

# FIRST ANNUAL REPORT

**FY 2020-2021**

## **BOARD OF DIRECTORS**

1. Sh. NRVVMK Rajendra Kumar, Member (Fin), NHAI – Chairman
2. Sh. Amit Kumar Ghosh, IAS, AS (H), MoRTH-Director
3. Sh. Manoj Kumar, Member (Project), NHAI-Director
4. Sh. Shashi Bhushan– GM (T), Bharatmala
5. Sh. S.Q Ahmad – GM (Fin/SPV), NHAI-Director

## **STATUTORY AUDITORS**

M/s. SINGH HARBEER & ASSOCIATES  
CHARTERED ACCOUNTANTS  
7, LGF, SHRASHTA VIHAR, NEW DELHI - 110092

## **SECRETARIAL AUDITORS**

M/s. JALAJ SRIVASTAVA & ASSOCIATES  
COMPANY SECRETARIES  
GEM BUSINESS CENTRE, 104, FIRST FLOOR,  
86, NEHRU PLACE  
NEW DELHI-110019

## **REGISTERED OFFICE**

NHAI CORPORATE OFFICE  
PLOT NO. G-5 & 6, SECTOR-10, DWARKA,  
NEW DELHI-110 075

### NOTICE- Agenda Items

**NOTICE** is hereby given that the 1st Annual General Meeting of the Members of "**DME DEVELOPMENT LIMITED**" will be held on **Monday, the 28th March 2022 at 11:00 A.M.** at **shorter notice** through Video Conferencing (VC)/ Other Audio Video Means (OAVM) facility to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements as defined u/s 2(40) of the Companies Act, 2013 consisting of Audited Balance Sheet as at 31<sup>st</sup> March 2021, Statement of Profit and Loss for the period ended on that date, Cash Flow Statement for the period ended on that date and Reports of the Board of Directors and the Statutory Auditors and the comments of C&AG and management replies thereto.
2. To appoint Director in place of Shri S.Q. Ahmad (DIN: 08275536) who retires by rotation and being eligible offers himself for re-appointment.
3. To fix the remuneration of the Statutory Auditors appointed by the Comptroller & Auditor General of India (C&AG) for the Financial Year 2021-22.

To consider and if thought fit, to pass with or without modification(s), the following resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 138, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Harbeer Singh & Associates, Chartered Accountants (ICAI Firm Registration No. FRN 017247N), who have been appointed as Statutory Auditors by the Comptroller and Auditor General of India (CAG) for the financial year 2021-22 and from whom written consent to act as statutory Auditors along with the certificate pursuant to Section 138(1) of the Companies Act, 2013 ("Act") read with Rule 4 of Companies (Audit and Auditors) Rules, 2014 has been received and who have confirmed their eligibility in terms of provisions of Section 141 of the Companies Act, 2013, be and are hereby approved to be appointed as the Statutory Auditors of the Company upto the conclusion of the 2nd Annual General Meeting of the Company to be held in the year 2022 at a fees of Rs. 1,10,000/- (Rs One Lakh Ten thousand only) (excluding GST).

By the order of the Board of Directors  
For DME DEVELOPMENT LIMITED



(S.Q. Ahmad)  
Director  
DIN: 08275536

Place: New Delhi  
Date: 25.03.2022

Distribution:- All Shareholders  
Directors  
Statutory Auditors

**NOTE:**

1. In View Of The Continuing Covid 19 Pandemic, The Ministry Of Corporate Affairs (Mca) Has Vide Its Circular Dated 13th January 2021 Read With Circulars Dated 5 May 2020, 8 April, 2020 And 13 April, 2020 (Collectively Referred As Mca Circulars) Permitted Holding Of The Annual General Meeting (Agm) Through Vc/Oavm Facility Without The Physical Presence Of The Members At The Common Venue. In Compliance With The Provisions Of The Mca Circulars, The Agm Of The Company Is Being Conducted Through Vc/Oavm Herein After Called As E-Agm.
2. The deemed venue for the 1st AGM shall be the Registered Office of the Company at G-5 & 6, NHAI Building, Dwarka Sector-10, New Delhi- 110075.
3. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this notice.

## DIRECTORS REPORT

To  
All The Members,  
DME Development Limited

Your Directors are pleased to present the 1<sup>st</sup> Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended March 31, 2021 and Auditors' Report thereon on behalf of the Board of Directors.

### **Background & Operations:**

DME Development Limited (DMEDL) has been registered on 29 August 2020 as a Special purpose vehicle (SPV) to finance the construction and operation of the Delhi-Mumbai Expressway as per the concession agreement executed between NHAI and DMEDL which covers a length of 1277 kilometers. The project is being executed in 52 packages, out of which 31 are under Engineering, Procurement and Construction model or EPC projects (Sohna-Vadodara segment) while the remaining 21 are Hybrid Annuity Model or HAM projects. The HAM Model is a hybrid or mixture of EPC Model and BOT Model in which the Government of India will pay 40% of the project cost in trenches linked to milestones, while the balance 60% cost will be arranged by the contractors.

The total cost of the project is estimated to be Rs. 53849 Crore. The year wise estimated funding requirement of DME and the proposed means of finance for the Delhi Mumbai Expressway Project ("Project") is given below:

(Rs. Cr)

Particulars	FY2021	FY2022	FY2023	FY2024	Total
Capex Phasing	10,812	20,506	19,646	2,884	53,849
NHAI Equity	1,081	2,051	1,965	288	5,385
Debt (term loan from lenders /bond market)	9,731	18,456	17,682	2,596	48,464

An implementation agreement has been executed between the Company and NHAI for implementation of the project.

### **Financial Highlights:**

Particulars	Amount (In Lakhs) 2020-21
Total Revenue	-
Total expenses excluding depreciation	275.01
<b>Profit/(Loss) before Depreciation &amp; Tax</b>	<b>(275.01)</b>
Less-Depreciation	-
<b>Profit /(Loss) after depreciation</b>	<b>(275.01)</b>
Less- Prior Period adjustments	-
<b>Profit after Prior Period adjustments</b>	<b>(275.01)</b>
Less-Provision for Tax net of MAT credit entitlements	-

Less: Provision for Deferred tax	71.50
Less: Tax for earlier years	-
<b>Profit/(Loss) after tax</b>	<b>(203.51)</b>

#### **Dividend:**

The operations of your Company during the year under review have not generated adequate cash flow for consideration of declaration of Dividend for the year under review. As such, your Directors do not recommend Dividend for the year. However, it will be the endeavor of the Management of your Company to have a stable dividend policy in the future

#### **Reserves:**

No amount has been proposed to be transferred to reserves during the year. The Company has incurred a loss of Rs. 203.51 lakhs during the F.Y. 2020-21.

#### **Capital Structure:**

The Company was incorporated on 29<sup>th</sup> August, 2020. The Authorised Share Capital of the Company is Rs. 30,000 crore and the present Paid-up share capital of the Company is Rs. 3133 crore.

#### **A. Issue of shares**

During the year following equity shares have been issued by the Company:

<b>Date of Allotment</b>	<b>No. of Equity Shares</b>
Subscribers to MoA	1,00,000
25.08.2021	20,51,00,000
19.03.2021	10,81,00,000
<b>Total</b>	<b>31,33,00,000</b>

#### **B. Buy Back of Securities**

The Company has not bought back any of its securities during the year under review.

#### **C. Sweat Equity**

The Company has not issued any Sweat Equity Shares during the year under review.

#### **D. Bonus Shares**

No Bonus Shares were issued during the year under review.

#### **E. Employees Stock Option Plan**

The Company has not provided any Stock Option Scheme to the employees.

#### **F. Shares with Differential Rights**

The Company has not issue any Equity shares with Differential Rights.

**Board of Directors:**

The Board comprises of the following Directors:

Name of the Directors	Director Identification Number (DIN)	Date of Appointment	Designation
Sh. Alok	02600247	08.10.2020	Nominee Director
Sh. Amit Kumar Ghosh	01092172	22.09.2020	Nominee Director
Sh. Manoj Kumar	08854382	29.08.2020	Director
Sh. Syed Qamar Ahmad	08275536	29.08.2020	Director
Sh. Rohin Kumar Gupta	03158413	29.08.2020	Director

**Key Managerial Personnel:**

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Act are as follows:

- Actions are being taken for appointment of KMP in the Current Financial Year 2021-22.

**Changes in the Board of Directors:**

Following are the changes in the Board of Directors during the Financial Year:

Name of Director	Designation	Date of Change	Nature of Change
<b>Changes in Board of Directors</b>			
Sh. Amit Kumar Ghosh (DIN 01092172)	Nominee Director	22.09.2020	Appointment
Sh. Alok (DIN 02600247)	Nominee Director	08.10.2020	Appointment
Sh. Asheesh Sharma (DIN 02329278)	Director	09.10.2020	Cessation

**Meetings of the Board of Directors and Members:**

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs of the Company. In case of any exigency/ emergency, resolutions are also passed by circulation. During the Financial Year ended 31st March, 2021, the Board met Three (3) times, on the following dates:

1. 22<sup>nd</sup> September, 2020
2. 3<sup>rd</sup> February, 2021
3. 19<sup>th</sup> March, 2021

One Extra Ordinary General Meeting of DME Development Limited during the Financial Year was held on 19<sup>th</sup> March, 2021.

The Director wise presence in the respective Board Meeting is as under:

Date of Board Meeting	Sh. Asheesh Sharma*	Sh. Manoj Kumar	Sh. S. Q. Ahmad	Sh. Rohin Kumar Gupta	Sh. Amit Kumar Gosh**	Sh. Alok***
22.09.2020	P	P	P	P	-	-
03.02.2021	NA	P	P	P	P	P
19.03.2021	NA	P	P	P	L	p

P: Present

LOA: Leave of Absence

\*Ceased to be Director w.e.f 09.10.2020

\*\*Appointed w.e.f 22.09.2020

\*\*\*Appointed w.e.f 08.10.2020

**Statement regarding declaration given by Independent Director u/s 149(7) of the Companies Act, 2013:**

Since, there is no Independent director in place. Hence, no declaration shall be given under this section.

**Statutory Auditors:**

M/s. Singh Harbeer & Associates, Chartered Accountants, Delhi bearing Firm Registration No. 017247N with the Institute of Chartered Accountants of India were appointed as Statutory Auditors of the Company by Comptroller and Auditor General of India to conduct audit of the Company for the Financial Year 2020-21 as well as for the F.Y. 2021-22.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and they have not been disqualified from continuing as the Statutory Auditors

**Auditors Report:**

Replies to observations of Statutory Auditors has been enclosed as **Annexure-I** to Director's Report.

**C& AG Comments:**

Comments of C &AG on Financial Statements for the F.Y. 2020-21 has been enclosed as per **Annexure-II**.

**Secretarial Audit Report:**

Your Directors had appointed M/s Jalaj Srivastava & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of your Company. They have submitted Secretarial Audit Report for the year 2020-21. A copy of the secretarial audit report issued in form MR-3 by M/s Jalaj Srivastava & Associates, Secretarial Auditors is enclosed as an Annexure III to this report. It may be observed that there no adverse remarks made by



them except for a minor observation. Directors Reply to the observations of Secretarial Auditor will be enclosed as **Annexure-IV**.

**Policy on Directors Appointment & remuneration:**

After the appointment of Independent Director, the Nomination and Remuneration Committee shall be constituted.

**Directors Appointment & Remuneration:**

As per Articles of Association of the Company, National Highways Authority of India/MoRTH has right to appoint Directors of the Company. The Directors of the Company are nominated by NHAI from amongst the officers of NHAI. These officers, being employees of NHAI/MoRTH, salary is paid by NHAI. Apart from NHAI, MoRTH also appoints Directors on the Board. These Directors also being employees/officers of the respective appointing body are governed by applicable rules of service of the appointing Parent body. The Company does not pay any salary or remuneration to its Directors.

**Appointment & Remuneration of Key Management Personnel and other employees:**

Actions are being taken for appointment of Key Managerial personnel in the current FY 2021-22.

**Evaluation of Board's performance:**

Performance of each Board Member is evaluated based upon attendance to Board or Committee Meetings, positive contribution in the meetings and overall strategic planning.

**Particulars of Loans, Guarantees or Investment u/s 186 of the Companies Act, 2013:**

The Company has not given any loan, Guarantee or made any investment to which section 186 of the Companies Act, 2013 applies.

**Particulars of Contracts or Arrangements with Related Parties referred to in section 188(1) of the Companies Act, 2013:**

All Related Party Transactions entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Related Parties or other designated persons which may have a potential conflict with the interest of the Company at large.

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report:



There are no material changes and commitments occurred between the end of the Financial Year on 31.03.2021 and the date of the Board report which affects the financial position of the company.

**Development & Implementation of Corporate Social Responsibility:**

The provisions of section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) are applicable to the Company. CSR committee shall be constituted after appointment of the Independent director in the current FY.

**Directors' Responsibility Statement:**

Pursuant to sub-section (5) of Section 134 of the Companies Act, 2013 and to the best of their knowledge and belief and according to the information and explanations obtained /received from the management, your Directors make the following statement and confirm that:

1. In preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March 2021, the applicable Accounting Standards have been followed along with proper explanation to material departures;
2. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.
5. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Information pursuant to Rule 8 of Companies (Accounts) Rules, 2014:**

**Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo:**

Information pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014 is as under:

Particulars	Steps taken
<b>A- Conservation of energy</b>	
i. Steps taken or impact on energy conservation	Efforts are being made to conserve energy in the operations and activities of the Company.
ii. Steps taken for utilizing alternate sources of energy	The Company is committed to use alternate sources of energy wherever possible.
iii. Capital investment on energy conservation equipments	NIL
<b>B- Technology Absorption</b>	
i. Efforts made towards technology absorption	There is no scope of technology absorption in the operations of the Company



ii. The benefits derived like product improvement, cost reduction, product development and import substitution	Not applicable
iii. Details related to imported technology	Not applicable as the Company is not using imported technology
iv. Expenditure on Research & development	NIL
<b>C-Foreign Exchange earnings and outgo</b>	
i. Actual earnings	NIL
ii. Actual outgo	NIL

**Change in Nature of business:**

There is no change in nature of business of the Company during the period under review.

**Details of Subsidiaries, Joint Ventures or Associate Companies during the year:**

The Company is a wholly owned subsidiary of National Highways Authority of India which holds 100% of the Equity Share Capital of the Company. The Company is neither a holding Company nor has any subsidiary, Joint Ventures or Associate Companies.

**Internal Financial Control & its Adequacy:**

The Company is having adequate internal financial control commensurate to its nature and size of business. Internal Audit is conducted by an independent firm of Chartered Accountants.

**Material and Significant Orders Passed By Regulators & Courts:**

No significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

**Deposits:**

The Company has neither accepted nor renewed any deposits during the year.

**Details of Deposits not in Compliance with the requirements of the Act:**

Since the Company has not accepted any deposits during the financial year under review, there has been no non-compliance with the requirements of the Act.

**Vigil Mechanism:**

Pursuant to section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of the Board and Its Powers) Rules, 2014, Audit Committee oversees the vigil mechanism.

#### **Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

No amount was required to be transferred to Investor Education and Protection Fund during the year.

#### **Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is an equal opportunity employer. The endeavor of the Management is to create and provide an environment that is free from discrimination and harassment including sexual harassment. The provisions of section 6(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 regarding formation of Internal Complaint Committee are not applicable to the Company. During the period under review, no complaints were received by the Company related to sexual harassment.

#### **Particulars of employees pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of Key Managerial Personnel) Rules, 2014**

Not applicable

#### **Compliance of applicable Secretarial Standards (ss) issued by the Institute of Company Secretaries of India:**

The Company has complied with the SS-1 on Meeting of the Board of Directors, SS – 2 on General Meetings and SS-3 on Board Report as required under Section 118(10) of the Companies Act, 2013.

#### **Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going Concern status and your Company's Operations in Future.

#### **Cost Records:**

The Company is not required to maintain cost records as per sub-section (1) of Section 148 of the Companies Act, 2013.

#### **Details of frauds reported by auditors under sub-section (12) of Section 143 other than those which are reportable to the Central Government**

During the financial year, no frauds reported to have been occurred, requiring reporting under sub-section 12 of section 143 of the Companies Act, 2013.

#### **Acknowledgements:**

The Directors wish to place on record their sincere gratitude for the co-operation extended by NHAI, Contractors, Bankers, Various Government agencies and all other stakeholders. The



Board further places on record its appreciation for the dedicated services rendered by the employees of the Company.

By Order of the Board  
For DME Development Limited



(SHASHIBHUSHAN DIPNARAYAN (S.Q. AHMAD)  
MANDAL)

Director  
DIN: 09428273



Director  
DIN: 08275536

Place: New Delhi  
Date: 3<sup>rd</sup> March, 2022

Annexure - I

**REPLY TO THE OBSERVATIONS OF STATUTORY AUDITOR**

Sl. No.	Observations	Reply by Management
1.	We draw attention to Note No 26(i) (ii) & (iii) of the financial statements, which indicate towards contingent liability for penalty due to delay in appointment of Whole Time Company Secretary (KMP) in terms of section 203 of the Companies Act 2013, delay in payment of stamp duty on share certificates on allotments during the year in terms of section 3 of the Indian Stamp Act, 1989, every instruments require proper duty and section 32 of the Indian Stamp Act, the company is required to pay proper stamp duty on all share certificates within 30 days of issue of share certificates and not to constitute an Audit Committee u/s 177 of the Companies Act 2013 till date. However, our opinion is not modified in respect of these matters.	Noted for future compliance.

sr





381226/2022/GM (F&amp;A) Office

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DME DEVELOPMENT LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of **DME DEVELOPMENT LIMITED** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(7) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 14 September 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **DME DEVELOPMENT LIMITED** for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

**A. Comment on Financial Position****Balance Sheet****Assets****Non-Current Assets****Capital Work in Progress-Intangible Assets (Note No. 3) - Rs. 9,890.74 crore**

The above represents the Capital Work in Progress in respect of construction of Delhi-Mumbai Expressway. The company does not have right to charge users for toll fee and the tolling rights vest with NHAI and the company will only receive periodic annuity payments from NHAI. Thus, as per Ind AS 115 relating to Revenue from Contracts with Customers and Ind AS 38 relating to Intangible Assets, categorizing expenditure of Rs. 9,890.74 crore as Capital Work in Progress-Intangible Assets instead of Financial Assets is incorrect. This has resulted in overstatement of Capital Work in Progress-Intangible assets and understatement of Financial Assets by Rs. 9,890.74 crore.



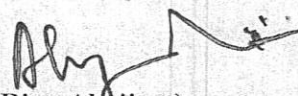
381226/2022/GM (F&A) Office

**B. Comment on Disclosure**

**Capital Commitments (Note No. 24 B)**

Note No. 24 B1 states that 'the company is committed to provide total funds of Rs.53,849 crore to NHAI for construction of Delhi-Mumbai Expressway and till date, the Company has incurred the sum of Rs.9890.74 crore'. Thus, pending capital commitments are Rs.43,958.26 crore. However, as per Note No. 24 B2, total Pending Capital Commitments of the Company for the Financial Year 2021-22, 2022-23 and 2023-24 are Rs.43,036 crore. Thus, there is a difference of Rs. 922.26 crore in the value of Capital Commitments as stated above. Hence, the above note is deficient to that extent.

**For and on behalf of the  
Comptroller and Auditor General of India**



**(Rina Akoijam)**

**Director General of Audit (Infrastructure)  
New Delhi**

**Place: New Delhi**

**Dated: 7 January 2022**





**JALAJ SRIVASTAVA & ASSOCIATES**  
Company Secretaries

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2021

To,  
The Members,  
DME Development Limited  
New Delhi

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DME Development Limited. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by DME Development Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - Not applicable as the company is not listed company.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - Not applicable as the company is not listed company except to the extent of compliance with Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014.



- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not applicable as the company has no FDI, ODI or ECB during the financial year.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (Not applicable as the company is not listed company)

(vi) There are no laws specifically applicable to the company (As informed by the management)

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. -
- (ii) The Listing Agreements entered into by the Company with ..... Stock Exchange(s), if Applicable; Not applicable company is not listed company

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

**Companies Act, 2013 and the Rules there under-**

1. The Company has allotted 10,81,00,000 equity shares of Rs.10 in the 19<sup>th</sup> Mrch,2021 on rights basis. We observe that procedure under Section 62 should have been followed for the said allotment.
2. The Company has not complied with the Secretarial Standard on Board Meeting issued u/s 118 in respect of the following-
  - I- Mode of presence of the Director has not been recorded in the Minutes.
  - II- Time of commencement and conclusion of Board Meeting not noted.



**I/we further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to our observations regarding non appointment of requisite number of Independent Directors above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Specific Observations with reference to Board structure, process and systems: NIL**

We further report that during the audit period the company has-

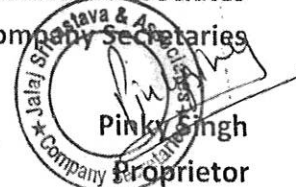
- I. There are no reportable events/developments.
- II. Without qualifying the report, we advise the Company to get its CIN U45202DL2020GOI368878 corrected to non-government company as the Company is not a Government Company within the meaning of Section 2(45) of Companies Act, 2013.

**Place: New Delhi**

**Date: 28.12.2021**

**For Jalaj Srivastava & Associates**

**Company Secretaries**



**Pinky Singh**

**Proprietor**

**ACS No.26096**

**C P No.:9356**

**UDIN: A026096C001970665**

Note: This report is to be read with our letter of even date which is annexed herewith and forms an integral part of this report.

**Annexure to Secretarial Audit Report (Form MR-3)**

To,  
The Members,  
**DME Development Limited**  
New Delhi

Our report of even date is to be read along with this letter:

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations & happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. In view of the Covid-19 pandemic, the audit process has been carried out on line and offline and is based upon the soft /scanned copies of the documents furnished to us by the Company.

**Place: New Delhi**

**Date: 28.12.2021**

**For Jalaj Srivastava & Associates  
Company Secretaries**



**ACS No:26096**

**C P No.:9356**

**UDIN: A026096C001970665**

**Annexure-IV.**

**REPLY TO THE OBSERVATIONS OF SECRETARIAL AUDITOR**

<b>Sl. No.</b>	<b>Observations</b>	<b>Reply by Management</b>
1.	The Company has allotted 10,81,00,000 equity shares of Rs. 10 in the 19 <sup>th</sup> March, 2021 on right basis. We observe that procedure under section 62 should have been followed for the said allotment.	Noted for future compliance.
2.	<p>The Company has not complied with the Secretarial Standard on Board Meeting issued u/s 118 in respect of the following-</p> <p>I- Mode of presence of the Director has not been recorded in the Minutes.</p> <p>II- Time of commencement and conclusion of Board Meeting not noted.</p>	Noted for future compliance.