

**PRIVATE &
CONFIDENTIAL**

**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 2022

DVC: 2211241544 A5668845

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, 2022**, and the Income Statement, 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, 2022**, 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.



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, international 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 Income Statement 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.

DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)
Statement of Financial Position (Balance Sheet)

As at 30 June 2022

Amount in BDT

SI. No.	Particulars	Notes	2022	2021
	Assets:			
A	Non-Current Assets:			
1	Property, Plant & Equipment		18,553,244	18,553,244
2	Less: Accumulated Depreciation		5,565,973	3,710,649
3	Net Property, Plant & Equipment (1-2)	5	12,987,271	14,842,595
4	Other Non-Current Assets	6	248,821,711	146,744,693
5	Total Non-Current Assets		261,808,982	161,587,289
B	Current Assets:			
6	Advance, Deposits and Prepayments	7	186,727	60,616
7	Cash & Cash Equivalent	8	143,202,330	96,596,706
8	Total Current Asset		143,389,057	96,657,322
9	Total Assets (A+B)		405,198,039	258,244,611
	Equity and Liabilities		-	-
C	Equity:			
10	Authorized Capital :		-	-
11	Ordinary Share Capital (i+ ii)		-	-
	i) Government (%)		-	-
	ii) Others (%)		-	-
12	Preference Share Capital (Irredeemable) (i + ii)		-	-
	i) Government		-	-
	ii) Others		-	-
13	Share Premium Account (i+ ii)		-	-
	i) Government		-	-
	ii) Others		-	-
14	Reserve/Other Fund	9	403,846,969	253,846,969
15	Retained earnings			
16	Total Equity		403,846,969	253,846,969
D	Current Liabilities:			
17	Trade & Other Payables	10	1,351,070	4,397,642
18	Total Current Liabilities		1,351,070	4,397,642
19	Total Liabilities		1,351,070	4,397,642
	Total Equity and Liabilities (C+D)		405,198,039	258,244,611


Company Secretary


Managing Director


Chairman

Place: Dhaka, Bangladesh
Dated: 14 NOV 2022




H M ENAM & CO.
Chartered Accountants

DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)

Income Statement

For the year ended 30 June 2022

Amount in BDT

Sl. No.	Particulars	Notes	2022	2021
1	Revenue (Sales) including Value Added Tax (VAT)		-	-
2	Less: Value Added Tax (VAT) on Sales/Receipts		-	-
3	Add: Selling Price Subsidy/Trade Gap		-	-
4	Net Sales Revenue/Receipts (1-2+3)		-	-
5	Less: Cost of Sales		-	-
6	Gross Profit/ (Loss) (4-5)		-	-
7	Less: Operating Expenses		-	-
	i) Administrative Expenses		-	-
	ii) Marketing/Selling & Distribution Expenses		-	-
8	Total Operating Expenses (i+ ii)		-	-
9	Profit/(Loss) from Operation or Receipts above/(below) Operating Expenses (6 - 8)		-	-
10	Add: Non-Operating Income (Interest, Dividend, Gain from Sale of Assets etc.)		-	-
11	Less: Financial Expenses		-	-
12	Other Non-Operating Expenses		-	-
13	Net Profit/ (Loss) or Income above/(below) Expenditure before Tax & WPPF (9+10 - 11 - 12)		-	-
14	Less: Workers' Profit Participation Fund		-	-
15	Add: Subsidies other than the Selling Price Subsidy		-	-
16	Cash Incentives		-	-
17	Grants		-	-
18	Other Transfers		-	-
19	Share of Profit/(Loss) of Subsidiaries/Associates		-	-
20	Net Profit(Loss) or Income above/(below) Expenditure Before Tax (13-14+15 +16+17+18+19)		-	-
21	Less: Provision for Income Tax		-	-
22	Net Profit/(Loss) or Income above/(below) Expenditure after Tax (20-21)		-	-

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


Company Secretary


Managing Director


Chairman

Place: Dhaka, Bangladesh

Date:

14 NOV 2022




H M ENAM & CO.
Chartered Accountants

DVC: 2211241544 AS668845

DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)
Statement of Changes in Equity
For the year ended 30 June 2022

Sl	Particulars	Preference Share						Ordinary Share			Share Premium		Revaluation Reserve	General Reserve / Other Fund	Retained Earnings	Total
		Share		Share		Share		GoB	Others	GoB	Others					
		GoB	Others	GoB	Others	GoB	Others									
1	2	3	4	5	6	7	8	9	10	11	12					
1	Balance at start of the year												10	11	12	
2	Share issued against the injection of Equity by government												253,846,969		253,846,969	
3	Share issued against the conversion of Debt into Equity															
4	Share issued other than the above															
5	Transfer of shares between GoB and Others															
6	Profit/(Loss) or Income above/(below) Expenditure for the year															
7	Revaluation															
8	Transfer to Reserve															
9	Provision Preference Dividend															
10	Provision Ordinary Dividend /Profit Contribution															
11	Fund from GOB												150,000,000		150,000,000	
12	Balance at end of the year												403,846,969		403,846,969	

[Signature]
Company Secretary



[Signature]
Managing Director

[Signature]
Chairman

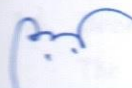
Place: Dhaka, Bangladesh
Dated: 14 NOV 2022

[Signature]
H M ENAM & CO.
Chartered Accountants

DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)
Statement of Cash Flow
For the Year Ended 30 June 2022

Sl. No.	Particulars	2022	2021
A	Cash flows from Operating Activities		
	Receipts:		
1	Cash receipt from Sale of Goods/Rendering Services	-	-
2	Cash receipt from customers as Value Added Tax (VAT)	-	-
3	Total Receipts	-	-
	Payments:		
4	Cash payment for administrative overhead net off TDS and VDS	109,537,327	61,910,971
5	Total Payments	109,537,327	61,910,971
6	Net Cash inflow/(outflow) from Operating Activities	(109,537,327)	(61,910,971)
B	Cash flows from Investing Activities:		
	Receipts:		
7	Cash receipt for Interest	1,261,105	517,679
8	Cash receipt from Refund/Repayment of Lending and Advances	4,881,846	6,753,186
9	Cash receipt from other Investment (please specify)	-	-
10	Total Receipts	6,142,951	7,270,865
	Payments:		
11	Cash payment to Acquire Property	-	-
12	Cash payment for other Investing purposes (please specify)	-	-
13	Total Payments	-	-
14	Net cash inflow, (outflow) from Investing Activities	6,142,951	7,270,865
C	Cash flows from Financing Activities:		
	Receipts:		
15	Cash receipt from other (fund from GOB)	150,000,000	100,000,000
16	Total Receipts	150,000,000	100,000,000
	Payments:		
17	Repayment of borrowing from GoB	-	-
18	Repayment of borrowing from Financial Institutions Outside Bangladesh	-	-
19	Total Payments	-	-
20	Net Cash inflow/(outflow) from Financing Activities	150,000,000	100,000,000
21	Net increase/(decrease) in Cash & Cash equivalent (A+B+C)	46,605,624	45,359,894
22	Add: Opening Cash & Cash Equivalent	96,596,706	51,236,812
23	Closing Cash & Cash Equivalent	143,202,330	96,596,706

Note: 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.



Company Secretary



Managing Director



Chairman

Dhaka, Bangladesh
Date: 14.07.2022


H M ENAM & CO.
Chartered Accountants



DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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 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

As Equity GOB injected for the first time Tk. 5,00,00,000/- (Taka Five Crore) as Equity which was deposited in the bank account on 14 March 2018; The second time Tk. 100,000,000/- (Taka Ten Crore) which was deposited in the bank account on 03 December 2019; for the third time 100,000,000/- (Taka Ten Crore) which was deposited in the bank account on 09 December 2020; and for the fourth time Tk. 150,000,000 (Taka Fifteen Crore) which was deposited in the bank account on 24 May 2022, In due course, this fund injected by GoB as equity 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-

- (1) Secretary, Road Transport and Highways Division
- (2) Executive Director, Dhaka Transport Co-ordination Authority
- (3) Representative from Prime Minister Office, GOB
[Not below the rank of DG]
- (4) Additional Secretary, Local Government Division, GOB
- (5) Additional Secretary, Ministry of Finance, GOB
- (6) Representative from Ministry of Railway, GOB
[Not Below the rank of Joint Secretary]
- (7) Joint Secretary, from Power Division, GOB
- (8) 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 2021 and ending on 30 June 2022.

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, the guidelines under “The Procedure to Regulated the Debt and Contingent Liabilities of State-Owned Enterprises (SOEs) and Autonomous bodies (Abs) 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:

- (1) Statement of Financial Position as on 30 June 2022
- (2) Statement of Income for the year ended 30 June 2022
- (3) Statement of Cash Flows for the year ended 30 June 2022
- (4) Statement of Changes in Equity for the year ended 30 June 2022
- (5) Notes to the Financial Statements for the year ended 30 June 2022



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 MRT Line-6:

Project Period: (01 July 2012-30 June 2024) Cumulative Expenditure Upto 30 June 2022 Tk. 19,693 Crore (GOB. Tk.6,568 Crore & PA Tk.13,124 Crore)-89.57 %

ii. For MRT Line-1 (E/S)

Project Period: (01 July 2018-30 June 2023) Cumulative expenditure Upto 30 June Tk. 469 Crore (GOB. Tk. 147Crore & PA Tk.322 Crore)-77.27 %

iii. For MRT Line-1

Project Period : (01 September 2019-30 June 2026) Cumulative expenditure Upto 30 June Tk. 1249 Crore (GOB. Tk. 1249 Crore & PA Tk.0.00 Crore)-2.38 %

iv. For MRT Line-5 (Northern Route):

Project Period : (01 July 2019-31December 2028) Cumulative expenditure Upto 30 June Tk. 1441 Crore (GOB. Tk. 1214 Crore & PA Tk.226 Crore)-3.49 %

v. For MRT Line-5 (Southern Route): PRF

Project Period : (01 January 2020-30 June 2023) Cumulative expenditure Upto 30 June Tk.84 Crore (GOB. Tk. 25 Crore & PA Tk.59 Crore)-20.67 %

	2021-22	2020-21
5.00 Property, Plant and Equipment	12,987,271	14,842,595
Vehicles	18,553,244	18,553,244
Less: Accumulated Depreciation	5,565,973	3,710,649
6.00 Other Non-Current Assets:		
6.01 Net Expenditure During Pre-operating Period		
A. Expenditure during Pre-operating Period	108,111,849	63,370,498
Salary & Allowances	93,960,348	58,159,364
Directors' Remuneration	484,675	668,924
Meeting Expenses	128,017	292,476
Advertisement Expenses	370,432	59,150
Entertainment Expense	12,435	-
Newspaper Bill	-	15,029
Printing & Stationery	26,471	50,910
Consultancy Fee	139,150	-
Telephone Bill	27,033	18,249
Fuel Cost	273,320	144,358
Car Maintaince Cost	71,536	46,287
Trade License	17,352	34,728
Auditors' Fee	62,500	46,000
Bank Charges	77,494	47,890
Training Expenses	8,949,639	1,931,809
Expenses of Employee Selection Process	1,652,948	-
Miscellaneous Expense	3,175	-
Depreciation	1,855,324	1,855,324
B. Income during Pre-operating Period	6,034,831	7,062,279
Interest Income	1,261,105	517,679
Income from Sale of Tender Documents	3,060,000	1,115,686
Income from Recruitment Process	970,800	2,715,025
Income from Misc.	742,926	-
Income from Auction	-	2,713,889
C. Net Expenditure during Pre-operating Period (A-B)	102,077,018	56,308,219
D. Transferred from Previous Year	146,744,693	90,436,474
E. Net Expenditure during Pre-Operating Period as Transferred in Statement of Financial Position (C+D)	248,821,711	146,744,693

6.02 Item 6.01 has been drawn in terms of Note No. 3.4



	<u>2021-22</u>	<u>2020-21</u>
7.00 Advances, Deposits and Prepayments	186,727	60,616
7.1 Advance:	186,727	60,616
Advance Income tax	186,727	60,616
Opening Balance	60,616	51,222
Additional during the year	126,111	51,768
Adjustment with Tax Return	-	(42,374)
7.2 Deposits and Prepayments	-	-
8.00 Cash & Cash Equivalent	143,202,330	96,596,706
8.1 Cash in Hand	-	-
8.2 Cash at Bank	143,202,330	96,596,706
8.2.1 Sonali Bank: SND A/C No.: 0119803000038	139,580,891	75,987,047
8.2.2 Sonali Bank: Current A/C No.: 0119802000995	3,621,439	20,609,659
9.00 Reserve/Other Fund	403,846,969	253,846,969
9.01 Reserves & Surpluses	3,846,969	3,846,969
<p>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.</p>		
9.02 Fund from GOB	400,000,000	250,000,000
Opening	250,000,000	150,000,000
Add: During the Year Received	150,000,000	100,000,000
11.00 Bills & Other Payables	1,351,070	4,397,642
Auditors' Fee Payable (Including VAT)	62,500	46,000
Fuel Cost	24,209	-
Car Maintaince Cost	15,850	-
Printing & Stationery	9,920	-
Salary & Allowances Payables	1,238,591	4,351,642



DHAKA MASS TRANSIT COMPANY LIMITED (DMTCL)
Schedule of Property, Plant and Equipment
As on 30 June 2022

[Figure in BDT]

Particulars	Cost			Rate of Depreciation	Accumulated Depreciation			Written Down Value as on 30.06.2022	Remarks
	As on 01.07.2021	Add During the Year	Total as on 30.06.2022		As on 01.07.2021	Charge of this Year	Total as on 30.06.2022		
Vehicles	18,553,244		18,553,244	10%	3,710,649	1,855,324	5,565,973	12,987,271	-
Total	18,553,244	-	18,553,244	-	3,710,649	1,855,324	5,565,973	12,987,271	-

