Independent Performance Evaluation (IPE) Report
on
Dhaka Power Distribution Company Limited
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.

Dhaka Power Distribution Company Limited, 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, DPDC achieved a weighted average score of 2.28 out of 4.00, earning a "Good" grade.

1. Introduction

Dhata Power Distribution Company Limited was registered on 25 October 2005 under the Company Act, 1994 as Public Limited Company. As a Part of Power Sector Reform Program DPDC took over all assets and liabilities of DESA on 1st July 2008 according to transfer agreement. An Authorized Capital of DPDC is TK 10,000 (ten thousand) crore divided into TK100 (one hundred) crore ordinary share of TK 100 each. The company was entitled to Perform business since the date as mentioned in the certificate of commencement of business. The main objectives of DPDC is to Provide uninterrupted electricity supply to the consumers of Dhaka City Corporation area (excluding DESCO area) including Narayangonj town, Siddirgonj, Demra, Fatullah and Mokterpur under Narayangonj's district. The Power Division, under the Ministry of Power, Energy and Mineral Resources Oversees DPDC activities.

Table 1: Key Operational Activities of DPDC

SL#	Particulars	Unit	FY 2021-22	FY 2022-23	FY 2023-24
01.	Power Sales	KWH	9,580,904,494	10,028,651,792	10,509,020,237
02.	Power purchases	KWH	10,199,493,487	10,677,451,089	11,169,956,740
03.	Distribution System Loss	%	6.06	6.08	5.92

Source: DPDC

Over the last three fiscal years, DPDC's operational performance shows steady growth in electricity demand along with gradual improvement in distribution efficiency. Power sales increased from 9,580,904,494 kWh in FY 2021–22 to 10,028,651,792 kWh in FY 2022–23, reflecting a growth of about 4.7 percent, and further rose to 10,509,020,237 kWh in FY 2023–24, an increase of approximately 4.8 percent over the previous year and about 9.7 percent over the two-year period. Similarly, power purchases increased from 10,199,493,487 kWh to 10,677,451,089 kWh (about 4.7 percent growth) and then to 11,169,956,740 kWh (about 4.6 percent growth), indicating rising demand within DPDC's service area. Distribution system loss remained broadly stable, edging up slightly from 6.06 percent to 6.08 percent (about 0.3 percent increase) in FY 2022–23 before declining to 5.92 percent in FY 2023–24, representing an improvement of about 2.6 percent compared to the previous year and about 2.3 percent compared to FY 2021–22. Overall, the data indicate that DPDC experienced consistent demand growth while achieving a modest improvement in distribution efficiency by reducing system losses in the most recent year.

2. Roles and Functions:

i. Provide the new residential electricity Connection
ii. Strengthening collection activities
iii. 11 KV Feeder Automation.
iv. Perform regular repairs and maintenance work
v. Reducing overload of distribution transformers.
vi. Power factor improvement at billing Point.
vii. Implement net-metering system

3. Core Business

i. Selling and distribution of electricity within the DPDC service area.
ii. Maintenance and expansion of electricity distribution system
iii. Construction and upgradation of distribution lines.
iv. Construction and upgradation of substations
v. Take necessary steps to reduce distribution system loss

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	10.00% or more	9.00% to 9.99%	8.00% to 8.99%	7.00% to 7.99%	Below 7.00%
	2b. Service Revenue Growth	QN	4	12.00% or more	10.00% to 11.99%	8.00% to 9.99%	6.00% to 7.99%	Below 6.00%
	2c. Other Growth	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
3	**Effective Implementation of Public Policy** • Implement activities to achieve policy goal	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%
4	**Efficiency of Project** Implementation/ Project Goal Achievement: • Percentage of estimated target achieved"	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
5	**Social Contribution** • Environmental Contribution • CSR/WPPF • Training/Volunteering	QL	3	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 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	87.00%	Very Good	3	Note 1
2	**Growth Trajectory**						
	2a. Net Income Growth	QN	4	Negative	Under Performing	0	AFS
	2b. Service Revenue Growth	QN	4	18.11%	Excellent	4	AFS
	2c. Other Growth	QL	3	85.00%	Very Good	3	Note 2
3	**Effective Implementation of Public Policy**	QL	3	85.00%	Very Good	3	Note 3
4	**Efficiency of Project Implementation/ Project Goal Achievement**	QN	4	74.03%	Good	2	Note 4
5	**Social Contribution**	QL	3	90.00%	Very Good	3	Note 5
		Sub-Total	25				

Note-1: DPDC adheres to the Power Sector Master Plan 2016 and the Integrated Energy and Power Master Plan 2023 to ensure an uninterrupted, reliable, and high-quality power supply to its consumers. In alignment with these strategic frameworks, DPDC has undertaken several development initiatives, including expansion and reinforcement of the electricity distribution network within its service area, construction of underground cable systems, installation of capacitor banks to enhance power factor and system efficiency, implementation of smart grid technologies, and installation of 850,000 prepaid meters.These Projects are aligned with the Government's policy directives as outlined in the national budget and relevant sectoral strategies, and they directly contribute to the achievement of the Sustainable Development Goals (SDGs). In particular, they support SDG 7 (Affordable and Clean Energy) by improving access to reliable electricity services; SDG 9 (Industry, Innovation and Infrastructure) through modernization of power infrastructure and adoption of smart technologies; SDG 11 (Sustainable Cities and Communities) by enhancing urban energy resilience and reducing system losses; and SDG 13 (Climate Action) by improving energy efficiency and reducing technical and commercial losses, thereby lowering overall carbon emissions. Overall, DPDC's strategic plan and ongoing projects are well aligned with national development priorities and the SDG framework, contributing to sustainable, inclusive, and resilient energy sector development.

Note-2: DPDC has undertaken the following measures to expand and upgrade its operational Process:

i. Introduced Net Meters based on renewable energy Program.
ii. Integrated with new technologies in GIS based Substations.
iii. Setup Smart Pre-Paid Meter Web Portal for DPDC Pre-Paid meter Customers.
iv. Transforming DPDC into a customer-friendly organization through organizational Change by building skilled human resources.
v. Constructed new-station and expansion of electric distribution line.
vi. Implemented Distribution Network Management system to manage maintenance information of distribution transformers and Cables etc.

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), DPDC sells electricity to its different categories of customers at tariffs set by the Bangladesh Energy Regulatory Commission.

Note-4: DPDC achieved 74.03% of its financial target during FY 2022-23. These achievements were considered in determining its overall performance score for the fiscal year.

Note-5: DPDC has undertaken the following social and environmental activities:

i. The entity has taken initiatives to increase renewable energy under its jurisdiction. Under 01 MWP rooftop solar system Project in 2023-24 fiscal year 1.5 million Kwh solar Power has been generated. Besides this, about 39 MWp solar system installed at different customer rooftops and generating Power that reduces Co2 emission.
ii. Under CSR Program DPDC donated TK1,500,000 to Kakrail Mosque
iii. DPDC Provided internship training to 153 students of different organization during FY 2023-24.

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. 2.00 mil or more	Tk. 1.50 to 1.99 mil	Tk.1.00 to 1.49 mil	Tk. 0.50 to 0.99 mil	Below Tk. 0.50 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. 0.06 or more	Tk. 0.05 to 0.059	Tk. 0.04 to 0.049	Tk. 0.03 to 0.039	Below Tk. 0.03
4	**Production**							
	4a. Inventory Turnover (Times)	QN	3	30.00 or more	25.00 to 29.99	20.00 to 24.99	15.00 to 19.99	Below 15.00
	b. Asset Turnover (Times)	QN	3	0.36 or more	0.34 to 0.35	0.30 to 0.33	0.25 to 0.29	Below 0.25
	4c. Capacity Utilization (%)	QN	3	62.00% or more	52.00% to 61.99%	42.00% to 51.99%	32.00% to 41.99%	Below 32.00%
	Sub-total		25					

Table 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	89.00%	Very Good	3	Note 6
2	**Labor Productivity**						
	2a. Added Value per Employee (million Tk.)	QN	3	Tk. 1.20 mil	Good	2	AFS
3	**Capital Productivity**						
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.02	Good	2	AFS
	3b. Added Value Per Tk. Value of PPE	QN	3	Tk. 0.05	Very Good	3	AFS
4	**Production**						
	4a. Inventory Turnover (Times)	QN	4	32.77	Excellent	4	AFS
	4b. Asset Turnover (Times)	QN	4	0.32	Good	2	AFS
	4c. Capacity Utilization (%)	QN	4	50.88	Good	2	SL-42 of Annexure -1
	Sub-total		25				

Note-6: DPDC has Provided the following facilities for its stakeholders.

i. DPDC introduced 24/7 Call Center (16116)

ii. Customers can access bills, apply for new connections and lodge Complaints to DPDC using online platforms, mobile apps and website.

iii. DPDC has launched Smart Customer Service Chatbot Bidyut Bandhu to Provide better customer service

iv. DPDC has developed Al/AL based mobile apps for meter reading collection though snapshots to improve service reliability.

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. 1,600 mil or more	Tk. 1,200 to Tk. 1,599 mil	Tk. 800 to Tk. 1,199 mil	Tk. 400 to Tk. 799 mil	Below Tk. 400 mil
2	Profit before Tax	QN	2	Tk. 2,000 mil or more	Tk. 1,800 to Tk. 1,999 mil	Tk. 1,600 to Tk. 1,799 mil	Tk. 1,400 to Tk. 1,599 mil	Below Tk. 1,400 mil
3	Return on Assets (%)	QN	2	3.00% or more	2.50% to 2.99 %	2.00% to 2.49%	1.50%to 1.99%	Below 1.50%
4	Return on Service Revenue (%)	QN	2	7.00% or more	6.50% to 6.99%	6.00% to 6.49%	5.50% to 5.99%	Below 5.00%
5	Return on Equity (%)	QN	2	5.00% or more	4.50%to 4.99%	4.00% to 4.49%	3.50% to 3.99%	Below 3.50%
6	Net Worth Growth (%)	QN	2	18.00% or more	15.00% to 17.99%	12.00% to 14.99%	9.00% to 11.99%	Below 9.00%
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	0.70 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	60 days or less	61 to 70 days	71 days to 80 days	81 days to 90 days	More than 90 days
6.	Accounts Payable Period (Days)	QN	2	60 days or less	61 to 70 days	71 days to 80 days	81 days to 90 days	More than 90 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	1	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. (818.20) mil	Under Performing	0	AFS
2	Profit before Tax	QN	2	Tk. (2,405.24) mil	Under Performing	0	AFS
3	Return on Assets (%)	QN	2	(0.94%)	Under Performing	0	AFS
4	Return on Sales (%)	QN	2	(2.94) %	Under Performing	0	AFS
5	Return on Equity (%)	QN	2	(2.13) %	Under Performing	0	AFS
6	Net Worth Growth (%)	QN	2	5.24%	Under Performing	0	AFS
7	Capital Budget Utilization (%)	QN	2	57.70%	Fair	1	SL-27,28 of Annexure -1
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	2	1.26	Good	2	AFS
2	Debt to Assets (Times)	QN	2	0.56	Very Good	3	AFS
3	Debt Coverage Ratio (Times)	QN	2	0.14	Under Performing	0	AFS
4	Current Ratio (Times)	QN	2	1.21	Underperforming	0	AFS
5	Accounts Receivable Period (Days)	QN	2	72.20	Good	2	AFS Note 8
6	Accounts Payable Period (Days)	QN	2	56.61	Excellent	4	AFS Note 9
	iii) Transactions with Government						
1	Taxes Paid	QN	1	84.90%	Very Good	3	SL-31,32 of Annexure -1
2	Fees & Charges Paid	QN	1	100%	Excellent	4	SL-35,36 of Annexure -1
3	Debt Service Liabilities Paid	QN	2	11.82%	Underperforming	0	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	91%	Excellent	4	Note 8
3	Transparency and Disclosure	QL	5	78%	Very Good	3	Note 9
4	Control Environment and Process.	QL	5	82%	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: DPDC operates under its own Memorandum and Article of Association 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. DPDC also has a Corporate Secretary for its Board.

Note-8: The DPDC Board comprises 12 (twelve) members, including the Chairman, all appointed by the Government. Among the twelve members 3 (three) are independent directors. The Board operates according to its Terms of Reference (TOR) and has established 5 (five) committees. During FY 2023-24, the Board convened 17 meetings and implemented 189 decisions.

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

Note-10:

DPDC has implemented the following measure to enhance environmental and Process Control:

i. Internal Audit - the entity has an Audit office to implement an internal Control system among the various offices that directly report to Managing Director.
ii. Technology utilization: DPDC has computer based Management Information System (MIS).
iii. Energy Response: Empowers the Company management to address and mitigate emergency situations effectively
iv. Implemented integrated ERP Microsoft Dynamics 365 software for HRM, Financial Management, Assets and procurement modules.
v. Introduced e-recruitment, e-auction and eGP system.
vi. Safety Compliance: Ensures adherence to all safety measures for a secure working environment on its premises and following government directives.

5. IPE Process

i. Performances of non-financial indicators of Dhaka Power Distribution Company Limited (DPDC) has been evaluated using information and documents of the inception report provided by DPDC.
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 DPDC 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, DPDC'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

Dhaka Power Distribution Company Limited
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	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	2	0.08
5	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		3	3	0.09
		Sub Total	**25**		**0.63**
B	**Operational Efficiency:**	25			
1	Service Delivery: • Service benefits and Accessibility		4	3	0.12
2	Labor Productivity: Added Value Per Employee		4	2	0.08
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		4	2	0.08
	3b. Added Value Per TK Value of PPE		4	3	0.12
4	Production:				
	4a. Input use Efficiency				
	4b. Inventory Turnover		3	4	0.12
	4c. Asset Turnover		3	2	0.06
	4d. Capacity Utilization		3	2	0.06
		Sub Total	**25**		**0.64**

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		2	2	0.04
2	Debt to assets		2	3	0.06
3	Debt coverage ratio		2	0	0.00
4	Current ratio		2	0	0.00
5	Accounts receivable period		2	2	0.04
6	Accounts payable period		2	4	0.08
	iii. Transactions with Government:				
1	Taxes paid		1	3	0.03
2	Fees & charges paid		1	4	0.04
3	Debt Service Liabilities Paid		2	0	0.00
	Sub Total		**30**		**0.31**

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	4	0.20
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**		**0.70**
	Grand Total (A+B+C+D)	**100**	**100**		**2.28**

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Dhaka Power Distribution Company Limited Scored 2.28 out of 4.00 in the year 2023-24.

7. (A) The performance of DPDC is graded "Excellent" in the following areas:

i. Corporate Governance
ii. Input Use Efficiency
iii. Service Revenue Growth
iv. Accounts Payable Period
v. Inventory Turnover
vi. Accounts Payable Period
vii. Board Practices

The performance of DPDC is graded "Very Good" in the following areas:

i. Control Environment and Process
ii. Debt to Assets
iii. Service Delivery
iv. Social Contribution
v. Other Growth
vi. Transparency and Disclosure
vii. Effective Implementation of Public Policy
viii. Entity Strategic Plan

The performance of DPDC is graded "Good" in the following area:

i. Efficiency of Project Implementation
ii. Capital Productivity
iii. Labor Productivity
iv. Assets Turnover
v. Capacity Utilization
vi. Debt Equity Ratio
vii. Accounts Receivable Period

The performance of DPDC is graded "Fair" in the following areas:

i. Capital Budget Utilization

The performance of DPDC is graded "Under Performing" in the following areas:

i. Net Income Growth
ii. Return on Sales
iii. Net Worth Growth
iv. Return on Equity
v. Return on Assets
vi. Debt Coverage Ratio
vii. Current Ratio

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

a) DPDC has incurred operating loss of Tk. 818.20 million.

b) The entity incurred net Loss (after tax) of Tk. 3,029.52 million.

c) DPDC Current Ratio (Times) 1.21 which indicates entity is in a moderate position to meet it current liabilities in due period.

d) Entity's Debt Equity Ratio (Times) shows 1.26 indicates moderate leverage that poses a fiscal risk to GOB.

e) DPDC Paid Taxes Tk. 530.01 million and DSL Tk. 1,451.87 million.

f) GOB invested Tk. 9,392.33 million as equity and 23,592.43 million as loan to DPDC against the completion of development projects.

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

In DPDC audit report 2023-24 the auditors emphasized and drew attention to the following issues:

i. In DPDC Audit Report 2023-24 Share Money deposit account included Tk. 3,255.57 million that is required to be transferred to Share Capital Account within six months according to FRC circular. However, it has been observed that the company has not complied with their regulatory requirement.

ii. DPDC invested as an investment in the share of Dhaka Electric supply company Limited (DESCO), a subsidiary of DPDC. But the company has disclosed a discrepancy in value of its investment in share of DPDC. So, anomalies in the financial statements should be resolved and settled.

iii. Company's Other Receivable includes Tk. 2,124.78 million and Accounts Payable Tk. 14,088.65 million which have not been confirmed due to absence of balance confirmation letter form the relevant organization.

9. Recommendation for Performance Based Incentives

Dhaka Power Distribution Company Ltd has obtained a weighted score of 2.28 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 DPDC for being graded "Good" in IPE for the FY 2023-24.

10. Recommendations for Improvements:

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

i. DPDC should implement its distribution line upgrade and expansion plan within the stipulated timeline to meet the growing electricity demand in its service area.
ii. The entity should initiate the conversion of existing substations into smart grid–enabled substations.
iii. DPDC should maintain an updated asset register, including historical cost or fair value of assets, and implement modern accounting software to ensure accurate, efficient, and transparent financial reporting.
iv. DPDC should gradually convert the overhead distribution network into an underground system.
v. The entity should execute its repair and rehabilitation programs to enhance the capacity of substations and distribution lines.
vi. To ensure billing accuracy and reduce commercial losses, DPDC should expedite the implementation of the prepaid metering program.
vii. DPDC should undertake capacity enhancement of existing substations and construct new substations to ensure uninterrupted power supply.
viii. The entity should adopt appropriate technical and administrative measures to reduce distribution losses to an acceptable level.
ix. DPDC should prepare its financial statements in compliance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to strengthen financial discipline, transparency, and reporting quality.
x. 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.
xi. To implement the government directive the entity should arrange tree plantation programs with an aim to mitigate climate change and address global warming.
xii. DPDC is advised to prepare consolidated financial statements in accordance with IFRS 10, considering its subsidiary entities.

11. Conclusion

Based on the audited financial statements and relevant data and documents of Dhaka Power Distribution Company Ltd. (DPDC), the Independent Performance Evaluation (IPE) report has been prepared for FY 2023–24. The report finds that DPDC's financial performance in FY 2023–24 was not satisfactory. Therefore, to improve its overall performance, DPDC should take effective measures to reduce operating losses, upgrade its distribution lines, convert existing substations into smart grid systems, and accelerate the implementation of the prepaid metering program. In addition, DPDC should prepare its financial statements in compliance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to strengthen financial discipline, enhance transparency and reporting quality, and address the financial anomalies identified in the Audited Financial Statement 2023–24.

Annexure-1

Dhaka Power Distribution Company Limited (DPDC)
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		
	• Stock and Stores	2,907,589,062	3,148,352,347
	• Accessories/ Supplies		
	• Others (including spare parts)		
	ii. Receivable:		
	• Trade	15,706,730,176	14,386,751,978
	• Others	3,010,339,676	2,794,149,033
	iii. Cash and Cash Equivalent	7,189,923,262	7,264,600,919
	iv. Investment	5,766,780,293	5,954,700,628
	v. Others Current Assets	14,829,101,348	6,359,784,105
2	Total Current Assets (i+ii+iii+iv)	49,410,463,817	39,908,339,010
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	122,645,364,201	122,054,962,468
	• Project in Progress	145,672,892,976	101,034,158,984
	• Investments	960,798,310	962,042,500
	• Other Non-current Assets	3,601,419,779	14,457,924,039
4	Total Assets (2+3)	322,290,939,083	278,417,427,001
5	Current Liabilities:		
	i. Payables:		
	• Trade	14,874,944,133	13,830,228,469
	• Others	72,990,537	256,301,611
	ii. Other Current Liabilities	25,730,018,961	17,461,978,783
6	Total Current Liabilities (i+ii)	40,677,953,631	31,548,508,863
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	132,173,542,513	104,756,067,711
	ii. Deferred Liabilities		
	iii. Other Non-Current Liabilities	6,929,781,540	6,705,205,580
8	Total Non-Current Liabilities (i+ii+iii)	139,103,324,053	111,461,273,291
9	Total Liabilities (6+8)	179,781,277,684	143,009,782,154
10	Equity:		
	i. Share Capital	88,906,661,700	77,957,986,800
	ii. Share Money Deposit	9,392,333,788	10,948,674,957
	iii. Grants	28,899,836	7,174,060
	iv. Donated Capital	6,613,602,767	6,197,726,193
	v. Appraisal Surplus	59,080,625,260	58,695,716,208
	vi. Retained Earnings/(Loss)	(21,512,461,952)	(18,399,633,371)
11	Total Equity (I + ii + iii + iv + v)	142,509,661,399	135,407,644,847
12	Total Equity and Liabilities (9+11)	322,290,939,083	278,417,427,001

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	103,200,837,120	100%	87,373,316,448	100%
14	Less: Cost of Services	99,233,194,568	96.16%	84,121,514,170	96.28%
15	Gross Profit/(Loss) (13-14)	3,967,642,552	3.84%	3,251,802,278	3.72%
16	Less: Operating Expenses:				
	i. Administrative Expenses	4,785,846,043	4.64%	4,767,869,589	5.46%
	ii. Distribution Expenses				
17	Total Operating Expenses (i+ii)	4,785,846,043	4.64%	4,767,869,589	5.46%
18	Operating Profit/(Loss) (15-17)	(818,203,491)	(0.79)%	(1,516,067,311)	-(1.74)%
19	Add: Non-Operating Income	845,283,106		962,466,516	
20	Less: Financial Expenses	1,209,271,050		1,206,288,580	
21	Less: Foreign Exchange Fluctuation Loss	1,223,050,117		4,142,784,817	
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	(2,405,241,552)		(5,902,674,192)	
23	Less: Provision for Tax				
	i. Current tax	624,276,721		530,014,698	
	ii. Deferred tax				
24	Net Profit/(Loss) After Tax (22-23)	(3,029,518,273)		(6,432,688,890)	

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
25	Credit Sales	79,398,434,793	70,045,593,482
26	Credit Purchases	95,909,645,595	81,147,876,605
27	Capital Budget Allocation	1,826,828,000	2,017,738,616
28	Actual Capital Expenditure	1,054,143,584	1,064,780,307
29	Dividend Payable		
30	Dividend Paid		
31	Taxes Payable	624,276,721	530,014,698
32	Taxes Paid	530,014,698	477,079,445
33	Debt Service Liabilities (DSL) Payable	12,285,690,707	7,758,056,732
34	Debt Service Liabilities (DSL) Paid	1,451,868,015	3,033,336,125
35	Fees, Fine and Charges Payable	51,734,119	70,600,196
36	Fees, Fine and Charges Paid	51,734,119	70,660,196
37	New Government Investment:		
	• Equity	9,392,333,731	10,948,674,934
	• Debts/Loan	23,592,429,945	24,418,288,924
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants	21,725,776	7,174,060
	• Subsidies		
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	1,732,006,374	(2,520,720,875)
40	Added Value	6,422,058,858	5,436,618,175
41	Employees cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)	50.88%	60.61%
43	Input use Efficiency (%)		
44	Number of Employees (Nos)	5,286	5,399
45	Performance score achieved on APA		