Independent Performance Evaluation (IPE) Report

on

North-West Power Generation 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.

North West Power Generation Company Limited (NWPGCL) 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, NWPGCL achieved a weighted average score of 2.29 out of 4.00, earning a "Good" grade.

1. Introduction

North West Power Generation Company Limited (NWPGCL) was incorporated on 28 August 2007 as a Limited Company under the Companies Act, 1994. As part of the Government's Power Sector Reform Programme, NWPGCL operates as an enterprise of the Bangladesh Power Development Board (BPDB). Within a very short period of time after its incorporation, NWPGCL has emerged as one of the leading power generation companies in Bangladesh. At present, the company owns 7 (seven) power plants and has investments in 3 (three) Joint Venture Companies (JVCs). Together with these JVCs, NWPGCL is currently generating 3,131 MW of electricity from 10 (ten) power plants. NWPGCL has planned several major future projects, including coal-fired power plants, LNG-based power plants, and other advanced generation facilities. The company aims to enhance its total generation capacity to over 9,500 MW by 2030.

Table 1: Key Operational Activities:

Sl. No.	Particulars	Unit	FY 2021–22	FY 2022–23	FY 2023–24
01	Grid-Based Total Energy Generation Capacity	MW	1,406	1,406	1,406
02	Power Generation	MKWh	5,548	4,697	2,712
03	Energy Sales	MKWh	5,548	4,697	2,712

Source: NWPGCL

Over the last three fiscal years, North-West Power Generation Company Limited maintained a constant grid-based installed generation capacity of 1,406 MW with no change between FY 2021–22 and FY 2023–24, indicating no new capacity addition during the period. However, actual power generation declined steadily from 5,548 MKWh in FY 2021–22 to 4,697 MKWh in FY 2022–23, representing a decrease of about 15.3 percent, and then fell further to 2,712 MKWh in FY 2023–24, a sharp reduction of approximately 42.3 percent compared to the previous year and about 51.1 percent compared to FY 2021–22. Energy sales followed the same downward pattern, falling from 5,548 MKWh to 4,697 MKWh and then to 2,712 MKWh, indicating that almost all generated power was sold without significant accumulation or loss. Overall, the data indicate that while NWPGCL's installed capacity remained unchanged, its actual utilization declined substantially over the three-year period, directing to reduced dispatch, fuel constraints, or demand-side limitations affecting generation output.

2. Roles and Functions

1. Efficient execution of projects.
2. Updating and strengthening ERP systems.
3. Providing training for officers and employees.
4. Improving the company's environmental, health, and safety (EHS) management.
5. Institutional capacity building.
6. Ensuring transparency in project and procurement activities.
7. Strengthening the implementation of good governance and reform programs.

3. Core Business

1. Efficient operation of power plants.
2. Improving the efficiency of power plants.
3. Development of power generation management systems.

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	15.00% or more	13.00% to 14.99%	11.00% to 12.99%	9.00% to 10.99%	Below 9.00%
	2b. Service Revenue 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%
	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	82.00%	Very Good	3	Note 1
2	**Growth Trajectory**						
	2a. Net Income Growth	QN	4	(25.82)%	Under Performing	0	AFS
	2b. Service Revenue Growth	QN	4	(30.19)%	Under Performing	0	AFS
	2c. Other Growth	QL	3	82.00%	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	100%	Excellent	4	Note 4
5	**Social Contribution**	QL	3	87.00%	Very Good	3	Note 5
	Sub-Total		25				

Note-1:

North West Power Generation Company Limited (NWPGCL) supports Bangladesh's Sustainable Development Goals through expanding clean and reliable energy generation and strengthening institutional capacity. Its major projects — including the Rupsha 800 MW Combined Cycle Power Plant, the Payra LNG-to-Power Project, the Bheramara LTSA, and the Padma and Jamuna solar parks — contribute directly to SDG 7 (Affordable and Clean Energy), SDG 9 (Industry and Infrastructure), and SDG 13 (Climate Action) by increasing generation capacity, improving efficiency, and reducing carbon intensity. The planned shift toward solar and LNG-based power is expected to significantly lower emissions and enhance the sustainability of the national energy mix. All these initiatives are fully aligned with the National Strategic Plan, government policy directives outlined in the national budget, and the Sustainable Development Goals (SDGs).

Note-2:

NWPGCL has implemented several measures to enhance its operational processes:

1. Overhaul of the gearbox and cooling tower of the steam turbine at Sirajganj Power Plant.
2. Maintenance of the CO_2 absorber/filter of the old soda storage tank at Khulna 225 MW Combined Cycle Power Plant.
3. GT9 and STG Pole Balance Test at Bheramara 410 MW Combined Cycle Power Plant.
4. Fuel injection valve inspection of Engine #1 at Modhumati 100 MW Power Plant.
5. Completion of the erection of the first unit of the Rupsha 800 MW Combined Cycle Power Plant Project.
6. Conducting energy audits of the company's power plants to improve efficiency and reduce losses.

Note-3: NWPGCL effectively implements public policy by aligning its investments, operations, and governance with national energy, infrastructure, and climate priorities. Through projects such as Rupsha 800 MW, Payra LNG-to-Power, Bheramara LTSA, and solar parks, it expands reliable and cleaner generation in line with SDG 7, SDG 9, and SDG 13. At the same time, improvements in operational efficiency, institutional capacity, EHS management, transparency, and good governance ensure that public resources are used effectively to support sustainable development and energy security.

Note-4: NWPGCL achieved 98.74% of its financial target and 101.17% of its physical target during FY 2023-24. These achievements were considered in determining its overall performance score for the fiscal year.

Note-5:

NWPGCL has introduced various social and environmental initiatives to promote sustainability and community development:

i. Development of combined-cycle power plants and renewable energy–based power plants, which contribute to sustainable development by reducing Greenhouse Gas (GHG) emissions, lowering environmental impacts, and positively influencing climate change.

ii. Implementation of an effective Environmental and Pollution Monitoring System across all power plants to ensure compliance with environmental standards.

iii. Introduction of proper wastewater treatment facilities and emission management systems. In addition, tree plantation activities and waste management practices are carried out within plant areas and residential complexes, contributing to environmental protection.

iv. Provision of technical training to local communities and support activities such as relief distribution during emergencies.

v. NWPGCL also undertakes a wide range of Corporate Social Responsibility (CSR) programs, including:

   - Food and winter clothing distribution
   - Free technical training for local people
   - Tree plantation drives
   - Support to orphanages
   - Healthcare and education assistance for the community
   - Home loan facilities for employees
   - Donations for funeral expenses
   - Support for special medical treatments

vi. The company maintains WPPF for its employees.

vii. The entity provided extensive training program covering both technical and non-technical areas for its employees.

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						
2	**Labor Productivity**							
	Added Value per Employee (million Tk.)	QN	3	Tk. 30.00 mil or more	Tk. 25.00 to 29.99 mil	Tk. 20.00 to24.99 mil	Tk.15.00 to 19.99 mil	Below Tk. 15.00 mil
3	**Capital Productivity**							
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.15 or more	Tk. 0.12 to 0.14	Tk. 0.09 to 0.11	Tk. 0.06 to 0.08	Below Tk. 0.06
	3b. Added Value Per Tk. Value of PPE	QN	3	Tk. 0.35 or more	Tk. 0.30 to 0.34	Tk. 0.25 to 0.29	Tk. 0.20 to 0.24	Below Tk. 0.20
4	**Production**							
	4a. Input Use Efficiency (%)	QN	4	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	4	8.00 or more	7.00 to 7.99	6.00 to 6.99	5.00 to 5.99	Below 5.00
	4c. Asset Turnover (Times)	QN	4	0.20 or more	0.18 to 0.19	0.16 to 0.17	0.14 to 0.15	Below 0.14
	4d. Capacity Utilization (%)	QN	4	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					Note-6
2	**Labor Productivity**						
	2a. Added Value per Employee (million Tk.)	QN	3	TK 25.28 mil	Very Good	3	AFS
3	**Capital Productivity**						
	3a. Added Value per Tk. Value of Assets	QN	3	TK 0.10	Good	2	AFS
	3b. Added Value Per Tk. Value of PPE	QN	3	TK 0.28	Good	2	AFS
4	**Production**						
	4a. Input Use Efficiency (%)	QN	4	42.51%	Excellent	4	SL-43of Annexure -1
	4b. Inventory Turnover (Times)	QN	4	6.25	Good	2	AFS
	4c. Asset Turnover (Times)	QN	4	0.17	Good	2	AFS
	4d. Capacity Utilization (%)	QN	4	24.80%	Under Performing	0	SL-42 of Annexure -1
		Sub-total	25				

Note-6: NWPGCL does not engage in direct service delivery to end users, as it sells electricity directly to the Power Development Board. Consequently, the product/service benefit and accessibility indicator is not applicable for NWPGCL.

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. 12,000 mil. more	Tk. 11,000 to Tk. 11,999 mil	Tk. 10,000 to Tk. 10,999 mil	Tk. 9,000 toTk. 9,999 mil	Below Tk. 9,000 mil
2	Profit before Tax	QN	2	Tk. 7,000 mil or more	Tk. 6,000 to Tk. 6,999 mil	Tk. 5,000 to Tk. 5,999 mil	Tk. 4,000 to Tk. 1,999 mil	Below Tk. 4,000 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	15.00% or more	13.00% to 14.99%	11.00% to 12.99%	9.00% to10.99%	Below 9.00%
5	Return on Equity (%)	QN	2	12.00% or more	10.00%to 11.99%	8.00% to 9.99%	6.00%to 7.99%	Below 6.00%
6	Net Worth Growth (%)	QN	2	15.00% or more	12.00%to 14.99%	9.00% to 11.99%	6.00% to 8.99%	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	0.70 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	90 days or less	91 to 100 days	101 days to 110 days	111 days to 120 days	More than 120 days
6.	Accounts Payable Period (Days)	QN	2	90 days or less	91 to 100 days	101 days to 110 days	111 days to 120 days	More than 120 days
	iii. Transactions with Govt.							
1	Taxes Paid	QN	2	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	Dividend Paid	QN	1	91-100%	81-90%	71-80%	41-70%	Below 41%
4	Debt Service Liabilities Paid	QN	1	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. 14,111.88 mil	Excellent	4	AFS
2	Profit before Tax	QN	2	Tk. 7,796.14 mil	Excellent	4	AFS
3	Return on Assets (%)	QN	2	1.83%	Fair	1	AFS
4	Return on Sales (%)	QN	2	10.58%	Fair	1	AFS
5	Return on Equity (%)	QN	2	6.58%	Fair	1	AFS
6	Net Worth Growth (%)	QN	2	7.07%	Fair	1	AFS
7	Capital Budget Utilization (%)	QN	2	44.14%	Fair	1	SL-27,28 of Annexure -1
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	2	2.59	Under Performing	0	AFS
2	Debt to Assets (Times)	QN	2	0.72	Good	2	AFS
3	Debt Coverage Ratio (Times)	QN	2	0.79	Under Performing	0	AFS
4	Current Ratio (Times)	QN	2	2.02	Excellent	4	AFS
5	Accounts Receivable Period (Days)	QN	2	454	Under Performing	0	AFS Note 8
6	Accounts Payable Period (Days)	QN	2	480	Under Performing	0	AFS Note 9
	iii) Transactions with Government						
1	Taxes Paid	QN	1	100.91%	Excellent	4	SL-31, 32 of Annexure -1
2	Fees & Charges Paid	QN	1	100%	Excellent	4	SL-35, 36 of Annexure -1
3	Dividend Paid	QN	1	0%	Under Performing	0	SL-29, 30 of Annexure -1
4	Debt Service Liabilities Paid	QN	1	0%	Under Performing	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	91%	Excellent	4	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: NWPGCL operates under its own Memorandum and Articles of Association, adheres to various governance frameworks, including the Code of Conduct, Delegation of Financial Power, Board Directions and Policies, employee service rules and regulations, key policies of the Board, and the Ethics of the National Integrity Strategy. NWPGCL also has a Corporate Secretary for its Board.

Note-8: The NWPGCL Board now comprises twelve members, including the Chairman, Managing Director is an ex-officio member, four independent directors, and the rest from other organizations. The Board operates according to its Terms of Reference (TOR) and has established four committees. During FY 2023-24, the Board convened 20(twenty) meetings and implemented 121 decisions.

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 NWPGCL's website.

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

i. NWPGCL has an internal Audit team that audits the financial transactions, procurement etc. to verify and justify the accuracy.
ii. The entity is maintaining ERP for managing human resources & payroll, fixed assets, inventory, procurement, finance and administration module and provide real time reports of the company.
iii. Adequate safety devices and fire safety equipment have been installed on NWPGCL premises, and operations follow a comprehensive Safety Manual.

5. IPE Process

i. Performances of non-financial indicators of North West Power Generation Company Limited (NWPGCL) has been evaluated using information and documents of the inception report provided by NWPGCL.

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 NWPGCL 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, NWPGCL'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

North West Power Generation Company Limited (NWPGCL)
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	0	0.00
	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**		**0.55**
B	**Operational Efficiency:**	25			
1	Service Delivery: • Service benefits and Accessibility				
2	Labor Productivity: Added Value Per Employee		3	3	0.09
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		3	2	0.06
	3b. Added Value Per TK Value of PPE		3	2	0.06
4	Production:				
	4a. Input use Efficiency		4	4	0.16
	4b. Inventory Turnover		4	2	0.08
	4c. Asset Turnover		4	2	0.08
	4d. Capacity Utilization		4	0	0.00
		Sub Total	**25**		**0.53**

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	1	0.02
4	Return on Service Revenue		2	1	0.02
5	Return on equity		2	1	0.02
6	Net worth growth		2	1	0.02
7	Capital budget utilization		2	1	0.02
	ii. Financial Risk:				
1	Debt equity ratio		2	0	0.00
2	Debt to assets		2	2	0.04
3	Debt coverage ratio		2	0	0.00
4	Current ratio		2	4	0.08
5	Accounts receivable period		2	0	0.00
6	Accounts payable period		2	0	0.00
	iii. Transactions with Government:				
1	Taxes paid		1	4	0.04
2	Fees & charges paid		1	4	0.04
3	Dividend Paid		1	0	0.00
4	Debt Service Liabilities Paid		1	0	0.00
		Sub Total	**30**		**0.46**

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	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
5	Performance against the key Indicators of APA: • Total Performance score achieved on APA				
	Sub Total		**20**		**0.75**
	Grand Total (A+B+C+D)	**100**	**100**		**2.29**

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) North West Power Generation Company Limited (NWPGCL) Scored 2.29 out of 4.00 in the year 2023-24.

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

i. Service Delivery
ii. Corporate Governance
iii. Efficiency of Project Implementation
iv. Input Use Efficiency
v. Board Practices
vi. Transparency and Disclosure
vii. Current Ratio

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

i. Control Environment and Process
ii. Labor Productivity
iii. Effective Implementation of Public Policy
iv. Entity Strategic Plan
v. Other Growth
vi. Social Contribution

The performance of NWPGCL is graded “Good” in the following area:

i. Inventory Turnover
ii. Assets Turnover
iii. Capital Productivity
iv. Debt to Assets

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

i. Return on Service Revenue
ii. Return on Equity
iii. Return on Assets
iv. Net Worth Growth
v. Capital Budget Utilization

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

i. Net Income Growth
ii. Service Revenue Growth
iii. Accounts Receivable Period
iv. Accounts Payable Period
v. Capacity Utilization
vi. Debt Coverage Ratio
vii. Debt Equity Ratio

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

a) NWPGCL has earned operating profit of Tk. 14,111.88 million,

b) The entity earned net profit (after tax) of Tk. 4,154.66 million.

c) NWPGCL Current Ratio (Times) 2.02 which indicates entity is in a well position to meet it current liabilities in due period.

d) Entity's Debt Equity Ratio (Times) is 2.59 indicates high leverage that poses a fiscal risk to GOB.

e) NWPGCL Paid Taxes Tk. 2,270.88 million

f) The entity paid no DSL

g) GOB invested Tk. 1,337.40 million as equity and 891.60 million as loan to NWPGCL against the completion of development projects.

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

Findings from the Northwest Power Generation Company Limited audit report 2023-24 are given below:

1. According to IAS 36 impairment of assets a company should perform the impairment test at the end of each accounting period and sufficient disclosure is needed in audit report to show the major indications of impairments adjustment. However, disclosures and clarifications are not found in the NWPGCL audit report 2023-24 for such impairment test.
2. The entity did not maintain bad debts provision for the bad and doubtful on accounts receivable amount.
3. In audit report accounts receivable accounts stand Tk. 48,853.79 million as on 30th June 2024 out of that Tk. 20,703.70 million outstanding more than 270 days Tk. 7,990.56 million within 181-270 days and Tk. 5,621.61 million within 91-180 days. However, the company should need adequate bad debt provision for fair presentation of its AFS.

9. Recommendation for Performance Based Incentives

North West Power Generation Company Limited (NWPGCL) has obtained a weighted score of 2.29 out of a scale 4.00 and is graded "Good". Therefore, IPEC recommended non-financial incentive for the employees of NWPGCL. Also, a certificate from Finance Division may be awarded to NWPGCL for being graded "Good" in IPE for the FY 2023-24.

10. Recommendations for Improvements:

To improve the performance of North West Power Generation Company Limited the following recommendations are made based on the findings of IPE:

i. NWPGCL has undertaken several solar-based renewable energy projects. These projects should be completed within their planned timelines to ensure sustainable power generation and long-term energy security.

ii. The entity should conduct regular energy audits to ensure cost-effective energy management, increase operational efficiency, and reduce carbon emissions across all power plants.

iii. NWPGCL should complete the implementation of the Enterprise Resource Planning (ERP) system to enhance operational efficiency, improve internal controls, strengthen reporting, and reduce costs.

iv. The entity should take effective measures to keep process losses within acceptable limits, ensuring efficiency and lowering unnecessary wastage.

v. NWPGCL should adopt advanced data analytics, integrate renewable energy sources, strengthen cybersecurity measures, implement emission reduction systems, and deploy energy-efficiency tools across its power generation operations.

vi. The entity should develop an action plan to ensure optimal utilization of its power generation capacity, enabling cost reduction and improving financial performance.

vii. NWPGCL'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.

viii. 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.

ix. To implement the government directive the entity should arrange tree plantation programs with an aim to mitigate climate change and address global warming.

x. The entity should maintain an adequate provision for Accounts Receivable in line with the IFRS 9 Expected Credit Loss (ECL) model, considering the potential risk of non-recovery of long-outstanding receivables.

11. Conclusion

Based on the Audited Financial Statements, relevant data, and supporting documents of the North West Power Generation Company Limited (NWPGCL), the Independent Performance Evaluation (IPE) Report for FY 2023–24 has been prepared. The report indicates that NWPGCL's financial and non-financial performance was in moderate level. To improve performance, the company should utilizate more of its generation capacity. Greater emphasis should also be placed on renewable energy–based power generation to support the sustainable development of Bangladesh power sector. NWPGCL should take appropriate steps to comply with the relevant IAS/IFRS and resolve the financial anomalies mentioned in the Audited Financial Statements 2023-24.

Annexure-1

North West Power Generation Company Limited
Financial & Other Information

Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
			Amount in BDT
		2023-24	2022-23
1	Current Assets:		
	i. Inventories		
	• Fuel	1,207,206,713	1,600,184,447
	• Stock & Store	2,621,409,296	2,360,326,645
	• Others		
	ii. Receivable:		
	• Trade	48,853,787,575	31,437,410,111
	• Others	717,342,464	259,665,237
	iii. Cash and Cash Equivalent	2,941,730,954	6,025,482,619
	iv. Short Term Investment	818,650,000	860,000,000
	v. Others Current Assets	4,964,773,137	5,746,719,967
2	Total Current Assets (i+ii+iii+iv)	62,124,900,139	48,289,789,027
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	81,426,484,640	88,788,690,710
	• Project in Progress	44,980,413,047	32,292,769,024
	• Intangible Assets	29,526,434	36,727,050
	• Other Non-current Assets	38,577,001,735	36,724,463,739
4	Total Assets (2+3)	227,138,325,995	206,132,439,550
	Current Liabilities:		
	i. Payables:		
	• Trade	10,163,067,292	5,046,160,537
	• Others	2,401,462,822	1,040,299,460
	ii. Other Current Liabilities	18,250,971,576	17,686,207,513
6	Total Current Liabilities (i+ii)	30,815,501,689	23,772,667,510
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	121,315,756,535	113,250,370,189
	ii. Deferred Liabilities	11,174,147,950	9,422,842,797
	iii. Lease Liabilities	648,750,601	671,969,449
8	Total Non-Current Liabilities (i+ii+iii)	133,138,655,086	123,345,182,435
9	Total Liabilities (6+8)	163,954,156,775	147,117,849,945
10	Equity:		
	i. Paid Capital	4,573,883,850	4,562,162,030
	ii. Govt. Equity	2,779,080,415	1,445,905,522
	iii. Preference Share	24,332,630,550	24,332,630,550
	iv. Funds & Other Reserves		
	v. Revaluation Reserve	2,699,570,119	2,699,570,119
	vi. Retained Earnings/(Loss)	28,799,004,286	25,974,321,384
11	Total Equity (i+ii+iii+iv+v)	63,184,169,220	59,014,589,605
12	Total Equity and Liabilities (9+11)	227,138,325,995	206,132,439,550

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	39,278,402,762	100.00%	56,266,034,234	100.00%
14	Less: Cost of Services	24,719,395,572	62.93%	41,000,222,275	72.87%
15	Gross Profit/(Loss) (13-14)	14,559,007,190	37.07%	15,265,811,959	27.13%
16	Less: Operating Expenses:				
	i. Administrative Expenses	447,131,287	1.14%	410,557,601	0.73%
	ii. Distribution Expenses				
17	Total Operating Expenses (i + ii)	447,131,287	1.14%	410,557,601	0.73%
18	Operating Profit/(Loss) (15-17)	14,111,875,903	35.93%	14,855,254,358	26.40%
19	Add: Non-Operating Income	623,882,431		495,268,467	
20	Less: Financial Expenses	6,508,723,749		5,644,157,404	
	Less: Provisions for CSR Expenses	20,567,586		48,531,827	
	Less: Contribution to WPPF	410,323,350		482,891,680	
21	Net Profit/(Loss) before Tax (18+19 – 20)	7,796,143,648		9,174,941,914	
22	Less: Provision for Tax				
	i. Current tax	1,890,176,676		2,542,017,701	
	ii. Deferred tax	1,751,305,153		1,032,455,257	
23	Net Profit/(Loss) After Tax (21-22)	4,154,661,819		5,600,468,956	

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
25	Credit Sales	39,278,402,762	56,266,034,234
26	Credit Purchases	7,730,239,958	7,243,782,259
27	Capital Budget Allocation	176,868,000	382,901,000
28	Actual Capital Expenditure	78,065,417	138,324,141
29	Dividend Payable	2,059,957,834	729,978,917
30	Dividend Paid		600,000,000
31	Taxes Payable	2,250,392,507	2,837,805,394
32	Taxes Paid	2,270,885,680	2,950,845,117
33	Debt Service Liabilities (DSL) Payable	6,170,784,463	6,263,000,739
34	Debt Service Liabilities (DSL) Paid		6,268,133,031
35	Fees, Fine and Charges Payable	11,760,907	13,763,998
36	Fees, Fine and Charges Paid	11,760,907	13,763,998
37	New Government Investment:		
	• Equity	1,337,400,000	1,169,905,523
	• Debts/Loan	891,600,000	779,937,015
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants	23,328,826	14,188,219
	• Subsidies		
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	4,882,222,549	9,067,792,502
40	Added Value	22,419,920,613	22,573,545,683
41	Employees cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)	24.80%	45.26%
43	Input use Efficiency (%)		
44	Number of Employees (Nos)	880	893
45	Performance score achieved on APA		