Independent Performance Evaluation (IPE) Report

on

Bangladesh Road Transport Corporation (BRTC)

For 2023-24

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Annexure

Executive Summary

The Finance Division of the Ministry of Finance is implementing the "Strengthening Public Financial Management Program to Enable Service Delivery (SPFMS)." One of the key components of this program is the "Strengthening of State-owned Enterprises' Governance" scheme, which aims to strengthen the governance of State-owned Enterprises (SOEs) and Autonomous Bodies (ABs). To achieve this, the Finance Division has developed and approved an Independent Performance Evaluation Guideline (IPEG) for SOEs and ABs to evaluate their performance independently. Based on selection parameters of IPEG, Monitoring Cell, Finance Division has selected 10 (ten) more SOEs and ABs in addition to previously selected 20 (twenty) SOEs/ABs in total 30 (thirty) SOEs/ABs to conduct Independent Performance Evaluation for the FY 2023-24.

Bangladesh Road Transport Corporation (BRTC) has been evaluated for 2(two) consecutive years and is among the 30 selected State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) for Independent Performance Evaluation (IPE) for FY 2023-24. Based on the evaluation results, BRTC achieved a weighted average score of 1.99 out of 4.00, earning a grade of "Fair" for the fiscal year 2023-24.

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 Recently, the 1972 ordinance was repealed and replaced by the Bangladesh Road Transport Corporation Act, 2020.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. During FY 2023-24 BRTC has operated its operation through 23 (twenty-three) bus depots, 2 (two) truck depots, 2 (two) motor workshop, 4 (four) training institutions and 23 (twenty-three) training centers across the country. 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.

Table 1: Key Operational Activities

SL	Particulars	Unit	FY 2021-22	FY 2022-23	FY 2023-24
1.	Total Number of Bus	Nos.	1,876	1,600	1,350
2.	Total Operable Bus	Nos.	1,555	1,373	1,168
3.	Total Number of Trucks	Nos.	580	580	505
4.	Total Operable Trucks	Nos.	562	513	503
5.	Training on Driving	Nos.	25,780	25,825	22,085

Source: BRTC

The year-on-year analysis of key operational activities of Bangladesh Road Transport Corporation (BRTC) for FY 2021–22 to FY 2023–24 shows a gradual decline in fleet size and operational capacity. The total number of buses decreased from 1,876 in FY 2021–22 to 1,600 in FY 2022–23 and further to 1,350 in FY 2023–24, while operable buses also declined from 1,555 to 1,373 and then to 1,168 during the same period, indicating a reduction in operational service capacity. Similarly, the total number of trucks remained stable at 580 in FY 2021–22 and FY 2022–23 but decreased to 505 in FY

2023–24, and operable trucks declined from 562 to 513 and then to 503, reflecting a slight contraction in freight transport operations. In terms of human resource development, BRTC maintained a consistent focus on driver training, with 25,780 trainees in FY 2021–22 and 25,825 in FY 2022–23, although the number declined to 22,085 in FY 2023–24. Overall, the data suggests that while BRTC continues its efforts in driver training, the declining trend in vehicles may affect service capacity unless measures are taken for fleet modernization and expansion to support the transport needs of Bangladesh.

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:

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 2 (a): Standard of Indices A FY 2023-24

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	**Entity Strategy**							
	Entity Strategic Plan	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	**Growth Trajectory**							
	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	**Social Contribution** •Environmental Contribution •CSR/WPPF •Training/Volunteering	QL	5	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	5	86.00%	Very Good	3	Note 1
2	**Growth Trajectory**						
	2a.Net Income Growth	QN	5	Negative Growth	Under Performing	0	AFS
	2b Service Revenue Growth	QN	5	(10.64)%	Under Performing	0	AFS
	2c. Other Growth	QL	5	91.00%	Excellent	4	Note 2
5	**Social Contribution**	QL	5	93.00%	Excellent	4	Note 3
Sub-Total			25				

Note-1: Bangladesh Road Transport Corporation (BRTC) has undertaken a vehicles procurement plan that includes the procurement of 340 CNG-powered air-conditioned buses and the introduction of new model electric vehicles into the BRTC transport network. In addition, the corporation plans to establish eight training institutes, twelve bus depots, and two central workshops, along with the implementation of an automated management system across all operational depots. These initiatives are intended to enhance the quality, operational efficiency, and environmental sustainability of public transport services. The plan is aligned with the National Strategic Plan, the Government's policy directives outlined in the national budget, and the United Nations Sustainable Development Goals (SDGs)—particularly 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. A Vehicle Tracking System (VTS) has been introduced in 1,201 vehicles to improve monitoring and operational control.
ii. Online CCTV cameras have been installed in all depots and operational units to enhance security and supervision.
iii. The process of reopening the Tire Retreading Plant at Gazipur has been initiated to support maintenance and cost efficiency.
iv. A glass manufacturing machine has been installed at the central repair factory in Tejgaon to facilitate vehicle maintenance and repair activities.
v. The establishment of bus and truck washing plants is currently underway to improve vehicle maintenance and service standards.

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

i. The entity is currently operating 224 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 22,085 individuals, including 13,008 males and 1,002 females under its own management, and 8,075 trainees were trained by instructors of BRTC 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.
iv. Provided financial assistance to 86 (eighty -six) employees TK 4.45 million under welfare fund.
v. BRTC paid Tk. 1.48 million to the children of employees from their welfare fund.

Indices: B. Operational Efficiency

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

		* Standard						
Serial No.	**Indicators & Sub-indicators**	**Types of Measurement**	**Weight for Sub-indicators**	**Grade: Excellent Score: 4**	**Grade: Very Good Score: 3**	**Grade: Good Score: 2**	**Grade: Fair Score: 1**	**Grade: Under-performing Score: 0**
1	**Service Delivery**							
	Service Benefit & Accessibility	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	**Labor Productivity**							
	Added Value per Employee (million Tk.)	QN	4	Tk 0.50 mil or more	Tk0.45 to 0.49 mil	Tk.0.40 to 0.44 mil	Tk0.35 to 0.39 mil	Below Tk. 0.35 mil
3	**Capital Productivity**							
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.30 or more	Tk. 0.25 to 0.29	Tk. 0.20 to 0.24	Tk. 0.15 to 0.19	Below Tk. 0.15
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk. 0.45 or more	Tk. 0.40 to 0.44	Tk.0.35 to 0.39	Tk. 0.30o 0.34	Below Tk. 0.30
4	**Production**							
	4a. Inventory Turnover (Times)	QN	4	15.00 or more	13.00 to 14.99	11.00 to 12.99	9.00 to 10.99	Below 9.00
	4b. Asset Turnover (Times)	QN	4	1.00 or more	0.80 to 0.99	0.60 to 0.79	0.40to 0.59	Below 0.40
	Sub-total		25					

Table 3 (b): Achievement of Indices B

Serial No.	**Indicators & Sub-Indicators**	**Types of Measurement**	**Weight for sub-indicators**	**Actual Performance**	**Achievement**		**Basis of Performance Measuring**
					Grade	**Score**	
1	**Service Delivery**						
	Service Benefit & Accessibility	QL	5	80.00%	Good	2	Note-4
2	**Labor Productivity**						
	Added Value per Employee (million Tk.)	QN	4	Tk.0.52 million	Excellent	4	AFS
3	**Capital Productivity**						
	3a. Added Value per Tk. Value of Assets	QN	4	Tk. 0.31	Excellent	4	AFS
	3b. Added Value Per Tk. Value of PPE	QN	4	Tk.0.48	Excellent	4	AFS
4	**Production**						
	4a. Inventory Turnover (Times)	QN	4	15.46	Excellent	4	AFS
	4b. Asset Turnover (Times)	QN	4	0.84	Very Good	3	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.
vii. Introduced eight (8) ladies bus service in Dhaka city.

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	3	Tk. 1,000 mil or more	Tk. 8,00 to Tk.999 mil	Tk600 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	Tk1,000 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%
	ii. Financial Risk							
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
	iii. Transactions with Govt.							
1	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	3	Tk. (679.75) mil	Underperforming	0	AFS
2	Profit before Tax	QN	3	Tk. (1,184.98) mil	Underperforming	0	AFS
3	Return on Assets (%)	QN	3	(18.37%)	Underperforming	0	AFS
4	Return on Sales (%)	QN	3	(21.80%)	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	38.99%	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	4.61	Under Performing	0	AFS
3	Current Ratio (Times)	QN	2	0.15	Under Performing	0	AFS
	iii) Transactions with Government						
1	Debt Service Liabilities Paid	QN	2	100%	Excellent	4	SL-33,34 of Annexure -1
		Sub-total	30				

Indices: D. Corporate Governance Practices

Table 5 (a): Standard of Indices D FY 2023-24

		* Standard						
Serial No.	**Indicators & Sub-indicators**	**Types of Measurement**	**Weight for Sub-indicators**	**Grade: Excellent Score: 4**	**Grade: Very Good Score: 3**	**Grade: Good Score: 2**	**Grade: Fair Score: 1**	**Grade: Under-performing Score: 0**
1	**Commitment to Corporate Governance:** • Code of Conduct • Ethics • Key policies of Board • Board structure • Employees service rules/ regulations • Appointment of Board Secretary	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
2	**Board Practices:** • Composition of Board of Directors and number of meetings held • TOR of board • Number of independent Board Directors • Name & Number of board committees and number of meetings held • Number of board decisions that have been implemented	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
3	**Transparency and Disclosure:** • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%
4	**Control Environment and Process:** • Entity's internal control systems for different departments • Internal audit procedure and reporting authority • Entity's computer-based management information system (database) • Any authority of the board to mitigate the entity's emergency situation • Measures taken for safe working environment in the entity's premises	QL	5	91-100%	81-90%	71-80%	41-70%	Below 41%

Table 5 (b): Achievement of Indices D

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance Measuring
					Grade	Score	
1	Commitment to Corporate Governance	QL	5	86%	Very Good	3	Note 5
2	Board Practices	QL	5	79%	Good	2	Note 6
3	Transparency and Disclosure	QL	5	81%	Very Good	3	Note 7
4	Control Environment and Process.	QL	5	80%	Good	2	Note 8
		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-5: BRTC operates under Bangladesh Road Transport Corporation Act. 2020 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-6: 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 2023-24, three (3) Board meetings were held, and 57 (Fifty-seven) Board decisions were implemented. BRTC does not have any board committees.

Note-7: The names and biographies of the Board of Directors and senior managers, along with the Audited Financial Statements, Citizen Charter, Rules, Regulations, and Code of Conduct, are publicly disclosed on the BRTC website.

Note-8: 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.
iii. The entity does not maintain any computer based management information system or ERP.

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 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 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.

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

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

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

6. Performance Evaluation Results

Bangladesh Road Transport Corporation (BRTC)
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		5	3	0.15
2	Growth Trajectory: 2a. Net Income Growth		5	0	0.00
	2b. Service Revenue Growth		5	0	0.00
	2c. Other Growth		5	4	0.20
3	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		5	4	0.20
		Sub Total	**25**		**0.55**
B	**Operational Efficiency:**	25			
1	Service Delivery: • Service benefits and Accessibility		5	2	0.10
2	Labor Productivity: 2a. Added Value Per Employee		4	4	0.16
	2b. Employees cost on Value addition (%)				
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		4	4	0.16
	3b. Added Value Per TK Value of PPE		4	4	0.16
4	Production:				
	4a. Inventory Turnover		4	4	0.16
	4b. Asset Turnover		4	3	0.12
		Sub Total	**25**		**0.86**
C	**Financial:**	30			
	i. Financial Performance:				
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
	ii. Financial Risk:				
1	Debt equity ratio		3	0	0.00
2	Debt to assets		2	0	0.00
3	Current ratio		2	0	0.00
	iii. Transactions with Government:				
1	Debt Service Liabilities Paid		2	4	0.08
		Sub Total	**30**		**0.08**

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 • Employees service rules/ regulations • Appointment of Board Secretary		5	3	0.15
2	Board Practices: • Composition of Board of Directors and number of meetings held • TOR of board • Number of independent Board Directors • Name & Number of board committees and number of meetings held • Number of board decisions that have been implemented		5	2	0.10
3	Transparency and Disclosure: • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct		5	3	0.15
4	Control Environment and Process: • Entity's internal control systems for different departments • Internal audit procedure and reporting authority • Entity's computer-based management information system (database) • Any authority of the board to mitigate the entity's emergency situation • Measures taken for safe working environment in the entity's premises		5	2	0.10
	Sub Total				**0.50**
	Grand Total (A+B+C+D)	**100**	**100**		**1.99**

7. Interpretation of Results

As per Independent Performance Evaluation (IPE) Bangladesh Road Transport Corporation (BRTC) Scored 1.99 out of 4.00 in the year 2023-24.

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

- Social Contribution
- Labor Productivity
- Other Growth
- Capital Productivity
- Inventory Turnover

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

- Entity Strategic Plan
- Assets Turnover
- Transparency and Disclosure
- Corporate Governance

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

- Board Practices
- Service Delivery
- Control Environment and Process

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

- Return on Service Revenue
- Service Revenue Growth
- 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 2023-24:

- BRTC incurred operating loss of Tk. 679.75 million.
- The entity incurred net Loss (after tax) of Tk. 1,184.98 million.
- BRTC Current Ratio (Times) 0.15 which indicates entity is not in a well position to meet it 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 Audited Financial Statements 2023-2024

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

a) In Audit Report 2023-24 the entity did not provide aging of Accounts Receivable TK1,490.26 million.
b) Long Term Loan from Government and other agencies remain more or less same amount of TK13,540.39 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 (Truck Division) shows the same amount of TK49.04 million under Current Assets for a long time.
e) Interest on long term loan (Truck Division) shows same amount of Tk. 1,271.94 million for a long time.
f) The entity did not maintain Bad Debts provision accounts on Accounts Receivable.
g) 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 BRTC's audit reports.
h) BRTC did not include long-term 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.

9. Recommendation for Performance Based Incentives

Bangladesh Road Transport Corporation has obtained a weighted score of 1.99 out of a scale 4.00 and is graded "Fair". 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 2023-24.

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) BRTC should procure modern electric and CNG vehicles for its fleet and establish charging stations for electric vehicles across the country as per strategic plan.
b) Implement an automated depot management system within the targeted period to ensure transparency and accountability.
c) Launch international bus routes according to the planned timeline.
d) BRTC did not follow the prescribed format in preparing its financial statements. The entity should prepare its accounts in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), and the rules and regulations of the Financial Reporting Council (FRC) to ensure proper disclosure and transparency.
e) Upgrade workshops and adopt modern technology to efficiently and promptly provide comprehensive vehicle repair services.
f) Train the workforce to develop skilled personnel in the transport sector.
g) Implement measures to increase operating revenue while reducing operating expenses through effective management practices.
h) Take steps to sell obsolete and unusable vehicles within planned timelines, improving liquidity and resource allocation.
i) Repair and deploy idle buses and trucks using BRTC's own workshops to increase the number of operational vehicles and enhance revenue generation.

j) Prepare financial statements in compliance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to strengthen financial discipline, transparency, and reporting.
k) BRTC should comply with the requirements of IAS 36 – Impairment of Assets to ensure appropriate valuation and disclosure of its assets.
l) The corporation should establish electric vehicle charging stations in different regions of Bangladesh to facilitate the operation of electric vehicles.
m) BRTC should take initiatives to expand services to all major roads by developing cooperative relationships with transport owners' associations and private operators.
n) The entity should establish board-level committees such as an Audit Committee and a Nomination and Remuneration Committee (NRC) to enhance internal control, governance, and compliance.
o) BRTC 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.
p) 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.
q) To implement the government directive the entity should arrange tree plantation programs with an aim to mitigate climate change and address global warming.

11. Conclusion

Based on the Audited Financial Statements and relevant data and documents of the Bangladesh Road Transport Corporation (BRTC), the Independent Performance Evaluation (IPE) report has been prepared for FY 2023–24. The evaluation reveals that BRTC's financial performance was unsatisfactory, while its non-financial performance remained at a moderate level during the fiscal year. To improve the overall performance of the corporation, BRTC should adopt a comprehensive business plan aimed at reducing operating losses. Furthermore, the corporation should expand its transportation services on both national and international routes by procuring modern electric and CNG vehicles in line with its plans and programs to ensure the sustainable development of the organization.

Bangladesh Road Transport Corporation (BRTC) **Annexure-1**

Financial & Other Information

Amount in BDT

Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year 2023-24	Previous Fiscal Year 2022-23
1	Current Assets:		
	i. Inventories		
	• Material		
	• Accessories/ Supplies	93,534,377	661,275,949
	• Others (including spare parts)		
	ii. Receivable:		
	• Trade		
	• Others	1,490,259,250	1,648,022,343
	iii. Cash and Cash Equivalent	304,099,295	537,557,550
	iv. Others Current Assets	99,265,688	124,684,279
2	Total Current Assets (i+ii+iii+iv)	1,987,158,609	2,971,540,121
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	4,171,463,636	4,610,213,402
	• Capital Work in Progress		
	•Investments	292,188,514	124,988,498
4	Total Assets (2+3)	6,450,810,760	7,706,742,021
5	Current Liabilities:		
	i. Payables:		
	• Trade		
	• Others	4,039,343,939	4,881,283,613
	ii. Other Current Liabilities	9,569,456,149	8,783,466,126
6	Total Current Liabilities (i+ii)	13,608,800,088	13,664,749,739
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	16,153,532,004	16,168,532,004
	ii. Deferred Liabilities		
	iii. Other Non-Current Liabilities		
8	Total Non-Current Liabilities (i+ii+iii)	16,153,532,004	16,168,532,004
9	Total Liabilities (6+8)	29,762,332,092	29,833,281,743
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)	(24,618,976,990)	(23,433,995,379)
11	Total Equity (i+ii+iii+iv+v)	(23,311,521,331)	(22,126,539,722)
12	Total Equity and Liabilities (9+11)	6,450,810,760	7,706,742,021

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	5,435,799,204	100%	6,082,813,128	100%
14	Less: Cost of Services	5,835,297,677	107.35%	6,267,746,923	103.04%
15	Gross Profit/(Loss) (13-14)	(399,498,473)	(7.35%)	(184,933,795)	(3.04%)
16	Less: Operating Expenses:				
	i. Administrative Expenses	280,248,024	5.16%	368,617,467	6.06%
	ii. Marketing Expenses				
17	Total Operating Expenses (i+ii)	280,248,024	5.16%	368,617,467	6.06%
18	Operating Profit/(Loss) (15-17)	(679,746,497)	(12.51%)	(553,551,262)	(9.10)%
19	Add: Non-Operating Income	392,475,894		287,445,739	
20	Less: Financial Expenses	778,595,904		779,345,904	
21	Less Non-Operating Expenses	119,115,103		67,204,887	
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	(1,184,981,610)		(1,112,656,314)	
23	Less: Provision for Tax				
	i. Current tax				
	ii. Deferred tax				
24	Net Profit/(Loss) After Tax (22-23)	(1,184,981,610)		(1,112,656,314)	

Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
25	Credit Sales		
26	Credit Purchases		
27	Capital Budget Allocation	377,000,000	347,700,000
28	Actual Capital Expenditure	147’000,000	77,521,000
29	Dividend Payable		
30	Dividend Paid		
31	Taxes Payable		
32	Taxes Paid		
33	Debt Service Liabilities (DSL) Payable	15,000,000	12,000,000
34	Debt Service Liabilities (DSL) Paid	15,000,000	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)	17,076,035	(244,078,581)
40	Added Value	2,007,125,864	1,271,474,732
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)	3,736	3,918
45	Performance score achieved on APA		99.72%