

**Independent Performance Evaluation (IPE) Report**  
**on**  
**Bangladesh Road Transport Corporation (BRTC)**  
**For 2022-23**

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## Executive Summary

The Finance Division of the Ministry of Finance is implementing the "Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)." One of the key components of this program is the "Strengthening of State-owned Enterprises' Governance" scheme, which aims to strengthen the governance of State-owned Enterprises (SOEs) and Autonomous Bodies (ABs). To achieve this, the Finance Division has developed and approved an Independent Performance Evaluation Guideline (IPEG) for SOEs and ABs to evaluate their performance independently. Based on selection parameters of IPEG, Monitoring Cell, Finance Division has selected 10 (ten) more SOEs and ABs in addition to previously selected 10 (ten) SOEs/ABs in total 20 (twenty) SOEs/ABs to conduct Independent Performance Evaluation for the fiscal year 2022-23.

Bangladesh Road Transport Corporation (BRTC) is among the 20 selected State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) for Independent Performance Evaluation (IPE) for FY 2022-23. Based on the evaluation results, BRTC achieved a weighted average score of 2.14 out of 4.00, earning a grade of "Good" for the fiscal year.

### 1. Introduction

The Road Transport Corporation was established in 1961. After the independence of Bangladesh, the government enacted the Bangladesh Road Transport Corporation Ordinance No. 7 in 1972, renaming the organization as the Bangladesh Road Transport Corporation (BRTC). Recently, the 1972 ordinance was repealed and replaced by the Bangladesh Road Transport Corporation Act, 2020. The corporation's prime objective is to develop a safe and modern road transport system in the country. BRTC currently operates inter-district and city services through its fleet of buses and trucks. It plays a significant role in ensuring a fast, comfortable, modern, and safe road transport system and control fare of vehicles in the country. The Road and Highway Division under the Ministry of Road Transport and Bridges holds oversight responsibility for BRTC.

### Key Operational Activities

Sl No	Particulars	Unit	FY 2020-21	FY 2021-22	FY 2022-23
1.	Total Number of Bus	Nos.	1,938	1,876	1,600
2.	Total Operable Bus	Nos.	1,571	1,555	1,373
3.	Total Number of Trucks	Nos.	588	580	580
4.	Total Operable Trucks	Nos.	588	562	513
5.	Training on Driving	Nos.	10,861	25,780	25,825

Source: BRTC

During FY 2022-23 BRTC has total bus 1,600 among the total bus 1,373 were operable bus that is 85.81% of total bus. In FY 2021-22 total bus was 1,876 and the operable bus 1,555 which was 82.89% of total bus. On the other hand, in FY 2022-23 total truck was 580 and operable truck 513 that was 88.45% of total truck. In FY 2021-22 the total truck was 580 operable 562 that was 96.90%. During FY 2022-23 BRTC provides driving training to 25,825 people and in FY 2021-22 that was 0.17% higher compared to the previous fiscal year. These indicators of the last three consecutive years show that total number of buses and trucks as well as operable buses and trucks are declining gradually.

## **2. Role & Functions:**

The Bangladesh Road Transport Corporation (BRTC) carries out the following functions:

- i. Ensures safe and reliable transportation of passengers and goods.
- ii. Conducts vehicle repair and maintenance through its own repair centers or workshops.
- iii. Offers passenger and goods transportation services on both domestic and international routes.
- iv. Provides specialized road transport services during emergencies or special situations.
- v. Establishes and operates training institutes and centers to develop skilled manpower in the transport sector.
- vi. Operates passenger buses and goods trucks on a temporary lease basis, adhering to specific policies.

## **3. Core Business and Organizational Structure:**

Core Business:

- i. Procure environmentally friendly vehicles for the BRTC fleet.
- ii. Execute contracts to facilitate the functions of BRTC.
- iii. Construct terminals, depots, and vehicle repair centers as needed for transportation services.
- iv. Acquire an adequate number of buses and trucks to provide passenger and goods transportation services.
- v. Manage the acquisition, development, and transfer of movable and immovable assets of the corporation.

#### 4. Evaluation Parameters

**Criteria: Business and Governance**  
**Indices: A. Business Strategy and Social Responsibility**

**Table 1(a): Standard of Indices A**

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Entity Strategy</b>							
	Entity Strategic Plan	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Growth Trajectory</b>							
	2a. Net Income Growth	QN	5	5.00% or more	4.00 % to 4.99%	3.00% to 3.99%	2.00% to 2.99%	Below 2.00%
	2b. Service Revenue Growth	QN	5	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	5	91-100%	81-90%	71-80%	41-70%	Below 41%
3	<b>Social Contribution</b> •Environmental Contribution •CSR/WPPF •Training/Volunteering	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%

**Table 1(b): Achievement of Indices A**

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Entity Strategy						
	Entity Strategic Plan	QL	5	91.00%	Excellent	4	Note 1
2	Growth Trajectory						
	2a.Net Income Growth	QN	5	Negative Growth	Under Performing	0	AFS
	2b Service Revenue Growth	QN	5	44.72%	Excellent	4	AFS
	2c. Other Growth	QL	5	89.00%	Very Good	3	Note 2
5	Social Contribution	QL	5	92.00%	Excellent	4	Note 3
Sub-Total			25				

**Note-1:** Bangladesh Road Transport Corporation (BRTC) has undertaken a plan that includes the procurement of 340 CNG-powered air-conditioned buses, the construction of four modern depots, and the implementation of an automated management system across all operational depots. These initiatives aim to improve the quality, efficiency, and environmental sustainability of public transport services. The plan is closely aligned with the National Strategic Plan, Government Policy Directives in the National Budget, and the Sustainable Development Goals (SDGs) - notably SDG 11 (Sustainable Cities and Communities), SDG 9 (Industry, Innovation and Infrastructure), and SDG 13 (Climate Action).

**Note-2:** BRTC has undertaken the following measures to enhance its transportation services:

- i. Introduced a Vehicle Tracking System (VTS) in 1,201 vehicles.
- ii. Installed online CCTV cameras in all depots and units.

**Note-3:** BRTC has undertaken several social and environmental activities:

- i. The entity is currently operating 237 CNG-powered buses, which are cleaner and more environmentally friendly than oil-powered vehicles.
- ii. Provided driving and vehicle-related training to a total of 25,825 individuals, including 10,502 males and 2,991 females under its own management, and 12,332 trainees under the Skills for Employment Investment Program (SEIP) project during the evaluation year.
- iii. Maintains Provident Fund and Gratuity Fund facilities for its employees to ensure financial security and welfare.

## Indices: B. Operational Efficiency

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

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	<b>Service Delivery</b>							
	Service Benefit & Accessibility	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	<b>Labor Productivity</b>							
	Added Value per Employee (million Tk.)	QN	4	Tk 0.40 million or more	Tk0.35 to 0.39 million	Tk.0.30 to 0.34 million	Tk0.25 to 0.29 million	Below Tk. 0.25 million
3	<b>Capital Productivity</b>							
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.20 or more	Tk. 0.18 to 0.19	Tk. 0.16 to 0.17	Tk. 0.14 to 0.15	Below Tk. 0.14
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk. 0.30 or more	Tk. 0.28 to 0.29	Tk.0.26 to 0.27	Tk. 0.24to 0.25	Below Tk. 0.24
4	<b>Production</b>							
	4a. 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
	4b. Asset Turnover (Times)	QN	4	0.35 or more	0.30 to 0.34	0.25 to 0.29	0.20to 0.24	Below 0.20
Sub-total			25					

**Table 2(b): Achievement of Indices B**

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	<b>Service Delivery</b>						
	Service Benefit & Accessibility	QL	5	85.00%	Very Good	3	Note-4
2	<b>Labor Productivity</b>						
	Added Value per Employee (million Tk.)	QN	4	Tk.0.35 million	Very Good	3	AFS
3	<b>Capital Productivity</b>						
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.16	Good	2	AFS
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk.0.28	Very Good	3	AFS
4	<b>Production</b>						
	4a. Inventory Turnover (Times)	QN	4	8.79	Excellent	4	AFS
	4b. Asset Turnover (Times)	QN	4	0.79	Excellent	4	AFS
Sub-total			25				

**Note 4:** BRTC has implemented the following initiatives to enhance delivery service for its stakeholders:

- i. Introduction of e-ticketing.
- ii. Deployment of fleet management software.
- iii. Online ticket booking services.
- iv. Provision of Wi-Fi facilities.
- v. Launch of the BRTC mobile app.
- vi. Introduced 5 (five) Buses for Tourist Service.

### Indices: C. Financial

**Table 3(a): Standard of Indices C**

FY 2022-23

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
	<b>i. Financial Performance</b>							
1	Operating profit	QN	3	Tk. 1,000 mil or more	Tk. 8,00 to Tk.999 mil	Tk.600 to Tk. 799 mil	Tk.400 to Tk. 599 mil	Below Tk. 400 mil
2	Profit before Tax	QN	3	Tk.1,200 mil or more	Tk.1,000 to Tk. 3,499 mil	Tk.800 to Tk. 999 mil	Tk. 600 to Tk.799 mil	Below Tk. 600 mil
3	Return on Assets (%)	QN	3	5.00 % or more	4.00% to 4.99 %	3.00%to 3.99%	2.00% to 2.99%	Below 2.00%
4	Return on Service Revenue (%)	QN	3	10.00% or more	8.00%to 9.99%	6.00% to 7.99%	4.00% to 5.99%	Below 4.00%
5	Return on Equity (%)	QN	3	10.00% or more	8.00%to 9.99%	6.00 % to 7.99%	4.00 % to5.99%	Below 4.00%
6	Net Worth Growth (%)	QN	3	10.00 or more	8.00%to 9.99%	6.00% to 7.99%	4.00% to 5.99%	Below 4.00%
7	Capital Budget Utilization (%)	QN	3	91-100%	81-90%	71-80%	41-70%	Below 41%
	<b>ii. Financial Risk</b>							
1	Debt Equity Ratio (Times)	QN	3	1.50 or less	1.51 to2.00	2.01 to 2.50	2.51 to 3.00	More than 3.00
2	Debt to Assets (Times)	QN	2	0.60or less	0.61 to 1.00	1.01 to 1.40	1.41 to 1.80	More than 1.80
3	Current Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
	<b>iii. Transactions with Govt.</b>							
1	Debt Service Liabilities Paid	QN	2	91-100%	81-90%	71-80%	41-70%	Below 41%



**Table 3 ( b): Achievement of Indices C**

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance measuring
					Grade	Score	
	i. Financial Performance						
1	Operating profit	QN	3	Tk. (553.55) million	Underperforming	0	AFS
2	Profit before Tax	QN	3	Tk. (1,112.66) mil	Underperforming	0	AFS
3	Return on Assets (%)	QN	3	(14.44)%	Underperforming	0	AFS
4	Return on Sales (%)	QN	3	(18.29)%	Underperforming	0	AFS
5	Return on Equity (%)	QN	3	Negative	Underperforming	0	AFS
6	Net Worth Growth (%)	QN	3	Negative	Underperforming	0	AFS
7	Capital Budget Utilization (%)	QN	3	22.30%	Underperforming	0	SL-27,28 of Annexure -1
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	3	Negative	Under Performing	0	AFS
2	Debt to Assets (Times)	QN	2	3.87	Under Performing	0	AFS
3	Current Ratio (Times)	QN	2	0.22	Under Performing	0	AFS
	iii) Transactions with Government						
1	Debt Service Liabilities Paid	QN	2	100%	Excellent	4	SL-33,34 of Annexure -1 Note-5
Sub-total			30				

**Note 5:** The total accumulated outstanding DSL of BRTC amounts to Tk. 11,070 million. However, the entity has paid Tk. 12 million in accordance with its budget estimation.

## Indices: D. Corporate Governance Practices

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

FY 2022-23

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

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

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

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	4	85%	Very Good	3	Note 6
2	Board Practices	QL	4	79%	Good	2	Note 7
3	Transparency and Disclosure	QL	4	80%	Good	2	Note 8
4	Control Environment and Process.	QL	4	81%	Very Good	3	Note 9
5	Performance against the key Indicators of APA	QN	4	99.72%	Very Good	3	Score of APA for FY 2022-23
Sub-total			20				
Grand Total (A+B+C+D):			100				

\* Standard for Financial and Non-Financial indicators are set on the basis of IPE process.

**Note-6:** BRTC operates under its own Act and adheres to corporate governance principles by following a Code of Conduct, Employee Service Rules and Regulations, key policies set by the Board, the ethics of the National Integrity Strategy, and the Citizen Charter. The organization has a Corporate Secretary for its Board.

**Note-7:** The Board of Directors of BRTC consists of 21 members, including the Chairman and 20 government-nominated directors. Among them, the Chairman and three others serve as regular directors, while the remaining 17 are part-time directors representing various ministries and organizations. However, the Board does not include any Independent Director. The Board operates in accordance with its Terms of Reference (TOR). During FY 2022-23, ten Board meetings were held, and 224 Board decisions were implemented. BRTC does not have any board committees.

**Note-8:** The names and biographies of the Board of Directors and senior managers, along with the Audited Financial Statements, Citizen Charter, Annual Performance Agreement (APA), Act, Rules, Regulations, and Code of Conduct, are publicly disclosed on the BRTC website. However, the entity published their Audited Financial Statements lately.

**Note-9:** BRTC has implemented the following measures to ensure process control and environmental safety:

- i. An Internal Audit Department is in place to review, verify, and examine invoices, bills, and collections from all units to identify irregularities, defalcations, and misappropriations. Monthly budget allocations are provided to units for budgetary control, and the auditor reports directly to the Chairman.
- ii. Safety and security measures, such as the installation of safety devices and fire extinguishers, have been implemented across all premises.

## **5. IPE Process**

- i. Performances of non-financial indicators of Bangladesh Road Transport Corporation (BRTC) has been evaluated using information and documents of the inception report provided by BRTC.
- ii. Actual performance of non-financial indicators is determined through the collective decision of ERT members.
- iii. According to IPEG, actual financial performances of BRTC are to be evaluated on the basis of national best practices/standard. However, due to the non-availability of such standard and comparable entities in the country, BRTC's financial performance was assessed based on its performance over the last five years on respective financial indicators.
- iv. Performances of all financial indicators are evaluated based on audited financial statements.
- v. Measurement tools used for financial indicators are suggested by IPEG.
- vi. Grades and scores are assigned according to the IPEG.

## 6. Performance Evaluation Results

### Bangladesh Road Transport Corporation (BRTC)

Fiscal Year: 2022-23

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
a	b	c	d	e	f
A	<b>Business Strategy and Social Responsibility:</b>	25			
1	Entity Strategy: • Entity Strategic Plan		5	4	0.20
2	Growth Trajectory: 2a. Net Income Growth		5	0	0.00
	2b. Service Revenue Growth		5	4	0.20
	2c. Other Growth		5	3	0.15
3	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		5	4	0.20
	<b>Sub Total</b>		<b>25</b>		<b>0.75</b>
B	<b>Operational Efficiency:</b>	25			
1	Service Delivery: • Service benefits and Accessibility		5	3	0.15
2	Labor Productivity: 2a. Added Value Per Employee		4	3	0.12
	2b. Employees cost on Value addition (%)				
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		4	2	0.08
	3b. Added Value Per TK Value of PPE		4	3	0.12
4	Production:				
	4a. Inventory Turnover		4	4	0.16
	4b. Asset Turnover		4	4	0.16
	<b>Sub Total</b>		<b>25</b>		<b>0.79</b>
C	<b>Financial:</b>	30			
	<b>i. Financial Performance:</b>				
1	Operating profit		3	0	0.00
2	Profit before tax		3	0	0.00
3	Return on assets		3	0	0.00
4	Return on Service Revenue		3	0	0.00
5	Return on equity		3	0	0.00
6	Net worth growth		3	0	.0.00
7	Capital budget utilization		3	0	0.00
	<b>ii. Financial Risk:</b>				
1	Debt equity ratio		3	0	0.00
2	Debt to assets		2	0	0.00
3	Current ratio		2	0	0.00
	<b>iii. Transactions with Government:</b>				
1	Debt Service Liabilities Paid		2	4	0.08
	<b>Sub Total</b>		<b>30</b>		<b>0.08</b>

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
D	<b>Corporate Governance Practices:</b>	20			
1	Commitment to Corporate Governance: <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Ethics</li> <li>• Key policies of Board</li> <li>• Board structure</li> <li>• Employees service rules/ regulations</li> <li>• Appointment of Board Secretary</li> </ul>		4	3	0.12
2	Board Practices: <ul style="list-style-type: none"> <li>• Composition of Board of Directors and number of meetings held</li> <li>• TOR of board</li> <li>• Number of independent Board Directors</li> <li>• Name &amp; Number of board committees and number of meetings held</li> <li>• Number of board decisions that have been implemented</li> </ul>		4	2	0.08
3	Transparency and Disclosure: <ul style="list-style-type: none"> <li>• Board of directors and Senior managers name and biographies</li> <li>• Audited financial statement</li> <li>• Citizen charter</li> <li>• APA</li> <li>• Code of conduct</li> </ul>		4	2	0.08
4	Control Environment and Process: <ul style="list-style-type: none"> <li>• Entity's internal control systems for different departments</li> <li>• Internal audit procedure and reporting authority</li> <li>• Entity's computer-based management information system (database)</li> <li>• Any authority of the board to mitigate the entity's emergency situation</li> <li>• Measures taken for safe working environment in the entity's premises</li> </ul>		4	3	0.12
5	Performance against the key Indicators of APA: <ul style="list-style-type: none"> <li>• Total Performance score achieved on APA</li> </ul>		4	3	0.12
	<b>Sub Total</b>				<b>0.52</b>
	<b>Grand Total (A+B+C+D)</b>	<b>100</b>	<b>100</b>		<b>2.14</b>

## 7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Bangladesh Road Transport Corporation (BRTC) Scored 2.14 out of 4.00 in the year 2022-23.

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

- Entity Strategic Plan
- Social Contribution
- Service Revenue Growth
- Assets Turnover
- Inventory Turnover

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

- Control Environment and Process
- Annual Performance Agreement (APA)
- Labor Productivity
- Other Growth
- Corporate Governance
- Service Delivery

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

- Capital Productivity
- Board Practices
- Transparency and Disclosure

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

- Return on Service Revenue
- Return on Equity
- Return on Assets
- Debt Equity Ratio
- Net Income Growth
- Net Worth Growth
- Current Ratio
- Capital Budget Utilization
- Debt to Assets

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

- BRTC incurred operating loss of Tk.553.55 million.
- The entity incurred net Loss (after tax) of Tk. 1,112.66 million.
- BRTC Current Ratio (Times) 0.22 which indicates entity is not in a well position to meet its current liabilities in due period.
- Entity’s Debt Equity Ratio (Times) shows negative that indicates high leverage which poses a fiscal risk to GOB.
- BRTC Paid no Taxes to GOB.

## 8. Findings from the Audit Report 2022-2023

In BRTC Audit Report 2022-23 the following findings are given below:

- a) In Audit Report 2022-23 the entity did not provide aging of Accounts Receivable TK1,648.02 million.
- b) Long Term Loan from Government and other agencies remain more or less same amount of TK16,223.20 million for a long period under Non- Current Liabilities.
- c) Four (4) Accounts under Current Liabilities are carried forward with the same amount for a long time. The auditor had no comment on these pending accounts.
- d) Inter Division Current Account shows the same amount of TK49.04 million under Current Assets for a long time.
- e) Interest on government and foreign loans shows same amount of TK779.35 million for a long time.
- f) The entity did not maintain Bad Debts provision accounts on Accounts Receivable.
- g) BRTC did not provide the entity's Cash Flow Statement in the Audit Report 2022-23.
- h) BRTC did not include long-term ADB loan of Taka 54.663 million under long-term loan account in their Audit Report from a long time that understated entities long-term loan. The amount is also not shown in total liability.

## 9. Recommendation for Performance Based Incentives

Bangladesh Road Transport Corporation has obtained a weighted score of 2.14 out of a scale 4.00 and is graded "Good". Therefore, IPEC recommended non-financial incentive for the employees of BRTC. Also, a certificate from Finance Division may be awarded BRTC for being graded "Good" in IPE for the FY 2022-23.

## 10. Recommendations for Improvements:

To enhance the performance of BRTC, the following recommendations are made based on the findings of the Independent Performance Evaluation (IPE):

- a) **Fleet Modernization:** BRTC should procure modern electric and CNG vehicles for its fleet and establish charging stations for electric vehicles across the country as per their strategic plan.
- b) **Automation of Depot Management:** Implement an automated depot management system within the targeted period to ensure transparency and accountability.
- c) **Expansion of International Routes:** Launch international bus routes according to the planned timeline.
- d) **Workshop Modernization:** Upgrade workshops and adopt modern technology to efficiently and promptly provide comprehensive vehicle repair services.
- e) **Skill Development:** Train the workforce to develop skilled personnel in the transport sector.
- f) **Financial Efficiency:** Implement measures to increase operating revenue while reducing operating expenses through effective management practices.
- g) **Asset Management:** Take steps to sell obsolete and unusable vehicles within planned timelines, improving liquidity and resource allocation.
- h) **Maximization of Idle Resources:** Repair and deploy idle buses and trucks using BRTC's own workshops to increase the number of operational vehicles and enhance revenue generation.
- i) **Improved Financial Reporting:** Prepare financial statements in compliance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to strengthen financial discipline, transparency, and reporting.
- j) **Compliance with IAS-36:** BRTC should adhere to the requirements of 'IAS-36-Impairment of Assets' to ensure proper disclosure of asset valuation.



## **11. Conclusion**

Based on Audited Financial Statements, data and documents of Bangladesh Road Transport Corporation, Independent Performance Evaluation (IPE) report has been prepared for FY 2022-23. In the report it is found that BRTC's financial performance is not satisfactory and non-financial performance is in a moderate position during FY 2022-23. Hence, to improve the overall performance of BRTC, the entity should take action plan to reduce their operating loss. In addition, the corporation should expand their transportation services on both national and international routes by procuring modern electric and CNG vehicles within a timeline.

**Bangladesh Road Transport Corporation (BRTC)**  
**Financial & Other Information**

**Annexure-1**

Amount in BDT			
Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
1	Current Assets:		
	i. Inventories		
	• Material		
	• Accessories/ Supplies	661,275,949	764,077,498
	• Others (including spare parts)		
	ii. Receivable:		
	• Trade		
	• Others	1,648,022,343	1,767,465,866
	iii. Cash and Cash Equivalent	537,557,550	878,516,857
	iv. Others Current Assets	124,684,279	497,243,955
2	Total Current Assets (i+ii+iii+iv)	2,971,540,121	3,907,304,176
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	4,610,213,402	5,126,199,873
	• Capital Work in Progress		
	• Investments	124,988,498	128,395,568
4	Total Assets (2+3)	7,706,742,021	9,161,899,617
5	Current Liabilities:		
	i. Payables:		
	• Trade		
	• Others	4,881,283,613	5,990,930,797
	ii. Other Current Liabilities	8,783,466,126	8,004,120,222
6	Total Current Liabilities (i+ii)	13,664,749,739	13,995,051,019
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	16,168,532,004	16,180,732,004
	ii. Deferred Liabilities		
	iii. Other Non-Current Liabilities		
8	Total Non-Current Liabilities (i+ii+iii)	16,168,532,004	16,180,732,004
9	Total Liabilities (6+8)	29,833,281,743	30,175,783,023
10	Equity:		
	i. Share Capital	540,000,000	540,000,000
	ii. Share Money Deposit	22,096,190	22,096,190
	iii. Government Grants	324,759,305	324,759,305
	iv. Capital Reserves	217,146,385	217,146,385
	v. Donation, Aid & Others	203,453,779	203,453,779
	vi. Retained Earnings/(Loss)	(23,433,995,379)	(22,321,339,065)
11	Total Equity (i+ii+iii+iv+v)	(22,126,539,722)	(21,013,883,406)
12	Total Equity and Liabilities (9+11)	7,706,742,021	9,161,899,617

Serial No	Statement of Profit or Loss and Other Comprehensive Income (Income Statement)	2022-23		2021-22	
		Amount	Percentage	Amount	Percentage
13	Net Sales Revenue	6,082,813,128	100%	4,203,264,771	100%
14	Less: Cost of Services	6,267,746,923	103.04%	4,870,754,744	115.88%
15	Gross Profit/(Loss) (13-14)	(184,933,795)	(3.04%)	(667,489,973)	(15.88%)
16	Less: Operating Expenses:				
	i. Administrative Expenses	368,617,467	6.06%	243,808,935	5.80%
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	368,617,467	6.06%	243,808,935	5.80%
18	Operating Profit/(Loss) (15-17)	(553,551,262)	(9.10)%	(911,298,908)	(21.68%)
19	Add: Non-Operating Income	287,445,739		237,082,301	
20	Less: Financial Expenses	779,345,904		779,945,904	
21	Less Non-Operating Expenses	67,204,887		68,923,719	
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	(1,112,656,314)		(1,523,086,230)	
23	Less: Provision for Tax				
	i. Current tax				
	ii. Deferred tax				
24	Net Profit/(Loss) After Tax (22-23)	(1,112,656,314)		(1,523,086,230)	

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2022-23	2021-22
25	Credit Sales		
26	Credit Purchases		
27	Capital Budget Allocation	347,700,000	230,900,000
28	Actual Capital Expenditure	77,521,000	43,612,000
29	Dividend Payable		
30	Dividend Paid		
31	Taxes Payable		
32	Taxes Paid		
33	Debt Service Liabilities (DSL) Payable	12,000,000	12,000,000
34	Debt Service Liabilities (DSL) Paid	12,000,000	12,000,000
35	Fees, Fine and Charges Payable		
36	Fees, Fine and Charges Paid		
37	New Government Investment:		
	• Equity		
	• Debts/Loan		
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants		
	• Subsidies		
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)		
40	Added Value	1,271,474,732	1,136,219,044
41	Employee's cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)		
43	Input use Efficiency (%)		
44	Number of Employees (Nos)	3,918	3,430
45	Performance score achieved on APA	99.72%	96.84%

## Schedule - 2

## Non-financial Information format

SL	Particulars	
<b>A</b>	<b>Enterprise Information and Legal Framework</b>	
2	Sector	Road and Highway division
3	Name of Entity	BRTC
4	Number of Subsidiaries	26 Training Center
5	Number of Branches	51
6	Website	www.brtc.gov.bd
7	Email Address	chairman@brtc.gov.bd
8	Year of incorporation	1961
9	Governing Law	As per BRTC Law 2020 Act.No.05
10	Other relevant Governing Laws & Regulations	Road Transport Corporation Ordinance, 1961
11	Incorporation Structure	Autonomous
12	Listed in the Stock Exchange	N/A
<b>B</b>	<b>Ownership and Shareholder Protection</b>	
14	Administrative Ministry	Ministry of Road and Highway division
15	Structure of Organization	As per BRTC Organogram
<b>C</b>	<b>Strategy and Governance information</b>	
17	Board Of Directors (Number disaggregated by gender)	21
18	Qualification of Board Members	As per BRTC Law: Rule-7 (2)
19	Number of independent Director	As per BRTC Law: Rule-7 (2)
20	Chairman to be independent of Board	Chairman
21	Board Committees	21
22	Number of Board Meetings held	11
23	Board Sitting Fees	Tk.3000
24	Executive Management	Active
25	Selection process of Board Members	Ministry
26	Strategic Plan/Public Policy Goal (copy required)	As per BRTC Law
27	innovative work (Description)	N/A
28	Project Completion Rate: Actual Achievement /Target	N/A
<b>D</b>	<b>Ownership Structure</b>	
30	Govt. Shareholding	100%
31	Private Shareholding	N/A
32	Others	N/A
<b>E</b>	<b>Fiscal and Financial Discipline</b>	
34	Who are the Primary Lenders to the Enterprise	Government financial Rules

<b>F Controls, Transparency and Disclosure</b>		
36	Latest Audited Financial Statement	2022-2023 Update
37	Audited by	Zoha Zaman Kabir Rashid & Co
38	Risk Assessment Report	BRtc Audit Department
39	Internal Control	BRtc Audit Department
40	Timely public disclosure of financial statements	Yes
41	Measures for safe working Environment/Process	Good
	(Description)	
<b>G Human Resources</b>		
43	Number of employees	3918
44	Number of New Job Creation (Regular +DB, internship, etc.)	1176
<b>H Employee and Social Welfare</b>		
46	CSR, WPPF, Provident Fund, Gratuity Fund etc.	CPF & Gratuity Fund etc.

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