Independent Performance Evaluation (IPE) Report

on

Bangladesh Parjatan Corporation

For 2023-24

Table of contents

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 Parjatan Corporation has been evaluated for 3 (three) consecutive years and is among the 30 (thirty) selected State-Owned Enterprises (SOEs) and Autonomous Bodies (ABs) for Independent Performance Evaluation (IPE) for FY 2023-24. According to the evaluation results, the corporation achieved a weighted average score of 2.54 out of 4.00, earning a “Good” grade.

1. Introduction

Bangladesh Parjatan Corporation was established under the President’s Order No. 143 of 1972. Recently, the Bangladesh Parjatan Corporation Order, 1972, was amended through the Bangladesh Parjatan Corporation (Amendment) Act, 2022. The corporation's prime objective is to promote and develop the tourism industry in Bangladesh. It is also tasked with providing quality services to tourists and creating world-class tourism facilities across the country.

The corporation plays a significant role in the socio-economic development of the country by generating job opportunities and alleviating poverty through advancements in tourism. The corporation currently operates and maintains 34 (thirty-four) units, including hotels, motels, holiday complexes, restaurants, cafeterias, tourism training institutes, picnic spots, and bars. Additionally, 19 (nineteen) commercial units, such as restaurants, bars, motels, artificial lake and children’s amusement parks, have been leased under private management contracts. During the evaluation period, BPC provided training to 2,500 participants on various tourism-related topics. To enhance tourism facilities in FY 2022–23, BPC undertook seven projects under the Annual Development Program. These projects include construction of new hotels, cottages, convention halls, restaurants, children’s amusement parks, youth inns, picnic sheds, and swimming pools. Moreover, renovation work was completed in business units such as installation of air conditioner, grazer, photo zone etc. during the FY 2023-24. The Ministry of Civil Aviation and Tourism oversees Bangladesh Parjatan Corporation, ensuring alignment with national tourism goals and strategies.

2. Role and Functions

The main functions of the Bangladesh Parjatan Corporation are as follows:

i. Foster the growth and development of the tourism industry in Bangladesh.
ii. Facilitate activities related to tourism by providing necessary infrastructure and services.
iii. Offer tourism-related information both within Bangladesh and internationally.
iv. Promote and support the growth of domestic tourism.
v. Publish materials such as leaflets, brochures, and books to enhance tourism promotion efforts.
vi. Operate and manage duty-free shops for tourists.
vii. Arrange group tours for tourists to enhance their travel experience.
viii. Set up institutes to train individuals involved in tourism and related fields to create skilled manpower for the sector.

3. Core Business

i. Establish and enhance infrastructure facilities to support tourism across the country.
ii. Acquire, construct, and manage hotels, restaurants, rest houses, picnic spots, camping sites, theatres, amusement parks, water skiing facilities, and other entertainment venues for tourists.
iii. Provide specialized training to develop skilled manpower and ensure high-quality services for tourists.
iv. Encourage investments through Public-Private Partnerships (PPP) to drive the growth and expansion of Bangladesh's tourism industry.

4. Evaluation Parameters

Criteria: Business and Governance

Indices: A. Business Strategy and Social Responsibility

Table 1 (a): Standard of Indices A FY 2023-24

Serial No.	Indicators & Sub-indicators	Types of Measurement	Weight for Sub-indicators	* Standard Grade: Excellent Score: 4	Grade: Very Good Score: 3	Grade: Good Score: 2	Grade: Fair Score: 1	Grade: Under-performing Score: 0
1	**Entity Strategy**							
	Entity Strategic Plan	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	**Growth Trajectory**							
	2a. Net Income Growth	QN	4	20.00% or more	15.00% to 19.99%	10.00% to 14.99%	5.00% to 9.99%	Below 5.00%
	2b. Sales Growth	QN	4	10.00% or more	8.00% to 9.99%	6.00% to 7.99%	4.00% to 5.99%	Below 4.00%
	2c. Innovative/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 1 (b): Achievement of Indices A

Serial No.	Indicators & Sub-Indicators	Types of Measurement	Weight for sub-indicators	Actual Performance	Achievement Grade	Score	Basis of Performance Measuring
1	**Entity Strategy**						
	Entity Strategic Plan	QL	4	90.00%	Very Good	3	Note 1
2	**Growth Trajectory**						
	2a. Net Income Growth	QN	4	20.21%	Excellent	4	AFS
	2b. Sales Growth	QN	4	9.43%	Very Good	3	AFS
	2c. Other Growth	QL	3	80.00%	Good	2	Note 2
3	**Effective Implementation of Public Policy**	QL	3	78.00%	Good	2	Note 3
4	**Efficiency of Project**	QN	4	83%	Very Good	3	Note 4
5	**Social Contribution**	QL	3	91%	Excellent	4	Note 5
		Sub-Total	25				

Note-1: Aligned with the national development priorities of the Government of Bangladesh and the global framework of the Sustainable Development Goals (SDGs) - particularly SDG 8 (Decent Work and Economic Growth) and SDG 9 (Industry, Innovation and Infrastructure) - and in line with the national tourism development agenda outlined in the Eighth Five Year Plan of Bangladesh, the Bangladesh Parjatan Corporation (BPC) has undertaken several short-, medium-, and long-term initiatives to establish Bangladesh as a leading tourist destination in South Asia. These initiatives include the construction of an international-standard hotel, establishment of a tourist village with modern tourism facilities, development of a five-star hotel with a training center on BPC land in Mujgunni, Khulna, modernization and expansion of ten existing tourism establishments, construction of a multi-storied building in Mohakhali, expansion and capacity building of the National Hotel and Tourism Training Institute, and establishment of a tourism center in Barisal. During FY 2023–24, Bangladesh Parjatan Corporation is implementing six development projects across different locations in the country to strengthen tourism infrastructure, enhance service quality, and promote sustainable tourism development in line with national and global development goals.

Note-2: Bangladesh Parjatan Corporation has introduced the following measures to enhance its services:

i. Implemented an online verification system for certificates issued by the National Hotel & Tourism Training Institute (NHTTI).
ii. Introduced a Chatbot service via Facebook Messenger and other platforms to provide customer support and service information.
iii. Launched a dedicated website for its rooftop restaurant.
iv. Added 10 (ten) new food items across all its commercial units in FY 2022-23.
v. Added 4 (four) tourist coaches and microbuses to rent a car unit.
vi. Established a restaurant and bars in green city area adjacent to Rooppur Nuclear Power unit.

Note-3. Bangladesh Parjatan Corporation supports public policy by driving tourism development aligned with national priorities. It builds and operates infrastructure such as hotels, restaurants, and recreational sites. The corporation also enhances service quality by training skilled manpower and encouraging private investment through Public-Private Partnerships (PPP). All activities are planned with a focus on public welfare, contributing to economic growth, employment, and cultural promotion across the country.

Note-4: Bangladesh Parjatan Corporation achieved 83% of its financial target during FY 2023-24. These achievements were considered in determining its overall performance score for the fiscal year.

Note-5: Bangladesh Parjatan Corporation has also undertaken social and environmental initiatives, including:

i. Environmental Compliance: Before establishing commercial units, BPC obtains environmental clearance certificates from the Department of Environment to ensure compliance. Additionally, BPC has initiated various afforestation programs at its units, contributing positively to the environment.

ii. Training Programs by NHTTI during FY 2023-24:
NHTTI conducted tourism & hotel relevant different types of training program such as Food & Beverage Production, Food & Beverage Service, Bakery & Pastry Production, Front Desk & Secretarial Operations, Housekeeping & Laundry Operations, and Travel Agency & Tour Operations, Hotel Management, Culinary Arts & Catering Management, Tourism & Hospitality, Chef and Baking for around 2,500 participants with an aim to create efficient and professional manpower in tourism and hotel management sector.
iii. Participation in Bangladesh Travel & Tourism Fair (BTTF) 2024: BPC actively participated in the Bangladesh Travel and Tourism Fair 2024.
iv. Internship Opportunities: Free internship training in Food Production, House-keeping, and Guiding is provided to young individuals to encourage self-employment and entrepreneurship.

Indices: B. Operational Efficiency

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

		* Standard						
Serial No.	**Indicators & Sub-indicators**	**Types of Measurement**	**Weight for Sub-indicators**	**Grade: Excellent Score: 4**	**Grade: Very Good Score: 3**	**Grade: Good Score: 2**	**Grade: Fair Score: 1**	**Grade: Under-performing Score: 0**
1	**Service Delivery**							
	Service Benefit & Accessibility	QL	4	91-100%	81-90%	71-80%	41-70%	Below 41%
2	**Labor Productivity**							
	Added Value per Employee (million Tk.)	QN	3	Tk. 2.00 mil or more	Tk. 1.75 to 1.99 mil	Tk.1.50 to1.74 mil	Tk.1.25 to1.49 mil	Below Tk. 1.25 mil
3	**Capital Productivity**							
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.15 or more	Tk. 0.13 to 0.14	Tk. 0.11 to 0.12	Tk. 0.09 to 0.10	Below Tk. 0.09
	3b. Added Value Per Tk. Value of PPE	QN	3	Tk. 1.00 or more	Tk. 0.75 to 0.99	Tk. 0.50 to 0.74	Tk. 0.25 to 0.49	Below Tk. 0.25
4	**Production**							
	4a. Inventory Turnover (Times)	QN	4	12 or more	10 to 11	8 to 9	6 to 7	Below 6
	4b. Asset Turnover (Times)	QN	4	0.40 or more	0.30 to 0.39	0.20 to 0.29	0.10 to 0.19	Below 0.10
	4c. Capacity Utilization (%)	QN	4	91-100%	81-90%	71-80%	41-70%	Below 41%
		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	Service Delivery						
	Service Benefit & Accessibility	QL	4	78.00%	Good	2	Note 6
2	Labor Productivity						
	Added Value per Employee (million Tk.)	QN	3	Tk.1.50 mil	Good	2	AFS
3	Capital Productivity						
	3a. Added Value per Tk. Value of Assets	QN	3	Tk. 0.12	Good	2	AFS
	3b. Added Value Per Tk. Value of PPE	QN	3	Tk. 0.78	Very Good	3	AFS
4	Production						
	4a. Inventory Turnover (Times)	QN	4	14.43	Excellent	4	AFS
	4b. Asset Turnover (Times)	QN	4	0.33	Very Good	3	AFS
	4c. Capacity Utilization (%)	QN	4	46%	Fair	1	SL-42 of Annexure -1
		Sub-total	25				

Note-6: The entity has implemented the following facilities to enhance services for stakeholders:

i. Introduced online reservation system in hotel and motel of Bangladesh Parjatan Corporation.
ii. Enabled Mobile Banking, Merchant Account services, and Credit Card facilities across its commercial units.
iii. Launched an online payment gateway system to facilitate convenient transactions.
iv. Established a "Unit Managers" Facebook Closed Group to monitor and oversee the activities of commercial units regularly.
v. Implemented a Grievance Redress System (GRS) and resolved all 30 complaints in FY 2023-24.
vi. Introduced E-Governance to streamline administrative processes and improve efficiency in FY 2022-23.
vii. Introduced the Right to Information (RTI) framework to ensure transparency and accountability in FY 2023-24.
viii. Launched package tour services to provide comprehensive travel solutions.
ix. The entity is maintaining duty-free shops at different airports.

Indices: C. Financial

Table 3(a): Standard of Indices C **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
	i. Financial Performance							
1	Operating profit	QN	2	Tk. 8.00 mil or more	Tk. 6.00 to Tk. 7.99 mil	Tk. 4.00 to Tk. 5.99 mil	Tk. 2.00 to Tk. 3.99 mil	Below Tk. 2.00 mil
2	Profit before Tax	QN	2	Tk.10.00 mil or more	Tk. 8.00 to Tk. 9.99 mil	Tk. 6.00 to Tk.7.99 mil	Tk. 4.00 to Tk. 5.99 mil	Below Tk. 4.00 mil
3	Return on Assets (%)	QN	2	0.10 % or more	0.08 %to 0.09 %	0.06 %to 0.07 %	0.04 %to 0.05 %	Below 0.04%
4	Return on Sales (%)	QN	2	0.20% or more	0.15%to 0.19%	0.10% to 0.14%	0.05% to 0.09 %	Below 0.05%
5	Return on Equity (%)	QN	2	0.10% or more	0.08% to 0.09%	0.06%to 0.07%	0.04%to 0.05%	Below 0.04%
6	Net Worth Growth (%)	QN	2	20.00% or more	15.00%to 19.99%	10.00 to 14.99%	5.00% to 9.99%	Below 5.00%
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	1.50 or less	1.51 to 2.00	2.01 to 2.50	2.51 to 3.00	More than 3.00
2	Debt to Assets (Times)	QN	2	0.60 or less	0.61 to 1.00	1.01 to 1.40	1.41 to 1.80	More than 1.80
3	Debt Coverage Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
4	Current Ratio (Times)	QN	2	2.00 or more	1.75to 1.99	1.50to 1.74	1.25to 1.49	Below 1.25
5.	Accounts Receivable Period (Days)	QN	2	90 days or less	91 days to 110 days	111 days to 130 days	131 days to 150 days	More than 150 days
6.	Accounts Payable Period (Days)	QN	2	90 days or less	91 days to 110 days	111 days to 130 days	131 days to 150 days	More than 150 days
	iii. Transactions with Govt.							
1	Taxes Paid	QN	1	91-100%	81-90%	71-80%	41-70%	Below 41%
2	Dividend Paid	QN	1	91-100%	81-90%	71-80%	41-70%	Below 41%
3	Fees & Charges 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 3 (b): Achievement of Indices C

Serial No.	Indicators & Sub-Indicators	Types of Measuremen	Weight for sub-indicators	Actual Performance	Achievement		Basis of Performance measuring
					Grade	Score	
	i. Financial Performance						
1	Operating profit	QN	2	Tk. (18.67) mil	Under Performing	0	AFS
2	Profit before Tax	QN	2	Tk.2.43 million	Under Performing	0	AFS
3	Return on Assets (%)	QN	2	0.06%	Good	2	AFS
4	Return on Sales (%)	QN	2	0.17%	Very Good	3	AFS
5	Return on Equity (%)	QN	2	0.07%	Good	2	AFS
6	Net Worth Growth (%)	QN	2	10.12%	Good	2	AFS
7	Capital Budget Utilization (%)	QN	2	128.60	Excellent	4	SL-27,28 of Annexure -1
	ii. Financial Risk						
1	Debt Equity Ratio (Times)	QN	2	0.17	Excellent	4	AFS
2	Debt to Assets (Times)	QN	2	0.15	Excellent	4	AFS
3	Debt Coverage Ratio (Times)	QN	2	11.22	Excellent	4	AFS
4	Current Ratio (Times)	QN	2	1.92	Very Good	3	AFS
5	Accounts Receivable Period (Days)	QN	2	573.64	Under Performing	0	AFS
6	Accounts Payable Period (Days)	QN	2	688	Under Performing	0	AFS
	iii) Transactions with Government						
1	Fees & Charges Paid	QN	1	100%	Excellent	4	SL-35,36 of Annexure -1
2	Taxes Paid	QN	1	100%	Excellent	4	SL-31,32 of Annexure -1
3	Dividend Paid	QN	1	100%	Excellent	4	SL-29,30 of Annexure -1
4	Debt Service Liabilities Paid	QN	1	100%	Excellent	4	SL-33,34 of Annexure -1 Note- 7
		Sub-total	30				

Note-7: Bangladesh Parjatan Corporation has a significant outstanding loan owed to the Government of Bangladesh (GOB). However, due to a shortage of funds, the corporation has been unable to make timely payments on the Debt Servicing Loan (DSL). But the corporation paid Tk. 2.00 million as DSL against its budget estimation.

Indices: D. Corporate Governance Practices

Table 4(a): Standard of Indices D FY 2023-24

Serial No.	Indicators & Sub-indicators	* Standard						
		Types of Measurement	Weight for Sub-indicators	Grade: Excellent	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 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	5	88%	Very Good	3	Note 8
2	Board Practices	QL	5	75%	Fair	1	Note 9
3	Transparency and Disclosure	QL	5	80%	Good	2	Note 10
4	Control Environment and Process.	QL	5	84%	Very Good	3	Note 11
	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-8: The entity operates under the Bangladesh Parjatan Corporation (Amendment) Act 2022 and adheres to corporate governance standards, including a code of conduct, rules and regulations, employee service rules, and a citizen charter. The corporation has a Corporate Secretary for its board.

Note-9: The entity's Board of Directors consists of 11 (eleven) members, including the President and 10 members. Among them, 3 (three) independent directors are from non-governmental organizations directly and institutionally associated with the tourism industry. All board members are appointed by the Government. The corporation has no Board Committee. During FY 2023-24 no board meeting was conducted by the entity.

Note-10: The entity publishes the following information on its website: Acts, Rules, Audited Financial Statements, names and biographies of Board Directors and Senior Managers and Citizen Charter etc.

Note-11: Bangladesh Parjatan Corporation has implemented the following measures to ensure compliance and process control:

i. Established an internal audit department to review, verify, and examine bills, invoices, payments, and collections for transaction authenticity.
ii. Ensure compliance with government-mandated safety measures to maintain a safe working environment in all units.
iii. Introduced the E-Nothi system for official filing.
iv. Installed CCTV cameras in all hotels and motels to enhance guest safety.
v. Implemented the E-GP system for all government purchases.
vi. Strictly adheres to the Public Procurement Act, 2006, and the Public Procurement Rules, 2008.

5. IPE Process

i. Performances of non-financial indicators of Bangladesh Parjatan Corporation has been evaluated using information and documents of the inception report provided by corporation.
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 Bangladesh Parjatan Corporation 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, Bangladesh Parjatan Corporation'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 Parjatan Corporation
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	4	0.16
	2b. Sales Growth		4	3	0.12
	2c. Innovative/Other Growth		3	2	0.06
3	**Effective Implementation of Public Policy** Implement activities to achieve policy goal		3	2	0.06
4	Efficiency of Project Implementation/ Project Goal Achievement: • Percentage of estimated target achieved		4	3	0.12
5	Social Contribution: • Environmental Contribution • CSR / WPPF • Training / Volunteering		3	4	0.12
		Sub Total	**25**		**0.76**
B	**Operational Efficiency:**	25			
1	Service Delivery: • Service benefits and Accessibility		4	2	0.08
2	Labor Productivity: • Added Value Per Employee		3	2	0.06
3	Capital Productivity: 3a. Added Value Per TK Value of Assets		3	2	0.06
	3b. Added Value Per TK Value of PPE		3	3	0.09
4	Production:				
	4a. Inventory Turnover		4	4	0.16
	4b. Asset Turnover		4	3	0.12
	4c. Capacity Utilization		4	1	0.04
		Sub Total	**25**		**0.61**

Serial No	Name of Indices, Indicators and Sub-indicators	Weight for Indices	Weight for Sub indicators	Score Obtained	Weighted Score
C	**Financial:**	30			
	i. Financial Performance:				
1	Operating profit		2	0	0.00
2	Profit before tax		2	0	0.00
3	Return on assets		2	2	0.04
4	Return on Sales		2	3	0.06
5	Return on equity		2	2	0.04
6	Net worth growth		2	2	0.04
7	Capital budget utilization		2	4	0.08
	ii. Financial Risk:				
1	Debt equity ratio		2	4	0.08
2	Debt to assets		2	4	0.08
3	Debt coverage ratio		2	4	0.08
4	Current ratio		2	3	0.06
5	Accounts receivable period		2	0	0.00
6	Accounts payable period		2	0	0.00
	iii. Transactions with Government:				
1	Fees & charges paid		1	4	0.04
2	Debt Service Liabilities Paid		1	4	0.04
3	Taxes Paid		1	4	0.04
4	Dividend Paid		1	4	0.04
		Sub Total	**30**		**0.72**

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	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	1	0.05
3	Transparency and Disclosure: • Board of directors and Senior managers name and biographies • Audited financial statement • Citizen charter • APA • Code of conduct		5	2	0.10
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
	Sub Total		**20**		**0.45**
	Grand Total (A+B+C+D)	**100**	**100**		**2.54**

7. Interpretation of Results

As per Independent Performance Evaluation Bangladesh Parjatan Corporation scored 2.54 out of 4.00 in the year 2023-24.

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

- Debt Equity Ratio
- Net Income Growth
- Debt Coverage Ratio
- Debt to Assets
- Social Contribution
- Capital Budget Utilization
- Inventory Turnover

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

- Control Environment and Process
- Current Ratio
- Corporate Governance
- Efficiency of Project Implementation
- Sales Growth
- Return on Sales
- Assets Turnover
- Entity Strategic Plan

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

- Transparency and Disclosure
- Service Delivery
- Effective Implementation of Public Policy
- Capital Productivity
- Other Growth
- Return on Equity
- Net Worth Growth
- Labor Productivity
- Return on Assets

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

- Capacity Utilization
- Board Practices

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

- Accounts Receivable Period
- Accounts Payable Period

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

i. The entity has incurred an operating loss of Tk 18.67 million.
ii. The entity earned net profit of Tk 2.43 million.
iii. Entity's Debt Equity Ratio (Times) 0.17 indicates low leveraged.
iv. Current Ratio (Time) 1.92 which indicates the entity is in a well position to meet it current liabilities in due period.
v. Corporation Paid Taxes TK 13.72 million, Fees Fine & Charged Tk11.61 million and DSL Tk 2.00 million to GOB.

8. Findings from the Audited Financial Statements 2023-2024

8. (A). In Bangladesh Parjaton Corporation Audit Report for FY 2023-24 the auditors provided the qualified opinion on the following issues:

i. As per Income Tax Act 2023 the entity did not make provision for income tax of Tk. 13,720,851 in their financial statement.
ii. According to IAS unit wise fixed assets valuation is not provided in the Balance Sheet.
iii. Depreciation has been determined for each branch/unit despite the absence of fixed assets details and value.
iv. As per IAS the items presented in the Balance Sheet have not been consistent from one fiscal year to the next fiscal year.
v. Permanent and temporary assets as well as liabilities have not been properly separated as per IAS.
vi. The Valuation of fixed assets has not been properly determined as per IAS. Several depreciated assets have been included in the financial statements which should be excluded from the financial statements
vii. Physical verification of cash on hand and inventory was not possible due to auditor appointment was made after 30.06.2024
viii. Relevant documents related to paid up capital and investment in shares of Bangladesh Services Ltd were not submitted to the auditors for verification.
ix. Some accounts of units' financial statements show same amount for a longtime for which no proof has been found.

8. (B) In the Bangladesh Parjatan Corporation Audit Report 2023-24, Auditors emphasized and expressed their opinion on the following areas:

i. Book-keeping: Auditors suggested that unit wise Balance Sheet should be prepared for proper disclosure of financial position of all units along with the consolidated financial statement.
ii. Internal Audit: Corporation's internal audit department did not complete their audit work of important large units within the fiscal year due to manpower shortage.

iii. Accounting Software: Corporation has implemented Integration of Automation system of Bangladesh Parjatan Corporation Software since 2014-15. However, auditors could not find existence of it in the books of accounts.
iv. Bank Book: Some units of the corporation now keep their collection accounts in their register instead of collection account bank book.
v. Assets Register: Corporation is maintaining assets register without mentioning purchase price/cost.
vi. Sundry Creditors and Debtors: Some units did not maintain Creditors & Debtors Register separately. All units should keep Creditors & Debtors' register by mentioning name, date, bill number and amount for maintaining proper accounts.
vii. Income Tax Provision: The Corporation shows Tk. 16.61 million as Income Tax Provision in their Balance Sheet for a long period. But management did not provide proper explanation/reason in this regard.
viii. In audit report 2023-24 the entity did not maintain bad debt provision account on Sundry Receivable amount of TK68.99 million.
ix. The corporation did not provide aging of Sundry Receivable and Sundry Payable in their financial statement it is a non- compliance of IAS-37.

9. Recommendation for Performance Based Incentives

Bangladesh Parjatan Corporation has obtained a weighted score of 2.54 out of a scale 4.00 and is graded “Good”. Therefore, IPEC recommended non-financial incentive for the employees of the Corporation. Also, a certificate from Finance Division may be awarded to Bangladesh Parjatan Corporation for being graded “Good” in IPE for the FY 2023-24.

10. Recommendations for Improvements:

Based on the findings of the Independent Performance Evaluation (IPE), the following recommendations are proposed to improve the performance of Bangladesh Parjatan Corporation:

i. Bangladesh Parjatan Corporation should effectively implement its eco-tourism, rural tourism, and community-based tourism initiatives along with its short-, medium-, and long-term plans and programs to achieve its objectives, contribute to the socio-economic development of the country, and establish Bangladesh as a leading tourist destination in South Asia.
ii. The entity should take comprehensive business plan to reduce its operating loss for its sustainable development.
iii. The entity should complete the implementation of Enterprise Resource Planning (ERP) software to ensure smooth and efficient operations.

iv. The Corporation should initiate business promotion programs to increase the occupancy rate of its hotels and motels by offering attractive packages and enhancing customer facilities.
v. The corporation should conduct regular customer feedback surveys and utilize the findings to design competitive service packages, including seasonal promotional offers. This initiative may help reduce operational losses and enhance revenue generation.
vi. Bangladesh Parjatan Corporation is advised to assess the effectiveness of its existing training programs and take necessary measures to strengthen the tourism sector.
vii. The Corporation should prepare unit-wise annual financial statements and incorporate them into a consolidated financial statement to ensure transparency in disclosing the financial position of individual units.
viii. The entity should maintain an up-to-date asset register with costs or fair values and implement accounting software for accurate and transparent financial reporting.
ix. Proper measures must be taken to ensure safety and security across all hotels and motels of the corporation to build customer confidence and satisfaction.
x. Prepare financial statements in compliance with applicable International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) to strengthen financial discipline, transparency, and reporting.
xi. The entity should maintain a specific provision for the required amount of accounts receivable in accordance with IFRS-9 Expected Credit Loss Model, due to the potential risk of non-recovery of long-outstanding receivables. In line with the Prudence Principle, an adequate provision should be ensured to cover such risks.
xii. 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.
xiii. 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, data, and documents of Bangladesh Parjatan Corporation, the Independent Performance Evaluation (IPE) report has been prepared for FY 2023–24. The report indicates that the corporation's financial performance during FY 2023–24 was not satisfactory, although its non-financial performance improved compared to the previous fiscal year (2022-23).

To enhance the overall performance of the corporation, comprehensive business plan should be adopted to reduce operating losses by increasing hotel occupancy rates and ensuring the optimal utilization of tourism facilities. Furthermore, the corporation should implement all undertaken projects within the stipulated timeframe to promote community-based and eco-tourism in the country. Successful implementation of these initiatives will contribute to employment generation, socio-economic development, GDP growth, poverty reduction, and increased foreign currency earnings.

Annexure-1

Bangladesh Parjatan Corporation

Financial & Other Information

Amount in BDT

Serial No	Statement of Financial Position (Balance Sheet)	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
1	Current Assets:		
	i. Inventories		
	• Stock & Store	92,385,267	41,973,652
	ii. Investments	351,395,364	325,010,767
	iii. Receivable:		
	• Trade	68,985,327	54,564,301
	• Others		
	iv. Cash and Cash Equivalent	380,987,262	414,764,443
	v. Others Current Assets	131,049,985	119,231,217
2	Total Current Assets (i + ii + iii + iv)	1,024,803,206	955,544,381
3	Total Non-Current Assets		
	• Property, Plant & Equipment (PPE)	668,944,598	624,392,296
	• Capital Work in Progress	2,530,881,290	2,295,225,655
	• Other non-current assets		
4	Total Assets (2+3)	4,224,629,094	3,875,162,332
5	Current Liabilities:		
	i. Payables:		
	• Trade	261,153,564	240,258,130
	• Others	255,286,318	256,399,272
	ii. Other Current Liabilities	16,607,524	16,607,524
6	Total Current Liabilities (i+ii)	533,047,406	513,264,926
7	Non-Current Liabilities:		
	i. Long Term Loans/Debts	81,467,000	83,467,000
	ii. Deferred Liabilities		
	iii. Other Non-Current Liabilities		
8	Total Non-Current Liabilities (i + ii + iii)	81,467,000	83,467,000
9	Total Liabilities (6+8)	614,514,406	596,731,926
10	Equity:		
	i. Share Capital	66,622,880	66,622,880
	ii. GOB & Other Grants	3,650,122,211	3,320,272,385
	iii. Retained Earnings/(Loss)	(106,630,403)	(108,464,859)
11	Total Equity (i+ii+iii)	3,610,114,688	3,278,430,406
12	Total Equity and Liabilities (9+11)	4,224,629,094	3,875,162,332

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	1,412,080,343	100.00%	1,290,386,861	100.00%
14	Less: Cost of Services	969,094,437	68.63%	847,392,035	65.67%
15	Gross Profit/(Loss) (13-14)	442,985,906	31.37%	442,994,826	34.33%
16	Less: Operating Expenses:				
	i. Administrative Expenses	345,993,147	24.50%	330,277,143	25.60%
	ii. Marketing Expenses	115,659,364	8.19%	135,750,000	10.52%
17	Total Operating Expenses (i + ii)	461,652,511	32.69%	466,027,143	36.12%
18	Operating Profit/(Loss) (15-17)	(18,666,605)	(1.32)%	(23,032,317)	(1.78%)
19	Add: Non-Operating Income	21,101,061		25,057,507	
20	Less: Financial Expenses				
21	Less: Other Non-Operating Expenses				
22	Net Profit/(Loss) before Tax (18+19 – 20-21)	2,434,456		2,025,190	
23	Less: Provision for Tax				
	i. Current tax				
	ii. Deferred tax				
24	Net Profit/(Loss) After Tax (22-23)	2,434,456		2,025,190	

Annexure 1

Serial No	Other Information	Evaluate Fiscal Year	Previous Fiscal Year
		2023-24	2022-23
25	Credit Sales	43,894,411	30,743,160
26	Credit Purchases	138,546,849	134,929,707
27	Capital Budget Allocation	94,425,000	380,240,000
28	Actual Capital Expenditure	121,426,742	316,517,000
29	Dividend Payable	600,000	608,000
30	Dividend Paid	600,000	600,000
31	Taxes Payable	13,720,851	13,594,000
32	Taxes Paid	13,720,851	13,594,000
33	Debt Service Liabilities (DSL) Payable	2,000,000	2,000,000
34	Debt Service Liabilities (DSL) Paid	2,000,000	2,000,000
35	Fees, Fine and Charges Payable	11,607,645	6,768,000
36	Fees, Fine and Charges Paid	11,607,645	6,768,000
37	New Government Investment:		
	• Equity		
	• Debts/Loan		
38	Total Government Fund Transferred to SOE/AB under the following heads:		
	• Grants	329,849,826	209,946,228
	• Subsidies		
	• Other Transfer (Specify)		
39	Operating Cash Surplus/(Deficit)	22,439,967	192,954,837
40	Added Value	519,860,346	517,091,297
41	Employees cost includes wages, salaries, bonus, provident fund contribution and other allowances		
42	Capacity Utilization (%)	46%	45%
43	Input use Efficiency (%)		
44	Number of Employees (Nos)	328	363
45	Performance score achieved on APA		83.71%