

DME

DEVELOPMENT LIMITED



2nd

ANNUAL REPORT

2021-2022

Board of Directors:

Sh. NRVVMK Rajendra Kumar, Member (Fin), NHAI – Chairman
 Sh. Amit Kumar Ghosh, IAS, AS (H), MoRTH-Director
 Sh. Manoj Kumar, Member (Project), NHAI-Director
 Sh. Shashi Bhushan – GM (T), Bharatmala
 Sh. S.Q Ahmad – GM (Fin/SPV), NHAI-Director (ceased to be Director w.e.f.
 Sh. Ananta Manohar Meduri Chakravartula

Chief Financial Officer:

Sh. Ananta Manohar Meduri Chakravartula

Company Secretary:

Ms. Prachi Mittal

Chief Executive Office:

Sh. Shashi Bhushan

STOCK EXCHANGES/LISTING

National Stock Exchange of India Limited

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

Registrar & Share Transfer Agent:

Bigshare Services Private Limited
 302, Kushal Bazar, 32-33, Nehru Place,
 New Delhi – 110019

Depositories

National Securities Depository Limited
 Central Depository Services (India) Limited

BANKERS:

State Bank of India
 Punjab National Bank
 Bank of Maharashtra
 Axis Bank
 Karnataka Bank Ltd.

Bank of Baroda
 Bank of India
 Central Bank of India
 UCO Bank
 Indian Overseas Bank

Debenture Trustee Details:

SBICAP Trustee Company Limited
 202, Maker Tower, 'E', Cuffe Parade,
 Colaba, Mumbai, Maharashtra – 400 005

Registered Office:

NHAI Corporate Office
 Plot No. G-5 & 6, Sector-10, Dwarka,
 New Delhi-110 075
 Tel.: 011- 25074100/25074200
 Email: prachimittal.dme@nhai.org
 Website: dmedl.in

Corporate Identification Number (CIN):

U45202DL2020GOI368878

NOTICE

NOTICE is hereby given that the 2nd Annual General Meeting of the Members of “**DME DEVELOPMENT LIMITED**” will be held on **Monday, the 26th day of December 2022 at 12:00 Noon at shorter notice** at the registered office of the Company situated at Plot No. G-5 & 6, Sector-10, Dwarka, New Delhi-110 075, to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1:

To receive, consider and adopt the Audited Financial Statement as defined u/s 2(40) of the Companies Act, 2013 consisting of Audited Balance Sheet as at 31st March 2022, Statement of Profit and Loss, Cash Flow Statement for the period ended on that date and along with the Reports of the Board of Directors and the Statutory Auditors and the comments of C&AG and management replies thereto.

Item No. 2:

To appoint Director in place of Shri Manoj Kumar (DIN: 08854382) who retires by rotation and being eligible offers himself for re-appointment.

Item No. 3:

To fix the remuneration of the Statutory Auditors appointed by the Comptroller & Auditor General of India (C&AG) for the Financial Year 2022-23.

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 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 2022-23 and from whom written consent to act as statutory Auditors along with the certificate pursuant to Section 141(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 3rd Annual General Meeting of the Company to be held in the year 2023 at a fees of Rs. 1,21,000/- (Rs One Lakh Twenty One Thousand only) (excluding GST).

SPECIAL BUSINESS:**Item No. 4:****Appointment of Mrs. Sudha Damodar (DIN: 07755170) as Director (Independent Woman Director) of the Company**

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

“RESOLVED THAT, pursuant to provision of Section 149,150,152, 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules,2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of Articles of Association of the Company Mrs. Sudha Damodar (DIN: 07755170), who was appointed as an Additional Director in the capacity of Independent Director of the Company w.e.f 23rd day of December, 2022 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Act and who is eligible for re-appointment under relevant provisions of the Act, and in respect of whom the Company has received a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act be and is hereby appointed as an Independent Director of the Company to hold office for three (3) consecutive years from the ensuing AGM to be held in the FY 2022-23 to AGM to be held in the FY 2025-26”

RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

Item No. 5:**Appointment of Mr. Ananta Manohar (DIN: 09822685) as Nominee Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149,152, 161 and other applicable provision, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any modification or re-enactment thereof) and the provisions of Articles of Association of the Company , Mr. Ananta Manohar (DIN: 09822685), who was appointed as an Additional Director of the Company with effect from 23rd day of December, 2022 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Act and who is eligible for appointment under relevant provisions of the Act and who has consented to act as the Director of the company, be and is hereby appointed as a Nominee Director of the Company.

RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

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

**Sd/-
(Prachi Mittal)
Company Secretary
ACS: 40236**

**Place: New Delhi
Date: 23.12.2022**

NOTE:

1. In view of the provisions of the Ministry of Corporate Affairs ("MCA") General Circular No. 02/2022 dated May, 05, 2022, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 14/2020 dated April 8, 2020 (collectively referred as "MCA Circulars") and Securities and Exchange Board of India Circular No.: SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 (collectively referred as "SEBI Circulars") and in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 2nd AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 2nd AGM shall be the Registered Office of the Company.
2. **Generally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself/ herself and such proxy need not be a Member of the Company. The Proxy Form and Attendance Slip including the Route Map of the venue of the AGM are annexed to this Notice.**
3. Proxies, in order to be effective, must be received at the Company's Registered Office. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy so appointed shall not have any right to speak at the meeting.
4. Pursuant to Section 112 and Section 113 of the Companies Act, 2013, representatives of the Members may be appointed for the purpose of participation in the 2nd AGM who can cast their vote during the AGM.
5. In compliance with MCA and SEBI Circulars, owing to the difficulties involved in dispatching of physical copies of the Annual Report, the Annual Report and Notice of AGM are being sent in electronic mode only to Members whose e-mail address is registered with the Company or the Depository Participant(s).
6. In terms of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form, if any, are requested to demat their shares at the earliest.

7. Inspection of documents by Members: Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting
8. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding, maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available electronically for inspection by the Members during the Meeting.

Members desirous of obtaining any relevant information with regard to the accounts of the Company or any other matter placed at the Meeting are requested to send their requests in writing to the Company at least 7 (seven) days before the date of the Meeting, so as to enable the Company to keep the information ready.

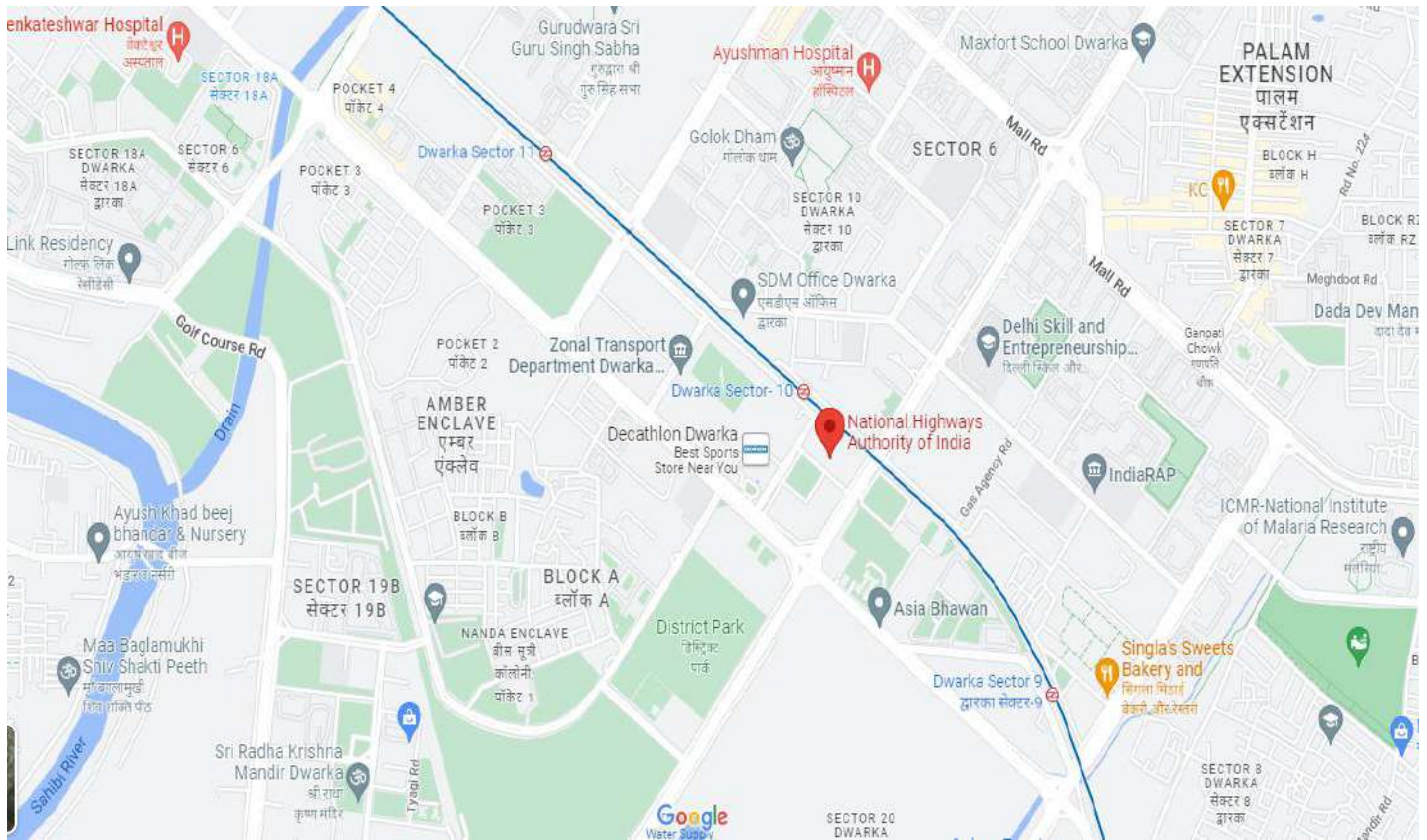
9. **Information of Directors pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meeting:** At the 2nd AGM of the Company, Sh. Manoj Kumar (DIN: 08854382), Director, retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act"), read with Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible, seeks re-appointment.

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

**Sd/-
(Prachi Mittal)
Company Secretary
ACS: 40236**

**Place: New Delhi
Date: 23.12.2022**

ROUTE MAP FOR AGM VENUE



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	:	U45202DL2020GOI368878
Name of the Company	:	DME DEVELOPMENT LIMITED
Registered Office	:	G-5 & 6, Sector-10, Dwarka Delhi – 110075

Name of the Member	:	
Residential Address	:	
Email Id	:	
Folio No / Client ID	:	
DP ID :	:	

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint

1.	Name	:	
	Address	:	
	Email Id	:	
	Signature	:	
	or failing him	:	

2.	Name	:	
	Address	:	
	Email Id	:	
	Signature	:	
	or failing him	:	

3.	Name	:	
	Address	:	
	Email Id	:	
	Signature	:	
	or failing him	:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on the Monday the 26th day of December, 2022 at G-5 & 6, Sector-10, Dwarka Delhi – 110075 at 12:00 Noon at a shorter notice and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Ordinary/Special Resolution
1	To receive, consider and adopt the Audited Financial Statement as defined u/s 2(40) of the Companies Act, 2013 consisting of Audited Balance Sheet as at 31st March 2022, Statement of Profit and Loss, Cash Flow Statement for the period ended on that date and along with the Reports of the Board of Directors and the Statutory Auditors and the comments of C&AG and management replies thereto.	Ordinary
2	To appoint Director in place of Shri Manoj Kumar (DIN: 08854382) who retires by rotation and being eligible offers himself for re-appointment.	Ordinary
3	To fix the remuneration of the Statutory Auditors appointed by the Comptroller & Auditor General of India (C&AG) for the Financial Year 2022-23.	Ordinary
4	Appointment of Mrs. Sudha Damodar (DIN: 07755170) as Director (Independent Woman Director) of the Company	Ordinary
5	Appointment of Mr. Ananta Manohar (DIN: 09822685) as Nominee Director of the Company	Ordinary

Signed this _____ day of _____, 2022
Signature of the Shareholder _____
Signature of Proxy holder _____

Affix
Revenue
Stamp

ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id		Client Id	
Regd. Folio No.		No. of Shares	

Name(s) and address of the shareholder in full
_____.

I/we hereby record my/our presence at the ____nd Annual General Meeting of the Company being held on the day of, 2022 at
.....
..... at a.m./p.m./noon.

Please (✓) in the box

MEMBER ☐

PROXY ☐

Signature of Shareholder / Proxy

EXPLANATORY STATEMENTS
(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 4

Mrs. Sudha Damodar (DIN: 07755170) was appointed as an Additional Director in the capacity of Independent Director of the Company with effect from 23rd day of December, 2022 by the Board of Directors pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act') and the Articles of Association of the Company in the capacity of Independent Director for a term of 5 years.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mrs. Sudha Damodar (DIN: 07755170) holds office upto the date of this Annual General Meeting and is eligible for the appointment as a Director.

The Company has received declaration from Mrs. Sudha Damodar that she meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and rules made thereunder. Further, she has also confirmed that she is not disqualified from being appointed as Director under Section 164 of the said Act nor debarred from holding the office of Director by virtue of any order of any authority and has given her consent to act as a Director of the Company in terms of Section 152 of the Companies Act, 2013.

The Board of Directors are of the opinion that Mrs. Sudha Damodar, is a person of integrity and possesses relevant expertise and is eligible for the position of an Independent Director of the Company and fulfils the conditions specified by the Companies Act, 2013 including Rules framed thereunder and that she is independent of the management of the Company.

Considering Mrs. Sudha Damodar's experience of over 33 years in the areas relating to weak public sector bank restructuring, Anti Money Laundering, Banking policy/regulation pertaining to Private Sector Banks, Licensing of Payment Banks and Small Finance Banks, Regulation of RRBs, etc., and she being Independent director on the Board of reputed Companies, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint her as an Independent Director for a period of three years.

Draft letter of appointment of Mrs. Sudha Damodar setting out the terms and conditions of appointment is being made available for inspection by the Members through electronic mode.

Her brief resume, inter-alia, giving nature of expertise in specific functional area, shareholding in the Company, other Directorship, Membership/Chairmanship of Committees and other particulars are enclosed with this notice.

Mrs. Sudha Damodar is not related to any of the Directors or Key Managerial Personnel (including relatives of the Directors and Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mrs. Sudha Damodar herself and her relatives, are concerned or interested, financially or otherwise, in this resolution set out at Item No. 4.

The Board recommends the resolution as set forth in item no. 4 of the Notice for the approval of the Members as an Ordinary Resolution.

ITEM NO. 5

Mr. Ananta Manohar (DIN: 09822685) was appointed as an Additional Director of the Company with effect from 23rd day of December, 2022 by the Board of Directors pursuant to the provisions of Section 161 of the Companies Act, 2013 (the 'Act') and the Articles of Association of the Company.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Ananta Manohar holds office upto the date of this Annual General Meeting and is eligible for the appointment as a Director of the Company. Post the regularization of his appointment as a director by the shareholders, he shall hold office as a Director and Chief Financial Officer of the Company.

Further, he has also confirmed that he is not disqualified from being appointed as Director under Section 164 of the said Act nor debarred from holding the office of Director by virtue of any order of any authority and has given his consent to act as a Director of the Company in terms of section 152 of the Companies Act, 2013.

The Board considers that his association as Director will be of immense benefit and will be in the best interest of the Company.

His brief resume, inter-alia, giving nature of expertise in specific functional area, shareholding in the Company, other Directorship, Membership/Chairmanship of Committees and other particulars are enclosed with this notice.

Mr. Ananta Manohar is not related to any of the Directors or Key Managerial Personnel (including relatives of the Directors and Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. Ananta Manohar himself and his relatives, are concerned or interested, financially or otherwise, in this resolution set out at Item No. 5.

The Board recommends the resolution as set forth in Item no. 5 of the Notice for the approval of the Members as an Ordinary Resolution.

Annexure – I**Details of Directors seeking appointment/ re-appointment in 2nd Annual General Meeting fixed for 26th day of December, 2022, in accordance with provisions of the Companies Act, 2013 and Secretarial Standard-2**

Name of the Director	Mr. Manoj Kumar	Mrs. Sudha Damodar	Mr. Anant Manohar
Directors Identification Number (DIN)	08854382	07755170	09822685
Date of Birth	18-04-1973	17-01-1956	17-07-1969
Date of Appointment	29-08-2020	23-12-2022	23-12-2022
Qualification	B.Tech. from BITS, Pilani and M.Tech from IIT Rurkee, Diploma in Management	Post Graduate in Political Science, Certified Associate of Indian Institute of Bankers, Diploma in Investment, Risk and Treasury Management.	B.com, CA (Inter) and MBA (Fin)
Experience & Expertise in specific functional areas	Experience of more than 25 year in the field of maintenance, management and development of National Highways and Expressways in the Country	Experience of more than 33 years in the field of Public Sector Bank Restructuring, Anti Money Laundering, Banking policy Regulation etc.	Experience of more than 23 years in the field of finance and accounts
Terms and conditions for appointment / re-appointment	As per the Appointment letter	As per the Appointment letter	As per the Appointment letter
Remuneration last drawn	Nil	Nil	Nil
Shareholding in the company as on 31.03.2021 (in individual capacity of on beneficial basis for any other person)	Nil	Nil	Nil
Relationship with other Directors and KMPs of the Company	None	None	None

Number of Board meetings attended during the year	5 out of 5	NIL	NIL
List of Companies in which outside directorships in Indian Companies held	NIL	NIL	NIL
Membership/ Chairmanship of Committees of other Board	Chairman- National Highways Logistics Management Limited	NIL	NIL
Justification for choosing the candidate as Independent director	Not Applicable	Mrs. Sudha Damodar, is a person of integrity and possesses relevant expertise and is eligible for the position of an Independent Director of the Company and fulfils the conditions specified by the Companies Act, 2013 including Rules framed thereunder and he is independent of the management of the Company. 33 years in the areas relating to weak public sector bank restructuring, Anti Money Laundering, Banking policy/regulation pertaining to Private Sector Banks, Licensing of Payment Banks and Small Finance Banks, Regulation of RRBs, etc., and she being independent director on the Board of reputed Companies, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint her as an Independent Director	Not Applicable

DIRECTORS REPORT

**To
The Members,
DME Development Limited**

Your Directors have the pleasure in presenting the 2nd Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended March 31, 2022 and Auditors' Report thereon on behalf of the Board of Directors.

ECONOMIC OVERVIEW

India has the second largest road network in the world, spanning over 6.4 Million kilometers. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute. National Highways and State Highways account for 2% and 3% of the total road network respectively. Development of road networks leads to opportunities for industries to make investments in logistics parks, industrial clusters and corridors.

With the diminishing trail of the world wide pandemic and onset of the new year, India has joined the league of a global alliance which is looking forward to work towards the optimal use of smart technologies. The Government aims to construct 65000 kms of national highways at a cost of Rs. 5.35 Lakh crore. Under the Union Budget 2022-23, the Government of India has allocated Rs. 199,107.71 Crore (US\$ 26.04 billion) to the Ministry of Road Transport and Highways. The Government of India has allocated Rs. 111 lakh crore (US\$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25. The Road sector is expected to account for 18% capital expenditure over FY 2019-25. In 2022-23, the Ministry of Road Transport and Highways has been allocated nearly Rs. 68,000 crore more than the revised expenditure in FY 2021-22. In absolute terms, this is the highest increase (from revised estimates of FY 2021-22) among all ministries in FY 2022-23. Nearly all of this additional allocation has been earmarked for investment in NHAI.

Background & Operations:

DME Development Limited (DMEDL) was registered on 29th 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.

Financial Highlights:

Particulars	Amount (In Lakhs) 2021-22	Amount (In Lakhs) 2020-21
Total Revenue	-	-
Total expenses excluding depreciation	16.64	275.01
Profit/(Loss) before Depreciation & Tax	(16.64)	(275.01)
Less-Depreciation	-	-
Profit /(Loss) after depreciation	(16.64)	(275.01)
Less- Prior Period adjustments	-	-
Profit after Prior Period adjustments	(16.64)	(275.01)
Less-Provision for Tax net of MAT credit entitlements	-	-
Less: Provision for Deferred tax	4.33	71.50
Less: Tax for earlier years	-	-
Profit/(Loss) after tax	(12.31)	(203.51)

During the year under review, your Company incurred a loss of Rs. 12.31 lakhs as against a loss of Rs. 203.51 lakhs for the previous year.

Key Financial Ratios in terms of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

S. No.	Particulars	FY 2021-22	FY 2020-21
a.	Current Ratio	40	7
b.	Debt-Equity Ratio	6.89	9.01
c.	Debt Service Coverage Ratio	Nil	Nil
d.	Return on Equity Ratio	Nil	Nil
e.	Trade Receivable Turnover Ratio	Nil	Nil
f.	Trade Payables Turnover Ratio	Nil	Nil
g.	Net Capital Turnover Ratio	Nil	Nil
h.	Net Profit Ratio	Nil	Nil
i.	Return on Capital Employed	Nil	Nil
j.	Return on Investment	Nil	Nil
k.	Inventory Turnover Ratio	Nil	Nil

***Note:** Since the Company has neither started its earnings from commercial operations nor did it have any turnover till date, thus ratios from c to k are not relevant. Hence mentioned as Nil.

Reserves:

No amount has been proposed to be transferred to reserves during the year. The Company has incurred a loss of Rs. 12.31 lakhs during the F.Y. 2021-22.

Capital & Debt Structure:

The Company was incorporated on 29th August, 2020. The Authorised Share Capital of the Company is Rs. 30,000/- crore and the Paid-up share capital of the Company as on 31.03.2022 is Rs. 3133/- crore.

A. Issue of shares

During the year under review the Company at the Board Meeting held on 25th August, 2021 allotted 20,51,00,000 equity shares of Rs. 100/- each (Rupees Hundred only).

At the end of the financial year the paid-up share capital of the Company stands at Rs. 31,33,00,00,000/-

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.

Non-Convertible Debentures (“NCDs”)**Listed NCDs of face value ₹ 1,00,00,000 each**

On 16th March, 2022 the Company issued 5,000 Secured, Non-Convertible, Non-Cumulative, Taxable Bonds (Debentures) of Rs. 1,00,00,000/- each aggregating to Rs. 50,00,00,00,000/- on a private placement basis. The said NCDs carry Coupon rate of SBI 6.85% p.a. (Linked to Benchmark Rate + spread) payable quarterly and are listed on the Debt Segment of National Stock Exchange of India Limited w.e.f. March 16, 2022.

The details of the listed NCDs of the Company as on March 31, 2022, are detailed below:

S. No.	ISIN	Coupon Rate	Issuance Date	Maturity Date	Amount Issued (in Cr.)	Amount Outstanding (in Cr.)	Interest Frequency
1.	INE0J7Q07025	6.85%	14-Mar-2022	16-Mar-2028	500	500	quarterly
2.	INE0J7Q07033	6.85%	14-Mar-2022	16-Mar-2029	500	500	quarterly
3.	INE0J7Q07041	6.85%	14-Mar-2022	18-Mar-2030	500	500	quarterly
4.	INE0J7Q07058	6.85%	14-Mar-2022	17-Mar-2031	500	500	quarterly
5.	INE0J7Q07066	6.85%	14-Mar-2022	16-Mar-2032	500	500	quarterly
6.	INE0J7Q07074	6.85%	14-Mar-2022	16-Mar-2033	500	500	quarterly

7.	INE0J7Q07082	6.85%	14-Mar-2022	16-Mar-2034	500	500	quarterly
8.	INE0J7Q07090	6.85%	14-Mar-2022	16-Mar-2035	500	500	quarterly
9.	INE0J7Q07108	6.85%	14-Mar-2022	17-Mar-2036	500	500	quarterly
10.	INE0J7Q07017	6.85%	14-Mar-2022	16-Mar-2037	500	500	quarterly

Note: Coupon rate is Linked to Benchmark Rate + spread and is payable quarterly

Credit Rating:

Rating Action:

Long-Term Borrowing Programme Aggregating Rs.49000 Crore[#] - CRISIL AAA/Stable (Reaffirmed)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Rating assigned with outlook
NA	Long-term borrowing programme*	NA	NA	NA	25000	CRISIL AAA/Stable
NA	Long term bank loan^	NA	NA	Sep-2039	1000	CRISIL AAA/Stable
NA	Long term bank loan^	NA	NA	Sep-2038	5000	CRISIL AAA/Stable
NA	Long term bank loan^	NA	NA	Sep-2038	2800	CRISIL AAA/Stable
NA	Long term bank loan^	NA	NA	Mar-2038	1000	CRISIL AAA/Stable
NA	Long term bank loan^	NA	NA	Sep-2039	700	CRISIL AAA/Stable
NA	Long term bank loan^	NA	NA	Sep-2038	5000	CRISIL AAA/Stable
NA	Long term bank loan^	NA	NA	Mar-2039	5000	CRISIL AAA/Stable
NA	Long term bank loan^	NA	NA	Jun-2038	2500	CRISIL AAA/Stable
NA	Long term bank loan^	NA	NA	Sep-2038	1000	CRISIL AAA/Stable

[#]Long-term borrowing programme includes bank loan facilities of Rs.24,000 crores and proposed bond of Rs 5,000 crores. 1 crore = 10 million

*Long-term borrowing programme includes proposed bond of Rs 5,000 crores.

^Long term bank loan is part of long-term borrowing programme.

Facilities/Instruments	Amount (Rs. crore)	Rating	Rating Action
Long-term Instruments	23,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term Instruments	26,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debt	-	NA	NA	26,000.00	CARE AAA; Stable
Debt-Term Loan	-	NA	NA	23,000.00	CARE AAA; Stable

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. Since no dividend has been declared by the Company in past, it was not required to transfer any amount to the Investor Education and Protection Fund ("IEPF") and accordingly, no disclosures were required to be made during the F.Y. 2021-22.

Debenture Trustee Details

SBICAP Trustee Company Limited
202, Maker Tower, 'E', Cuffe Parade,
Colaba, Mumbai, Maharashtra – 400 005

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. Since no dividend has been declared by the Company in past, it was not required to transfer any amount to the Investor Education and Protection Fund ("IEPF") and accordingly, no disclosures were required to be made during the F.Y. 2021-22.

Board of Directors:

The Board comprises of the following Directors:

Name of the Directors	DIN	Date of Appointment	Designation
Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar	09494456	16.02.2022	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. Shashibhushan Dipnarayan Mandal	09428273	07.12.2021	Nominee Director

Note : Sh. Syed Qamar Ahmad ceased to be director w.e.f 01.12.2022

Key Managerial Personnel:

Post closure of the financial year following Key Managerial Personnel (KMP) were appointed as per Section 2(51) and 203 of the Act:

Name of KMP	Designation	Date of Change	Nature of Change
Ms. Prachi Mittal	Company Secretary	01.06.2022	Appointment
Mr. Ananta Manohar	Chief Financial Officer	23.06.2022	Appointment
Mr. Shashi Bhushan	Chief Executive Officer	23.12.2022	Appointment

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
Sh. Rajesh Kumar Pandey (DIN-09428235)	Nominee Director	07.12.2021	Appointment
Sh. Shashibhushan Dipnarayan Mandal (DIN-09428273)	Nominee Director	07.12.2021	Appointment
Sh. Rohin Kumar Gupta (DIN-08854433)	Director	07.12.2021	Cessation
Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar (DIN-09494456)	Nominee Director	16.02.2022	Appointment
Sh. Alok (DIN 02600247)	Nominee Director	16.02.2022	Cessation
Sh. Rajesh Kumar Pandey (DIN-09428235)	Nominee Director	16.02.2022	Cessation

Meetings of the Board of Directors and Members:

The Board meets at regular intervals to discuss and decide on policy and strategy apart from other Business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are noted at the subsequent Board Meeting. During the Financial Year ended 31st March, 2022, the Board met Five (5) times, on the following dates:

25th June, 2021, 25th August, 2021, 14th September, 2021, 7th December, 2021 and 3rd March, 2022.

The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days.

During the year under review Two (2) Extra-ordinary General Meetings were held on 25th June, 2021 and 7th December, 2021 respectively and 1st Annual General meeting held on 28th march, 2022.

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

Name of the Directors	Date of Board Meetings				
	25.06.2021	25.08.2021	14.09.2021	07.12.2021	03.03.2022
Sh. Alok***	P	P	P	LOA	-
Sh. Amit Kumar Gosh	P	P	P	P	P
Sh. Manoj Kumar	P	P	P	P	P
Sh. Rohin Kumar Gupta*	P	P	P	P	-
Sh. S. Q. Ahmad	P	P	P	P	P
Sh. NRVVMK Rajendra Kumar****	-	-	-	-	P
Sh. Shashibhushan Dipnarayan Mandal**	-	-	-	-	P
Sh. Rajesh Kumar Pandey** ^	-	-	-	-	-

P: Present

LOA: Leave of Absence

*Ceased to be Director w.e.f. 07.12.2021

**Appointed w.e.f. 07.12.2021

*** ^Ceased to be Director w.e.f. 16.02.2022

****Appointed w.e.f. 16.02.2022

Annual Return

As required under the provisions of sections 92(3) and 134(3)(a) of the Act and read with the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for F.Y. 2020-21 is uploaded on the website of the Company i.e., <http://www.dmedl.in/>

Further, Annual Return of the Company for F.Y. 2021-22 will be filed with the Ministry of Corporate Affairs in due course within the prescribed timelines and a copy of the same shall be uploaded on the website of the Company i.e., <http://www.dmedl.in/>

Committee of the Board

As on March 31, 2022, the Company does not have any committee. The provisions of the SEBI Listing Regulations relating to constitution of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders' Relationship Committee have been made applicable to the Company w.e.f. March 16, 2022, on comply or explain basis until March 31, 2023 and on mandatory basis thereafter. Accordingly, the Company shall constitute all the required Committees in line with the provisions of the SEBI Listing Regulations, in due course, within the specified timelines. Once the committees have been constituted, the Company will simultaneously adopt charters for the respective Committees.

Statement regarding declaration given by Independent Director u/s 149(7) of the Companies Act, 2013 and Board opinion with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

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 were appointed as the Statutory Auditors of the Company for the financial year 2021-22 by the office of the Comptroller and Auditor General of India to conduct audit of the Company for the Financial Year 2021-22. Further, M/s. Singh Harbeer & Associates, Chartered Accountants, Delhi bearing Firm Registration No. 017247N who have been appointed as the statutory auditors of the Company for the financial year 2022-23 by the office of the Comptroller and Auditor General of India are proposed to be appointed at the ensuing Annual General Meeting till the conclusion of the Third Annual General Meeting of the Company.

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. 2021-22 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 2021-22. 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.. Directors Reply to the observations of Secretarial Auditor will be enclosed as **Annexure-III**.

Committees of the Board

As on March 31, 2022, the Company does not have any committee. The provisions of the SEBI Listing Regulations relating to constitution of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders' Relationship Committee have been made applicable to the Company w.e.f. March, 16, 2022, on comply or explain basis until March 31, 2023 and on mandatory basis thereafter. Accordingly, the Company shall constitute all the required Committees in line with the provisions of the SEBI

Listing, in due course, within the specified timelines. Once the committees have been constituted, the Company will simultaneously adopt charters for the respective Committees.

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.

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:

Your Company is engaged in Infrastructure Sector, as stated in the Schedule VI to the Companies Act, 2013. By virtue of the provisions of Section 186(11), the provisions of Section 186, read with the Companies (Meeting of the Board and its Powers) Rules, 2014, as amended from time to time, relating to loan made, guarantee given or security provided, do not apply to your Company.

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 31.03.2022 and the date of the Board report which affects the financial position of the company. However, the following changes, in the capital structure if the Company, took place post closure of the financial year:

S. No.	Date of Allotment/ Board Meeting	No. of Equity Shares Issued (of Rs. 100/- each)	Amount (in Rs.)
1.	23 rd June, 2022	2,31,00,000	2,31,00,00,000
2.	1 st August, 2022	1,00,00,000	1,00,00,00,000
3.	15 th September, 2022	2,15,00,000	2,15,00,00,000
4.	11 th November, 2022	2,25,00,000	2,25,00,00,000
Total		7,71,00,000	7,71,00,00,000

Development & Implementation of Corporate Social Responsibility:

As per the provisions of Section 135 of the Companies Act, 2013 and rules made there under, Company having net worth of Rupees Five Hundred Crores or more or turnover of Rupees One Thousand Crore or more or a net profit of Rupees Five Crore or more during any financial year shall constitute CSR committee. Since the Company's net worth crosses the prescribed threshold limit the provisions relating to Corporate Social Responsibility (CSR) are applicable to the Company. The Company was incorporated in the financial year 2020-21 and also the Company does not have profit during the last two financial year the Company was not required to make expenditure towards the Corporate Social Responsibility. CSR committee shall be constituted after appointment of the Independent Directors 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 31st 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
A- Conservation of energy	
i. Steps taken or impact on energy conservation	Not applicable
ii. Steps taken for utilizing alternate sources of energy	Not applicable
iii. Capital investment on energy conservation equipments	Not applicable
B- Technology Absorption	
i. Efforts made towards technology absorption	Not applicable
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
C-Foreign Exchange earnings and outgo	
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:

Your Company has an Internal Financial Control (IFC) System, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of internal control has been designed to provide a reasonable assurance with regard to controls over critical business activities and operations, policies and procedures for ensuring the orderly and efficient conduct of business, critical procurements, prevention and detection of frauds and errors, compliance with regulations and for ensuring timeliness and reliability of financial reporting. Your Company's IFC have been reviewed and actions have been taken wherever needed, to strengthen control and overall risk management procedure.

Risk Management

Risk management continues to be an integral part of your Company's growth strategy. The risk management strategy of your Company hinges on a clear understanding of various risks and adherence to well-laid out risk policies and procedures that are benchmarked with industry best practices. Your Company has developed robust systems and embraced sturdy practices for identifying, measuring and mitigating various risks and ensuring that they are maintained within pre-defined risk appetite levels.

Human Resources and Industrial Relations

Your Company remains committed towards the overall growth and development of Human Capital and continues to adhere to the widely recognized human resource practices for collective growth of the team members' alongwith the organizational development.

Deposits:

Your Company has not invited or accepted any deposits covered under Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014, during the year under review.

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.

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year alongwith their status as at the end of the financial year

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

There was no instance of one-time settlement with any Banks or Financial Institution.

Vigil Mechanism:

The Company believes in the conduct of affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. Any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations cannot be undermined.

Pursuant to clause 177(9) of the Act a Whistle Blower policy and Vigil Mechanism is required to be established for Directors and employees to report to the management instances of unethical behaviour, actual or suspected, fraud violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company for redressal. The Whistleblower Policy should include "reporting of incidents of leak or suspected leak of unpublished price sensitive information" in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. As soon as the Audit Committee is formed after appointment of Independent Director in the Current Financial Year, the Company shall formulate the said policy.

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

Since the Company does not have the number of employees as per the threshold prescribed under the Act, the said disclosure is not applicable to the Company.

Particulars of employees pursuant to Rule 5(2) of the Companies (Appointment & Remuneration of 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:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 is not applicable for the business activities carried out by the Company.

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.

Corporate Governance

Your Company strives to achieve highest standards of Corporate Governance and to take necessary steps at appropriate times for enhancing and meeting stakeholders' expectations while complying with the mandatory provisions of Corporate Governance.

Accordingly, the compliance certificate from the practicing company secretaries regarding compliance of conditions of corporate governance as applicable, pursuant to requirement of Part D of Schedule V of the SEBI Listing Regulations, forms part of the 'Corporate Governance Report' forming part of the annual report.

Acknowledgements:

The Board of Directors would like to express their sincere appreciation for the assistance and cooperation received from NHAI, the financial institutions, banks, government authorities, debenture holders, contractors, members and stakeholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives and employees.

By Order of the Board
For DME Development Limited

Sd/- (SHASHIBHUSHAN DIPNARAYAN MANDAL) Director & CEO DIN: 09428273	Sd/- (ANANTA MANOHAR) Director & CFO DIN: 09822685
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Place: New Delhi
Date: 23rd December, 2022

Annexure - I**REPLY TO THE OBSERVATIONS OF STATUTORY AUDITOR**

Sl. No.	Observations	Reply by Management
1.	We draw attention to Note No 26 (iii) & (vi) of the financial statements, which indicate towards contingent liability for penalty due to delay in appointment of Independent Director u/s 149 and formation of Audit Committee u/s 177 of the Companies Act 2013 and delay in filing of statement of SFT returns annually u/s 285BA of the Income Tax Act, 1961 for the FY 2020-21 & 2021-22. However, our opinion is not modified in respect of these matters.	The SFT returns for the FY 2020-21 & 2021-22 have been filed on 19.07.2022 and 13.07.2022 and the Appointment of Independent Director is under process. The other observations are noted for future compliance.



गोपनीय



लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

संख्या/No.

भारतीय लेखापरीक्षा और लेखा विभाग,

कार्यालय, प्रधान निदेशक लेखापरीक्षा (इनफ्रास्ट्रक्चर), दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT,
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT
(INFRASTRUCTURE), NEW DELHI

दिनांक/Dated: 4/11/2022

सेवा मे,

निदेशक,

DME Development Limited

जी-5 एवं 6 सेक्टर 10 द्वारका,

नई दिल्ली-110075

विषय: कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अन्तर्गत 31 मार्च 2022 को समाप्त वर्ष हेतु
DME Development Limited के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक
की टिप्पणियाँ।

महोदय,

मैं इस पत्र के साथ 31 मार्च 2022 को समाप्त वर्ष के लिए DME Development Limited के
वार्षिक लेखों पर कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अन्तर्गत भारत के नियंत्रक एवं
महालेखापरीक्षक की 'टिप्पणियाँ' अग्रेषित करती हूँ। इन टिप्पणियों को कम्पनी की वार्षिक आमसभा में उसी
प्रकार रखा जाए जिस प्रकार वैधानिक लेखा परीक्षक की लेखा परीक्षा रिपोर्ट रखी जाती है।

भवदीया,

संलग्न: टिप्पणियाँ

एस. रा. पांडा

(एस.आह्लादिनी पांडा)

प्रधान निदेशक

तृतीय तल, ए-स्कन्ध, इंद्रप्रस्थ एस्टेट, नई दिल्ली-110002

3rd Floor, A-Wing, Indraprastha Bhawan, I.P. Estate, New Delhi-110002

दूरभाष/Tele.: 011-23378473, 011-23370871

**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 2022**

The preparation of financial statements of DME DEVELOPMENT LIMITED for the year ended 31 March 2022 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(5) 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 01 August 2022.

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 2022 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

I Non-Current Assets

Capital Work in Progress-Intangible Assets (Note No. 3) - ₹ 22,874 crore

- (a) 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 categorizing expenditure of ₹ 22,874 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 ₹ 22,874 crore.

(b) Further, being a Financial Asset, Finance Costs amounting to ₹ 932.49 crore as on 31 March 2022 should have been treated as an expense instead of adding to Capital Work in Progress.

II Current Assets

Cash and Cash Equivalents (Note 6): ₹ 91.99 crore

The above includes bank balance of ₹14.44 crore of Bank of Baroda Escrow Account as on 31 March 2022. However, the bank balance as per the bank statements provided to audit as on 31 March 2022 was Nil, as the bank has deducted the amount of interest on loan on 31 March 2022. Also, the same amount is reflected in 'Other Financial Liabilities' as 'Interest Accrued on Borrowings'. This has resulted in overstatement of Cash and Cash Equivalents and Other Financial Liabilities by ₹ 14.44 crore.

B. Comments on Disclosure

Notes forming part of Financial Statements

(i) Borrowings (Note 10)

The above note represents the details of sanctioned term loans, however, the amount of actual sanctioned term loans and sanctioned term loans mentioned in note no. 10 are as follows:

S. No.	Name of Bank	Actual Term Loan Sanctioned (₹ in crore)	Term Loan Sanctioned as per Note No.10 (₹ in crore)
1	Bank of Maharashtra	1700	5000
2	State Bank of India	9000	8000
3	Indian Overseas Bank	500	1000
4	Karnataka Bank Ltd.	500	1000
	Total	11700	15000

There is a difference of ₹ 3,300 crore in the actual sanctioned term loans and sanctioned term loans as per note no. 10. Thus, the above note is deficient to that extent.

(ii) Capital Commitments (Note 27.B)

The above note states that 'the company is committed to provide total funds of ₹ 53,849 crore to NHAI for construction of Delhi-Mumbai Expressway and till date, the Company has incurred the sum of ₹ 21,950.80 crore. Total pending commitments for the remaining period for the F.Y. 2022-23 and F.Y. 2023-24 is ₹ 31,898.20 crore'. However, as per note no. 3, the company has stated that it had incurred ₹ 22,874 crore. Thus, the pending capital commitment is ₹ 30,975 crore (₹ 53,849 crore – ₹ 22,874 crore). Hence, there is a difference of Rs. 923.20 crore in the

pending capital commitment (₹ 31,898.20 crore – ₹ 30,975 crore). Thus, the note 27.B is deficient to that extent.

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



(S. Ahladini Panda)

Principal Director of Audit (Infrastructure)
New Delhi.

Place: New Delhi

Dated: 4 November 2022

Reply to in reference of CAG Letter dt 04.11.2022 regarding the Audit of DME DL for the financial year 2021-22 and their comments to be put in the forthcoming Annual General Meeting of shareholders of the company.

A. Comments on Financial Position

I. Non-current Assets

- (a) The contention of the CAG for considering it as Financial Assets instead of Intangible Assets of Delhi-Mumbai-Expressway (DME) seems to be incorrect in view of the authority granted to the concessionaire as under:

NHAI has incorporated a wholly owned SPV under Companies Act, 2013 i.e. DME Development Limited ('DME SPV') and has transferred the right to finance, design, develop, operate, maintain and manage the DME Project under a Concession Agreement signed between the NHAI and DME- SPV

Right of the Concessionaire (i.e, DME SPV):

DME SPV gets the right, license, authority to construct, operate, manage, and maintain the DME project on the land owned by the Government of India through MoRTH with construction period of 3 years and operation & maintenance period of 17 years vide Article 3, Grant of Concession, para 3.1.1.

After completion of the Project, NHAI shall pay sufficient annuity, ring fencing the toll revenue, to DME-SPV over the useful life of the assets under the Concession Agreement vide clause 23.6 to meet it's obligations towards debts, interest and other incidental expenses incurred.

The right to receive annuity from NHAI by DME SPV under Concession Agreement qualifies it as a commercial right in the hands of the DME SPV to collect Annuity payments from NHAI in the manner as stipulated in the agreement.

Thus, the property is in the ownership of the Central Govt. and right to collect revenue of tolls etc. vest with NHAI only. While DME DL has only a license through a Concession & Implementation Agreements with NHAI to recover Annuity payment for servicing debts, interest & other expenses incurred or to be incurred during the agreed period.

Accordingly, the cost is categorized rightly as "CWIP - Intangible Asset" under Non-Current Assets in the books of DME DL in terms of provisions of Ind-As-38.

Therefore, the same shall be eligible for amortization over the period of remaining useful life of the license as per the Concession Agreement. Further we invite your attention to Article 19 of the Implementation Agreement dated 05.02.2021 that the project cost as specified for payment to the Implementing Agency (NHAI) shall be inclusive of construction cost, interest during construction, working capital physical contingencies, all other cost, expenses and charges for and in respect of construction of the project. Since, contention of CAG Auditors is contrary to the provision of Article 19 executed between DME DL and NHAI. Thus, the company booked cost as well as incidental expenses in CWIP in terms of Concession Agreement and in terms of applicable provisions of Ind-As-38.

Accordingly, as per IND AS-115, the CWIP-Intangible Asset has not been categorized under Financial Assets. Since recovery of annuity from NHAI shall be treated as income in the hand of DME DL but not the recovery of financial assets in its financial statements and Intangible assets (CWIP) shall be amortized over the remaining period of agreement. Thus, there is no understatement of Financial Assets and no overstatement of CWIP - Intangible Asset.

- (b) Refer Ind AS 23 Borrowing cost on Capital – Significant Accounting Policy No. XIV-Borrowing cost that are directly attributable to the acquisition, or production of a qualifying asset form part of the cost of that asset and, therefore, should be capitalized as Interest during Construction (IDC).

Since the company is incorporated to arrange / borrow funds for construction of Delhi-Mumbai Expressway only, thus interest cost of borrowing for the purpose of construction is directly attributable to the Delhi Mumbai Expressway and accordingly booked to CWIP by the company in terms of provisions of Article 19 of Concession Agreement duly executed between DME DL and NHAI on 5.2.2021 and in terms of provisions Ind-As-23. Further stated that comments of CAG auditor on treatment of financial assets and disclosure of capital commitments are contrary to each other.

Hence, finance cost and administrative expenses incurred during the construction period to bring the assets into its current location and condition will be capitalized till the date of the completion certificates. Since, all features to qualify an intangible asset are present, the DME DL has correctly capitalized the cost to CWIP.

Hence, there is no understatement of Profit and loss statement.

II. Current Assets

The facts and figures have been confirmed. In this regard it is to submit that interest amount was transferred to the relevant Escrow account but due to lack of information regarding the withdrawal of amount by the Bank on 31.03.2022 only, the amount is inadvertently shown as credit in Interest payable and Debit to the Escrow Account on 31.03.2022. It has already been neutralized from interest payable and Escrow account on 1.4.2022 in the current financial year 2022-23 only. Thus, the impact has been neutralized in the current Financial Year.

B. Comments on Disclosure

I. Borrowings

The Actual amount of Loan Sanctioned from the various Banks are as follows:

S. No.	Bank Name	Actual Term Loan Amount Sanctioned/accepted (Rs. in Cr.) (LOC/Sanction letter enclosed) Col. A	Amount (of Term Loan Sanctioned) stated in the Financials (Rs. in Cr.) Col. B	Remarks (Rs. in Cr.) Col. C
1	Bank of Maharashtra	1700 (1000 in FY 2020-21 and 700 in FY 2021-22)	5000	1700 Cr – It is inadvertently stated as 5000 Cr but the correct amount is 1700 Cr.
2	State Bank of India	9000 (5000 in FY 2020-21 and 4000 in FY 2021-22)	8000	9000 Cr.- The bank has sanctioned 8000 Cr in the FY 2021-22 but the company has accepted only 4000 Cr in F.Y. 2021-22. It is written as 8000 Cr without adding actual old sanctioned limit 5000 Cr in the FY 2020-21. It is inadvertently stated as 8000 Cr instead of 9000 Cr.
3	Indian Overseas Bank	500	1000	500 Cr – The bank has sanctioned 1000 Cr but the company has accepted 500 Cr in F.Y. 2021-22. It is inadvertently written as 1000 Cr on the basis of sanction letter for 1000 crore.
4	Karnataka Bank Ltd.	500	1000	500 Cr – The bank has sanctioned 1000 Cr but the company has accepted 500 Cr in F.Y. 2021-22. It is inadvertently written as 1000 Cr on the basis of sanction letter for 1000 cr.

The above typographical errors shall be taken care of in the next financial statements since these do not carry any financial effect, thus, Actual Term Loan Amount Sanctioned should be read as per the column of remarks (Col. C). The same shall be corrected in the current Financial Year.

II. Capital Commitments

The SPV is committed to arrange Rs. 53,849 Crores till the completion of the Project by the end of the F.Y. 2023-24 as under:

The funding arrangement for the Capex requirement of Rs.53,849 Crore on the basis of Debt Equity Ratios at 9:1 as committed is as under:

(INR Crore)					
Year	2020-21	2021-22	2022-23	2023-24	Total cost
Capex Req'd.	10,812	20,506	19,646	2,884	53,849
Debt	9,731	18,455	17,682	2,596	48,464
Equity	1,081	2,051	1,965	288	5,385

Total Capital Commitment of the company is Rs. 53,849.00 Crore (Civil Cost through NHAI plus IDC and other expenses) for completion of construction of DME project till financial year 2023-24. As per CWIP the total expenditure as on 31.03.2022 is Rs. 22,873.99 Crore. Out of this in terms of Concession and Implementation Agreements, the company has spent the sum of Rs 21,950.79 Crore towards civil construction cost through NHAI till 31.03.2022, which may be verified with financial statement of NHAI and Balance Confirmation Certificate issued by them. Balance CWIP of Rs. 923.20 Crore (Rs.22, 873.99 Crore -Rs. 21, 950.79 Crore) represent IDC and other incidental expenses incurred by the company directly.

Thus, the company shall have further capital commitment of Rs 30,975.01 Crore (Civil Cost through NHAI plus IDC and other expenses to be incurred by the company) for the remaining period.

In view of above, necessary rectification shall be made in disclosure of capital commitment in financial notes in the current financial year 2022-2023.



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 31st March, 2022

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 31st March, 2022 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 31st March, 2022 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; -
- (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;

118, Bharat Vandana Apartment, Sector-19, Pocket-1, Delhi-110075

Ph: 8447753061

E-mail: services.csjalaj@gmail.com



- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable
- 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; Not Applicable
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- i. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

(Company not being a listed company within the meaning of Section 2(52) of the Act read with Rule 2A of Companies (Specification of Definitions Details) Rules, 2014, Acts, rules and regulations mentioned at para ii, iii and v are applicable to the company to the extent the said Acts, rules and regulations apply to a company which has issued Listed Non-convertible debt securities on private placement basis)

(vi) 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;

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:

1. As per the resolution passed for allotment of equity shares in the Board Meeting held on 25th August, 2021, the Company has allotted 20,51,00,000 equity shares of Rs. 10 each on 25th August, 2021 on right basis. However, the provisions of section 62 of the Act as applicable to Issue of shares on Right basis have not been complied with in respect of the aforesaid allotment.
2. Non- appointment of any Independent Director.
3. Non- constitution of Audit committee and Nomination and Remuneration Committee as required u/s 177/188 of the Act.
4. Non-appointment of whole time Key Management Personnel (KMP) -Managing Director/CFO, Company Secretary and Chief Financial Officer as required u/s 203 of the Act read with Rule 8/8A of Companies (Appointment and Remuneration of Management Personnel) Rules, 2014.
5. Non -appointment of woman Director as required u/s 149 of the Act.
6. Non-holding of First Annual General Meeting of the Company for Financial Year 2020-21 within the time stipulated u/s 96 of the Act i.e. on or before 31st December, 2021 as the said AGM was held on 28th March, 2022.



7. In respect of issue and allotment of Listed 5000 Non-Convertible Redeemable Bonds of Rs.100,00,000 each (NCRB) on Private placement basis –
- A. Non-identification of persons by the Board of Directors to whom private placement offer has been made as required u/s 42(2) of the Act. Form PAS-5 has also not been placed before the Board.
 - B. Non-filing of Resolution passed by the Board of Directors on 07th December, 2021 for issuance of NCRB with the Registrar of Companies, NCT of Delhi as required u/s 179(3)(c) read with 117(2)(g) of the Act.
 - C. In the Form MGT-14 filed vide SRN-T84640671 dated 06th March, 2022 for the purpose of filing shareholders resolution dated 07th December, 2021 for approval of issue of NCRB, the certified copy of the said resolution has been attached but in the drop down menu relating to Section and purpose, Section 179 and exercise of power by the Board has been selected.
 - D. The Resolution having been passed on 07th December, 2021, the said Form MGT-14 filed vide SRN- T84640671 dated 06th March, 2022 has been filed late beyond the stipulated period of thirty days.
 - E. There are two offer documents in respect of offer and issuance of NCRB, one Information Memorandum prepared as per applicable SEBI regulations and the other Form PAS-4 which has been attached with the Form PAS-3 filed vide SRN: T88880703 dated 17th March, 2022 with the Registrar of Companies, NCT of Delhi & Haryana in respect of allotment of NCRB, whereas as per Para 2.3.28 of Schedule-II of SEBI NCS Regulations, 2021 provides that any information not specified in the schedule but required to be given as per Form PAS-4 shall be included in the Information Memorandum itself. Thus, neither the requirement of SEBI NCS Regulations nor of Form PAS-4 have been fully complied with.
 - F. In the Form PAS-5 attached with Form PAS-3 filed vide SRN T88880703 dated 17th March, 2022 for allotment of NCRB filed with the Registrar of Companies, NCT of Delhi & Haryana, date of circulation of private placement offer document has been mentioned as 07th December, 2021 whereas the Information Memorandum has been approved by the Board of Directors in its meeting held on 03rd March, 2022.
 - G. Non-compliance of Rule 14(8) of Companies (Prospectus and Allotment) Rules, 2014 which provides that private placement offer letter is to be circulated only after filing of Board/shareholders Resolution with the Registrar of Companies. The date of circulation of private placement offer letter as mentioned in Form PAS-5 is 07th December, 2021 whereas shareholders Resolution dated 07th December, 2021 has been filed vide SRN T84640671 dated 06th March, 2022 and the Resolution of the Board of Directors dated 07th December, 2021 has not been filed with the Registrar.
 - H. The resolution for allotment of NCRB attached with Form PAS-3 filed vide SRN T88880703 dated 17th March, 2022, date of meeting in which it has been passed is not mentioned. The said resolution has not been recorded in the Minutes Book of the Board of Directors.
 - I. Non-compliance of Section 42(4) of the Act – As per the Bank Statement produced before us, the subscription amount of NCRB was received on 16th March, 2022 and utilized on the same day whereas the Company has filed the return of allotment in form PAS3 vide SRN T88880703 dated 17th March, 2022.



8. Company has not filed Form DPT3 as per rule 16 of the Companies (Acceptance of Deposits) Rules, 2014 for the financial year ended 31st March, 2021 during the financial year under audit.
9. The Company has transferred Rs. 5000 Crore received as subscription money of NCRB to National Highway Authority of India ("NHAI") on 16th March, 2022. It has been informed to us that the said amount has been paid to NHAI as reimbursement of expenditure towards project cost which NHAI has incurred on behalf of the Company. This arrangement has commercial effect of the borrowing. However, no Board resolution under section 179 (3) (d) of the Act for the said borrowings has been passed.

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: 08.12.2022

**For Jalaj Srivastava & Associates
Company Secretaries**


Pinky Singh
Proprietor
ACS No. 26096

C P No.: 9356

UDIN: A026096D002657956

Peer Review certificate no. : 2459/2022

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 not 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: 08.12.2022

**For Jalaj Srivastava & Associates
Company Secretaries**


Pinky Singh
Proprietor

ACS No:26096

C P No.:9356

UDIN: A026096D002657956

Peer Review certificate no.:2459/2022

ANNEXURE-3**REPLY TO THE OBSERVATIONS OF SECRETARIAL AUDITOR**

S.No.	Observations	Reply by Management
1.	As per the resolution passed for allotment of equity shares in the Board Meeting held on 25 th August,2021, the Company has allotted 20,51,00,000 equity shares of Rs. 10 each on 25 th August, 2021 on right basis. However, the provisions of section 62 of the Act as applicable to Issue of shares on Right basis have not been complied with in respect of the aforesaid allotment.	As the concession agreement entered into between NHAI and DME, NHAI (sole shareholder of DME) has released funds against which DME has allotted shares. NHAI being the sole shareholder and subscription of shares being as per the concession agreement, as per our understanding, strict adherence of procedural compliances was not applicable
2.	Non- appointment of any Independent Director.	DME being wholly owned subsidiary of NHAI, it has to follow certain procedure for appointment of director. The Independent Director, therefore, could not be appointed in time
3	Non- constitution of Audit committee and Nomination and Remuneration Committee as required u/s 177/188 of the Act	As soon as the appointment of Independent Director is made, both the Committees will be formed in the current Financial year.
4	Non-appointment of whole time Key Management Personnel (KMP) -Managing Director/CFO, Company Secretary and Chief Financial Officer as required u/s 203 of the Act read with Rule 8/8A of Companies (Appointment and Remuneration of Management Personnel) Rules, 2014.	Appointment of CFO and CS as KMP has been made in the Current Financial Year.
5	Non -appointment of woman Director as required u/s 149 of the Act.	DME being wholly owned subsidiary of NHAI, it has to follow certain procedure for appointment of director. Besides as per AOA, NHAI has right to nominate the Directors of the company. The Woman Director, therefore, could not be appointed in time.
6	Non-holding of First Annual General Meeting of the Company for Financial Year 2020-21 within the time stipulated u/s 96 of the Act i.e. on or before 31st December,2021 as the said AGM was held on 28th March,2022.	There was delay in finalization of accounts due to covid pandemic and also it being the first financial year since incorporation due to which systems and procedures could not be put in place in time.
7	In respect of issue and allotment of Listed 5000 Non-Convertible Redeemable Bonds of Rs.100,00,000 each (NCRB) on Private placement basis –	

	A. Non -identification of persons by the Board of Directors to whom private placement offer has been made as required u/s 42(2) of the Act. Form PAS-5 has also not been placed before the Board. B. Non-filing of Resolution passed by the Board of Directors on 07th December,2021 for issuance of NCRB with the Registrar of Companies, NCT of Delhi as required u/s 179(3)(c) read with 117(2) (g) of the Act. C. In the Form MGT-14 filed vide SRN-T84640671 dated 06th March, 2022 for the purpose of filing shareholders resolution dated 07th December,2021 for approval of issue of NCRB, the certified copy of the said resolution has been attached but in the drop down menu relating to Section and purpose, Section 179 and exercise of power by the Board has been selected. D. The Resolution having been passed on 07th December,2021, the said Form MGT-14 filed vide SRN- T84640671 dated 06th March,2022 has been filed late beyond the stipulated period of thirty days. E. There are two offer documents in respect of offer and issuance of NCRB, one Information Memorandum prepared as per applicable SEBI regulations and the other Form PAS-4 which has been attached with the Form PAS-3 filed vide SRN: T88880703 dated 17th March, 2022 with the Registrar of Companies, NCT of Delhi & Haryana in respect of allotment of NCRB, whereas as per Para 2.3.28 of Schedule-II of SEBI NCS Regulations,2021 provides that any information not specified in the schedule but required to be given as per Form PAS-4 shall be included in the Information Memorandum itself. Thus, neither the requirement of SEBI NCS Regulations nor of Form PAS-4 have been fully complied with. F. In the Form PAS-5 attached with Form PAS-3 filed vide SRN T88880703 dated 17th March, 2022 for allotment of NCRB filed with the Registrar of Companies, NCT of Delhi & Haryana, date of circulation of private placement offer document has been mentioned as 07th December,2021 whereas the Information Memorandum has been	Para A to I – The company has acted in accordance with the professional advice. The delay in filing of form PAS-3 was due to clerical oversight.
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	approved by the Board of Directors in its meeting held on 03rd March,2022. G. Non-compliance of Rule 14(8) of Companies (Prospectus and Allotment) Rules,2014 which provides that private placement offer letter is to be circulated only after filing of Board/shareholders Resolution with the Registrar of Companies. The date of circulation of private placement offer letter as mentioned in Form PAS-5 is 07th December,2021 whereas shareholders Resolution dated 07th December,2021 has been filed vide SRN T84640671 dated 06th March,2022 and the Resolution of the Board of Directors dated 07th December,2021 has not been filed with the Registrar. H. The resolution for allotment of NCRB attached with Form PAS-3 filed vide SRN T88880703 dated 17th March, 2022, date of meeting in which it has been passed is not mentioned. The said resolution has not been recorded in the Minutes Book of the Board of Directors. I. Non-compliance of Section 42(4) of the Act – As per the Bank Statement produced before us, the subscription amount of NCRB was received on 16th March,2022 and utilized on the same day whereas the Company has filed the return of allotment in form PAS3 vide SRN T88880703 dated 17th March, 2022.	
	Company has not filed Form DPT3 as per rule 16 of the Companies (Acceptance of Deposits) Rules, 2014 for the financial year ended 31 st March,2021 during the financial year under audit.	As per our understanding based on the CIN allotted by MCA and being 100% SPV of NHAI, filing of DPT is under exemption.
	The Company has transferred Rs. 5000 Crore received as subscription money of NCRB to National Highway Authority of India (“NHAI”) on 16 th March, 2022. It has been informed to us that the said amount has been paid to NHAI as reimbursement of expenditure towards project cost which NHAI has incurred on behalf of the Company. This arrangement has commercial effect of the borrowing. However, no Board resolution under section 179 (3) (d) of the Act for the said borrowings has been passed.	The Board of Directors have passed Board Resolution dated 25.06.2021 for borrowings in general and thus sanction of the Board is implied.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of an organization. Good Corporate Governance leads to long term shareholders value and enhances interest of other stakeholders.

DME Development Limited (DMEDL) believes that any meaningful policy on Corporate Governance must empower the Executive Management of the Company. At the same time, Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the Executive Management are used with care and responsibility to meet stakeholders' aspirations and societal expectations. The Company is committed to achieve the good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate cultures which aim at a true Corporate Governance.

DMEDL understands and respects its fiduciary and trusteeship role and responsibility to its stakeholders and strives hard to meet their expectations. DMEDL believes that Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

Your Company has issued Secured, Non-Convertible, Non-Cumulative, Taxable Bonds (Debentures) listed on National Stock Exchange of India Limited. Your Company strives to achieve highest standards of Corporate Governance and take necessary steps at appropriate times for enhancing and meeting stakeholders' expectations while complying with the mandatory provisions of Corporate Governance. With this belief, your Company has complied with the Corporate Governance requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015).

In accordance with the SEBI Listing Regulations, 2015, requisite details are as under:

Mandatory Requirements

Company's philosophy on Code of Governance

The philosophy of your Company in relation to Corporate Governance is to endeavor to maintain the highest standard of Corporate Governance through achievement of the following objectives:

1. To protect and facilitate the shareholders to exercise their rights;
2. To provide adequate and timely information to all the stakeholders;
3. To ensure equitable treatment to all shareholders;
4. To enhance the stakeholders' value with strong emphasis on transparency, accountability and integrity optimum utilisation of the resources and ethical behavior of the enterprise; and
5. To ensure timely and accurate disclosure on all matters including financial situation, performance, ownership and governance of the Company.

There is a clear demarcation of duties and responsibilities among the Management and other Senior Managerial Personnel, to ensure best corporate performance and socio-economic value creation.

Board of Directors:

- Composition & Size**

The Board has a strength of 5 (Five) Directors as on 31.03.2022 as on the date of this report. Detailed profile of the Board of Directors of your Company is available on the website of the Company i.e. www.dmedl.in

- Change in Composition:**

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

Name of Director	Designation	Date of Change	Nature of Change
Sh. Rajesh Kumar Pandey (DIN-09428235)	Nominee Director	07.12.2021	Appointment
Sh. Shashibhushan Dipnarayan Mandal (DIN-09428273)	Nominee Director	07.12.2021	Appointment
Sh. Rohin Kumar Gupta (DIN-08854433)	Director	07.12.2021	Cessation
Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar (DIN-09494456)	Nominee Director	16.02.2022	Appointment
Sh. Alok (DIN 02600247)	Nominee Director	16.02.2022	Cessation
Sh. Rajesh Kumar Pandey (DIN-09428235)	Nominee Director	16.02.2022	Cessation

The composition of the Board is in compliance with the requirements under the Companies Act, 2013 ("Act"). However, pursuant to the applicability of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"), the Company is required to reconstitute its Board. Accordingly, your Company is in the process of reconstituting its Board to ensure compliance with all the applicable laws within the prescribed timelines.

- Board Meeting:**

The Board meets at regular intervals to discuss and decide on strategies, policies and reviews the financial performance of the Company apart from other Business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are noted at the subsequent Board Meeting. During the Financial Year ended 31st March, 2022, the Board met Five (5) times, on the following dates:

25th June, 2021, 25th August, 2021, 14th September, 2021, 7th December, 2021 and 3rd March, 2022.

The requisite quorum was present in all the Meetings. The intervening gap between the meetings was in accordance with the provisions of the Act, the SEBI Listing Regulations and the Secretarial Standards issued by the Institute of Company Secretaries of India.

Notice and agenda, including the detailed notes on the matters to be considered at the meeting, in terms of the Act and the SEBI Regulations, are circulated to all the Directors within the prescribed timelines.

Further, 1st Annual General Meeting (“AGM”) of the Company was held on March 28, 2022 through VC, in line with the applicable provisions of the Act and relevant circulars issued by the MCA.

The composition of the Board of Directors, the number of other Directorships and Committee positions held by each Director as on March 31, 2022 is as under:

Name of Director	Category of Directorship	Total Number of Directorship	Number of other Directorship	Number of Chairmanship/ Member ship in committees of other companies	
			Public Listed Companies	Chairman	Member
Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar	Nominee Director	1	Nil	Nil	Nil
Sh. Amit Kumar Ghosh	Nominee Director	2	Nil	Nil	Nil
Sh. Manoj Kumar	Director	6	Nil		
Sh. Syed Qamar Ahmad	Director	11	Nil	Nil	20
Sh. Shashibhushan Dipnarayan Mandal	Nominee Director	1	Nil	Nil	Nil

Names of the Listed entities where the person is a director and the category of directorship: - Nil

Note:

- None of the Directors of the Company were members of more than 10 committees or acted as Chairperson of more than 5 committees across all public limited companies in which they were Directors in terms of Regulation 26 of the SEBI Listing Regulations.
- None of the Directors held directorship in more than 7 Listed entities.

Further, based on the disclosures received from the Directors as on March 31, 2022 and as on the date of this Report, it is confirmed that none of the Directors:

- have any inter-se relationship with each other;
- hold directorships/memberships/ chairpersonships more than the limit prescribed under the Act and the SEBI Listing Regulations;
- hold any shares or convertible instruments issued by the Company.

Attendance of each Director at the Board Meetings held in financial year 2021-22 and at the last Annual General Meeting of the Company:

Name of the Director	No. of Board Meetings held during the year	No. of Board Meetings attended	Attendance at the last AGM held on March 28, 2022
Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar	5	1^	Yes
Sh. Amit Kumar Ghosh	5	5	Yes
Sh. Manoj Kumar	5	5	Yes
Sh. Syed Qamar Ahmad	5	5	Yes
Sh. Shashibhushan Dipnarayan Mandal	5	1*	Yes

*Appointed w.e.f. 07.12.2022

^Appointed w.e.f. 16.02.2022

SKILLS/EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS OF THE COMPANY:

The Board of Directors of the Company comprises qualified members who bring in the required skills, expertise, and competence to allow them to make effective contribution to the Board and its Committees. The Board members are committed to ensuring that the Board is in well compliance with the highest standards of corporate governance.

In terms of SEBI Listing Regulations, 2015, the Company identified the following list of core skills/expertise/competencies required in the context of the Company's business(es) and sector(s) for it to function effectively and those which are actually available with the Board:

Management and leadership experience	Management and leadership experience in the areas of business development, strategic planning, merger and acquisition, investments / divestments, guiding and leading the management teams to make informed decisions.
Industry Experience	Deep domain knowledge and expertise in Roads and Highways Sector, in-depth understanding of sectorial policies and Regulatory Affairs, quantitative and qualitative analysis of contractual obligations, understanding of key geographies.
Diversity	Diversity of thought, experience, knowledge, perspective, gender and culture.
Functional and managerial experience	Knowledge and skills in accounting and finance, tax, business judgment, general management practices and processes, legal, crisis response and management, macro-economic perspectives, human resources, labor laws and risk management.
Corporate Governance	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and Company's responsibilities towards customers, employees, suppliers, regulatory bodies and the communities in which it operates.

The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

Board Committees

As on March 31, 2022, the Company does not have any committee. The provisions of the SEBI Listing Regulations relating to constitution of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders' Relationship Committee have been made applicable to the Company w.e.f. March 16, 2022, on comply or explain basis until March 31, 2023 and on mandatory basis thereafter. Accordingly, the Company shall constitute all the required Committees in line with the provisions of the SEBI Listing Regulations, in due course, within the specified timelines. Once the committees have been constituted, the Company will simultaneously adopt charters for the respective Committees.

Total fees for all services paid by the Company on a consolidated basis, to the joint statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Payment to Statutory Auditors FY2021-22	Amount in Rs.
Statutory Audit fees (Including Limited Review Fees) (Half Year Audit + Annual Audit)	2,18,300 (including GST)
Other audit fees (Towards Certificates, Tax Audit and out of pocket expenses)	Nil
Total	

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required in compliance with Indian Accounting Standard has been made in the notes to the Financial Statements.

Remuneration of Directors

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.

GENERAL BODY MEETINGS:

Corporate Identity Number (CIN): U45202DL2020GOI368878

The Company is registered at Delhi, India.

Annual General Meeting:

The details of the last three Annual General Meetings held:

Financial Year	AGM	Date	Time	Location of the AGM	Special Resolution(s) Passed
F.Y. 2020-21	1 st	28 th March, 2022	11.00 A.M.	Through Video Conferencing	Nil
F.Y. 2019-20	N.A.	N.A.	N.A.	N.A.	N.A.
F.Y. 2018-19	N.A.	N.A.	N.A.	N.A.	N.A.

Details of Extra-ordinary General Meeting (“EGM”) and Postal Ballot during the year under review:

During the year under review or as on the date of this Report, no resolution was passed through Postal Ballot and no special resolution is being proposed to be passed through Postal Ballot. Further, details of the EGM held during the year are as below:

Date of EGM	Time	Location of the EGM	Special Resolution(s) Passed
25 th June, 2021	5.30 P.M.	Through Video Conferencing	1. Approval of Borrowing limits u/s 180(1)(c) of the Companies Act, 2013. 2. Approval of Creation of Charge in favor of lenders
7 th December, 2021	4.30 P.M.	Through Video Conferencing	Approval of issuance of Bonds

MEANS OF COMMUNICATION:

Website: The Company’s website i.e. www.dmedl.com, contains a separate dedicated section ‘Investor Relations’ where information for investors is available. Also, any official news release is updated on the website of the Company.

Annual Report: The Annual Report containing, inter alia, Audited Financial Statements, Board’s Report, Auditors’ Report and other important information, is circulated to the Members of the Company and other stakeholders’ entitled thereto. The Annual Report is also available in downloadable form on the website of the Company.

NEAPS Portal: NEAPS portal is a web-based application designed by National Stock Exchange of India Limited (“NSE”) for corporates. All periodical and other compliance filings are filed electronically on the Listing Centre and the same can be accessed from the website of NSE.

SEBI Complaints Redress System (SCORES): Investor complaints are processed at SEBI in a centralized web-based complaints redress system.

GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting for the F.Y. 2021-22:

Date & Time	Monday, 28 th day of March, 2022 at 11.00 A.M.
Venue	Through Video Conferencing, in compliance with provisions of the Act and relevant circulars issued by the MCA.
Financial Year	April 1, 2021 to March 31, 2022
Date of Book closure	Not Applicable
Dividend Payment Date	No dividend is recommended by Directors of the Company on Equity Shares for the current Financial Year

Listing on Stock Exchanges:

The Non-Convertible Debentures of the Company are listed on the NSE. Annual Listing Fees for FY 2021-22 and FY 2022-23 paid to the exchanges and there is no outstanding payment as on date.

Securities Code:

NSE Limited – INE0J7Q07025, INE0J7Q07033, INE0J7Q07041, INE0J7Q07058, INE0J7Q07066, INE0J7Q07074, INE0J7Q07082, INE0J7Q07090, INE0J7Q07108, INE0J7Q07017

MARKET PRICE DATA:

NCDs listed on NSE have been issued on private placement basis and are not regularly traded on-market.

Hence, market price data such as high/ low/ closing prices and trading volumes etc. during the year under review, is not available on the Exchange. Further, equity shares issued by the Company are not listed on any of the Exchange. Distribution of Shareholding as on March 31, 2022 of Equity Shares:

S. No.	Name of Shareholders	No. of Equity Share of Rs.100/-	Total (Rs.)	Percentage (%)
1.	National Highways Authority of India	31,33,00,000	31,33,00,00,000	100%
2.	Sh. Manoj Kumar (Nominee of NHAI)	1	100	-
3.	Sh. Amarendra Kumar (Nominee of NHAI)	1	100	-
4.	Sh. Rohin Kumar Gupta (Nominee of NHAI)	1	100	-
5.	Sh. Ravinder (Nominee of NHAI)	1	100	-
6.	Sh. Alok (Nominee of NHAI)	1	100	-
7.	Sh. Amit Kumar Ghosh (Nominee of NHAI)	1	100	-
	TOTAL	31,33,00,000	31,33,00,00,000	100

Category-wise Shareholding as on March 31, 2022 of Equity Shares:

Promoter & Promoter Group		
	Number of Shares	%
Indian		
Individuals	-	-
Bodies Corporate (NHAI)	313300000*	100
Person Acting in Concert	-	-
Total (A)	313300000	100
Public Shareholdings		
	Number of Shares	
Institutions		
Mutual Funds/UTI	-	-
Alternate Investment Funds	-	-
Foreign Portfolio Investors	-	-
Insurance Companies	-	-
Total (B)	-	-
Non Institutions		
	Number of Shares	
Other Bodies Corporate	-	-
NRI & Foreign National	-	-
Clearing Members	-	-
Public & Others	-	-
Total (C)	-	-
Total (A + B + C)	313300000	100

*including nominee share holders

Disclosure of information on pledged shares:

The details of shares pledged by promoter: Nil

Details showing Shareholding of more than 1% of the Capital as on March 31, 2022:

Name of Shareholder	Number of Shares	% of Capital
National Highways Authority of India	313299994	99.99

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments.

Dematerialisation Information:

As on March 31, 2022, the equity shares of the Company are not in in the demat form. The Company is in process of converting the equity shares in electronic form.

Credit Rating(s):

Details of the credit ratings obtained by the Company are provided in the 'Boards' Report', forming part of the Annual Report.

Whistle Blower Policy/Vigil Mechanism:

Details in this regard have been provided in the Board's Report', forming part of the Annual Report.

Registrar & Share Transfer Agent:

Bigshare Services Private Limited
302, Kushal Bazar, 32-33, Nehru Place,
New Delhi – 110019

Address for correspondence:

Shareholders may address their communication to Company's Secretarial Department of the Company at the following address:

Company Secretary and Compliance Officer
Ms. Prachi Mittal
Company Secretary
DME Development Limited
G-5 & 6, Sector-10, Dwarka Delhi – 110075

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):

During the year under review, your Company did not raise funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Not Applicable

Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

There are no loans and advances given by the Company to firms/companies in which directors are interested.

Compliances under the SEBI Listing Regulation

The Company is in process of implementing the corporate governance requirements specified under Regulation 15 to 27 of SEBI Listing Regulations. Accordingly, the Company shall comply with all the requirements in line with the provisions of the SEBI Listing Regulations, in due course, within the specified timelines. The Company has obtained the requisite certificate from M/s Puneet & Associates, Practicing Company Secretary confirming compliance with the conditions of corporate governance, as applicable, annexed hereto marked as "Annexure A"

CEO and CFO Certification

The Managing Director & CEO and CFO of the Company have given the certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations, is annexed hereto marked as “Annexure B” and forms part of this Report.

Certification from Company Secretary in Practice:

M/s Puneet & Associates, Practicing Company Secretary, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/MCA or any such statutory authority. The certificate is enclosed with this report as “Annexure C”.

Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account:

There are no shares lying unclaimed in the Demat Suspense Account/ Unclaimed Suspense Account as on the date of this Report.

Annexure-A**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE
REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015**

To,
The Members of
DME Development Limited
(CIN – U45202DL2020GOI368878)

We have examined the compliance of applicable conditions of corporate governance by DME Development Limited (“the Company”) for the year ended on 31st March 2022 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the Securities and Exchange Board of India Circular dated September 7, 2021, Regulations 15 to 27 of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 have become applicable to the Company on comply or explain basis till March 31, 2023 and on mandatory basis thereafter. Accordingly, in our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the requirements of Corporate Governance, as applicable, under the aforesaid regulations and pursuant to the Listing Agreement of the Company with Stock Exchanges.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **PUNEET AND ASSOCIATES**
Company Secretaries

Place: New Delhi
Date: 22.12.2022

Sd/-
PUNEET
(Proprietor)
FCS No. 9056; COP. No. – 10597
Peer Review Cert. No. 1525/2021
UDIN: F009056D002776315

Annexure-B

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION
[Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015]**

We, Shashibhushan Dipnarayan Mandal, Chief Executive Officer and Ananta Manohar, Chief Financial Officer of DME Development Limited, certify to the Board that

1. We have reviewed the Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended on 31st March, 2022 and to the best of our knowledge and belief, we certify that:
 - a) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no fraudulent or illegal transactions and transactions violative of the Company's Code of Conduct.
3. For the purposes of financial reporting, we accept the responsibility for establishing and maintaining the internal controls which are monitored by the Company's Internal Audit Team and have evaluated based on feedbacks received from the Company's Internal Audit Team, the effectiveness of the internal control systems of the Company pertaining to financial reporting and have reported to the Auditors, the deficiencies, if any, in the operation and design of such internal controls and the steps taken or proposed to be taken to rectify the deficiencies.
4. We have indicated to the Auditors:
 - (i) significant changes, if any, in the internal controls over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) that there have been no instances of significant fraud, of which we have become aware and consequently no involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
5. The annual financial statements for the financial year have been prepared on a 'going concern' basis.

Sd/-
Shashibhushan Dipnarayan Mandal
Director & Chief Executive Officer

Sd/-
Ananta Manohar
Director & Chief Financial Officer

Place: Delhi
Date: 23.12.2022

Annexure-C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
DME Development Limited (CIN - U45202DL2020GOI368878)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of DME Development Limited having CIN U45202DL2020GOI368878 and having registered office at, G-5 & 6, Sector-10, Dwarka, Delhi – 110075 produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the Financial Year ending on 31st March, 2022.

S. No.	Name of the Director	DIN	Date of Appointment	Status (www.mca.gov.in)
1.	Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar	09494456	16.02.2022	Active
2.	Sh. Amit Kumar Ghosh	01092172	22.09.2020	Active
3.	Sh. Manoj Kumar	08854382	29.08.2020	Deactivated due to non-filing of Form DIR 3 KYC
4.	Sh. Syed Qamar Ahmad	08275536	29.08.2020	Active
5.	Sh. Shashibhushan Dipnarayan Mandal	09428273	07.12.2021	Active

Ensuring the eligibility for the appointment or continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the same based on the verification conducted. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **PUNEET AND ASSOCIATES**
Company Secretaries

Sd/-
PUNEET
(Proprietor)

FCS No. 9056; COP. No. – 10597
Peer Review Cert. No. 1525/2021
UDIN: F009056D002776491

Place: New Delhi
Date: 22.12.2022



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 March' 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 year 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 March' 2022, and its Loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year 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 year. 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 31.03.2022 and balance confirmations 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 NHAI on the completion of project to repay all debts (including interest accrued thereon) as per repayment schedules and other administrative & other incidental 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 liked 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 (iii) & (vi) of the financial statements, which indicate towards contingent liability for penalty due to delay in appointment of Independent Director u/s 149 and formation of Audit Committee u/s 177 of the Companies Act' 2013 and delay in filing of Statement of Financial Transactions (SFT Returns) annually u/s 285BA of the Income Tax Act, 1961 for the financial year 2020-21 & 2021-22. 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 does not have any pending litigation which would impact its financial position.
 - 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 year 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 period ended 31st March 2021 vide their C&AG letter No PDA/Infra/IHQ-IV/38-3/2020-21/313 dated 07.01.2022 and C&AG letter No PDA/Infra/IHQ-IV/38-3/2020-21/651 dated 28.01.2022, the management of the company has clarified on such deficiencies in the board meeting held on 03.03.2022 which is approval by shareholders in their annual general meeting held on 28.03.2022.
5. (a) Refer Point No 29(i),(ii)&(vi) in the financial Notes, regarding delay in appointment of Chief Financial Officer (CFO) in compliance with section 203 of the Companies Act 2013, and payment of undisputed statutory liabilities of Rs 313.20 lakhs towards stamp duty payable on share certificate and delay in appointment of the whole time company secretary u/s 203 of the Companies Act' 2013 on 23.06.2022, 01.06.2022 & 01.06.2022 respectively after the balance sheet date.



(b) Refer Point No 29(iii)&(vi) regarding non-compliances of formation of audit committee u/s 177 and appointment of Independent Director u/s 149 of the Companies Act' 2013 and non-filing of SFT Return u/s 285BA of the Income Tax Act, 1961 for financial year 2020-21 & 2021-22 and delay in dematerialization of shares in Rule 9A of Chapter-III Part I of the Companies (Prospectus and Allotment of Securities) Rules 2014.

Place: New Delhi

Date: 01.08.2022

UDIN: 22093542ANZSDN1084

For Singh Harbeer & Associates
Chartered Accountants
Firm Regn No: 017247N
DELHI
Harbeer Singh, FCA
(Partner)
Membership No. 093542

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 year ended 31.03.2022

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 fixed asset except capital work in progress.

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 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 March' 2022 for a period of more than six months from the date they became payable, except:

Name of the Statute	Nature of the Dues	Amount (Rs. In lakhs)	Period for which the amount relates	Due Date	Date of Payment	Remarks, if any
The Indian Stamp Act, 1989	Stamping of share certificates	0.10 lakhs	F.Y. 2020-2021	21.10.2020	01.06.2022	Delay in depositing of Stamp duty on issue of share certificates on 22.09.2020 for subscribing of initial capital on incorporation of the company & subsequent allotments on 19.03.2021 & 25.08.2021
	"	108.10 lakhs	F.Y. 2020-2021	17.04.2021	01.06.2022	
	"	205.10 lakhs	F.Y. 2021-2022	23.09.2021	01.06.2022	

- (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 year.



- (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 year.

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 year. 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 year.

As per records produced and information available to us, the company has no subsidiary, associate company or joint venture during the year. 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 raised money of Rs 6,850.00 crores by way of term loans from banks which have been applied for the purpose for which they were obtained during the year.

The company has made preferential allotment on the basis of right issue of Rs 2,051.00 crores on 25.08.2021 during the year in addition to earlier allotments of equity shares of Rs 1082.00 crores of the company in the previous period 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 year 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 of Rs 5,000.00 crore to various QIBs 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 year.



- (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 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 half yearly 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 16.64 lakhs during the year on account of normal expenses incurred and immediately financial period Rs Nil.
- (xviii) There is no resignation of the statutory auditors of the company during the year under report, hence comment under this clause is not required.



- (i) 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.
- (xix) 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 Rs Nil, 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.
- (xx) 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.

Place: New Delhi
Date: 01.08.2022
UDIN: 22093542ANZSDN1084

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

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

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 March' 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 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 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 2,051.00 Crore Only from NHAI towards capital contributions during the year under report. In addition to that, the company has not received any fund for specific scheme from any Central / State Agency during the year under audit. However, the company has raised fund of Rs 6,850.00 Crore from nationalized banks as term loans and raised the sum of Rs 5000.00 crore by way of issuing Non-Convertible Non-Cumulative Taxable Bonds / Debentures to QIBs and the same have 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: 01.08.2022

UDIN: 22093542ANZSDN1084

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


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

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 March’ 2022 conjunction with our audit of the financial statements of the Company for the year 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 March' 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 in Point No 5(a)&(b) of the audit report and described in Note No. 29 by the company in its' financial statements. Thus, the company needs to strengthen its internal control system further by adopting various appropriate policies and pre-indicator system for legal compliances to avoid delays & penal consequences.

Place:-New Delhi

Date: 01.08.2022

UDIN: 22093542ANZSDN1084

For Singh Harbeer & Associates
Chartered Accountants
Firm Regn No: 017247N
DELHI
Harbeer Singh
(Partner)
M. No. 093542

DME DEVELOPMENT LIMITED

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

CIN: U45202DL2020GOI368878

Balance Sheet as at 31st March 2022

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No	As at	As at
		31st March 2022	31st March 2021
I ASSETS			
Non-current assets			
Property, plant and equipment	3	-	-
Capital work in progress - intangible Assets	3	2,287,399.57	989,074.00
Other intangible assets		-	-
Financial assets			
(i) Other financial assets	4	-	-
Non-current tax assets (net)	19	-	-
Deferred tax assets (net)	19	75.83	71.50
Other non-current assets	5	-	-
Total non-current assets		2,287,475.39	989,145.50
Current assets			
Financial assets			
(i) Cash and cash equivalents	6	9,198.68	106,148.27
(ii) Other financial assets	4	-	-
Other current assets	5	179,273.11	-
Total current assets		188,471.79	106,148.27
Total Assets		2,475,947.18	1,095,293.77
II EQUITY AND LIABILITIES			
Equity			
Share capital	7	313,300.00	108,200.00
Other equity	8	(215.82)	(203.51)
Share application pending allotment	9	-	-
Total equity		313,084.18	107,996.49
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	10	2,158,099.00	973,099.89
(ii) Other financial liabilities	11	-	-
Other non-current liabilities	12	-	-
Total non-current liabilities		2,158,099.00	973,099.89
Current liabilities			
Financial liabilities			
(i) Trade payables	13	110.59	14,082.28
(ii) Other financial liabilities	11	4,318.84	-
Other current liabilities	12	334.58	115.11
Total current liabilities		4,764.01	14,197.40
Total equity and liabilities		2,475,947.18	1,095,293.77

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: 067247N

DELHI

(Harbeer Singh)

Partner

M.No. 093542

For and on behalf of Board

(SHASHI BHUSHAN)

Director

DIN: 09428273

(S.O. AHMAD)

Director

DIN: 08275536

Place: New Delhi

Date: 01.08.2022

UDIN: 22093542ANZSDN1084

(ANANTA MANOHAR)

CFO

(PRACHI MITTAL)

COMPANY SECRETARY

DME DEVELOPMENT LIMITED

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

Statement of Profit and Loss for the year ended 31st March' 2022 (All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2022	For the period ended 31st March 2021
REVENUE			
Revenue from operations	14	-	-
Other Revenue	14	-	-
Total Revenue		-	-
EXPENSES			
Employees benefits expense	15	-	-
Financial costs	16	-	-
Administrative expenses	17	16.64	-
Other expenses	18	-	275.01
Total Expenses		16.64	275.01
Profit/(Loss) before exceptional items & tax		(16.64)	(275.01)
Tax expenses			
Current tax	19	-	-
Deferred tax	19	4.33	71.50
Net Tax Expenses		4.33	71.50
Profit/(Loss) for the period (A)		(12.31)	(203.51)
Other comprehensive income		-	-
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)		(12.31)	(203.51)
Profit/(Loss) for the period attributable to:		(12.31)	(203.51)
Equity holders		(12.31)	(203.51)
Total comprehensive income for the period, net of tax attributable		(12.31)	(203.51)
Equity holders		(12.31)	(203.51)
Earnings per equity share (of INR 100/- each):			
(1) Basic (absolute value in INR)	20	(0.01)	(5.21)
(2) Diluted (absolute value in INR)	20	(0.01)	(5.21)

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



M.No. 093542

For and on behalf of Board


(SHASHI BHUSHAN)
Director
DIN: 09428273


(S.Q. AHMAD)
Director
DIN: 08275536

Place : New Delhi
Date : 01.08.2022
UDIN: 22093542ANZSDN1084


(ANANTA MANOHAR)
CFO


(PRACHI MITTAL)
COMPANY SECRETARY

DME DEVELOPMENT LIMITED

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

CIN: U45202DL2020GOI368878

Statement of Changes in Equity for the year ended 31st March 2022
(All amounts in INR Lakhs, unless otherwise stated)**(a) Equity share capital**
Current reporting period

Particulars	Number of shares	Amount in INR
Equity shares of INR 100/- each issued, subscribed and fully paid		
At 31 March 2021	108,200,000	108,200.00
Change during the year	205,100,000	205,100.00
At 31 March 2022	313,300,000	313,300.00

Previous reporting period

Particulars	Number of shares	Amount in INR
Equity shares of INR 100/- each issued, subscribed and		
At 31 March 2020	-	-
Change during the year	108,200,000	108,200.00
At 31 March 2021	108,200,000	108,200.00

(b) Other equity**Current reporting period**

Particulars	Other equity	Total
	Surplus in the Statement of Profit and Loss	
Opening balance	(203.51)	(203.51)
Profit for the year	(12.31)	(12.31)
Other comprehensive income	-	-
Total comprehensive income	(12.31)	(12.31)
Transferred from surplus in the Statement of Profit and Loss	-	-
Share issue cost	-	-
At 31 March 2022	(215.82)	(215.82)

Previous reporting period

Particulars	Other equity	Total
	Surplus in the Statement of	
Opening balance	-	-
Profit for the year	(203.51)	(203.51)
Other comprehensive income	-	-
Total comprehensive income	(203.51)	(203.51)
Transferred from surplus in the Statement of Profit and Loss	-	-
Share issue cost	-	-
At 31 March 2021	(203.51)	(203.51)

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

DELHI

(Harbeer Singh)

Partner
M.No. 093542

For and on behalf of Board

(SHASHI BHUSHAN)

Director

DIN: 09428273

(S.Q. AHMAD)

Director

DIN: 08275536

(ANANTA MANOHAR)

CFO

(PRACHI MITTAL)

COMPANY SECRETARY

Place : New Delhi

Date : 01.08.2022

UDIN: 22093542ANZSDN1084

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

Statement of Cash Flows for the year ended 31st March 2022
(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	For the year ended	For the period ended
		31 March 2022	31 March 2021
A	Cash flow from operating activities		
	Profit before income tax	(16.64)	(275.01)
	Depreciation	-	-
	Operating cash flows before working capital changes	(16.64)	(275.01)
	Movements in working capital :		
	(Increase)/decrease in other current asset	(179,273.11)	-
	(Increase)/decrease in other financial asset	-	-
	(Increase)/decrease in other non current asset	-	-
	Increase/(decrease) in financial liabilities	4,318.84	-
	Increase/(decrease) in other current liabilities	219.46	115.11
	Increase/(decrease) in other non current liabilities	-	-
	Increase/(decrease) in trade payables and financial liabilities	(13,971.69)	14,082.28
	Cash generated from operations	(188,723.13)	13,922.38
	Income taxes paid	-	-
	Net cash flow from operating activities (A)	(188,723.13)	13,922.38
B	Cash flow from investing activities:		
	Proceeds from sale of property, plant and equipment, including intangible assets and CWIP	-	-
	Addition in CWIP	(1,298,325.57)	(989,074.00)
	Capital grant received	-	-
	Change in Fixed Assets	-	-
	Net cash flow (used in) investing activities (B)	(1,298,325.57)	(989,074.00)
C	Net cash flow from financing activities:		
	Borrowings during the period	1,184,999.11	973,099.88
	Change in Share Capital	205,100.00	108,200.00
	Share issue expenses paid	-	-
	Change in share application Money	-	-
	Net cash flow (used in) in financing activities (C)	1,390,099.11	1,081,299.88
D	Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(96,949.60)	106,148.27
	Effect of exchange differences on cash and cash equivalents held in foreign currency	-	-
E	Cash and cash equivalents at the beginning of the year	106,148.27	-
F	Cash and cash equivalents at the end of the year	9,198.68	106,148.27
G	Net Increase/ (Decrease) in cash and cash equivalents	(96,949.59)	106,148.27
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

DELHI

(Harbeer Singh)

Partner

M.No. 093542

For and on behalf of Board

(SEASH BHUSHAN)

Director

DIN: 09428273

(S.Q. AHMAD)

Director

DIN: 08275536

Place : New Delhi

Date : 01.08.2022

UDIN: 22093542ANZSDN1084

(ANANTA MANOHAR)

CFO

PRACHI MITTAL

COMPANY SECRETARY

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 31 March 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 31 March 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 are used to set alarm 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 for 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 31 March 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 31 March 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.



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Notes forming part of financial statements for the year ended 31 March 2022

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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DME DEVELOPMENT LIMITED
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Notes forming part of financial statements for the year ended 31 March 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.

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.



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Notes forming part of financial statements for the year ended 31 March 2022

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.

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.



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Notes forming part of financial statements for the year ended 31 March 2022

(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.



Notes forming part of financial statements for the year ended 31 March 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.



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Notes forming part of financial statements for the year ended 31 March 2022

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 31 March 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.



Notes forming part of financial statements for the year ended 31 March 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 31 March 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.



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Notes forming part of financial statements for the year ended 31 March 2022

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.

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. NHA 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 (NHA).

The authority has resolved to develop the Delhi- Mumbai Expressway in two phases comprising of section from Delhi to Vadodara from Km. 0.000 to Km. 844.382 ("Phase I") and Vadodara to Mumbai from Km. 378.740 to Km. 26.582 of Main Expressway and 03.000 to Km. 79.783 of SPUR of Vadodara Mumbai Expressway by eight laning and SPUR to Delhi from Km. 0.000 to Km. 59.063 Km by six laning, on Engineering, Procurement Construction (the " EPC") basis for Phase I and Hybrid Annuity Model (HAM) for the remaining section (the Project) through DME Developement Limited.

However, till 31st March 2022, more than 90% of Packages have already been awarded and in 43 packages, construction is in process. In Delhi Vadodara corridor, ~90% land is in possession and in Vadodara Mumbai corridor, more than 60% land is in possession. A concession agreement was entered between the Company and NHA which conferred the right to the company to implement the project and levy toll/user fee during the concession period after completion of construction.



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3. Property, plant and equipment

Particulars	As at 31.03.2022	As at 31.03.2021
Carrying amounts of:		
Computer equipments - Owned	-	-
Furniture and fixtures	-	-
Office equipments	-	-
	-	-

Particulars	Computer equipments - Owned	Furniture and fixtures	Office equipments	Total
Cost or deemed cost				
As at 31 March 2021	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31st March 2022	-	-	-	-
Accumulated depreciation				
As at 31 March 2021	-	-	-	-
Charge for the year	-	-	-	-
On disposals	-	-	-	-
As at 31st March 2022	-	-	-	-
Carrying amount				
As at 31 March 2021	-	-	-	-
As at 31st March 2022	-	-	-	-

Capital Work In Progress (Intangible assets)		Construction Work in Progress		Pre-operative Expenditure	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
Work in process at the beginning of the year		986,868.13	-	-	-
Un-allocated pre-operative expenditure at the beginning of the year		-	-	-	-
Capital work in progress during in reporting year		1,208,211.73	986,868.13	2,205.87	-
Un-allocated pre-operative expenditure (Transferred from Note No. 20)	(	-	-	90,113.84	2,205.87
Less: Capital Grant Received		-	-	-	-
Outstanding balance pending for capitalization		2,195,079.86	986,868.13	92,319.71	2,205.87

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				total
	<1 Years	1-2 Years	2-3 Years	> 3 Years	
Project in Progress	1,298,325.57	989,074.00	-	-	2,287,399.57
Project temporarily suspended	-	-	-	-	-



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Notes forming part of financial statements for the year ended 31 March 2022
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4. Other financial assets

Particulars	Non-current as at	Current as at	Non-current as at	Current as at
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
Other financial assets (at fair value through profit or loss)				
Unsecured-Considered Good				
Amount recoverable from related parties (refer note 23)	-	-	-	-
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	Non-current as at	Current as at	Non-current as at	Current as at
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
Unsecured-Considered Good				
Advances for deposit work	-	-	-	-
Advances to vendors (GST paid in advance on loan processing fee)	-	18.05	-	-
Mobilisation advance to vendors	-	-	-	-
Security Deposits	-	1.50	-	-
Recovery Expense Fund (in favour of Stock Exchange @0.01% of Issue size subject to maximum Rs 25.00 lakhs)	-	25.00	-	-
Preliminary Expenses Not written off	-	-	-	-
Inter-companies balances	-	-	-	-
Accrued Interest	-	6.08	-	-
Prepaid Expenses	-	0.02	-	-
Advance tax and TDS (net of provision for income tax)	-	249.97	-	-
GST Input Tax Credit	-	352.35	-	-
Balance with NHAI, for construction (holding entity)	-	178,620.14	-	-
Total	-	179,273.11	-	-

6. Cash and cash equivalents

Particulars	As at	As at
	31 March 2022	31 March 2021
Balances with banks:		
- Bank balances	9,198.58	106,148.27
- Imprest	0.10	-
- Deposits with original maturity of less than three months	-	-
Cash on hand	-	-
Total	9,198.68	106,148.27

Details of Bank accounts.

Particulars	NATURE OF ACCOUNT	As at	As at
		31 March 2022	31 March 2021
BANK OF BARODA ESCROW ACCOUNT	ESCROW ACCOUNT	1,443.84	
AXIX BANK ACCOUNT	ESCROW ACCOUNT	550.34	
BANK OF INDIA	ESCROW ACCOUNT	3.75	
BANK OF MAHARASHTRA	ESCROW ACCOUNT	802.59	30,000.00
CENTRAL BANK OF INDIA	ESCROW ACCOUNT	3.80	
INDIAN OVERSEAS BANK	ESCROW ACCOUNT	3.75	
CANARA BANK	CURRENT ACCOUNT		76,148.27
PUNJAB NATIONAL BANK	ESCROW ACCOUNT	0.29	
AXIX BANK ACCOUNT	FLAXI ACCOUNT	5,471.99	
BANK OF MAHARASHTRA	FLAXI ACCOUNT	1,050.83	
BANK OF MAHARASHTRA	CURRENT ACCOUNT	0.05	
AXIX BANK ACCOUNT	CURRENT ACCOUNT	(132.66)	
		9,198.58	106,148.27



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Notes forming part of financial statements for the year ended 31 March 2022
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7. Share capital

a. Equity share capital

Particulars	As at	As at
	31 March 2022	31 March 2021
Authorised		
3,00,00,00,000 equity shares of INR 100/- each	3,00,00,00.00	3,00,00,00.00
	3,00,00,00.00	3,00,00,00.00
Issued, subscribed and fully paid-up		
313300000 equity shares of INR 100/- each	313,300.00	108,200.00
Total	313,300.00	108,200.00

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	INR	Number	INR
Equity shares				
At the commencement of the year	108,200,000	108,200	-	-
Issue of shares during the year	205,100,000	205,100	108,200,000	108,200
	313,300,000	313,300.00	108,200,000	108,200.00

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 31 March 2022		As at 31 March 2021	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of Rs. 100 each fully paid National Highway Authority of India (NHAI)	313,299,994	99.99999%	216,399,994	99.99999%

Details of shares held by Promoters

		Mar-22			
		Shares at beginning		Shares at end	
Promoter name	Particulars	Number	%	Number	%
NHAI	Equity [NV: 100.00]	108199994	100	313299994	100

		Mar-21			
		Shares at beginning		Shares at end	
Promoter name	Particulars	Number	%	Number	%
NHAI	Equity [NV: 100.00]	0	0	108199994	100



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8. Other equity

Particulars	As at	As at
	31 March 2022	31 March 2021
Surplus in the Statement of Profit and Loss		
At the commencement of the year	(203.51)	-
Add: Profit / (Loss) for the year	(12.31)	(203.51)
At the end of the year	(215.82)	(203.51)
Total	(215.82)	(203.51)

Nature of reserves:

9. Share application money pending allotment

Particulars	As at	As at
	31 March 2022	31 March 2021
Pending Application Money	-	-
Total	-	-

10. Borrowings

Particulars	As at	As at
	31 March 2022	31 March 2021
Unsecured (against letter of comfort issued by NHAI)		
Taxable Bonds - Series -I issued to QIBs (Secured, Non-Convertible, Non-Cumulative)	500,000.00	-
Loan from Banks	1,658,099.00	973,099.89
Interest accrued & due on borrowings (refer note 23)	-	-
Total	2,158,099.00	973,099.89

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 Limited			



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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



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NOTE:- OTHER DETAILED TERMS & CONDITIONS WILL BE AS PER PRIVATE PLACEMENT INFORMATION MEMORANDUM EXECUTED AT THE TIME OF PRIVATE PLACEMENT.

DETAIL OF TERM LOANS					
NAME OF LENDER	FALICITY	PURPOSE	AMOUNT OF LOAN DISBURSED DURING THE YEAR	RATE OF INTEREST	REPAYMENT PERIOD
BANK OF MAHARASHTRA	TERM LOAN (Sanctioned ₹ 5000 Crore And outstanding ₹ 1700 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 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 sechedue as mentioned in sanction letter.
BANK OF INDIA	TERM LOAN (Sanctioned ₹ 5000 Crore And outstanding ₹ 1200 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.	120000	0.35% over our overnight MCLR (prevailling 6.65%) presently effective 7.00% p.a	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedue as mentioned in sanction letter.



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CENTRAL BANK OF INDIA	TERM LOAN (Sanctioned ₹ 2500 Crore And outstanding ₹ 1200 Crore)	DEVELOPMENT OF GREENFIELD 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	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 sechedue as mentioned in sanction letter.
BANK OF BARODA	TERM LOAN (Sanctioned ₹ 5000 Crore And outstanding ₹ 2650 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.	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 sechedue as mentioned sanction letter.
INDIAN OVERSEAS BANK	TERM LOAN (Sanctioned ₹ 1000 Crore And outstanding ₹ 200 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	1 month MCLR 6.85%	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedue as mentioned in sanction letter.



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KARNATAKA BANK	TERM LOAN (Sanctioned ₹ 1000 Crore And outstanding ₹ 200 Crore)	Construction of greenfield Expressway Delhi & Mumbai via Vadodara (8 lane greenfield expressway with provision to expand 12 lanes) under Hybrid Annuity Model.	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 schedule as mentioned in sanction letter.
STATE BANK OF INDIA	TERM LOAN (Sanctioned ₹ 8000 Crore And outstanding ₹ 5500 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.	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 schedule as mentioned in sanction letter.
UCO BANK	TERM LOAN (Sanctioned ₹ 1000 Crore And outstanding ₹ 200 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	One Month MCLR i.e. 6.85% p.a. at present with monthly resets. Interest to be serviced as and when due.	Repayment period will start from 31-03-2025 within 28 installments as per repayment schedule 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.	0	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 installment as per repayment schedule as mentioned in sanction letter.



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Notes forming part of financial statements for the year ended 31 March 2022
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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.	0	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 schedule as mention sanction letter.
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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 31 March 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	Non-current as at		Current as at	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Other financial				
Interest accrued on borrowings	-	-	4,318.84	-
Retention Money	-	-	-	-
Payable to related parties	-	-	-	-
Expenses Payable	-	-	-	-
Payable towards	-	-	-	-
Total	-	-	4,318.84	-

12. Other Liabilities

Particulars	Non-current as at	Non-current as at	Current as at	Current as at
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Earnst Money Deposit	-	-	-	-
Statutory liabilities	-	-	-	-
Stamp Duty payable	-	-	21.28	6.91
Total	-	-	313.30	108.20

13. Trade payables

Particulars	As at	As at
	31 March 2022	31 March 2021
Trade payables		
- Due to micro and small enterprises*	1.51	1.11
- Others	109.08	14,081.17
Total	110.59	14,082.28

AS ON 31-03-2021					
PARTICULARS	OUTSTANDING FOR FOLLOWING FROM DUE DATE OF PAYMENT				
	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	MORE THAN 3 YEARS	TOTAL
1) MSME	1.11	-	-	-	1.11
2) OTHER	14,081.17	-	-	-	14,081.17
3) DISPUTED DUES - MSME	-	-	-	-	-
4) DISPUTED DUES - OTHER	-	-	-	-	-

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



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

*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 March 2022 has been disclosed.



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

14. Other income

Particulars	Year ended	Period ended
	31 March 2022	31 March 2021
Interest Income		
From Banks on Flexi linked deposits	3,557.78	-
From Income tax refund	-	-
Misc. receipts	-	-
Total	3,557.78	-
Less: Transferred to Pre-operative expenditure (in terms of Ind AS-23)	3,557.78	-
Balance transferred to the Statement of Profit & Loss	-	-

15. Employee benefits expense

Particulars	Year ended	Period ended
	31 March 2022	31 March 2021
Salaries and wages*	-	-
Staff welfare expenses	-	-
Total	-	-

*There are no employee appointed in the Company during the year. All workforce is working for the Company on deputation made by the NHAI it's staff on additional charge and / or outsourced employees are engaged in the company.

16. Finance costs

Particulars	Year ended	Period ended
	31 March 2022	31 March 2021
Interest on Term Loans	89,861.38	815.55
Interest on Bond/Debentures to QIBs (Financial Institutions)	1,501.37	-
Loan Processing Fees	1,886.80	1,200.57
Inspection Chagres	0.44	-
Total	93,249.99	2,016.12
Less: Transferred to Pre-operative expenditure (in terms of Ind AS 23)	93,249.99	2,016.12
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 31 March 2022
(All amounts in INR Lakhs, unless otherwise stated)

17. Administrative expenses

Particulars	Year ended	Period ended
	31 March 2022	31 March 2021
Internal audit fee		
Legal and professional charges	0.90	0.70
Auditors' remuneration [Refer note (i)]	165.34	71.77
Printing & Stationary	1.85	1.00
Stamp Duty Charges	-	0.01
NCNCR Bonds / Debentures Issue Expenses	209.20	116.24
Bank charges (Including Rs 30.00 lakhs towards annual consolidation charges paid to SBI)	27.42	-
LEI Renewal Fee	30.06	0.01
Diwali Incentive	0.03	-
Rates & Taxes [Refer note (ii)]	0.10	-
Miscellaneous Expenses	0.79	-
Total	2.57	-
Less: Transfer to Pre-operative expenses (in terms of Ind AS-23)	438.26	189.74
Balance transferred to the Statement of Profit & Loss	421.63	189.74
	16.64	-

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

Particulars	Year ended	Period ended
	31 March 2022	31 March 2021
As Statutory Auditors:		
Statutory audit fee		
Reimbursement of expenses	1.85	1.00
Total	1.85	1.00

(ii) Rates & Taxes:

Particulars	Year ended	Period ended
	31 March 2022	31 March 2021
As Statutory Auditors:		
IGST INPUT (NOT CLAIMABLE DUE TO REGISTRATION)	0.27	-
INTEREST ON TDS	0.19	-
RCM WITH NO INPUT RECEIVABLE	0.05	-
ROC FILING FEES	0.29	-
Total	0.79	-

18. Other administrative expenses transferred to the Statement of Profit & Loss

Particulars	Year ended	Period ended
	31 March 2022	31 March 2021
Preliminary Expenses	-	275.01
Total	-	275.01



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

19. Current Tax

The major components of income tax expense for the year ended 31 March 2022 are as follows

Profit and Loss section

Particulars	Year ended	Period ended
	31 March 2022	31 March 2021
Current tax charge	-	-
Income tax expense reported in the Statement of Profit and Loss	-	-

Other Comprehensive Income (OCI) section

Particulars	Year ended	Period ended
	31 March 2022	31 March 2021
Remeasurements of defined benefit plans	-	-
Income tax charged to OCI	-	-

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

Particulars	Year ended	Period ended
	31 March 2022	31 March 2021
Accounting profit before income tax		
At statutory income tax rate (Current year 26% (P.Y 26%))	(16.64)	(275.01)
Earlier year tax adjustment	-	-
Others- Interest on Income Tax	-	-
Income reported in the Statement of Profit and Loss	(16.64)	(275.01)



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

Deferred tax

Particulars	As at	As at
	31 March 2022	31 March 2021
Deferred tax asset relates to the following:		
Opening balance	71.50	
Timing Difference due to loss as per income tax act and company act	(16.64)	(275.01)
Total deferred tax asset on above timing difference(A)	4.33	71.50
Deferred tax liability relates to the following:		
Net deferred tax assets/(liability) (A-B)	75.83	71.50

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and
The details of tax assets / (liabilities) (net) as at March 31, 2022 are as follows:

Particulars	As at	As at
	31 March 2022	31 March 2021
NON-CURRENT TAX ASSETS (NET)		
Tax assets		
Deferred Tax Assets	75.83	71.50
Tax liabilities		
Income tax payable	-	-
	75.83	71.50



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

20: Statement of Pre Operative Expenses for the year ended 31 March 2022
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No	For the year ended	For the period ended
		31 March 2022	31 March 2021
INCOME			
Other Income			
Total income		3,557.78	
		3,557.78	-
EXPENSES			
Employee benefits expense	15	-	-
Finance costs	16	93,249.99	2,016.12
Depreciation and amortisation expense	17	-	-
Other administrative expenses	18	421.63	189.74
Total expenses		93,671.62	2,205.87
Pre-operative expenditure for the year (net)		90,113.84	2,205.87
Provision for Income Tax		-	-
Prior Period Adjustment		-	-
Brought Forward from last year		-	-
Carried forward to capital work in progress		90,113.84	2,205.87



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

21. RATIOS	F.Y 2021-22	F.Y 2020-21	Remarks
a) Current Ratio	<u>188,472</u> 4,764 40	<u>106,148</u> 14,197 7	Current ratio is increased as compared to previous year due to Balances with NHAI for construction. In the Previous Year, it was Payable of Rs. 14,043.15 Lakhs while, in Current year, it is advance (receivable) of Rs. 1,78,620.14 Lakhs.
b) Debt Equity Ratio	<u>2158098.995</u> 313084.1772 6.89	<u>973099.8897</u> 107996.4893 9.01	Debt Equity ratio is decrease as compare to previous year, due to increase in Share capital of Rs. 205100 Lakhs.
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	

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



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Notes forming part of financial statements for the year ended 31 March 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	Year ended	Period ended
	31 March 2022	31 March 2021
Profit attributable to equity holders for basic earnings	(12.31)	(203.51)
Profit attributable to equity holders for the effect of dilution	(12.31)	(203.51)
Weighted average number of equity shares for basic EPS	231,260,000	3,909,041
Weighted average number of equity shares adjusted for the effect of dilution	231,260,000	3,909,041
Basic EPS (absolute value in INR)	(0.01)	(5.21)
Diluted EPS (absolute value in INR)	(0.01)	(5.21)



Notes forming part of financial statements for the year ended 31 March 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: Not Appointed. Directors: Mr. Alok (wef 08.10.2020 to 16.02.2022) 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 & continue) Mr. Rakesh Kumar Pandey (w.e.f. 07.12.2021 to 16.02.2022) Mr. Shashibhushan Dipnarayan Mandal (w.e.f. 07.12.2021 & continue) Mr. Nrvvmk rajendra kumar (wef. 16.02.2022 & Continue) Mr. Robin Kumar Gupta (Upto 07.12.2021) Chief Financial Officer: Anant Manohar w.e.f.23.06.2022 Company Secretary Mrs. Prachi Mittal (Appointed on 01.06.2022)

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

Particulars		For the year ended 31 March 2022	For the year ended 31 March 2021
a.	Enterprise having substantial interest in the	NHAI	NHAI
	Transactions during the year		
	Equity share issued	205,100.00	108,199.99
	Pending Share application Money	-	-
	Loan taken from NHAI	-	-
	Interest accrued on Loan	-	-
	Reimbursement of expenses (Paid to NHAI)	-	-
	Expenditure Incurred by NHAI on the behalf of D	1,208,211.73	973,101.13
			987,144.28
	Balance outstanding as at the year end		
	Loan outstanding from NHAI	-	-
	Interest Accrued (NHAI)	-	-
	Amount Deposited to NHAI for Expenses	178,620.14	-
	Amount Payable to NHAI for Expenses.		14,043.15
d.	Key management personnel		
	Independent Director's Sitting Fees	-	-



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Notes forming part of financial statements for the year ended 31 March 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	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021
FINANCIAL ASSETS		
Financial assets measured at amortised cost		
Cash and cash equivalents	9,198.68	106,148.27
Other financial assets		-
Total	9,198.68	106,148.27
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
Borrowings	2,158,099.00	973,099.89
Trade payables		-
Other financial liabilities		-
Total	2,158,099.00	973,099.89



Notes forming part of financial statements for the year ended 31 March 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.

(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 year ended 31st March 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 31 March 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 March 2022 is the carrying amounts of balances with banks.



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Notes forming part of financial statements for the year ended 31 March 2022
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(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 year ended 31st March 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 31 Mar. 2022					
Borrowings	2,158,099.00	2,158,099.00	-	96,550.00	2,061,549.00
Trade payables	110.59	110.59	110.59	-	-
Other financial liabilities	4,318.84	4,318.84	4,318.84	-	-
Other Liability	334.58	334.58	334.58	-	-
Total	2,162,863.00	2,162,863.00	4,764.01	96,550.00	2,061,549.00

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 21,950.80 Crore. Total pending commitments for the remaining period for the F.Y. 2022-23 and F.Y. 2023-24 is Rs. 31,898.20 Crore.

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 NHAI 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.



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

29. The Management has reviewed various pending legal compliances which were required to be done during the FY 2021-22 but still pending / done after the balance sheet date. The Status of such compliances are as under;
- i. As per S-203 of Companies Act, 2013, the appointment of the Chief Financial Officer was in process during the financial year 2021-22 and it has been done on 23.06.2022 as per applicable norms.
- ii. Necessary Provision for stamp duty amounting to INR 313.30 lakhs was payable on issuance of the share certificates for raising capital till 31.03.2022 and it was pending for payment subject to confirmation from the Competent Authority till 31.03.2022 as the necessary application has been moved online due to delay in payment within prescribed time limit. It has been paid on 01.06.2022.
- iii. The Formation of the Audit Committee u/s 177 of the companies Act 2013 and appointment of Independent Director u/s 149 of the Companies Act 2013 read with Rules 4 & 5 of the Companies (Appointment and Qualification of Directors) Rules 2014 could not be made till date. It will be done in the due course of time in the ensuing financial year.
- iv. 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.
- v. The necessary application for obtaining the ISIN of the securities has been filed with the competent Authority being a mandatory requirement and the board has approved in its meeting held on 7.12.2021 to appoint RTA and get it done. However, in respect of dematerialization of shares, Rule 9A of Chapter III Part 1 The Companies (Prospectus and Allotment of Securities) Rules, 2014, exempt Unlisted Public company being a Government Company or a wholly owned subsidiary thereof. Therefore, Equity Share Certificates are issued in Physical form and still pending for conversion into electronic mode.
- vi. The company is required to file Statement of Financial Transactions (SFT Return) annually u/s 285BA of the Income Tax Act, 1961, and it has been done on 19.07.2022 for the financial year 2020-21 and on 13.07.2022 & 19.07.2022 for the financial year 2021-22.
- vii. As per section 203 of the Companies Act, 2013 read with Rule 8 & 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the company was required to appoint a whole time company secretary since its incorporation, as it is a public company and having paid up share capital more than Rs 10.00 crore. The management of the company has appointed whole time company secretary on 01.06.2022.
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 employee of its own 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 | 5.94 | Nil |
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 management 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.



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

For SINGH HARBEER & ASSOCIATES

Chartered Accountants
Firm Regn No. : 012247N
DELHI
(Harbeer Singh)
Partner
M.No. 093542

Place : New Delhi
Date : 01.08.2022
UDIN: 22093542ANZSDN1084

For and on behalf of Board


(SHASHI BHUSHAN)
Director
DIN: 09428273


(ANANTA MANOHAR)
CFO

(S.O. AHMAD)
Director
DIN: 08275536


(PRACHI MITTAL)
COMPANY SECRETARY

