

Singh Harbeer & Associates
Chartered Accountants



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Independent Auditor's Report

To the Members of
DME DEVELOPMENT LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion:

We have audited the Standalone Financial Statements of DME DEVELOPMENT LIMITED ("the Company"), which comprise the Balance Sheet as at 31st December' 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act' 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st December' 2022, and its Loss (financial performance including other comprehensive income), changes in equity and its cash flows for the period end on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



S. No.	Key Audit Matters	Auditor's Response
1	Capital Work in Progress (classified under Intangible assets in the balance sheet)	The company was setup by NHAI as 100% subsidiary company as an SPV on 29.08.2020 to Promote, Develop, Survey, Establish, Design, Construct, Equip, Operate, Maintain, Modify and Upgrade Infrastructure facilities and works in relation to the Delhi-Mumbai Expressway. As per Concession Agreement dated 05.02.2021, the company has concession rights for 20 years. As such, company has rights on the Delhi-Mumbai Express Way (physical asset of the GOI) for recovery of its debts including interest & other incidental expenses by way of annuity from NHAI, which shall be fixed after completion of the project. The construction is underway on all the stretches of the project and not yet completed. Thus, the cost of construction is classified as CWIP (Intangible Asset) in the financial statements of the company. We have obtained copies of Concessionaire Agreement, Implementation Agreement, statement of Account code 4205 in which cost of construction is accounted for by the NHAI, project status report as on 30.12.2022 and balance confirmations as on that date from the NHAI.
2	Revenue Recognition	The Company has an assured right to receive annuities as per the concession agreement dated 05.02.2021 from NHAI, however such annuities are to be scheduled for payment after the completion of the project. Right of the concessionaire (i.e. DME SPV) gets the right, license, authority to construct, operate, manage, and maintain the DME project for construction period: 3 years and operation & maintenance period 17 years. Thus, the right to earn annuity by the company under Concession Agreement shall commence on or after completion of Delhi-Mumbai Expressway. We have obtained copies of concessionaire agreement, status of project report. Quantum of annuity shall be decided mutually by the company and the NHAI on the completion of project to repay all debts (including interest accrued thereon and other incidental expenses incurred) as per repayment schedules and other administrative expenses incurred or to be incurred.
3	Pre-operative expenses	Since the sole objective of the company is to arrange funds and provide it to NHAI for construction of Delhi-Mumbai Expressway (DME). Thus, all borrowing cost like interest (net of interest received on temporary linked deposits with various banks), loan processing charges, legal & professional charges and other incidental charges incurred in such borrowings are transferred to Pre-Operative Expenditure for capitalization to the project. We have verified all vouchers, invoices, memos and other relevant documentary evidences to establish the link of expenses to borrowings for the project.
4	Borrowings from banks and Non-Convertible, Non-Cumulative Taxable Bonds issued to QIBs	The company has no tangible assets to pledge against such borrowing as on date. These borrowings are obtained / secured against letter of comfort issued by the NHAI. In the absence of tangible security, these are classified as unsecured borrowings. We have obtained copies of Letter of Comfort issued by the NHAI & sanction letters issued by all banks describing all requisite terms & conditions, Board resolution for authorizing officials to get such loans and Private Placement Memorandum of Information and documents relating to various compliance with various agencies for listing of bond/debenture etc.

Information other than the standalone financial statements and auditors' report thereon:

The Company's Board of Directors is responsible for the preparation of the other information, which we obtained prior to the date of this auditor's report and the information included in the Director's Report including Annexures, Management Discussion & Analysis, Business Responsibility Report and other company related information (hereinafter referred to as 'Other Reports'). Other reports are expected to be made available to us after the date of this auditor's report.



Our opinion on the Standalone Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to date of this auditors' report, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter:

We draw attention to Note No 29 (i), (iii) & (iv) of the financial statements, which indicate towards contingent liability for penalty due to delay in appointment of Independent Director u/s 149 and consequently delay in formation of Audit Committee u/s 177 and Nomination & Remuneration Committee u/s 178 of the Companies Act' 2013 and non-submission of an application for compounding before Regional Director due to delay in holding first annual general meeting for the financial year 2019-2020 on 22.03.2021 (due date till 31.12.2020) and penalty and fine of Rs 4.41 lakhs due to delay in submission of various information and reports before the National Stock Exchange of India Limited. However, our opinion is not modified in respect of these matters.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, comprehensive income, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards (Ins AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to standalone financial statements in place and the operating effectiveness of such controls.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 vide Order No S.O.849(E) dated 25.02.2020 (CARO 2020) supersedes CARO, 2016, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of section 143(5) of the Companies Act, on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the 'Annexure B' on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - e) Being a Government company pursuant to the Notification No. GSR 463(E) dated 5.6.2015 as amended by Notification No. GSR 582(E) dated 13.06.2017, Notification No. GSR 802(E) dated 23.02.2018 and Notification No. GSR 151(E) dated 2.3.2020 issued by the Ministry of Corporate Affairs, Government of India, provision of section 164(2) of the Act are not applicable to the company.
 - f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure C'.
 - g) As per Notification No. GSR 463(E) dated 5.6.2015 as amended by Notification No. GSR 582(E) dated 13.06.2017, Notification No. GSR 802(E) dated 23.02.2018 and Notification No. GSR 151(E) dated 2.3.2020 issued by the Ministry of Corporate Affairs, Government of India, provision of section 197 of the Act are not applicable to the Government Company. Accordingly reporting in accordance with the requirements of Sec 197(16) of the Act as amended, is not required.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed pending litigations in Note No. 29 of its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
 - v. No dividend has been declared or paid during the period by the company.
4. In response to issues raised by the Indian Audit & Accounts Department, Office of the Director General of Audit (Infrastructure) on the financial statements of the company for the year ended 31st March 2022 vide their C&AG letter No DPA/Infra-IV/Annual Audit/DMEDL/4-17/2022-2023/518 dated 06.10.2022, 08.09.2022 and their final comments by letter dated 04.11.2022, the management of the company has clarified on such deficiencies and final report from C&AG office was put before the board in its meeting held on 23.12.2022 as well as before shareholders in their meeting held on 26.12.2022 for their perusal and approval.

Place: New Delhi

Date: 14.02.2023

UDIN: 23093542BGVTDS5406

For Singh Harbeer & Associates
Chartered Accountants

Firm Regn No: 017247N



Harbeer Singh, FCA
(Partner)

Membership No. 093542

Annexure 'A'

The Annexure referred to in paragraph 1 of Our Report of even date on "Other Legal and Regulatory Requirements" to the members of DME Development Limited on the standalone Financial Statements for the period ended 31.12.2022

We report that:

i.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are of the opinion that the company has no tangible fixed asset but it has capital work in progress (CWIP) under Intangible Assets by way of a license granted to it for recovery of annuity from NHAI.

Hence report under clause (a) on requirement of proper records showing full particulars, including quantitative details and situation of its Property Plant & Equipment is not applicable.

Clause (b) in respect of physical verification of Property Plant & Equipment by the management at reasonable intervals is not required.

Since the company has no immovable property, hence comment on clause 'c' is not required.

No Property Plant & Equipment is revalued during the period, hence comment on clause (d) is not required.

As per information and explanation given to us, no proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 and rules made there-under.

ii. As the company is providing funds to NHAI by way of reimbursement of all capital expenditures made for construction of Delhi-Mumbai Expressway in terms of Implementation Agreement & Concessionaire Agreement dated 05.02.2021 between the Company & NHAI to execute the Project.

Hence nature of its business activities does not require holding of any type of inventory. Thus, under clause (a) comment on maintenance of inventory records and physical verification of stock by the management are not required.

Hence, the company is not holding any type of inventory, thus no working capital limit is sanctioned to the company from any bank, financial institution and comment on reconciliation between stock statements with books of accounts under clause (b) is not applicable.

iii. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not made any investment in, or provided any guarantee or security or granted any loan or advance, secured or unsecured, to any company, firm, Limited Liability Partnership or other party listed in the register maintained under Section 189 of the Companies Act, 2013. Hence comments on the provisions of clause iii 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the order are not required.

iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 is not applicable to the company vide Notification No. GSR 151(E) dated 2.3.2020, being a government company.



- v. The company has not accepted any deposit from the public covered under sections 73 to 76 of the Companies Act, 2013 and rules made there-under. According to information and explanation received by us from the management of the company, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Hence comment on maintenance of records is not required.
- vii.
- (a) According to the records of the company, undisputed statutory dues including Goods & Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authority to the extent applicable, have been generally deposited. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st December' 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no amount payable in respect of Goods & Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to it but not deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the period.
- (ix) In our verification of books and according to the information and explanations given to us by the management, we are of the opinion that, the company has not defaulted in repayment of loans or other borrowings or in the repayment of interest thereon to any lender during the period.
- As per information given to us in response to clause (b), the company is not declared as willful defaulter by any bank or financial institutions or any other lender.
- As per our examination of records and information / explanation given to us by the management in response to clause ©, all terms loans taken by the company are applied for the purpose (end-use) for which these were obtained.
- On the examination of books of accounts and information / explanation given to us by the management in response to clause (d), the company has not raised any short loan during the period. Hence utilization of short-term loan for long term purposes does not arise. The company has obtained various long-term loans from various banks and has issued non-convertible non-cumulative taxable bonds / debentures to various financial institutions and utilized the same for long term purpose only for the construction of Delhi-Mumbai-Expressway (DME). Hence no diversion of fund is observed during the period.



As per records produced and information available to us, the company has no subsidiary, associate company or joint venture during the period. Hence comments on clause (e) for taken loan from such entities & clause (f) for raising loans on the pledging of securities of such entities are not required.

- (x) Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments). Hence comment on utilization of fund is not required. According to the information & explanation given by the management and records examined by us, the company has not raised any money by way of term loan from any banks during the period under report.

The company has made preferential allotment on the basis of right issue of Rs 1011.00 crore on 23.06.2022, 01.08.2022, 15.09.2022, 11.11.2022 & 23.12.2022 during the period in addition to earlier allotments of equity shares of Rs 3,133.00 crore of the company in the previous periods and the requirement of section 42 and 62 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.

The company has not raised any money by way of fully or partly convertible debentures during the period under review but it has raised the sum of Rs 5,000.00 crores by way of issuing non-convertible non-cumulative taxable bonds / debentures to various QIBs in previous period and utilized the same for long term purpose only for the construction of Delhi-Mumbai-Expressway (DME). Hence no diversion of fund is observed during the period.

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.
- (xii) The company is not a nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are made with NHAI and the company is wholly owned subsidiary company of NHAI. However, the company has not formed an audit committee in



compliance of section 177 and Nomination & Remuneration Committee u/s 178 of the Companies Act, 2013 till date.

Thus, transactions are in compliance with sections 177(4)(iv) and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable Indian Accounting Standards (Ind AS 24).

- (xiv) The company has appointed an Internal Auditors - M/s Manish Brij Garg & Co, Chartered Accountants (an external professional firm) in compliance of section 138 of the Companies Act, 2013. According to the size and nature of the business of the company, internal audit system is commensurate. Internal auditors have issued their quarterly reports, which are duly considered by us in our report.
- (xv) The company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) On the basis of verification of records and information & explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Since the company is not a Core Investment Company (CIC), hence comments on clause (b), (c) and (d) are not required.
- (xvii) Since the company is pursuing only a single project (i.e. Delhi-Mumbai-Expressway) which is under construction, thus all direct expenditures are capitalized by the company. The company has incurred cash loss of Rs 13.71 lakhs during the period under report on account of normal expenses incurred and in immediately financial year Rs 16.64 lakhs.
- (xviii) There is no resignation of the statutory auditors of the company during the period under report, hence comment under this clause is not required.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, concession agreement and implementation agreements executed between the company and NHAI and letter of comfort provided by NHAI to all lender institutions, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



- (xx) On the basis of records of the company, we report that the provisions of Corporate Social Responsibility (CSR) are applicable to the company from the financial 2021-22 being having net worth over and prescribed limits u/s 135 of the Companies Act, 2013, since the average profit in three preceding financial years is negative, hence comments on clause (b) is not required. However, the company has not formed CSR Committee in compliance of the provisions of section 135 of the Companies Act' 2013 till date.
- (xxi) As per verification of records of the company, it is a wholly owned (SPV) of National Highway Authority of India (NHAI) and it has no subsidiary, associate or joint venture as on date. Thus, the company is not required to prepare Consolidate financial statement hence this clause is not applicable.

For Singh Harbeer & Associates
Chartered Accountants
Firm Regn No: 017247N



Harbeer Singh, FCA
(Partner)
M. No. 093542

Place: New Delhi

Date: 14.02.2023

UDIN: 2309354286VT025406

Annexure 'B'

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of DME DEVELOPMENT LIMITED on the Standalone Financial Statements for the year ended 31st December' 2022

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	As per information & explanation given to us, the company has a system in place to process all the accounting transactions through IT system in TALLY- ERP has been implemented for processing of all financial accounting transactions. In addition to above, a common online system - namely common platform of NHAI known as Accounting & Finance Management System (AFMS) provided by NHAI to the company for Online approval of each & every e-office resolution / document & noting the requisite information on time, is used. Based on the audit procedures carried out and as per information & explanation given to us, no accounting transaction has been processed / carried outside IT system. Accordingly, there is no financial implication on the integrity of the accounts.	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on the audit procedures carried out and as per information & explanation given to us, there was no restructuring of any existing loan, waiver, write off of any debt, loan, interest etc. made by the lender to the company due to inability of the company to repay the loan.	Nil



3	Whether funds received / receivable for specific schemes from Central / State Agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per information & explanation given to us, the company has obtained the sum of Rs 1011.00 Crore Only from NHAI towards capital contributions during the period under report. In addition to that, the company has not received any fund for specific scheme from any Central / State Agency during the period under audit. Fund raised during the period has been utilized for construction of Delhi-Mumbai Expressway through NHAI in terms of Implementation Agreement dated 05.02.2021.	Nil
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Place: Delhi

Date: 14.02.2023

UDIN: 23093542B GVTDS5406

For Singh Harbeer & Associates
Chartered Accountants
Firm Regn No: 017247N



Harbeer Singh, FCA
(Partner)
M. No. 093542

Annexure-'C'

Report on Internal Financial Controls Over Financial Reporting

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"):

We have audited the internal financial controls over financial reporting of DME DEVELOPMENT LIMITED ("the Company") as of 31st December' 2022 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that-

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st December' 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, various deficiencies are observed like delays in various legal compliances as pointed in our report under 'Emphasis of Matter' and described in Note No. 29 of the financial statement of the company in its' financial statements. Thus, the company needs to strengthen its internal control system by real time accounting and further by adopting various appropriate policies and pre-indicator system for legal compliances to avoid delays & penal consequences.

Place: New Delhi

Date: 14.02.2023

UDIN: 23093542BGNUTDS5406

For Singh Harbeer & Associates
Chartered Accountants

Firm Regn-No: 017247N



Harbeer Singh

(Partner)

M. No. 093542

DME DEVELOPMENT LIMITED

G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075

CIN: U45202DL2020GOI368878

Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	Note No	As At	As At
			31st Dec. 2022	31st March 2022
I	ASSETS			
	Non-current assets			
	Property, plant and equipment	3	-	-
	Capital work in progress - Intangible Assets	3	30,99,086.56	22,87,399.56
	Other intangible assets		-	-
	Financial assets			
	(i) Other financial assets	4	-	-
	Non-current tax assets (net)	19	-	-
	Deferred tax assets (net)	19	79.38	75.83
	Other non-current assets	5	-	-
	Total non-current assets		30,99,165.94	22,87,475.39
	Current assets			
	Financial assets			
	(i) Cash and cash equivalents	6	1,151.32	9,198.68
	(ii) Other financial assets	4	-	-
	Other current assets	5	467.97	1,79,273.11
	Total current assets		1,619.29	1,88,471.79
	Total Assets		31,00,785.24	24,75,947.18
II	EQUITY AND LIABILITIES			
	Equity			
	Share capital	7	4,14,400.00	3,13,300.00
	Other equity	8	(225.97)	(215.82)
	Share application pending allotment	9	13,000.00	-
	Total equity		4,27,174.03	3,13,084.18
	LIABILITIES			
	Non-current liabilities			
	Financial liabilities			
	(i) Borrowings	10	25,58,088.97	21,58,099.00
	(ii) Other financial liabilities	11	-	-
	Other non-current liabilities	12	-	-
	Total non-current liabilities		25,58,088.97	21,58,099.00
	Current liabilities			
	Financial liabilities			
	(i) Trade payables	13	1,13,300.83	110.59
	(ii) Other financial liabilities	11	2,102.50	4,318.84
	Other current liabilities	12	118.91	334.58
	Total current liabilities		1,15,522.24	4,764.01
	Total equity and liabilities		31,00,785.24	24,75,947.18
			0.00	(0.00)

The accompanying notes 1-37 are an integral part of these financial statements.

As per our report of even date attached

For SINGH HARBEER & ASSOCIATES

For and on behalf of Board

Chartered Accountants

Firm Regn No.: 017247N

(Harbeer Singh)

Partner

M.No. 093542

Place : New Delhi

Date : 14.02.2023

UDIN: 23093542BGNVTD55406

(SHASHIBHUSHAN)

Director & CEO

DIN: 09428273

(ANANTA MANOHAR)

Director & CFO

DIN: 08275536

PRACHI MITTAL
COMPANY SECRETARY

DME DEVELOPMENT LIMITED

G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075

CIN: U45202DL2020GOI368878

Statement of Profit and Loss

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	Period Ended	Year Ended
		31st Dec. 2022	31st March 2022
REVENUE			
Revenue from operations	14	-	-
Other Revenue	14	10.00	-
Total Revenue		10.00	-
EXPENSES			
Employees benefits expense	15	4.30	-
Financial costs	16	-	-
Other expenses	17	19.41	16.64
Total Expenses		23.71	16.64
Profit/(Loss) before exceptional items & tax		(13.71)	(16.64)
Tax expenses			
Current tax	18	-	-
Deferred tax	18	3.56	4.33
Net Tax Expenses		3.56	4.33
Profit/(Loss) for the period (A)		(10.15)	(12.31)
Other comprehensive income	19	-	-
Items that will not be reclassified to profit or loss in subsequent			
Re-measurement (losses)/gains on defined benefit plans		-	-
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or		-	-
Total comprehensive income/deficit for the period (A+B)		(10.15)	(12.31)
Profit/(Loss) for the period attributable to:		(10.15)	(12.31)
Equity holders		(10.15)	(12.31)
Total comprehensive income for the period, net of tax attributable		(10.15)	(12.31)
Equity holders		(10.15)	(12.31)
Earnings per equity share (of INR 100/- each):			
(1) Basic (absolute value in INR)	22	(0.00)	(0.01)
(2) Diluted (absolute value in INR)	22	(0.00)	(0.01)

The accompanying notes 1-37 are an integral part of these financial statements.

As per our report of even date attached
For SINGH HARBEER & ASSOCIATES
Chartered Accountants

Firm Regn No. 017247N

(Harbeer Singh)
Partner
M.No. 093542

For and on behalf of Board

(SHASHIBHUSHAN)
Director & CEO
DIN: 09428273

(ANANTA MANOHAR)
Director & CFO
DIN: 08275536

Place : New Delhi

Date : 14.02.2023

UDIN: 23093542BGRVTD55406

PRACHI MITTAL
COMPANY SECRETARY

DME DEVELOPMENT LIMITED

G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075

CIN: U45202DL2020GOI368878

Statement of Changes in Equity

(All amounts in INR Lakhs, unless otherwise stated)

(a) Equity share capital**Current reporting period**

Particulars	As At 31st Dec. 2022	As At 31st March 2022
Equity shares of INR 100/- each issued, subscribed and fully paid		
Number of Share at the beginning of the corresponding period	31,33,00,000.00	10,82,00,000.00
Change during the period	10,11,00,000	20,51,00,000.00
Total Number of share for corresponding period.	41,44,00,000.00	31,33,00,000.00
Value of Share at the beginning of the corresponding period	3,13,300.00	1,08,200.00
Change during the period	1,01,100.00	2,05,100.00
Total value of share for	4,14,400.00	3,13,300.00

(b) Other equity

Particulars	As At 31st Dec. 2022	As At 31st March 2022
Opening balance	(215.82)	(203.51)
Profit for the period	(10.15)	(12.31)
Other comprehensive income	-	-
Total comprehensive income	(10.15)	(12.31)
Transferred from surplus in the Statement of Profit and Loss	-	-
Share issue cost	-	-
Closing Balance	(225.97)	(215.82)

The accompanying notes 1-37 are an integral part of these financial statements.

As per our report of even date attached

For SINGH HARBEER & ASSOCIATES

Chartered Accountants

Firm Regn No.: 017247N



(Harbeer Singh)

Partner

M.No. 093542

(SHASHIBHUSHAN)

Director & CEO

DIN: 09428273

For and on behalf of Board

(ANANTA MANOHAR)

Director & CFO

DIN: 08275536

Place : New Delhi

Date : 14.02.2023

UDIN: 23093542BQVTD55406

PRACHI MITTAL

COMPANY SECRETARY

DME DEVELOPMENT LIMITED

G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075

CIN: U45202DL2020GOI368878

Statement of Cash Flows
(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	As At	As At
		31st Dec. 2022	31st March 2022
A	Cash flow from operating activities		
	Profit before income tax	(13.71)	(16.64)
	Depreciation	-	-
	Operating cash flows before working capital changes	(13.71)	(16.64)
	Movements in working capital :		
	(Increase)/decrease in other current asset	1,78,805.14	(1,79,273.11)
	(Increase)/decrease in other financial asset	-	-
	(Increase)/decrease in other non current asset	-	-
	Increase/(decrease) in financial liabilities	(2,216.34)	4,318.84
	Increase/(decrease) in other current liabilities	(215.66)	219.47
	Increase/(decrease) in other non current liabilities	-	-
	Increase/(decrease) in trade payables and financial liabilities	1,13,190.23	(13,971.69)
	Cash generated from operations	2,89,549.66	(1,88,723.13)
	Income taxes paid	-	-
	Net cash flow from operating activities (A)	2,89,549.66	(1,88,723.13)
B	Cash flow from investing activities:		
	Proceeds from sale of property, plant and equipment, including intangible assets and CWIP	-	-
	Addition in CWIP	(8,11,686.99)	(12,98,325.56)
	Capital grant received	-	-
	Change in Fixed Assets	-	-
	Net cash flow (used in) investing activities (B)	(8,11,686.99)	(12,98,325.56)
C	Net cash flow from financing activities:		
	Borrowings during the period	3,99,989.97	11,84,999.11
	Change in Share Capital	1,01,100.00	2,05,100.00
	Share issue expenses paid	-	-
	Change in share application Money	13,000.00	-
	Net cash flow (used in) in financing activities (C)	5,14,089.97	13,90,099.11
D	Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(8,047.36)	(96,949.59)
	Effect of exchange differences on cash and cash equivalents held in foreign currency	-	-
E	Cash and cash equivalents at the beginning of the year	9,198.68	1,06,148.27
F	Cash and cash equivalents at the end of the year	1,151.32	9,198.68
G	Net Increase/ (Decrease) in cash and cash equivalents	(8,047.36)	(96,949.59)
H	Difference	0.00	0.00

The accompanying notes 1-37 are an integral part of these financial statements.

As per our report of even date attached

For SINGH HARBEER & ASSOCIATES

Chartered Accountants

Firm Regn No. : 017247N




(Harbeer Singh)

Partner

M.No. 093542

(SHASHIBHUSHAN)

Director & CEO

DIN: 09428273

For and on behalf of Board

(ANANTA MANOHAR)

Director & CFO

DIN: 08275536

Place : New Delhi

Date : 14.02.2023

UDIN: 23093542BQVTD55406



PRACHI MITTAL
COMPANY SECRETARY

Notes forming part of financial statements for the year ended 31st Dec. 2022

1 CORPORATE INFORMATION

The Company has mandate to implement the prestigious project of Delhi-Mumbai Expressway covers a length of total 1277 Kilometres. Out of this, the stretch of Delhi- Vadodara is 845 Kilometres to be executed in EPC mode. The other stretch of Vadodara to Mumbai section is 432 Kilometres to be executed in HAM. The Delhi-Mumbai section under this project is targeted to be completed by September 2023. The total cost of the project is estimated at Rs.53849 Crore. Out of the total cost, 10% is to be contributed by NHAI in the form of equity and balance to be resourced through borrowings from banks and other lending from non-banking institutions. An Implementation Agreement has been executed by the Company with NHAI for implementation of the project and the construction of various packages under the project is in advanced stage.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

In accordance with the notification issued by Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standard (referred to as Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 with effect from 1 April 2017. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements referred hereinafter have been prepared in accordance with the requirements and instructions of Schedule III to the Companies Act 2013, amended from time to time applicable to companies to whom Ind AS applies.

b) Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments i.e. derivative instruments, defined benefit plans and share based payments, if any, which are measured at fair value/amortised cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Ind AS have been prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

The Balance Sheet corresponds to the classification provisions contained in Ind AS 1 Presentation of Financial Statements. For clarity, various items are aggregated in the Statement of Profit and Loss and Balance Sheet. These items are disaggregated separately in the Notes, where applicable.

The financial statements are presented in Indian Rupees (INR) and all values are rounded off to nearest rupee in lakhs except otherwise stated.

The Balance Sheet and the Statement of Profit & Loss are prepared and presented in the format prescribed as per Schedule- III of the Act. The cash flow statement is prepared and presented as per the requirements of Ind AS 7 of Cash Flow Statements.



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Notes forming part of financial statements for the year ended 31st Dec. 2022

The disclosure requirement with respect to items in the Balance sheet and statement of Profit and Loss as prescribed in schedule III are presented by way of notes forming part of accounts along with the other notes required to be disclosed including under the applicable accounting standards.

Amount in the financial statements is rounded off to the nearest Indian Rupee per share data is to be presented in Indian rupees to 2 decimal places except otherwise stated

c) Basis of measurement

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities if any that are measured at fair value at the end of each reporting date as required under relevant Ind-AS as explained in accounting policies. The company maintains its accounts in accordance with the Generally Accepted Accounting Principles in compliance with the provisions of the Companies Act 2013 and the applicable accounting standards as specified in the relevant provisions of the Companies Act 2013. Further, the guidance notes /announcements issued by The Institute of Chartered Accountants of India are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

2.2 Use of estimates and Judgements

The preparation of the financial statements requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to the contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful trade receivables and advances, employee benefits, provision for income taxes, impairment of assets and useful lives of property, plant and equipment.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to changes in these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 V. Classification of assets and liabilities as current and noncurrent

i. An asset is classified as current when it satisfies any of the following conditions

- It is expected to be settled in the company's normal operating cycle
- it is held primarily for the purpose of being traded
- it is due to be realized within 12 months after the reporting date or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date

All other assets are classified as non-current.

ii. A liability is classified as current when it satisfies any of the following condition

- it is expected to be settled in the company's normal operating cycle
- it is held primarily for the purpose of being traded
- it is due to be settled within 12 months after the reporting date or
- the company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could at the opinion of the counterparty result in its settlement by the issue of equity instruments do not affect its classification

All other liabilities are classified as non-current



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Notes forming part of financial statements for the year ended 31st Dec. 2022

2.4 Cash and cash equivalents (for purposes of the cash flow statement)

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Revenue recognition

In terms of the Concession Agreement and Implementation Agreement entered between NHAI and DME DL, the Significant Accounting Policy – VIII – Revenue Recognition is as under:-

In consideration of the development of the project by way of concession granted by the NHAI under the Concession Agreement, DME DL shall be entitled to demand and collect Annuity payment from NHAI in the manner as stipulated in the Concession Agreement. Annuity payment shall start on or after completion of the project for a period of 17 years.

Qualitative & Quantification of revenue in the form of annuity shall be decided on the completion of the project based on cost incurred and servicing of accumulated debts (including interest thereon) and other incidental expenses during the construction and servicing period.

Revenue is measured at the fair value of consideration received or receivable. Amount disclosed as revenue are net of trade allowances, rate differences, rebates and service taxes/GST.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been mapped for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and specifics of each arrangement.

Other operational revenue

Other operational revenue represents income earned from activities incidental to the business and income is due when the right to receive the income is established as per the terms of the contract.

Other income

Interest income is accrued on time proportion basis at the applicable interest rate.

The specific recognition criteria described below must also be met before income is recognized:

- i. Interest income from debt instruments is to be recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.
- ii. Dividend income is to be recognized when the right to receive the dividend is established.
- iii. Rent income is to be recognized on a straight-line basis over the period of the lease.
- iv. Advertisement income is to be recognized when the related advertisement or commercial appears before the public.



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Notes forming part of financial statements for the year ended 31st Dec. 2022

2.7 Property, plant and equipment

Property, plant and equipment is carried at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, and non-refundable taxes, duties or levies, and any other directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

All the items of property, plant and equipment are stated at historical cost net off cenvat credit less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Subsequent expenditure

Subsequent costs are to be included in the assets carrying amount or recognized as a separate asset as appropriate only when it is probable that future economic benefits associated with the cost incurred will flow to the company and the cost of the item can be measured reliably the carrying amount of any component accounted for as a separate asset is derecognized when replaced.

Items such as spare parts stand by equipment and services that will meet the definition of property plant and equipment are to be capitalized at cost and appreciated over their useful life.

The cost in nature of repair and maintenance expenses are to be charged to the statement of profit and loss during the reporting period in which they will incur.

Disposal of assets

An item of property, plant and equipment is to be de-recognized upon disposal or even known future economic benefits are expected to rise from the continued use of the Asset. Any gain or loss arising on the disposal or retirement of an item of property plant and equipment is to be determined as the difference between net disposal proceeds and the carrying amount of the Asset and is to be recognized in the statement of profit and loss.

2.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in business combinations are stated at fair value as determined by the management of the Company on the basis of valuation by expert valuers, less accumulated amortisation. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.



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Notes forming part of financial statements for the year ended 31st Dec. 2022

2.9 Depreciation and amortisation

Depreciation is recognised so as to write off the cost of assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful life is taken in accordance with Schedule II to the Companies Act, 2013, except in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Toll road assets are amortized on pro-rata basis over the relevant remaining concession period after the date of completion of project.

2.10 Capital work in progress

Capital work-in-progress is carried at cost less impairment loss, if any. Cost includes direct material costs, direct labour costs, directly attributable costs and all other incidental expenses incurred during the construction till the commencement of commercial operations and borrowing costs capitalised in accordance with the accounting policy of the company.

Other expenses incurred during the construction period which are in the nature of other general overheads or abnormal in nature and are attributable to the asset for arrangement of funds etc for construction are recognised as an expense in the Statement of Pre-operative expenses and shall be capitalized accordingly with CWIP as mentioned below.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation / Amortization on these assets shall be made as and when the assets are ready for their intended use.



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Notes forming part of financial statements for the year ended 31st Dec. 2022

2.11 Investment Property

Investment property is the property that is not occupied by the Company, and which is held to earn rentals or for capital appreciation, or both. Upon initial recognition, an investment property is measured at cost, including directly attributable overheads, if any. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any.

Any gain or loss on disposal of an investment property is to be recognized in profit or loss, unless any other standard specifically requires otherwise.

Company may depreciate the investment property using the straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Act.

The fair value of investment property is to be disclosed in the notes. The Fair value is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

2.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred.

2.13 Leases

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term."

2.14 Preliminary Expenses

As per AS 26 Intangible assets, Preliminary expenses are to be written off as and when incurred.

2.15 Financial instruments

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.



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Notes forming part of financial statements for the year ended 31st Dec. 2022

Subsequent measurement

a) Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in the finance income using the effective interest rate (EIR) method. Impairment gain or loss arising on these assets are recognized in the Statement of Profit & Loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair value through profit or loss.

(iv) Financial liabilities

Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities at FVPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization. Amortization is recognized as finance income in the Statement of Profit and Loss.

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the Statement of Profit and Loss.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Where the terms of a financial liability are re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.



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Notes forming part of financial statements for the year ended 31st Dec. 2022

De-recognition of Financial Liabilities

Financial liabilities are to be de-recognized when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is to be recognized in the Statement of Profit and Loss.

Off-setting financial instruments

Financial assets and financial liabilities are to be off-set and the net amount is to be reported in the balance sheet if there is a currently enforceable legal right to off-set the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b) Share capital

(i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

De-recognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.16 Fair value measurement

The Company has to measure financial assets and financial liability at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participants' ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
 - Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
 - Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
- For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Companies' Valuation team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.



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Notes forming part of financial statements for the year ended 31st Dec. 2022

2.17 Impairment

a) Financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

b) Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.18 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

2.19 Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount can't be made.



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Notes forming part of financial statements for the year ended 31st Dec. 2022

2.20 Taxes

a) Current tax

Current tax expense is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

b) Deferred tax

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

c) Minimum Alternate Tax (MAT)

MAT payable is recognised as an asset in the year in which credit in respect of MAT paid in earlier years becomes eligible and is set off in the year in which the Company becomes liable to pay income taxes at the enacted tax rates as indicated in the Income Tax Act, 1961. Further, a MAT credit is recognised only if there is a reasonable certainty that these assets will be realised in the future and their carrying values are reviewed for appropriateness at each balance sheet date.

d) Sales / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.21 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.22 Segment reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The company has been set up to develop, establish, construct, operate and maintain a project relating to the construction, operation and maintenance of the Mormugao port connectivity project under the "Build-Operate-Transfer" (BOT) Basis and is operating in India, therefore there is one reporting segment only. Accordingly, no disclosure for segment reporting has been made in the financial statements as specified in Companies (Accounts) Rules, 2014.



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Notes forming part of financial statements for the year ended 31st Dec. 2022

2.23 Government grant

Grant received from the government or other authorities towards the capital expenditure are treated initially as Capital Reserve and subsequently adjusted in the carrying value of assets acquired constructed out of these grants.

2.24 Inventories

Consumables, stores and spares are to be valued at lower of cost and net realizable value; cost is computed on Weighted Average basis. The cost of inventories to be comprised of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Obsolete, defective, unserviceable and slow/nonmoving stocks are to be duly provided for. Net realizable value is to be estimated as selling price in ordinary course of business less the estimated cost necessary to make the sale.

2.25 Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially to be recognized at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognized as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are to be measured at amortized cost using the effective interest rate method

Borrowings are to be eliminated from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in statement of profit & loss. The gain / loss is to be recognized in other equity in case of transactions with shareholders.

Borrowings are to be classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

2.26 Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of services rendered in the normal course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment.

2.27 Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost.

2.28 Expenditure

Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities.

2.29 Employee benefits

Defined contribution plan

The Company's contribution to Provident Fund and Employees State Insurance Scheme is to be determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The Company has categorized its Provident Fund, labour welfare fund and the Employees State Insurance Scheme as a defined contribution plan since it has no further obligations beyond these contributions.



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DME DEVELOPMENT LIMITED
G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075
CIN: U45202DL2020GOI368878

Notes forming part of financial statements for the year ended 31st Dec. 2022

Defined benefit plan

The Company's liability towards gratuity, being a defined benefit plan are to be accounted for on the basis of an independent actuarial valuation based on Projected Unit Credit Method. Gratuity liability is funded by payments to the trust established for the purpose.

Service cost and the net interest cost is to be included in employee benefit expense in the Statement of profit and loss. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in 'other comprehensive income' as income or expense.

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are to be treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Companies' liability is to be actuarially determined (using the Projected Unit Credit method) at the end of each year. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are to be recognized in the Statement of Profit and Loss.

2.30 Background of the Company and status of projects

Background of the Company

The company was setup to Promote, Develop, Survey, Establish, Design, Construct, Equip, Operate, Maintain, Modify and Upgrade either alone or jointly with other companies or persons or any other entity, Infrastructure facilities and works in relation to the Delhi-Mumbai Expressway and of any other Highways / Expressways of all descriptions, including. NHAI decided to implement the project through a SPV, therefore, the company (DMEDL) was formed on 29th August 2020, with the shareholding 100% of National Highways Authority of India (NHAI). The authority has resolved to develop the Delhi- Mumbai Expressway in two sections comprising of Delhi to Vadodara from Km. 0.000 to Km. 844.382 and Vadodara to Mumbai from Km. 378.740 to Km. 26.582 of Main Expressway and 03.000 Km. to 79.783 of SPUR of Vadodara Mumbai Expressway by eight lining and SPUR to Delhi from Km. 0.000 to Km. 59.063 Km by six lining, on Engineering, Procurement Construction ("EPC") basis for Section I and Hybrid Annuity Model ("HAM") for the remaining section (the Project) through DME Development Limited. However, till 31st December 2022, more than 95% of Packages have already been awarded and in 38 packages, construction is in process. In Delhi Vadodara corridor, ~93.35% land is in possession and in Vadodara Mumbai corridor, more than 84.27% land is in possession. A concession agreement was entered between the Company and NHAI which conferred the right to the company to implement the project and levy toll/user fee during the concession period after completion of construction.



Notes forming part of financial statements for the year ended 31st Dec. 2022
(All amounts in INR Lakhs, unless otherwise stated)

3. Property, plant and equipment

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Carrying amounts of :		
Computer equipments - Owned	-	-
Furniture and fixtures	-	-
Office equipments	-	-
	-	-

Particulars	Computer equipments - Owned	Office equipments	Total
Cost or deemed cost			
As at 31 March 2022	-	-	-
Additions	-	-	-
Disposals	-	-	-
As at 31st Dec. 2022	-	-	-
Accumulated depreciation			
As at 31 March 2022	-	-	-
Charge for the year	-	-	-
On disposals	-	-	-
As at 31st Dec. 2022	-	-	-
Carrying amount			
As at 31 March 2022	-	-	-
As at 31st Dec. 2022	-	-	-

Capital Work In Progress (Intangible assets)	Construction Work in Progress		Pre-operative Expenditure	
	As At	As At	As At	As At
	31st Dec. 2022	31st March 2022	31st Dec. 2022	31st March 2022
Work in process at the beginning of the year	21,95,079.86	9,86,868.13		-
Un-allocated pre-operative expenditure at the beginning of the year			92,319.71	2,205.87
Capital work in progress during reporting year	6,81,913.86	12,08,211.73	-	-
Un-allocated pre-operative expenditure (Transferred from Note No. 20)	-	-	1,29,773.13	90,113.84
Less: Capital Grant Received	-	-	-	-
Outstanding balance pending for capitalization	28,76,993.72	21,95,079.86	2,22,092.84	92,319.71

As permitted under Ind AS 101, the Company has decided to continue with the carrying values under GAAP for all the property, plant and equipment.

Intangible assets under development aging schedule

Intangible assets under development	Amount in CWIP for a period			> 3 Years
	<1 Years	1-2 Years	2-3 Years	
Project in Progress	8,11,686.99	12,98,326	9,89,074	-
Project temporarily suspended	-	-	-	-



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DME DEVELOPMENT LIMITED
G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075
CIN: U45202DL2020GOI368878

Notes forming part of financial statements for the year ended 31st Dec. 2022
(All amounts in INR Lakhs, unless otherwise stated)

4. Other financial assets

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Other financial assets (at fair value through profit or loss)		
Current	-	-
Non-Current	-	-
Unsecured-Considered Good		
Amount recoverable from related parties (refer note 23)	-	-
Current	-	-
Non-Current	-	-
Fixed Deposits with Banks (original maturity more than three months but less than a year)	-	-
Total other financial assets (at amortised cost)	-	-
Total	-	-

5. Other assets

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Unsecured-Considered Good		
Current		
Advances for deposit work	-	-
Advances to vendors (GST paid in advance on loan processing fee)	10.12	18.05
Mobilisation advance to vendors	-	-
Security Deposits	1.50	1.50
Recovery Expense Fund (in favour of Stock Exchange @0.01% of Issue size subject to maximum Rs 25.00 lakhs)	25.00	25.00
Inter-companies balances	-	-
Accrued Interest	2.74	6.08
Prepaid Expenses	37.34	0.02
Advance tax and TDS (net of provision for income tax)	2.92	249.97
GST Input Tax Credit	388.34	352.35
Balance with NHAI, for construction (holding entity)	-	1,78,620.14
Total Current Other Assets	467.97	1,79,273.11
Non-Current		
Advances to vendors (GST paid in advance on loan processing fee)	-	-
Mobilisation advance to vendors	-	-
Security Deposits	-	-
Recovery Expense Fund (in favour of Stock Exchange @0.01% of Issue size subject to maximum Rs 25.00 lakhs)	-	-
Total Non Current Other Assets	-	-

6. Cash and cash equivalents

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Balances with banks:		
- Bank balances	1,151.22	9,198.58
- Imprest	0.10	0.10
- Deposits with original maturity of less than three months	-	-
Cash on hand	-	-
Total	1151.32	9198.68

Details of Bank accounts

Particulars	Nature of Account	As At	As At
		31st Dec. 2022	31st March 2022
BANK OF BARODA ESCROW ACCOUNT	ESCROW ACCOUNT	-	1,443.84
AXIX BANK ACCOUNT	ESCROW ACCOUNT	5.94	550.34
BANK OF INDIA	ESCROW ACCOUNT	-	3.75
BANK OF MAHARASHTRA	ESCROW ACCOUNT	-	802.59
CENTRAL BANK OF INDIA	ESCROW ACCOUNT	-	3.80
KARNATAKA BANK	ESCROW ACCOUNT	-	-
INDIAN OVERSEAS BANK	ESCROW ACCOUNT	0.20	3.75
STATE BANK OF INDIA	ESCROW ACCOUNT	-	-
CANARA BANK	CURRENT ACCOUNT	-	-
CANARA BANK	FLAXI ACCOUNT	-	-
PUNJAB NATIONAL BANK	ESCROW ACCOUNT	54.09	0.29
AXIX BANK ACCOUNT	FLAXI ACCOUNT	721.74	5,471.99
BANK OF MAHARASHTRA	FLAXI ACCOUNT	108.65	1,050.83
BANK OF MAHARASHTRA	CURRENT ACCOUNT	260.18	0.05
AXIX BANK ACCOUNT	CURRENT ACCOUNT	0.42	(132.66)
		1,151.22	9198.58



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Notes forming part of financial statements for the year ended 31st Dec. 2022
(All amounts in INR Lakhs, unless otherwise stated)

7. Share capital

a. Equity share capital

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Authorised		
3,00,00,00,000 equity shares of INR 100/- each	30,00,000.00	30,00,000.00
	30,00,000.00	30,00,000.00
Issued, subscribed and fully paid-up		
414400000(313300000) equity shares of INR 100/- each	4,14,400.00	3,13,300.00
Total	4,14,400.00	3,13,300.00

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Equity shares		
Number of Share At the commencement of the year	31,33,00,000	10,82,00,000
Issue of shares during the period	10,11,00,000	20,51,00,000
Total Number of Share for Corrospending period.	41,44,00,000	31,33,00,000
Value of Share At the commencement of the Period	3,13,300	1,08,200
Issue of shares during the period	1,01,100	2,05,100
Total Value of Share for Corrospending	4,14,400	3,13,300

Rights, preferences and restrictions attached to equity shares

The company has only one class of shares i.e. equity shares having a par value of Rs. 100/- each holder of equity shares is entitled to one vote per share. The equity shareholders of the company are entitled to get the dividend as and when proposed by the Board of Directors and approved by shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

Particulars of shareholders holding more than 5% shares of a class of shares

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Equity shares of Rs. 100 each fully paid		
National Highway Authority of India (NHAI)		
Number of Share	41,43,99,994	31,32,99,994
% of total shares in the class	99.99999%	99.99999%

Details of shares held by Promoters

PARTICULARS	As At	As At
	31st Dec. 2022	31st March 2022
Promoter name : NHAI Equity [NV: 100.00]		
Shares at beginning		
Number	313299994.00	108199994.00
%	100.00	100.00
Shares at end		
Number	414399994.00	313299994.00
%	100.00	100.00
% Change	-	-



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Notes forming part of financial statements for the year ended 31st Dec. 2022
(All amounts in INR Lakhs, unless otherwise stated)

8. Other equity

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Surplus in the Statement of Profit and Loss		
At the commencement of the year	(215.82)	(203.51)
Add: Profit / (Loss) for the year	(10.15)	(12.31)
At the end of the year	(225.97)	(215.82)
Total	(225.97)	(215.82)

Nature of reserves:

9. Share application money pending allotment

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Pending Application Money	13,000	-
Total	13,000	-

10. Borrowings

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Unsecured (against letter of comfort issued by NHAI)		
Taxable Bonds - Series -I issued to QIBs (Secured, Non-Convertible, Non-Cumulative)	5,00,000.00	5,00,000.00
Loan from Banks	20,58,088.97	16,58,099.00
Interest accrued & due on borrowings (refer note 23)	-	-
Total	25,58,088.97	21,58,099.00

Taxable Bonds - Series -I issued to QIBs				
Information Memorandum (IM)				
Date of Information Memorandum				14.03.2022
Type of Information				Private Placement
Nature of Securities				Secured Debentures
Number of Securities				5,000.00
Price (Crore)				1.00
Amount of Securities (in Crore)				5,000.00
Issue Size (in Crore)				1,000.00
Green Shoe (in Crore)				4,000.00
Coupon Rate				6.85% p.a. (Liked to 3-Month T-Bill)
Redemption dates	Each Bond will comprise of 10 detachable STRPPs (Separately Transferrable Redeemable Principal Parts) redeemable at par in 10 equal instalments of Rs. 10 lakhs each at the end of every year starting from end of 6th year from the Deemed Date of Allotment.			
Investors to the Issue (in crore)	Birla Sunlife Mutual Fund			3,000.00
	Morgan Stanley India Primary Dealer Pvt Ltd			1,000.00
	Axis Mutual Fund			510.00
	ICICI Bank Ltd			350.00
	Others			140.00
Listed on Wholesale Debt Market (WDM)				NSE
Trustee of the Issue				SBI Trustee Company
Registrar and Share Transfer Agent to the Issue				Bigshare Services Pvt Ltd
Credit Ratings	India Rating & Research Pvt Ltd			IND AAA / Stable
	CARE Ratings Limited			CARE AAA / Stable
	CRISIL			CRISIL AAA / Stable
NOTE:- OTHER DETAILED TERMS & CONDITIONS WILL BE AS PER PRIVATE PLACEMENT INFORMATION MEMORANDUM EXECUTED AT THE TIME OF PRIVATE PLACEMENT.				



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DME DEVELOPMENT LIMITED
G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075
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Notes forming part of financial statements for the year ended 31st Dec. 2022
(All amounts in INR Lakhs, unless otherwise stated)

DETAIL OF TERM LOANS					
NAME OF LENDER	FALICITY	PURPOSE	AMOUNT OF LOAN DISBURSED DURING THE PERIOD		RATE OF INTEREST
			Period Ended	Year ended	
			31st Dec. 2022	31st March 2022	



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DME DEVELOPMENT LIMITED

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Notes forming part of financial statements for the year ended 31st Dec. 2022

(All amounts in INR Lakhs, unless otherwise stated)

BANK OF MAHARASHTRA	TERM LOAN (Sanctioned ₹ 1700 Crore And outstanding ₹ 1700.00 Crore)	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	-	70000	0.10% above our 1 month MCLR ie, presently 6.90%+0.10%=7.00% P.A with monthly rest. MCLR to be reset at monthly Interval.	Repayment period will start from 31-10-2024 within 28 installments as per repayment sechedule as mentioned in sanction letter.
BANK OF INDIA	TERM LOAN (Sanctioned ₹ 5000 Crore And outstanding ₹ 2200 Crore)	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	100000	120000	0.35% over our overnight MCLR (prevailing 6.65%) presently effective 7.00% p.a	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedule as mentioned in sanction letter.
CENTRAL BANK OF INDIA	TERM LOAN (Sanctioned ₹ 2500 Crore And outstanding ₹ 1400 Crore)	DEVELOPMENT OF GREEFIELD EXPRESSWAY CONNECTING DELHI AND MUMBAI VIA VARODARA WITH DOOR TO DOOR TENOR OF 17 YEARS - 204 MONTHS (COMPRISING IMPLEMENTATION PERIOD OF 26 MONTHS, MORATORIUM OF 12 MONTH AND ACTUAL REPAYMENT OF 166 MONTHS	20000	120000	ROI LINKED WITH MCLR (3M) I.E 6.85% P.A AT PRESENT.	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedule as mentioned in sanction letter.
BANK OF BARODA	TERM LOAN (Sanctioned ₹ 5000 Crore And outstanding ₹ 2850 Crore)	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	20000	265000	One Month MCLR without strategic Premium ie 7.00% p.a at present with monthly reset of MCLR	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedule as mentioned in sanction letter.
INDIAN OVERSEAS BANK	TERM LOAN (Sanctioned ₹ 500 Crore And outstanding ₹ 400 Crore)	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	20000	20000	1 month MCLR 6.85%	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedule as mentioned in sanction letter.



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DME DEVELOPMENT LIMITED

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Notes forming part of financial statements for the year ended 31st Dec. 2022

(All amounts in INR Lakhs, unless otherwise stated)

KARNATAKA BANK	TERM LOAN (Sanctioned ₹ 500 Crore And outstanding ₹ 400 Crore)	Construction of greenfield Expressway Delhi & Mumbai via Vadodara (8 lane greenfield expressway with provision to expand 12 lanes) under Hybrid Annuity Model.	20000	20000	Three Month T-Bill rate prevailing on the date of availment of term loan plus applicable spread, with an effective rate of interest of 6.85% P.A. Interest to be reset quarterly	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedule as mention sanction letter.
STATE BANK OF INDIA	TERM LOAN (Sanctioned ₹ 9000 Crore And outstanding ₹ 7500 Crore)	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1312 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	200000	50000	The rate of Interest for the loan facility will be based pricing linked to 6 month MCLR of SBI (same presently being @ 6.95% p.a	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedule as mentioned in sanction letter.
UCO BANK	TERM LOAN (Sanctioned ₹ 1000 Crore And outstanding ₹ 400 Crore)	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	20000	20000	One Month MCLR i.e. 6.85% p.a. at prasant with monthly rests. Interest to be serviced as and when due.	Repayment period will start from 31-03-2025 within 28 installments as per repayment sechedule as mentioned in sanction letter.
AXIS BANK	TERM LOAN (Sanctioned ₹ 1000 crore And outstanding ₹ 931 crore.	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	-	-	The rate of interest for the Loan facility will be based on pricing linked to 6-month MCLR of SBI, it will changes time to time as per term & Condition of sanction letter.	Repayment period will start from 30-09-2024 with in 28 instrallment as per repayment sechedule as mentioned in sanction letter.
PUNJAB NATIONAL BANK	TERM LOAN (Sanctioned ₹ 2800 crore And outstanding ₹ 2800 crore.	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	-	-	7.00% p.a. linked with 3 month MCLR as of Mar '2021 i.e. 6.90% + 0.10% chargeable at monthly intervals, which shall be serviced on 1st day of the next month. Rate of Interest of PNB shall not lower than the rate of interest of any lenders for the 1st year of debt requirement of the company. Further charges of PNB shall not be lower than any of these lenders. In case any downgradation in external risk rating, Bank has right to review its ROI & Service charges.	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedule as mention sanction letter.



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Notes forming part of financial statements for the year ended 31st Dec. 2022

(All amounts in INR Lakhs, unless otherwise stated)

NOTE:- (i) OTHER DETAILED TERMS & CONDITIONS WILL BE AS PER SANCTION LETTER EXECUTED BY ALL BANKS AT THE TIME OF LOANS GRANTED.

Utilization of Borrowed Funds :-

All the abovementioned loans are utilized for their specific purpose.

Registration of Charges or satisfaction with Registrar of Companies

Registration of charges have been created on all secured loans by the respective banks and same have been registered with RoC and these are displaying at portal of Ministry of Corporate affairs as on date.

11. Other financial liabilities

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Other financial liabilities at amortised cost		
Non Current		
Interest accrued on borrowings	-	-
Retention Money	-	-
Payable to related parties	-	-
Expenses Payable	-	-
Payable towards purchase of property, plant and equipment	-	-
Total Non Current Other Financial liabilities	-	-
Current		
Interest accrued on borrowings	2,080.00	4,318.84
Retention Money	-	-
Payable to related parties	-	-
Expenses Payable	22.50	-
Payable towards purchase of property, plant and equipment	-	-
Total Current Other Financial Liabilities	2,102.50	4,318.84

12. Other Liabilities

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Non Current		
Earnst Money Deposit	-	-
Income Tax Provision	-	-
Statutory liabilities	-	-
Stamp Duty payable	-	-
Total Non Current Other Liabilities	-	-
Current		
Earnst Money Deposit	-	-
Statutory liabilities	17.81	21.28
Stamp Duty payable	101.10	313.30
Total Current Other Liabilities	118.91	334.58

13. Trade payables

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Trade payables		
- Due to micro and small enterprises*	0.23	1.51
- Others	1,13,300.60	109.08
Total	1,13,300.83	110.59

AS ON 31-12-2022			
PARTICULARS	STANDING FOR FOLLOWING FROM DUE DATE OF PAYM		
	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS
1) MSME	0.23	-	-
2) OTHER	1,13,300.60	-	-
3) DIPUTED DUES - MSME	-	-	-
4) DIPUTED DUES - OTHER	-	-	-



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DME DEVELOPMENT LIMITED

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Notes forming part of financial statements for the year ended 31st Dec. 2022

(All amounts in INR Lakhs, unless otherwise stated)

AS ON 31-03-2022					
PARTICULARS	OUTSTANDING FOR FOLLOWING FROM DUE DATE OF PAYMENT				
	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS		TOTAL
1) MSME	1.51	-	-		1.51
2) OTHER	109.08	-	-		109.08
3) DIPUTED DUES - MSME	-	-	-		-
4) DIPUTED DUES - OTHER	-	-	-		-

*The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, the amounts payable to Micro and Small Enterprises as at 31st Dec' 2022 has been disclosed.



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Notes forming part of financial statements for the year ended 31st Dec. 2022
(All amounts in INR Lakhs, unless otherwise stated)

14. Other income

Particulars	Period ended	Year ended
	31st Dec. 2022	31st March 2022
Interest Income		
From Banks on Flexi linked deposits	42.17	3,557.78
From Income tax refund	10.00	-
Misc. receipts	-	-
Total	52.17	3,557.78
Less: Transferred to Pre-operative expenditure (in terms of Ind AS-23)	42.17	3,557.78
Balance transferred to the Statement of Profit & Loss	10.00	-

15. Employee benefits expense

Particulars	Period ended	Year ended
	31st Dec. 2022	31st March 2022
Salaries and wages*	4.20	-
Staff welfare expenses	-	-
Incentive	0.10	-
Total	4.30	-
Less: Transferred to Pre-operative expenditure (in terms of Ind AS-23)	-	-
Balance transferred to the Statement of Profit & Loss	4.30	-

* A company secretary is appointed as an employee in the Company during the period. All other workforce is working for the Company on deputation made by the NHAI from its staff on additional charge and / or outsourced employees are engaged in the company. No other employee in the company except a company secretary as on date.

16. Finance costs

Particulars	Period ended	Year ended
	31st Dec. 2022	31st March 2022
Interest on Term Loans	99,249.68	89,861.38
Interest on Bond/Debentures to QIBs (Financial Institutions)	30,352.05	1,501.37
Loan Processing Fees	-	1,886.80
Inspection Charges	-	0.44
Total	1,29,601.74	93,249.99
Less: Transferred to Pre-operative expenditure (in terms of Ind AS 23)	1,29,601.74	93,249.99
Balance transferred to the Statement of Profit & Loss	-	-



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DME DEVELOPMENT LIMITED
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Notes forming part of financial statements for the year ended 31st Dec. 2022

(All amounts in INR Lakhs, unless otherwise stated)

17. Other expenses

Particulars	Period ended	Year ended
	31st Dec. 2022	31st March 2022
Internal audit fee	0.68	0.90
Legal and professional charges	73.93	165.34
Auditors' remuneration [Refer note (i)]	2.74	1.85
Printing & Stationary	-	-
Stamp Duty Charges	101.10	209.20
NCNCR Bonds / Debentures Issue Expenses	1.65	27.42
Bank charges	44.39	30.06
LEI Renewal Fee	-	0.03
Diwali Incentive	0.70	0.10
Rates & Taxes [Refer note (ii)]	0.44	0.79
Vehicle Hiring Charges	4.75	-
Conveyance Charges	0.43	-
Advertisement Expenses	1.78	-
Miscellaneous Expenses	0.38	2.57
Total	232.97	438.26
Less: Transfer to Pre-operative expenses (in terms of Ind AS-23)	213.56	421.63
Balance transferred to the Statement of Profit & Loss	19.41	16.64

(i) Payments to the auditors comprises (net of service tax input credit/GST, where applicable):

Particulars	Period ended	Year ended
	31st Dec. 2022	31st March 2022
As Statutory Auditors:		
Statutory audit fee	1.91	1.85
Other Services	0.84	-
Total	2.74	1.85

(ii) Rates & Taxes:

Particulars	Period ended	Year ended
	31st Dec. 2022	31st March 2022
IGST INPUT (NOT CLAIMABLE DUE TO REGISTRATION)	-	0.27
INTEREST ON TDS	-	0.19
RCM WITH NO INPUT RECEIVABLE	0.21	0.05
ROC FILING FEES	0.23	0.29
Total	0.44	0.79



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Notes forming part of financial statements for the year ended 31st Dec. 2022

(All amounts in INR Lakhs, unless otherwise stated)

18. Current Tax

The major components of income tax expense for the period ended 31 Dec 2022 are as follows

Profit and Loss section

Particulars	Period ended	Year ended
	31st Dec. 2022	31st March 2022
Current tax charge	-	-
Income tax expense reported in the Statement of Profit and Loss	-	-

Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	Period ended	Year ended
	31st Dec. 2022	31st March 2022
Accounting profit before income tax	(13.71)	(16.64)
At statutory income tax rate (Current year 26% (P.Y 26%))	-	-
Earlier year tax adjustment	-	-
Others- Interest on Income Tax	-	-
Income reported in the Statement of Profit and Loss	(13.71)	(16.64)



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Notes forming part of financial statements for the year ended 31st Dec. 2022

(All amounts in INR Lakhs, unless otherwise stated)

Deferred tax

Particulars	Period ended	Year ended
	31st Dec. 2022	31st March 2022
Deferred tax asset relates to the following:		
Opening balance	75.83	71.50
Timing Difference due to loss as per income tax act and company act	(13.71)	(16.64)
Total deferred tax asset on above timing difference(A) @ 26%	3.56	4.33
Deferred tax liability relates to the following:	-	-
Net deferred tax assets/(liability) (A-B)	79.38	75.83

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The details of tax assets / (liabilities) (net) as at Dec 31, 2022 are as follows:

Particulars	Period ended	Year ended
	31st Dec. 2022	31st March 2022
NON-CURRENT TAX ASSETS (NET)		
Tax assets		
Deferred Tax Assets	79.38	75.83
Tax liabilities		
Income tax payable	-	-
	79.38	75.83

19. Other Comprehensive Income (OCI) section

Particulars	Period ended	Year ended
	31st Dec. 2022	31st March 2022
Remeasurements of defined benefit plans	-	-
Income tax charged to OCI	-	-



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Notes forming part of financial statements for the year ended 31st Dec. 2022

(All amounts in INR Lakhs, unless otherwise stated)

20: Statement of Pre Operative Expenses
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No	Period ended	As At
		31st Dec. 2022	31st March 2022
INCOME			
Other Income		42.17	3,557.78
Total income		42.17	3,557.78
EXPENSES			
Employee benefits expense	15	-	-
Finance costs	16	1,29,601.74	93,249.99
Depreciation and amortisation expense	17	-	-
Other expenses	18	213.56	421.63
Total expenses		1,29,815.30	93,671.62
Pre-operative expenditure for the year (net)		1,29,773.13	90,113.84
Provision for Income Tax		-	-
Prior Period Adjustment		-	-
Brought Forward from last year		-	-
Carried forward to capital work in progress		1,29,773.13	90,113.84



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DME DEVELOPMENT LIMITED
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Notes forming part of financial statements for the year ended 31st Dec. 2022
(All amounts in INR Lakhs, unless otherwise stated)

21. RATIOS	As At 31st Dec. 2022	As At 31st March 2022
a) Current Ratio	1,619 <hr/> 1,15,522 0.01	1,88,472 <hr/> 4,764 40
b) Debt Equity Ratio	25,58,089 <hr/> 4,27,174 5.99	2158098.995 <hr/> 313084.1778 6.89
c) Debt Service Coverage ratio	NIL	NIL
d) Return on Equity Ratio	NIL	NIL
e) Inventory Turnover ratio	NIL	NIL
f) Trade receivables turnover ratio	NIL	NIL
g) Trade payables turnover ratio	NIL	NIL
h) Net Capital turnover ratio	NIL	NIL
i) Net profit ratio	NIL	NIL
j) Return on Capital employed,	NIL	NIL
k) Return on Investment	NIL	NIL
l) interest service coverage ratio	NIL	NIL
m) outstanding redeemable preference shares (quantity and value)	NIL	NIL
n) capital redemption reserve/debenture redemption reserve	NIL	NIL
o) net worth	4,27,174.03	3,13,084.18
p) net profit after tax	-9.3	-12.31
q) earnings per share	NIL	NIL
r) long term debt to working capital	NIL	NIL
s) bad debts to Account receivable ratio	NIL	NIL
t) current liability ratio	71.34	0.03
u) total debts to total assets	0.82	0.87
v) debtors turnover	NIL	NIL
w) Operating margin (%)	NIL	NIL



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x) Net profit margin (%)	NIL	NIL
y) sector specific equivalent ratios, as applicable	NIL	NIL

Note:- Since the company has neither statrted its earnings from commercial operations nor did it has any turnover till date, thus ratios from c to n are not relevant. Hence mentioned as Nil.



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DME DEVELOPMENT LIMITED
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Notes forming part of financial statements for the year ended 31st Dec. 2022
(All amounts in INR Lakhs, unless otherwise stated)

22. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
Profit attributable to equity holders for basic earnings	(10.15)	(12.31)
Profit attributable to equity holders for the effect of dilution	(10.15)	(12.31)
Weighted average number of equity shares for basic EPS	26,24,88,219	23,12,60,000
Weighted average number of equity shares adjusted for the effect of dilution	26,24,88,219	23,12,60,000
Basic EPS (absolute value in INR)	(0.00)	(0.01)
Diluted EPS (absolute value in INR)	(0.00)	(0.01)



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Notes forming part of financial statements for the year ended 31st Dec. 2022
(All amounts in INR Lakhs, unless otherwise stated)

23. Related party transactions

In the normal course of business, the Company enters into transactions at arm's length with affiliated companies, its ultimate holding company and key managerial personnel.

The names of the related parties of the Company and the nature of relationship is as follows:

S.No.	Nature of relationship	Name of the party
a.	Enterprise having substantial interest in the Company	National Highway Authority of India holding (with its nominees) 99.9999% share capital
b.	Key management personnel of the Company	Independent Directors: Mrs. Sudha Damodar (w.e.f. 23.12.2022 & Continue as an Independent Director Directors: Mr. Amit Kumar Ghosh (w.e.f. 22.09.2020 & continue) Mr. Manoj Kumar (w.e.f. 29.08.2020 & continue) Mr. Syed Qamar Ahmed (w.e.f. 29.08.2020 till 30.11.2022) Mr. Shashibhushan Dipnarayan Mandal (w.e.f. 07.12.2021 & continue) Mr. Nrvvmk Rajendra Kumar (wef. 16.02.2022 & Continue) Mr. Ananta Manohar (w.e.f 23.12.2022 & Continue) Chief Financial Officer: ANANTA MANOHAR (w.e.f. 23.06.2022 & Continue) Chief Executive Officer Mr. Shashibhushan Dipnarayan Mandal (w.e.f. 23.12.2022 & continue) Company Secretary Mrs. Prachi Mittal (Appointed on 01.06.2022 & continue)

Disclosure of transactions between the Company and related parties and the status of outstanding balances are as under:

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
a. Enterprise having substantial interest in the Company -	NHAI	NHAI
Transactions during the year		
Equity share issued	1,01,100.00	2,05,100.00
Pending Share application Money	13,000.00	-
Loan taken from NHAI	-	-
Interest accrued on Loan	-	-
Reimbursement of expenses (Paid to NHAI)	-	-
Expenditure Incurred by NHAI on the behalf of DME	6,81,913.86	12,08,211.73
Balance outstanding as at the year end		
Loan outstanding from NHAI	-	-
Interest Accrued (NHAI)	-	-
Amount Deposited to NHAI for Expenses	-	1,78,620.14
Amount Payable to NHAI for Expenses	1,13,293.72	-
d. Key management personnel		
Salary & Incentive to Ms. Prachi Mittal Company secretary	4.30	-
Independent Director's Sitting Fees	-	-



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Notes forming part of financial statements for the year ended 31st Dec. 2022

(All amounts in INR Lakhs, unless otherwise stated)

24. Fair values

The carrying values of the financial instruments by categories is as follows:

Particulars	As At	As At
	31st Dec. 2022	31st March 2022
FINANCIAL ASSETS		
Financial assets measured at amortised cost		
Cash and cash equivalents	1,151.32	9,198.68
Other financial assets		-
Total	1,151.32	9,198.68
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
Borrowings	25,58,088.97	21,58,099.00
Trade payables	1,13,300.83	110.59
Other financial liabilities	2,102.50	4,318.84
Total	26,73,492.29	21,62,528.43



Notes forming part of financial statements for the year ended 31st Dec. 2022
(All amounts in INR Lakhs, unless otherwise stated)

25. Financial risk management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely market risks, liquidity risk and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management policy and framework. These are periodically reviewed by the senior management of the Company to identify and assess key risks and formulate strategies for mitigation of those risks. The Audit Committee is not formed yet, hence board of director provides the overall direction on risk management and oversees the Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from the changes in foreign currency exchange rates, interest rates and price risk. The Company is not exposed to any market risk due to non existence of any transaction in foreign currency.

(i) Foreign currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not exposed to the risk of changes in foreign exchange rates due to non existence of any transaction in foreign currency.

(ii) Price risk

The company is not exposed to price risk due to non existence of any investment in market.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company does not have any significant items related to interest rate risk therefore it is not impacted by interest rate risk.



Notes forming part of financial statements for the year ended 31st Dec. 2022

(All amounts in INR Lakhs, unless otherwise stated)

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

(i) Trade receivables

Concentration of credit risk with respect to trade receivables are limited. All trade receivables are reviewed and assessed. Historical experience of the Company for collecting receivables is that credit risk is low. Refer note 2.15 for accounting policy on impairment of trade receivables.

Customer credit risk is being driven by Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes. The Company does not hold collateral as security for the period ended 31st December' 2022. Considering the nature of operations, the Company evaluates the concentration of risk with respect to trade receivables as low.

The management believes that the trade receivables of on 31st December' 2022 are not subject to any credit risk. Accordingly, no credit losses are being accounted for.

(ii) Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 December 2022 is the carrying amounts of balances with banks.



Notes forming part of financial statements for the year ended 31st Dec. 2022

(All amounts in INR Lakhs, unless otherwise stated)

(c) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the period ended 31st December' 2022 . Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company's treasury function reviews the liquidity position on an ongoing basis. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Carrying amount	Contractual cash flow	0-1 year	1-5 years	More than 5 years
As at 31st December 2022					
Borrowings	25,58,088.97	25,58,088.97	-	1,03,125.00	24,54,963.97
Trade payables	1,13,300.83	1,13,300.83	1,13,300.83	-	-
Other financial liabilities	2,102.50	2,102.50	2,102.50	-	-
Other Liability	118.91	118.91	118.91	-	-
Total	26,73,611.21	26,73,611.21	1,15,522.24	1,03,125.00	24,54,963.97

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

26. A) Contingent Liabilities

No other provision is recognized for liabilities where future outcome cannot be ascertained with reasonable certainty. Such liabilities are treated as contingent and disclosed by way of Notes to the Accounts.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

27. B) Capital Commitments

B1. The company is committed to provide total funds of Rs 53,849.00 Crore to NHAI for construction of Delhi-Mumbai Expressway and till date, the company has incurred the sum of Rs 30,990.87 Crore. Total pending commitments for the remaining period for the F.Y. 2022-23 and F.Y. 2023-24 is of Rs. 22,858.13 Crore.



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Notes forming part of financial statements for the year ended 31st Dec. 2022
(All amounts in INR Lakhs, unless otherwise stated)

28. In view of the Circular No.150/06/2021-GST from Ministry of Finance, the outward supply of the Company is taxable as forward charges under the Central Goods and Services Tax'2017. Consequently, annuity receivables from NHA shall be subject to Goods & Service Tax as forward charge as and when it accrues in future. Therefore, accumulation of the Input tax credit on inward supply being received by the company will be utilised against such duty on supplies in future. Therefore, accumulation of the Input tax credit will be parked in current assets for setting off in future.

29. The Management has reviewed various pending legal compliances which were required to be done during the FY 2022-23 but still pending / done after the balance sheet date. The Status of such compliances are as under:

i. *The Formation of the Audit Committee u/s 177 of the companies Act'2013 and Nomination & Remuneration Committee u/s 178 of the Companies Act' 2013 due to delay in appointment of 2nd Independent Director u/s 149 of the Companies Act 2013 and read with Rules 4 & 5 of the Companies (Appointment and Qualification of Directors) Rules 2014 could not be made till date.*

ii. The Company is required to carry out Corporate Social Responsibility activities i.e., CSR activities by complying one of the conditions as laid down u/s 135 for all activities as stated in schedule-VII of the companies Act'2013. However, in view of no commercial activities or no profit earned till date, thus the company is not required to carry out its obligation of CSR Activities as on date.

iii. *The company could not submit an application for compounding before Regional Director due to delay in holding first annual general meeting for the financial year 2019-2020 on 22.03.2021. It was due to be held till 31.12.2020.*

iv. *The company has moved request applications before the National Stock Exchange of India Limited for waiver of fines & penalties of Rs 4.41 lakhs imposed by it due to delay in submission of various informations in terms of regulations 52(1)(2), 52(4)54(2)(3) of the Stock Exchange. These are still pending before the National Stock Exchange of India Limited as on date.*

30. No provision has been made for Gratuity, Leave Encashment and other Retirement Benefits to Company's employees, since the company does not have any such employee as on date.

31. In the opinion of the Management, Financial Instruments are stated at the value, which if realized, in the ordinary course of the business, would not be less than the amount mentioned.

32. Company has issued, Secured, Non-Convertible, Non-Cumulative Redeemable Taxable Bonds in the nature of Debentures of Face Value of Rs 1.00 Crore comprising of 10 Strips of the Value of Rs of Rs. 10.00 lakhs each at par aggregating to total issue size not exceeding Rs 5000.00 crore, which is repayable on demand as per listing agreement, these debentures are listed on NSE, As per the Companies Act 2013, Debenture Redemption Fund is required to be created by the company, but due to insufficient profit, no fund is transferred to it during the year.

33. Expenses / Income relating to earlier period

	Current Year	Previous Period
Income	Nil	Nil
Expenditure	Nil	5.94

34. The company has no benami property as on balance sheet date. Hence no proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 and rules made thereunder.

35. The company has not made any transaction with any company struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act 1956 during the year.

36. The mangement of the company assure that the company is never declared as wilful defaulter by any bank or financial institution or any other lender.

37. Previous period figures have been regrouped and rearranged to make them comparable with the current period figures.

For SINGH HARBEER & ASSOCIATES

Chartered Accountants
Firm Regn No: 017247N

(Harbeer Singh)
Partner
M.No. 093542

For and on behalf of Board


(SHASHIBHUSHAN)
Director & CEO
DIN: 09428273


(ANANTA MANOHAR)
Director & CFO
DIN: 08275536

Place : New Delhi

Date : 14.02.2023

UDIN: 23093542B6VT055406


PRACHI MITTAL
COMPANY SECRETARY