean energy in power generation, the entity has undertaken multiple renewable energy initiatives, including solar, wind, and waste-to-energy projects. During FY 2023-24, renewable energy plants supplied 595 MW to the national grid. In addition, 13 renewable energy-based projects with a total capacity of 519 MW are currently under construction. As per the long-term plan, renewable energy capacity is targeted to reach 3,600 MW by 2030. Furthermore, two nuclear power plant units with a combined capacity of 2,400 MW are under development and are scheduled for commissioning in FY 2025-26, which will significantly contribute to meeting the country's growing energy demand.

2. Role and Functions

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

i. Generates electricity to meet customer demand.
ii. Procures power from public and private generation companies.
iii. Supplies electricity to various distribution companies and the Bangladesh Rural Electrification Board.
iv. Distributes and sells electricity within its designated service areas. Installs smart meters, prepaid meters, and net-meters for customers.

3. Core Business

Core Business:

i. Ensure uninterrupted and high-quality electricity supply for the people of Bangladesh.
ii. Adopt modern technologies and optimizing the use of primary and alternative fuel sources for sustainable power generation.
iii. Implement government-approved power generation and distribution projects.Reduce system losses through modern technologies and strategic measures.
iv. Providecustomer-friendly services.
v. Develop generation and distribution expansion plans based on the country's energy demand.

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**							
	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	12.00% or more	10.00% to 11.99%	8.00% to 9.99%	6.00% to 7.99%	Below 6.00%
	2c. Other Growth	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
3	**Effective Implementation of Public Policy** • Implement activities to achieve policy goal	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
4	**Efficiency of Project** Implementation/ Project Goal Achievement: • Percentage of estimated target achieved"	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	**Social Contribution** • Environmental Contribution • CSR/WPPF • Training/Volunteering	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 2 (b): Achievement of Indices A

Serial No.	**Indicators & Sub-Indicators**	**Types of Measurement**	**Weight for sub-indicators**	**Actual Performance**	**Achievement**		**Basis of Performance Measuring**
					Grade	**Score**	
1	**Entity Strategy**						
	Entity Strategic Plan	QL	4	95.00%	Excellent	4	Note 1
2	**Growth Trajectory**						
	2a. Net Income Growth	QN	4	Negative	Under Performing	0	AFS
	2b. Service Revenue Growth	QN	4	25.12%	Excellent	4	AFS
	2c. Other Growth	QL	3	86.00%	Very Good	3	Note 2
3	**Effective Implementation of Public Policy**	QL	3	90.00%	Very Good	3	Note 3
4	**Efficiency of Project Implementation/ Project Goal Achievement**	QN	4	106.43%	Excellent	4	Note 4
5	**Social Contribution**	QL	3	87.00%	Very Good	3	Note 5
		Sub-Total	25				

Note-1: The Bangladesh Power Development Board (BPDB) has formulated a long-term strategic roadmap aligned with the Power Sector Master Plan 2016 (PSMP 2016) and the Integrated Energy and Power Master Plan 2023 (IEPMP-2023) to ensure sustainable, reliable, and inclusive electricity generation and distribution. According to IEPMP-2023 projections, electricity demand and generation capacity are expected to reach approximately 27,000 MW and 39,300 MW respectively by 2030; 50,400 MW and 74,300 MW by 2041; and 75,500 MW and 111,100 MW by 2050. The plan targets generating 40% of total energy from clean and renewable sources by 2041, promoting a diversified and resilient energy mix. This strategic direction directly supports the achievement of Sustainable Development Goal 7 (Affordable and Clean Energy) and contributes to Sustainable Development Goal 13 (Climate Action) by advancing low-carbon energy transition and ensuring long-term energy security to meet the country's evolving development needs.

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

- Upgraded the new online connection software to accelerate electricity connection services for customers.
- Introduced one-stop service for High Tension (HT) consumer connections to simplify and streamline the process.
- Enabled online access to customer profile information to enhance transparency and service efficiency.
- Piloted spot billing and spot collection software to improve billing accuracy and revenue collection.
- Implemented QR code integration in postpaid billing software to facilitate digital payment convenience.
- Increased electricity generation capacity by 3,835 MW during FY 2023-24.
- Achieved 100% population access to electricity nationwide, as declared by BPDB.
- Reached per capita electricity generation of 640 kWh in FY 2023-24.

Note-3: As part of its public policy implementation in promoting social equity and addressing SDG 1 (ensuring affordable electricity access for low-income households) and SDG 10 (reducing disparities in access to essential services across different population groups), BPDB sells electricity at tariffs set by the Bangladesh Energy Regulatory Commission and the Government of Bangladesh, while procurement follows the Public Procurement Rules (PPR).

BPDB supports national policy by generating and procuring electricity, supplying power to entities including the Bangladesh Rural Electrification Board, expanding distribution, and adopting modern technologies such as smart and prepaid meters.

Note-4: BPDB achieved 106.43% of its financial target and 106.43% of its physical target during FY 2023-24. These achievements were considered in determining its overall performance score for the fiscal year.

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

i. Renewable Energy Projects: Implemented multiple renewable energy–based power generation projects. In FY 2023-24, 595 MW of electricity was generated from renewable sources, representing 2.12% of total generation capacity.

ii. Power Imports: Imported 16,715 MkWh of electricity in FY 2023-24, contributing to reduced domestic environmental pollution and supporting cleaner energy supply.

iii. Community Development Programs: Operates 20 educational institutions as part of its corporate social responsibility and community development initiatives.

iv. Environmental Management System (EMS): Integrated an Environmental Management System into the ERP Data Center to monitor and control fluctuations in temperature and humidity, ensuring environmental compliance and operational efficiency.

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	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	**Labor Productivity**							
	Added Value per Employee (million Tk.)	QN	3	Tk.2.65 mil or more	Tk. 2.15 to 2.64 mil	Tk.1.65 to2.14 mil	Tk.1.15 to 1.64 mil	Below Tk. 1.15 mil
3	**Capital Productivity**							
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.04 or more	Tk. 0.03to 0.039	Tk. 0.02to 0.029	Tk. 0.01to 0.019	Below Tk. 0.01
	3b. Added Value Per Tk. Value of PPE	QN	3	Tk. 0.08 or more	Tk. 0.06 to 0.07	Tk. 0.04 to 0.05	Tk. 0.02 to 0.03	Below Tk. 0.02
4	**Production**							
	4a. Input Use Efficiency (%)	QN	3	42.00% or more	40.00% to 41.99%	38.00% to 39.99%	36.00% to 37.99%	Below 36%
	4b. Inventory Turnover (Times)	QN	3	20.00 or more	18.00 to 19.99	16.00 to 17.99	14.00 to 15.99	Below 14.00
	4c. Asset Turnover (Times)	QN	3	0.40 or more	0.30 to 0.39	0.20 to 0.29	0.10 to 0.19	Below 0.10
	4d. Capacity Utilization (%)	QN	3	62.00% or more	47.00% to 61.99%	32.00% to 46.99%	17.00% to 31.99%	Below 17.00%
		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	4	88.00%	Very Good	3	Note 6
2	**Labor Productivity**						
	2a. Added Value per Employee (million Tk.)	QN	3	1.18 mil	Fair	1	AFS
3	**Capital Productivity**						
	3a. Added Value per Tk. Value of Assets	QN	3	0.01	Fair	1	AFS
	3b. Added Value Per Tk. Value of PPE	QN	3	0.02	Fair	1	AFS
4	**Production**						
	4a. Input Use Efficiency (%)	QN	3	44.57%	Excellent	4	SL-43of Annexure -1
	4b. Inventory Turnover (Times)	QN	3	27.24	Excellent	4	AFS
	4c. Asset Turnover (Times)	QN	3	0.62	Excellent	4	AFS
	4d. Capacity Utilization (%)	QN	3	39%	Good	2	SL-42 of Annexure -1
		Sub-total	25				

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

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

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. more	Tk. 13,000 to Tk. 14,999 mil	Tk. 11,000 to Tk. 12,999 mil	Tk. 9,000 toTk. 10,999 mil	Below Tk. 9,000 mil
2	Profit before Tax	QN	2	Tk. 3,000 mil or more	Tk. 2,500 to Tk. 2,999 mil	Tk. 2,000 to Tk. 2499 mil	Tk. 1,500 to Tk. 1,999 mil	Below Tk. 1,500 mil
3	Return on Assets (%)	QN	2	0.11% or more	0.09% to 0.10 %	0.07%to 0.08%	0.05%to 0.06%	Below 0.05%
4	Return on Service Revenue (%)	QN	2	0.30% or more	0.25% to 0.29%	0.20% to 0.24%	0.15% to0.19%	Below 0.15%
5	Return on Equity (%)	QN	2	1.25% or more	1.00%to 1.24%	0.75% to 0.99%	0.50%to 0.74%	Below 0.50%
6	Net Worth Growth (%)	QN	2	6.00% or more	5.00%to 5.99%	4.00% to 4.99%	3.00% to3.99%	Below 3.00%
7	Capital Budget Utilization (%)	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
	ii. Financial Risk							
1	Debt Equity Ratio (Times)	QN	1	0.70 or less	0.71 to 1.00	1.01 to 1.30	1.31 to 1.60	More than 1.60
2	Debt to Assets (Times)	QN	2	0.40or less	0.41 to 0.60	0.61 to 0.80	0.81 to 1.00	More than 1.00
3	Debt Coverage Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50 to 1.74	1.25to 1.49	Below 1.25
4	Current Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50 to 1.74	1.25to 1.49	Below 1.25
5.	Accounts Receivable Period (Days)	QN	2	80 days or less	81 to 90 days	91 days to 100 days	101 days to 110 days	More than 110 days
6.	Accounts Payable Period (Days)	QN	2	160 days or less	161 to 180 days	181 days to 200 days	201 days to 220 days	More than 220 days
	iii. Transactions with Govt.							
1	Taxes Paid	QN	1	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Fees & Charges Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Debt Service Liabilities Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 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. (33,299.09) mil	Under Performing	0	AFS
2	Profit before Tax	QN	2	Tk. (55,069.53) mil	Under Performing	0	AFS
3	Return on Assets (%)	QN	2	(5.30%)	Under Performing	0	AFS
4	Return on Sales (%)	QN	2	(8.58) %	Under Performing	0	AFS
5	Return on Equity (%)	QN	2	Negative	Under Performing	0	AFS
6	Net Worth Growth (%)	QN	2	Negative	Under Performing	0	AFS
7	Capital Budget Utilization (%)	QN	2	45.59%	Fair	1	SL-27,28 of Annexure -1
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	1	Negative	Under Performing	0	AFS
2	Debt to Assets (Times)	QN	2	1.08	Under Performing	0	AFS
3	Debt Coverage Ratio (Times)	QN	2	0.11	Under Performing	0	AFS
4	Current Ratio (Times)	QN	2	0.76	Under Performing	0	AFS
5	Accounts Receivable Period (Days)	QN	2	80.78	Very Good	3	AFS
6	Accounts Payable Period (Days)	QN	2	221.55	Under Performing	0	AFS
	iii) Transactions with Government						
1	Taxes Paid	QN	1	100%	Excellent	4	SL-31,32 of Annexure -1
2	Fees & Charges Paid	QN	2	100%	Excellent	4	SL-35,36 of Annexure -1
3	Debt Service Liabilities Paid	QN	2	51.12%	Fair	1	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	92%	Excellent	4	Note 7
2	Board Practices	QL	5	75%	Good	2	Note 8
3	Transparency and Disclosure	QL	5	85%	Very Good	3	Note 9
4	Control Environment and Process.	QL	5	83%	Very Good	3	Note 10
	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: BPDB operates under its own legislative act and adheres to various governance frameworks, including the Code of Conduct, Electricity Act 2018, Electricity Rules 2020, BERC Act 2003, employee service rules and regulations, key policies of the Board, and the Ethics of the National Integrity Strategy. BPDB also has a Corporate Secretary for its Board.

Note-8: The BPDB Board comprises seven members, that includes the Chairman and 6(six) regular members, all appointed by the Government. The Board operates according to its Terms of Reference (TOR) and has established seven committees. During FY 2023-24, the Board convened 51 (fifty-one) meetings and implemented 878 (eight hundred seventy eight) decisions. The BPDB Act does not include provisions for appointing independent directors to the Board.

Note-9: The names and biographies of the Board of Directors and Senior Managers, along with the Audited Financial Statement, Citizen Charter, Acts, Rules, Regulations, and Code of Conduct, are publicly available on BPDB's website.

Note-10: BPDB has implemented the following measures to enhance environmental and process control:

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

5. IPE Process

i. Performances of non-financial indicators of Bangladesh Power Development Board (BPDB) has been evaluated using information and documents of the inception report provided by BPDB.

ii. Actual performance 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 BPDB are to be evaluated on the basis of national best practices/standard. However, due to non-availability of such standard and comparable entities in the country, BPDB's financial performance was assessed based on its performance over the last five years on respective financial indicators.

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 Power Development Board (BPDB)
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	4	0.16
2	Growth Trajectory: 2a. Net Income Growth		4	0	0.00
	2b. Service Revenue Growth		4	4	0.16
	2c. Other Growth		3	3	0.09
3	Effective Implementation of Public Policy: • Implement activities to achieve policy goal		3	3	0.09
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
		Sub Total	**25**		**0.75**
B	**Operational Efficiency:**	25			
1	Service Delivery: • Service benefits and Accessibility		4	3	0.12
2	Labor Productivity: Added Value Per Employee		3	1	0.03
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		3	1	0.03
	3b. Added Value Per TK Value of PPE		3	1	0.03
4	Production:				
	4a. Input use Efficiency		3	4	0.12
	4b. Inventory Turnover		3	4	0.12
	4c. Asset Turnover		3	4	0.12
	4d. Capacity Utilization		3	2	0.06
		Sub Total	**25**		**0.63**

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
C	**Financial:**	30			
	i. Financial Performance:				
1	Operating profit		2	0	0.00
2	Profit before tax		2	0	0.00
3	Return on assets		2	0	0.00
4	Return on Service Revenue		2	0	0.00
5	Return on equity		2	0	0.00
6	Net worth growth		2	0	0.00
7	Capital budget utilization		2	1	0.02
	ii. Financial Risk:				
1	Debt equity ratio		1	0	0.00
2	Debt to assets		2	0	0.00
3	Debt coverage ratio		2	0	0.00
4	Current ratio		2	0	0.00
5	Accounts receivable period		2	3	0.06
6	Accounts payable period		2	0	0.00
	iii. Transactions with Government:				
1	Taxes paid		1	4	0.04
2	Fees & charges paid		2	4	0.08
3	Debt Service Liabilities Paid		2	1	0.02
		Sub Total	**30**		**0.22**

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	2	0.10
3	Transparency and Disclosure: • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct		5	3	0.15
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
5	Performance against the key Indicators of APA: • Total Performance score achieved on APA				
	Sub Total		**20**		**0.60**
	Grand Total (A+B+C+D)	**100**	**100**		**2.20**

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Bangladesh Power Development Board Scored 2.20 out of 4.00 in the year 2023-24.

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

i. Entity Strategic Plan
ii. Corporate Governance
iii. Efficiency of Project Implementation
iv. Input Use Efficiency
v. Service Revenue Growth
vi. Inventory Turnover
vii. Assets Turnover

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

i. Control Environment and Process
ii. Accounts Receivable Period
iii. Social Contribution
iv. Transparency and Disclosure
v. Service Delivery
vi. Other Growth
vii. Effective Implementation of Public Policy

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

i. Capacity Utilization
ii. Board Practices

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

i. Capital Budget Utilization
ii. Capital Productivity
iii. Labor Productivity

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

i. Net Income Growth
ii. Return on Service Revenue
iii. Net Worth Growth
iv. Return on Equity
v. Return to Assets
vi. Debt Coverage Ratio
vii. Current Ratio
viii. Accounts Payable Period
ix. Debt Equity Ratio
x. Debt to Assets

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

a) BPDB has incurred operating loss of Tk. 33,299.09 million which includes Tk. 382,892.83 million subsidy receivable from Government.

b) The entity incurred net Loss (after tax) of Tk. 87,640.08 million.

c) BPDB Current Ratio (Times) 0.76 which indicates entity is not in a well position to meet its current liabilities in due period.

d) Entity's Debt Equity Ratio (Times) shows negative indicates high leverage that poses a fiscal risk to GOB.

e) BPDB Paid Taxes Tk. 34,690.34 million and DSL Tk. 27,041.08 million.

f) G OB invested Tk. 5,984.48 million as equity and 3,989.65 million as loan to BPDB against the completion of development projects.

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

8.1 In BPDB Audit Report 2023-24 the auditors provided qualified opinion on the following accounts and issues:

i) Transmission assets of Tk. 32,332.42 million are included in Property, Plant & Equipment Accounts of BPDB, but these were transferred to PGCB as equity shares. Due to inclusion of transmission assets in property, plant & equipment and Revaluation Reserve of BPDB is overstated by Tk. 32,332.42 million which is a departure from IAS-16.

ii) In the audit report the auditors could not confirm the balance of Trade Receivable from Bulk Consumers of Tk. 125,886.39 million due to nonavailability of confirmation from bulk consumers.

iii) In the report Accounts Receivable – Others includes TK1,684.83 million receivables from PGCB PLC. During the period no amount was realized/adjusted from the receivable balance against PGCB, no aging, no provision against doubtful receivable were accounted for in the financial statement.

iv) In audit report 2023-24 Accounts Payable Contractors & Suppliers shows TK63,906.01 million but no confirmation received for the balance amount and did not receive any feedback.

8.2 In the BPDB Audit Report 2023-24, the Auditors emphasized and drew attention to the following issues:

i) BPDB invested Tk. 79,003.88 million in its Associated Company but did not apply IFRS-10: Consolidation of Financial Statement. Moreover, BPDB did not submit schedule-X Form documents to the auditors for verification of share investment.

ii) Entity's Inventory of Tk.41,934.77 million did not considered at the lower of cost and net realizable value which constitutes a departure from the IAS-2 Valuation of Inventories.

iii) In the report it is pointed out that BPDB never conducted any impairment test of its property, plant & equipment to ascertain whether any assets of BPDB incurred loss or not which is also a non- compliance of IAS-36.

iv) Other liabilities include TK.68.80 million that is unadjusted since long, which constitute departure from IAS 37.

v) Accounts payable include TK.5,033.98 million payable to PGCB but received feedback with difference of TK.1,295.42 million. BPDB should resolve the dispute with PGCB for fair presentation of its AFS.

9. Recommendation for Performance Based Incentives

Bangladesh Power Development Board has obtained a weighted score of 2.20 out of a scale 4.00 and is graded “Good”. Therefore, IPEC recommended non-financial incentive for the employees of BPDB. Also, a certificate from Finance Division may be awarded to BPDB for being graded “Good” in IPE for the FY 2023-24.

10. Recommendations for Improvements:

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

a) To Increase the renewable energy generation BPDB has undertaken 13 (thirteen) plants that are now under production process which includes solar, wind, and solid waste-to-energy power generation. These projects should be completed within their scheduled timelines.

b) The entity should implement all undertaken network extension projects aimed at expanding and strengthening the power distribution network to enhance coverage, improve service reliability, and support socio-economic development as per their planned schedule.

c) BPDB is implementing 4 (four) “Power Distribution System Development” project at Chattogram, Sylhet, Mymensingh and Cumilla zone to reduce distribution line losses and provide quality electricity in these areas. All these projects should be completed within timeframe.

d) BPDB should adopt a targeted action plan to progressively reduce operating losses and ensure long-term financial sustainability.

e) BPDB's financial statements should be prepared in compliance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to enhance financial discipline, transparency, and reporting quality.

f) Although Bangladesh Power Development Board has reduced distribution system loss from 8.10% (FY 2021-22) to 5.86% (FY 2023-24), further efforts should be undertaken to sustain and progressively minimize losses.BPDB should take effective measures to recover significant outstanding receivables from debtors.

g) Transmission assets transferred to PGCBPLC as equity shares are also recorded in BPDB's asset account. This duplication should be resolved in the financial statements.

h) Bank accounts should be reconciled, and all relevant documents should be provided to auditors as required.
i) BPDB is advised to prepare consolidated financial statements in accordance with IFRS 10, considering its subsidiary entities.
j) The entity should maintain an up-to-date asset register with costs or fair values and implement accounting software for accurate and transparent financial reporting.
k) In BPDB's audited financial statements, "Other Operating Income" includes non-operating income, which does not comply with IAS/IFRS standards.
l) 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.
m) To implement the government directive the entity should arrange tree plantation programs with an aim to mitigate climate change and address global warming.

11. Conclusion

Based on the Audited Financial Statements, relevant data, and supporting documents of the Bangladesh Power Development Board (BPDB), the Independent Performance Evaluation (IPE) Report for FY 2023–24 has been prepared. The report indicates that BPDB's financial performance has deteriorated during FY 2023–24, although its non-financial performance has improved compared to the previous fiscal year (2022-23).

To enhance overall performance, BPDB should adopt a comprehensive business plan aimed at reducing operating losses. The entity should also formulate a specific and time-bound action plan to ensure the uninterrupted supply of quality electricity to consumers, thereby supporting the country's socio-economic development. Furthermore, greater emphasis should be placed on renewable energy-based power generation to promote sustainable development in Bangladesh's power sector. BPDB should also take appropriate measures to ensure compliance with relevant IAS/IFRS standards and address the financial irregularities identified in the Audit Report 2023–24.

Annexure-1

Bangladesh Power Development Board (BPDB)
Financial & Other Information

Amount in BDT

Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
1	Current Assets:		
	i. Inventories		
	• Material	11,133,885,108	3,587,573,909
	• Accessories/ Supplies	26,920,726,482	26,887,951,069
	• Others (including spare parts)	3,880,155,296	3,798,484,482
	ii. Receivable:		
	• Trade	145,821,331,928	123,541,093,788
	• Others	11,973,372,717	10,809,825,896
	iii. Cash and Cash Equivalent	30,333,650,681	27,097,688,086
	iv. Others Current Assets including FDR	495,117,475,603	441,053,941,537
2	Total Current Assets (i+ii+iii+iv)	725,180,597,815	636,776,558,767
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	685,663,731,370	662,402,817,662
	• Capital Work in Progress	159,910,238,797	173,949,669,593
	• Investments in Associated Company & others	81,503,959,320	81,503,959,320
4	Total Assets (2+3)	1,652,258,527,301	1.554,633,005,342
5	Current Liabilities:		
	i. Payables:		
	• Trade	585,314,820,455	456,184,011,059
	• Others	1,745,653	4,155,097,660
	ii. Other Current Liabilities	365,504,389,273	334,462,727,639
6	Total Current Liabilities (i+ii)	950,820,955,381	794,801,836,358
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	764,370,828,629	743,683,901,304
	ii. Deferred Liabilities	62,691,560,462	62,109,011,623
	iii. Other Non-Current Liabilities	6,434,284,448	6,232,406,987
8	Total Non-Current Liabilities (i+ii+iii)	833,496,673,538	812,025,319,915
9	Total Liabilities (6+8)	1,784,317,628,919	1,606,827,156,273
10	Equity:		
	i. Share Capital	241,654,214,174	235,669,734,082
	ii. Govt. Equity against DESCO’s Share		
	iii. Grants	7,450,883,148	7,450,883,148
	iv. Funds & Other Reserves	10,064,452,173	9,187,277,132
	v. Revaluation Reserve	467,354,806,728	467,354,806,728
	vi. Retained Earnings/(Loss)	(858,583,457,841)	(771,856,852,021)
11	Total Equity (i+ii+iii+iv+v)	(132,059,101,618)	(52,194,150,931)
12	Total Equity and Liabilities (9+11)	1,652,258,527,301	1,554,633,005,342

Annexure 1

Serial No	**Statement of Profit or Loss and Other Comprehensive Income (Income Statement)**	2023-24		2022-23	
		Amount	Percentage	Amount	Percentage
13	a. Net Sales Revenue	638,053,914,679	62.50%	509,940,440,309	56.33%
	b. Add: Subsidy from GoB	382,892,832,515	37.50%	395,349528,884	43.67%
	Total Revenue	1,020,946,747,194	100.00%	905,289,969,193	100.00%
14	Less: Cost of Services	1,037,901,106,723	101.66%	950,317,884,179	104.97%
15	Gross Profit/(Loss) (13-14)	(16,954,359,529)	(1.66)%	(45,027,914,986)	(4.97%)
16	Less: Operating Expenses:				
	i. Administrative Expenses	4,864,260,254	0.48%	4,743,233,903	0.52%
	ii. Distribution Expenses	11,480,466,486	1.12%	11,539,044,511	1.27%
17	Total Operating Expenses (i+ii)	16,344,726,740	1.60%	16,282,278,414	1.79%
18	Operating Profit/(Loss) (15-17)	(33,299,086,269)	(3.26)%	(61,310,193,400)	(6.77%)
19	Add: Non-Operating Income	6,433,726,188		8,529,642,916	
20	Less: Financial Expenses	28,204,173,622		37,834,878,810	
21	Less: Other Non-Operating Expenses				
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	(55,069,533,703)		(90,615,429,293)	
23	Less: Provision for Tax	32,069,533,703			
	i. Current tax	32,076,398,395		23,159,912,323	
	ii. Deferred tax	494,876,212		3,879,621,836	
24	Net Profit/(Loss) After Tax (22-23)	(87,640,808,310)		(117,654,963,453)	

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Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
25	Credit Sales	658,850,779,298	511,120,956,731
26	Credit Purchases	964,291,997,274	864,053,247,176
27	Capital Budget Allocation	15,140,000,000	13,129,100,000
28	Actual Capital Expenditure	6,902,800,000	5,309,800,000
29	Dividend Payable		
30	Dividend Paid		
31	Taxes Payable	34,690,343,873	24,622,401,142
32	Taxes Paid	34,690,343,873	24,622,401,142
33	Debt Service Liabilities (DSL) Payable	52,896,008,572	56,524,858,406
34	Debt Service Liabilities (DSL) Paid	27,041,084,500	26,231,292,281
35	Fees, Fine and Charges Payable	206,408,295	188,587,542
36	Fees, Fine and Charges Paid	206,408,295	188,587,542
37	New Government Investment:		
	• Equity	5,984,480,092	5,912,543,162
	• Debts/Loan	3,989,653,395	3,989,174,241
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		
	• Subsidies	128,668,400,000	295,106,900,000
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	6,069,325,005	(45,667,750,560)
40	Added Value	13,605,418,676	(8,717,492,747)
41	Employees cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)	39%	41.00%
43	Input use Efficiency (%)	44.57%	42.51%
44	Number of Employees (Nos)	11,426	11,686
45	Performance score achieved on APA		91.00%