

**AUDITORS' REPORT AND
THE AUDITED FINANCIALS OF**

DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)

Probashi Kallyan Bhaban, Level-14, 71-72 Old Elephant Road,
Eskaton Garden, Dhaka-1000.

For the year ended 30 June 2021

DVC: 2112081544AS130041

INDEPENDENT AUDITORS' REPORT
To the Shareholders of DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)** which comprise the statement of financial position as at **June 30, 2021**, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at **June 30, 2021**, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our Audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report the following:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) the expenditure incurred was for the purpose of the Company's business.

Place : Dhaka, Bangladesh
Dated: December 09, 2021
Ref: HME/2021/EX/1417

**Md. Enamul Hasan FCA**

Enrollment Number 1544

H M ENAM & CO.

Chartered Accountants

DVC: 2112081544AS130041

DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)**Stamtement of Financial Position**

As at 30 June 2021

Particulars	Notes	Amount in BDT	
		30-Jun-21	30-Jun-20
ASSETS			
Non-Current Assets		161,587,289	107,134,394
Property, Plant and Equipment	5.00	14,842,595	16,697,920
Net Expenditure during Pre-operating Period	6.00	146,744,693	90,436,474
Current Assets		96,657,322	51,288,034
Advances, Deposits and Prepayments	7.00	60,616	51,222
Cash and Cash Equivalents	8.00	96,596,706	51,236,812
Total Assets		258,244,611	158,422,428
EQUITY & LIABILITIES			
Equity		253,846,969	153,846,969
Share Capital	1.04	-	-
Fund from GOB	1.05	250,000,000	150,000,000
Reserve & Surplus	9.00	3,846,969	3,846,969
Non-Current Liabilities		-	-
Long Term Liability		-	-
Current Liabilities		4,397,642	4,575,459
Bills & Other Payables	10.00	4,397,642	4,575,459
Total Equity & Liabilities		258,244,611	158,422,428

The annexed notes "01 to 10" form an integral part of these financials.

Company Secretary

Managing Director
Chairman
 Place: Dhaka, Bangladesh
 Dated: 07 December, 2021


H M ENAM & CO.
 Chartered Accountants


DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)
Statement of Profit or Loss Accounts and Comprehensive Income
For the year ended 30 June 2021

Particulars	Notes	Amount in BDT	
		30-Jun-21	30-Jun-20
Turnover		-	-
Operational Expenses:		-	-
Operating Profit (Loss)		-	-
Net Profit (Loss) before Income Tax		-	-
Taxation		-	-
Net Profit (Loss) after Tax		-	-
Earning Per Share (EPS)		-	-

Note : All Incomes and Expenditures during this period have been treated as Incomes and Expenditures during Pre-operating Period and accounted for under **Net Income or Net Expenditure during Pre-operating Period** as stated under Notes 3.4 and 6.0

The annexed notes "01 to 10" form an integral part of these financials.


Company Secretary


Managing Director

Chairman

Place: Dhaka, Bangladesh
Dated: 07 December, 2021


H M ENAM & CO.
Chartered Accountants



DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)
Statement of Changes in Equity
For the year ended 30 June 2021

Amount in BDT

Particulars	Share Capital	Share Money Deposit	Reserve & Surplus	Total
Balance as at 01.07.2019	-	50,000,000	3,846,969	53,846,969
Addition (Deduction) during the year ended 30 June 2020	-	100,000,000	-	100,000,000
Balance as at 30 June 2020	-	150,000,000	3,846,969	153,846,969
Addition (Deduction) during the year ended 30 June 2021	-	100,000,000	-	100,000,000
Balance as at 30 June 2021	-	250,000,000	3,846,969	253,846,969

The annexed notes "01 to 10" form an integral part of these financials.


Company Secretary


Managing Director

Chairman

Place: Dhaka, Bangladesh
Dated: 07 December, 2021


H M ENAM & CO.
Chartered Accountants



DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)
Statement of Cash Flows
For the year ended 30 June 2021

Particulars	Amount in BDT	
	30-Jun-21	30-Jun-20
A. Cash Flow from Operating Activities		
Net Profit	-	-
Depreciation	1,855,324	-
Increase (Decrease) Payables	(177,817)	-
Net Cash from (used in) Operating Activities	1,677,507	-
B. Cash Flow from Investing Activities		
(Acquisition) of Property, Plant and Equipment	-	-
Disposal of Property, Plant and Equipment	-	-
Decrease (Increase) in Net Expenditure during Pre-operating Period	(56,308,219)	(74,795,245)
Decrease (Increase) in Advances, Deposits and Prepayments	(9,394)	-
Net Cash from (used in) Investing Activities	(56,317,614)	(74,795,245)
C. Cash Flow from Financing Activities		
Increase (Decrease) in fund from GOB	100,000,000	100,000,000
Increase (Decrease) in Share Money Deposit	-	-
Increase (Decrease) Reserve & Surplus	-	-
Net Cash from (used in) Financing Activities	100,000,000	100,000,000
D. Net Increase (Decrease) in Cash & Cash Equivalents [A+B+C]	45,359,894	25204755
E. Opening Cash & Cash Equivalents	51,236,812	26,032,057
F. Closing Cash & Cash Equivalents [D+E]	96,596,706	51,236,812

The annexed notes "01 to 10" form an integral part of these financials.


Company Secretary


Managing Director

Chairman

Place: Dhaka, Bangladesh
Dated: 07 December, 2021


H M ENAM & CO.
Chartered Accountants



DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. Corporate Information

1.1. Legal Status

Dhaka Mass Transit Company Limited (DMTCL) ["the Company"] was incorporated as a Public Limited Company under the Companies Act 1994. The Office of the Registrar of Joint Stock Companies and Firms (RJSC) issued Certificate of Incorporation vide Reg. No. C-109490 dated 03 June 2013. RSJC also issued a Certificate of Commencement of Business on the same date.

1.2. Present Address

The present address of the company is Dhaka Mass Transit Company Limited, Probashi Kallyan Bhaban, Level-14, 71-72 Old Elephant Road, Eskaton Garden, Dhaka-1000.

1.3. Liability of Members

The liability of the members of the Company is limited by shares.

1.4. Share Capital

The Authorized Share Capital of the Company is Taka 10,000,00,00,000/- (Taka Ten Thousand crore) only divided into 100,00,00,000/- (One Hundred crore) ordinary shares of Taka 100/- (Taka One Hundred) each.

The Company has not yet received any subscription for allotment of shares. As such the issued, subscribed, called up or paid up share capital has been zero since the incorporation of the Company supported by Form XIV. However, as per the MOA & AOA registered with the RJSC, Subscribed Capital of the Company is Tk. 10,000,00,00,000/- (Taka Ten Thousand crore).

1.5. Fund from GOB

GOB injected Tk. 5,00,00,000/- (Five Crore) as Equity for the first time and this amount was deposited in the bank account on 14 March 2018. For the second time, GOB injected Tk. 100,00,000/- (Ten Crore) as Equity and this amount was deposited in the bank account on 03 December 2019. GOB further injected Tk. 100,00,000/- (Ten Crore) as Equity and this amount was deposited in the bank account on 09 December 2020. In due course, this fund shall be adjusted against paid up share capital.

1.6. Board of Directors

The number of Directors shall not be less than 9 (Nine) and not more than 13 (Thirteen).

The government shall nominate directors amongst the shareholders of the company. There shall also be directors from each group representing person(s) specialized in urban transport, legal affairs and person(s) specialized in accounting.



The Managing Director shall be an ex-officio member of the Board of Directors.

Any vacancy in the office of Director shall be filled in from the nominees of the Government.

1.7. Members

Being the subscribers to the Memorandum & Articles of Association, the Members of the Company are-

- a. Secretary, Road Transport and Highways Division
- b. Executive Director, Dhaka Transport Co-ordination Authority
- c. Representative from Prime Minister's Office, GOB
- d. Additional Secretary, Local Government Division, GOB
- e. Additional Secretary, Finance Division, GOB
- f. Representative from Ministry of Railway, GOB
- g. Representative from Power Division, GOB
- h. Managing Director, Dhaka Mass Transit Company Limited

2. Main Objective of the Company

The main objective of the Company is to establish, operate and maintain including planning, designing, development, construction and financing of MRT system in and around Dhaka city so as to meet the Urban Transport needs of Dhaka and its neighboring areas. MRT system covers Metro Railway, light railway, mono rail, sky bus or any similar People Mover System operating on a dedicated guide way at surface, above or below the ground level.

3. About Financial Statements

- 3.1. The receipts and payments for the implementation of ongoing projects being dealt by the Board of Directors of the Company have not been under the purview of this audit.
- 3.2. The company has been maintaining books of account as required by law.
- 3.3. Incomes received and Expenditures incurred for the purpose of or relating to the company or its ongoing projects would be treated as income and expenditure during construction of projects and hence would be charged against or accounted for the respective projects; and
- 3.4. Income and Expenditure during Pre-Operating Period :
Since the company has not yet begun any commercial operation, the incomes and expenditures during this period have been treated as Income and Expenditure during Pre-Operating Period and accounted for under **Net Expenditure during Pre-Operating Period.**
- 3.5. Reporting Period :
The Financial Statements of the Company covered the financial year beginning on 01 July 2020 and ending on 30 June 2021.
- 3.6. Preliminary Expenses :
The expenditure for registration of the company for an amount of Tk. 4,50,35,825 (Taka Four Crore Fifty Lac Thirty Five Thousand Eight Hundred Twenty Five only) was made by Dhaka Transport Coordination Authority (DTCA) from a national budget allocation for the fiscal year 2012-13. The expenditure was accounted for by



the government under the head of "Registration" not as equity contribution or share money. Accordingly, no liability has been created against the company and as such no asset under the head "Preliminary Expenses" has been shown against the said expenditure.

3.7 Depreciation:

Depreciation @ 10% has been charged under straight line method on car purchased in 2018-19, however no depreciation was charged in the year of purchase.

4. Basis of Preparation of Financial Statements

4.1. Statement of Compliance of Standards :

The financial statements have been prepared in accordance with the provisions of International Financial Reporting Standards (IFRS) the Companies Act 1994 and other applicable laws and regulations in Bangladesh.

As per paragraph 69 of "IAS 38 : Intangible Assets" expenditure to open new facility or business (ie. pre-opening cost) or expenditure for starting new operations or launching new products or process (ie. pre-operating costs) shall be recognized as expense. However, since the company has not yet begun any commercial operation, the expenditures during this period can neither be treated as pre-opening costs or pre-operating costs for this company and it has been deemed expedient to be treated as "Expenditures during Pre-Operating Period" and also to be shown in the Statement of Financial Position.

4.2. Basis of Measurement :

These financial statements have been prepared following going concern basis under historical cost convention in accordance with the International Financial Reporting Standards (IFRS).

4.3. Functional and Presentation Currency :

These financial statements are presented in Bangladeshi Taka which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest Taka.

4.4. Use of Estimate and Judgments:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies.

4.5. Comparative Financial Information :

The financial statements have been prepared comparing respective figures of previous years. However, some figures and account titles have been rearranged/re-classified where necessary to conform to the fairness in presentation.

4.6. Components of Financial Statements:

The set financial statements include the following components:

- a. Statement of Financial Position as on 30 June 2021
- b. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021
- c. Statement of Cash Flows for the year ended 30 June 2021
- d. Statement of Changes in Equity for the year ended 30 June 2021
- e. Notes to the Financial Statements for the year ended 30 June 2021

4.7. Basic information related to the ongoing projects, namely Dhaka Mass Rapid Transit Development Project, whose development associate is JICA and are being dealt by the board of directors of the company are as stated below :

- i. For Line-6 Project Period: (July 2012-June 2024) Overall 67.63% Progress upto June 2021 whose Cumulative Expenditure is Tk. 15,683.54 Crore (GOB-Tk. 5,561.36 LOAN- Tk. 10,122.18).
- ii. For Line-1 (E/S) Project Period: (July 2018-June 2022) Overall 64.42% Progress upto June 2021 whose Cumulative Expenditure is Tk. 391.00 Crore (GOB- Tk. 121.95 LOAN- Tk. 269.05).
- iii. For Line-1 Project Period: (Sept 2019-Dec 2026) Overall 1.50% Progress upto June 2021 whose Cumulative Expenditure is Tk. 790.99 Crore (GOB- Tk. 790.99 LOAN- Tk. 0.00).
- iv. For Line-5 Northern Route Project Period: (Sept 2019-Dec 2028) Overall 3.11% Progress upto June 2021 whose Cumulative Expenditure is Tk. 1,280.75 Crore (GOB-1,169.38 LOAN-111.37).
- v. For Line-5 Southern Route Project Period: (Jan 2020-June 2023) Overall 7.74% Progress upto June 2021 whose Cumulative Expenditure is Tk. 31.61 Crore (GOB- Tk. 10.43 LOAN- Tk. 21.18).

	2020-21	2019-20
5.00 Property, Plant and Equipment	14,842,595	16,697,920
Vehicles	18,553,244	18,553,244
Accumulated Depreciation	3,710,649	1,855,324
6.00 Net Expenditure During Pre-operating Period		
A. Expenditure during Pre-operating Period	63,370,498	81,039,966
Salary & Allowances	58,159,364	49,661,251
Directors' Remuneration	668,924	459,566
Meeting Expenses	292,476	132,732
Advertisement Expenses	59,150	349,216
Newspaper Bill	15,029	44,311
Printing & Stationery	50,910	21,350
Consultancy Fee	-	248,400
Telephone Bill	18,249	29,682
Fuel Cost	144,358	178,694
Car Maintenance Cost	46,287	18,545
Trade License	34,728	23,200
Auditors' Fee	46,000	34,500
Bank Charges	47,890	22,592
Training Expenses	1,931,809	23,944,503
Expenses of Employee Selection Process	-	4,016,100
Depreciation	1,855,324	1,855,324
B. Income during Pre-operating Period	7,062,279	263,791
Interest Income	517,679	234,691
Income from Sale of Tender Documents	1,115,686	-
Income from Recruitment Process	2,715,025	29,100
Income from Auction	2,713,889	-
C. Net Expenditure during Pre-operating Period (A-B)	56,308,219	80,776,175
D. Transferred from Previous Year	90,436,474	9,660,299
E. Net Expenditure during Pre-Operating Period as Transferred in Statement of Financial Position (C+D)	146,744,693	90,436,474
7.00 Advances, Deposits and Prepayments	60,616	51,222
Opening Balance	51,222	37,542
Additional during the year	51,768	23,468
Adjustment with Tax Return	(42,374)	(9,788)
8.00 Cash & Cash Equivalent	96,596,706	51,236,812
8.1 Cash in Hand	-	-
8.2 Cash at Bank	96,596,706	51,236,812
8.2.1 Sonali Bank: SND A/C No.: 0119803000038	75,987,047	522,786
8.2.2 Sonali Bank: Current A/C No.: 0119802000995	20,609,659	50,714,026
Bank Balance at 30.06.21	20,609,659	50,938,314
Outstanding Cheque	-	(224,288)
9.00 Reserves & Surpluses	3,846,969	3,846,969
The opening figure has been drawn from the balance of Bank account operated under the Name of Company since March 2015 and represents the accumulated proceeds of selling Tender Documents less relevant expenses during the years 2014-15, 2015-16, 2016-17 and 2017-18.		
10.00 Bills & Other Payables	4,397,642	4,575,459
Auditors' Fee Payable (Including VAT)	46,000	69,000
Salary & Allowances Payables	4,351,642	4,506,459

DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)

Schedule of Property, Plant and Equipment

As on 30 June 2021

[Figure in BDT]

Particulars	Cost			Rate of Depreciation	Accumulated Depreciation			Written Down Value as on 30.06.2021	Remarks
	As on 01.07.2020	Add During the Year	Total as on 30.06.2021		As on 01.07.2020	Charge of this Year	Total as on 30.06.2021		
Vehicles	18,553,244		18,553,244	10%	1,855,324	1,855,324	3,710,649	14,842,595	-
Total	18,553,244	-	18,553,244	-	1,855,324	1,855,324	3,710,649	14,842,595	-

