

# DME

## DEVELOPMENT LIMITED



### 3<sup>RD</sup>

## ANNUAL REPORT

### 2022-2023

**Board of Directors:**

Sh. NRVVMK Rajendra Kumar, Member (Fin), NHAI – Chairman  
 Sh. Alok Deepankar, Member (T), NHAI  
 Sh. Ananta Manohar Meduri Chakravartula  
 Smt. Sudha Damodar, Independent Director  
 Sh. Rajesh Ranjan, Independent Director

**Chief Financial Officer:**

Sh. Ananta Manohar Meduri Chakravartula

**Company Secretary:**

Ms. Prachi Mittal

**Chief Executive Office:**

Sh. Gautam Vishal Charan Pahari

**STOCK EXCHANGES/LISTING**

National Stock Exchange of India Limited/  
 Bombay Stock Exchange Limited (Debt)

**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](mailto:prachimittal.dme@nhai.org)  
 Website: [www.dmedl.in](http://www.dmedl.in)

**Corporate Identification Number (CIN):**

U45202DL2020GOI368878

## **NOTICE**

**NOTICE** is hereby given that the 3<sup>rd</sup> Annual General Meeting of the Members of “**DME DEVELOPMENT LIMITED**” will be held on **Wednesday, the 27<sup>th</sup> day of December 2023 at 4:00 P.M. 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 31<sup>st</sup> March 2023, 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 Neti Ravi Vijay Venkat Murali Krishna Rajendrakumar (DIN: 09494456) 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 2023-24.**

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 A A A G & Co. LLP, Chartered Accountants (ICAI Firm Registration No. FRN DE1068), who have been appointed as Statutory Auditors by the Comptroller and Auditor General of India (CAG) for the financial year 2023-24 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 4<sup>th</sup> Annual General Meeting of the Company to be held in the year 2024 at a fees of Rs. 1,21,000/- (Rs One Lakh Twenty One Thousand only) (excluding GST).

**SPECIAL BUSINESS:****Item No. 4:****Appointment of Sh. Rajesh Ranjan (DIN: 10094828) as Director (Independent Director) of the Company**

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

**“RESOLVED THAT** pursuant to the 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 sub-regulation (2A) of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws, rules regulations, Sh. Rajesh Ranjan (DIN: 10094828), who was appointed as an Additional Director in the capacity of Independent Director of the Company w.e.f. 15th day of April, 2023 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 he meets the criteria for independence as provided in Section 149(6) of the Act be and is hereby appointed as the Director in the capacity of Independent Director to hold office for a first term of 3 (Three) consecutive years, from the date of appointment i.e. April 15, 2023 to April 14, 2026 (both days inclusive).”

**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: 26<sup>th</sup> December, 2023**



**NOTE:**

1. **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.**
2. 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.
3. 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 3<sup>rd</sup> AGM who can cast their vote during the AGM.
4. 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).
5. 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.
6. 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.
7. 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 before the date of the Meeting, so as to enable the Company to keep the information ready.

**8. 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 3<sup>rd</sup> AGM of the Company, Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar (DIN: 09494456), 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.

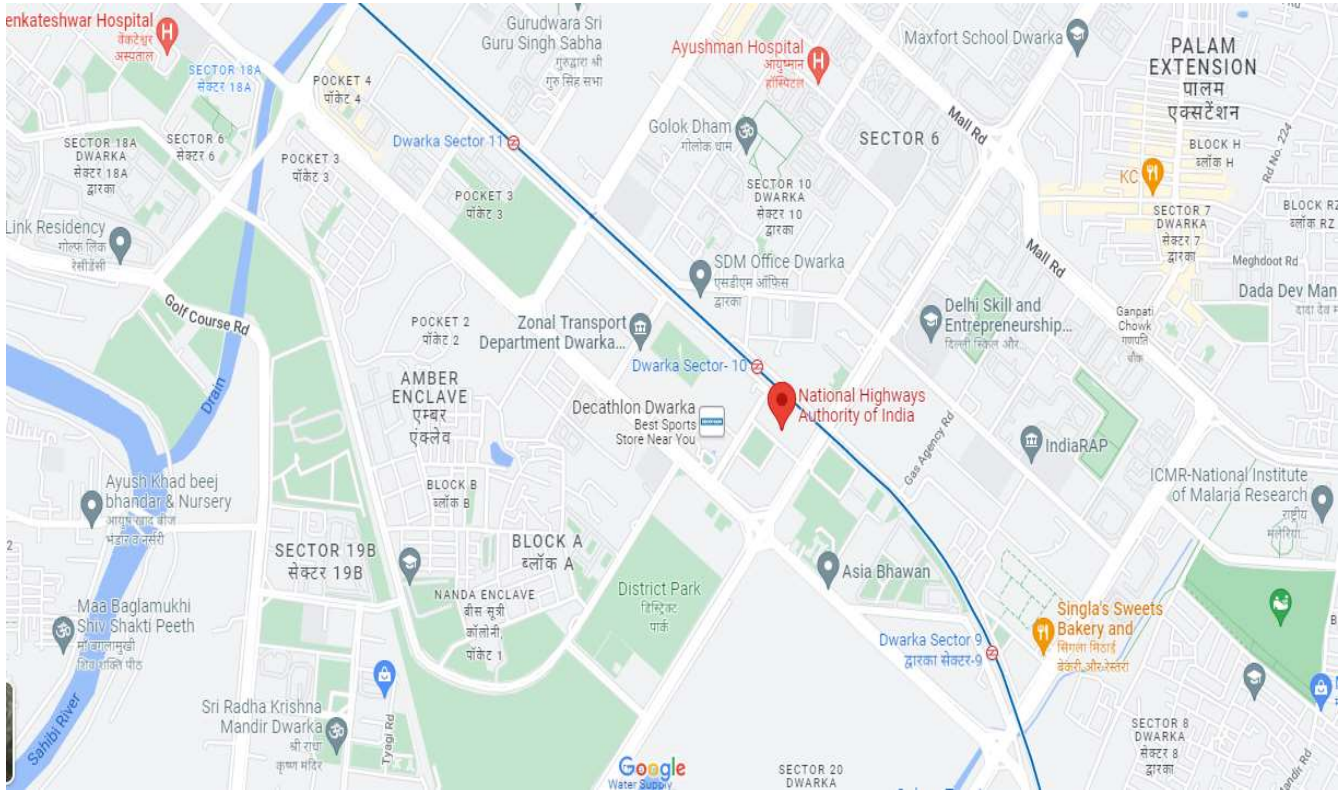
**By the order of the Board of Directors  
For DME DEVELOPMENT LIMITED**

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

**Place: New Delhi**

**Date: 26<sup>th</sup> December, 2023**

## 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]**

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

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 Wednesday, the 27<sup>th</sup> day of December 2023 at 4:00 P.M. at shorter notice at the registered office of the Company situated at Plot No. G-5 & 6, Sector-10, Dwarka, New Delhi-110 075, and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolution No.</b>	<b>Particulars</b>	<b>Ordinary/Special Resolution</b>
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 2023, 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 Neti Ravi Vijay Venkat Murali Krishna Rajendrakumar (DIN: 09494456) 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 2023-24.	Ordinary
4	Appointment of Sh. Rajesh Ranjan (DIN: 10094828) as Director (Independent Director) of the Company	Special

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2023  
 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.

<b>DP Id</b>		<b>Client Id</b>	
<b>Regd. Folio No.</b>		<b>No. of Shares</b>	

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

I/we hereby record my/our presence at the \_\_\_\_rd Annual General Meeting of the Company  
being held on ..... the ..... day of ....., 2023 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**

Sh. Rajesh Ranjan (DIN: 10094828) was appointed as an Additional Director in the capacity of Independent Director of the Company with effect from 15<sup>th</sup> day of April, 2023 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 3 years.

In terms of the provisions of Section 161(1) of the Companies Act, 2013, Sh. Rajesh Ranjan (DIN: 10094828) 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 Sh. Rajesh Ranjan that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and rules made thereunder. 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 opines that Sh. Rajesh Ranjan fulfils the conditions specified under Section 149(6) and Schedule IV of the Act, Regulation 16 of the Listing Regulations and also that he is independent of the management. Sh. Rajesh Ranjan is not disqualified from being appointed as a Director in terms of Section 164 of the Act and he has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI order or of any other such authority.

Sh. Rajesh Ranjan is a retired Indian Police Services (IPS) Officer and was working as Director General of Central Industrial Security Force (CISF), Ministry of Home Affairs, GOI. During his tenure, he has worked with Border Security Force (BSF), Ministry of Home Affairs, GOI. He has been associated as an Assistant Director, Financial High Tech Crime with Interpol General Secretariat, France and was also associated with Central Bureau of Investigation (CBI).

A brief profile and other information as required under Regulation 36 of the Listing Regulations and Secretarial Standard-2 issued by ICSI is provided as Annexure 1.

Sh. Rajesh Ranjan 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.

Accordingly, the Board recommends the appointment of Sh. Rajesh Ranjan as an Independent Director of the Company for a period of 3 (Three) years with effect from April 15, 2023 to April 14, 2026 (both days inclusive).

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.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Sh. Rajesh Ranjan (whose appointment is proposed in the resolution) and his relatives, are in any way concerned or interested in the resolution.

**Annexure – 1****Details of Directors seeking appointment/re-appointment of the appointment as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India:**

<b>Particulars</b>	<b>Sh. Rajesh Ranjan</b>
DIN	<b>10094828</b>
Age/Date of Birth	63 Years/November 15, 1960
Date of first Appointment on the Board	April 15, 2023
Qualification	Masters in English
Brief Resume including Experience/expertise in specified functional area	Sh. Rajesh Ranjan is a retired Indian Police Services (IPS) Officer and was working as Director General of Central Industrial Security Force (CISF), Ministry of Home Affairs, GOI. During his tenure, he has worked with Border Security Force (BSF), Ministry of Home Affairs, GOI. He has been associated as an Assistant Director, Financial High Tech Crime with Interpol General Secretariat, France and was also associated with Central Bureau of Investigation (CBI).
Experience and expertise in specified functional area	More than 20 years experience in the area of Finance, Law, Management, Sales, Marketing, Administration, Research, Corporate Governance and Technical Operations.
Directorships held in other companies in India	Iffco-Tokio General Insurance Company Limited
Directorships held in other Listed entities	Nil
Chairman/ Member of Committee of the Board of other companies in which they are director	IFFCO-Tokio General Insurance Co. Ltd.  Chairman:  1. Audit Committee 2. Policyholder's Protection Committee  Member:  1. Nomination & Remuneration Committee
Listed Entities from which the Director has resigned in the past three years	Nil
Shareholding in DME Development Limited	Nil
Inter-se Relationship between Directors/Managers/Key Managerial Personnel	Nil
Pecuniary relationship with company etc.	Nil
Terms and Conditions of Appointment/ Reappointment and Remuneration along with details of remuneration sought to be paid	As mentioned in the Item No. 4 of this notice with a sitting fee of Rs. 50,000/- per meeting for the Board and Committee meeting thereof.
Remuneration Last Drawn	Nil
Number of Board Meetings Attended during the Financial Year 2022-23	N.A.

Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Out of the Skills and capabilities identified by the Board, Sh. Rajesh Ranjan possess skill sets pertaining to – Audit, Financial Expertise, Vigilance, Corporate Governance, and Security Market Practices.
Justification for choosing the candidate as Independent director	<p>Sh. Rajesh Ranjan, 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.</p> <p>Sh. Rajesh Ranjan is a retired Indian Police Services (IPS) Officer and was working as Director General of Central Industrial Security Force (CISF), Ministry of Home Affairs, GOI. During his tenure, he has worked with Border Security Force (BSF), Ministry of Home Affairs, GOI. He has been associated as an Assistant Director, Financial High Tech Crime with Interpol General Secretariat, France and was also associated with Central Bureau of Investigation (CBI).</p>

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

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

**Place: New Delhi  
Date: 26<sup>th</sup> December, 2023**



## **DIRECTORS REPORT**

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

Your Directors have the pleasure in presenting the 3<sup>rd</sup> Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended on March 31, 2023 and Auditors' Report thereon on behalf of the Board of Directors.

### **ECONOMIC OVERVIEW**

The total road network in India is 6.37 Mn km comprising all categories of roads - national & state highways and urban & rural roads which is the second largest in the world. National Highways (NH) account for 2% of the total road network and carry over 40% of total traffic. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses the road network to commute. With the rapid development and expansion of road networks across the country, investment opportunities in logistics parks, industrial clusters, and special corridors are rising at an exponential rate.

Road Transport is a critical infrastructure for the economic development of a country. It impacts the pace, structure, and pattern of development. Historically, investments in the transport sector have been made by the Government. However, in order to encourage private sector participation, the Ministry has been effectively coming up with comprehensive policy guidelines for development of National Highways.

The allocation for the Ministry of Road Transport and Highways has seen a 36% increase over the budgetary allocation of Rs. 1.99 lakh crores during the FY 2022-23 to around Rs. 2.70 lakh crore for 2023- 24. Under the National Infrastructure Pipeline, the Indian government has allotted Rs. 111 lakh crore (US\$ 13.14 billion) for the fiscal years 2019-25. Over 90% of the projected demand of the Ministry has been met in budget estimate 2023-24 with an enhanced focus on transportation infrastructure. As evinced, the increase in the allocation to the Ministry will have a multiplier effect on the economy.

### **Background & Operations:**

DME Development Limited (DMEDL) was registered on 29<sup>th</sup> 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:**

<b>Particulars</b>	<b>Amount (In Lakhs) 2022-23</b>	<b>Amount (In Lakhs) 2021-22</b>
Revenue from Operations	-	-
Other Revenue	10.00	-

<b>Total Revenue</b>	<b>10.00</b>	<b>-</b>
Employee Benefits Expense	6.10	-
Financial Costs	-	-
Other Expenses	39.10	16.64
<b>Total expenses excluding depreciation</b>	<b>45.20</b>	<b>16.64</b>
<b>Profit/(Loss) before Depreciation &amp; Tax</b>	<b>(35.20)</b>	<b>(16.64)</b>
Less-Depreciation	-	-
<b>Profit /(Loss) after depreciation</b>	<b>(35.20)</b>	<b>(16.64)</b>
Less- Prior Period adjustments	-	-
<b>Profit after Prior Period adjustments</b>	<b>(16.64)</b>	<b>(16.64)</b>
Less-Provision for Tax net of MAT credit entitlements	-	-
Less: Provision for Deferred tax	9.15	4.33
Less: Tax for earlier years	-	-
<b>Profit/(Loss) after tax</b>	<b>(26.05)</b>	<b>(12.31)</b>

During the year under review, your Company incurred a loss of Rs. 26.05 lakhs as against a loss of Rs. 12.31 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:**

<b>S. No.</b>	<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
a.	Current Ratio	8.62	40
b.	Debt-Equity Ratio	7.27	6.89
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
l.	Interest Service Coverage Ratio	Nil	Nil
m.	Long Term Debt to Working Capital	Nil	Nil
n.	Bad Debts to Account Receivable Ratio	Nil	Nil
o.	Current Liability Ratio	0.12	0.03
p.	Total Debts to Total Assets	0.88	0.87
q.	Debtors Turnover	Nil	Nil
r.	Sector Specific Equivalent Ratio, as applicable	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. 26.05 lakhs during the F.Y. 2022-23.

### Capital & Debt Structure:

The Company was incorporated on 29<sup>th</sup> August, 2020. The Authorised Share Capital of the Company is Rs. 30,000/- crore and the Paid-up share capital of the Company as on 31.03.2023 is Rs. 4,394/- crore.

#### A. Issue of shares

During the year under review following changes took place in capital structure of the Company:

Name of Allottee	Date of Allotment	Number of shares Allotted	Total Amount Paid (in Rs.) (including Premium)	Nominal Amount per share (in Rs.)
National Highways Authority of India	23.06.2022	2,31,00,000	2,31,00,00,000	100
National Highways Authority of India	01.08.2022	1,00,00,000	1,00,00,00,000	100
National Highways Authority of India	15.09.2022	2,15,00,000	2,15,00,00,000	100
National Highways Authority of India	11.11.2022	2,25,00,000	2,25,00,00,000	100
National Highways Authority of India	23.12.2022	2,40,00,000	2,40,00,00,000	100
National Highways Authority of India	14.02.2023	1,30,00,000	1,30,00,00,000	100
National Highways Authority of India	14.03.2023	1,20,00,000	1,20,00,00,000	100

At the end of the financial year the paid-up share capital of the Company stands at Rs. 43,94,00,00,000/-

#### 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

During the period under review the Company issued Secured, Non-Convertible, Non-Cumulative, Taxable Bonds (Debentures) on a private placement basis, details of which is as follows:

S. No.	No. of Bonds/ Debentures	Face Value (in Rs.)	Total Amount (in Rs.)	Coupon Rate	Date of Issuance	Date of Listing on NSE
1.	3,68,400	1,00,000	36,84,00,00,000	7.82%	24.02.2023	27.02.2023
2.	2,35,500	1,00,000	23,55,00,00,000	7.89%	14.03.2023	15.03.2023

The above Secured, Non-Convertible, Non-Cumulative, Taxable Bonds (Debentures) are listed on the Debt Segment of National Stock Exchange of India Limited.

The details of the listed NCDs of the Company as on March 31, 2023, 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
11.	INE0J7Q07215	7.82%	24-Feb-2023	24-Feb-2033	3684	3684	Half Yearly
12.	INE0J7Q07223	7.89%	14-Mar-2023	14-Mar-2033	2355	2355	Half Yearly

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

Post Closure of the financial year the Company issued 3,00,000 Secured, Non-Convertible, Non-Cumulative, Taxable Bonds (Debentures) on a private placement basis, details of which is as follows:

S. No.	ISIN	Coupon Rate	Issuance Date	Maturity Date	Amount Issued (in Cr.)	Amount Outstanding (in Cr.)	Interest Frequency
1.	INE0J7Q07231	7.74%	04-Dec-2023	04-Dec-2038	3000	3000	Half Yearly

The above Secured, Non-Convertible, Non-Cumulative, Taxable Bonds (Debentures) are listed on the Debt Segment of National Stock Exchange of India Limited and BSE India Limited w.e.f., 05.12.2023.

### Credit Rating:

### Rating Action:

**Long-Term Borrowing Programme Aggregating Rs. 49000 Crore - CRISIL AAA/Stable**

**Long-Term Borrowing Programme Aggregating Rs. 49000 Crore - CARE AAA/Stable (Reaffirmed)**

Facilities/Instruments	Amount (Rs. crore)	Rating	Rating Action
Long-term Instruments	20,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
Long-term Instruments	29,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
<b>Total Instruments</b>	<b>49,000.00</b>		

Note: The above rated instruments include issuance of bonds of Rs. 3000.00 crore.

### India Ratings and Research (Ind-Ra)

Instrument Type	Maturity Date	Size of Issue (million)	Rating/ Outlook
Long-term bank loan	March 2038	INR 290000	IND AAA/Stable
Long-term debt <sup>^</sup> @&	-	INR 89610 (reduced from INR150000)	IND AAA/Stable
Long-term debt	-	INR 60390	IND AAA/Stable
Long-term debt <sup>#</sup>	-	INR 50000	IND AAA/Stable
Unsupported rating <sup>\$</sup>		-	IND AAA/Stable

<sup>^</sup> combination of bank loans and bonds

@ previously rated as proposed term loan

& includes proposed issuance of bond of INR30000 million

<sup>#</sup> previously rated as bond

<sup>\$</sup> Ind-Ra has disclosed the unsupported rating in compliance with the Securities Exchange Board of India's Master circular dated 3 July 2023. Securities backed by specified support considerations, as mentioned in the circular, rated with or without a CE-suffix would require to disclose unsupported ratings without factoring in the explicit credit enhancement from the specified support consideration and supported rating after factoring in the explicit the specified support consideration.

### 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. 2022-23.

## Debenture Trustee Details

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

## Listing on Stock Exchanges

The Non-Convertible Debentures of the Company are listed on the National Stock Exchange of India Limited and BSE Limited.

## Board of Directors:

As on 31<sup>st</sup> March, 2023, 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. Shashibhushan Dipnarayan Mandal	09428273	07.12.2021	Nominee Director
Sh. Anant Manohar	09822685	23.12.2022	Nominee Director
Smt. Sudha Damodar	07755170	23.12.2022	Independent Director

Note: Sh. Manoj Kumar ceased to be Director w.e.f., 09.08.2023;  
Sh. Shashibhushan Dipnarayan Mandal ceased to be Director w.e.f., 03.05.2023.

Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar shall be liable to retire by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013, and being eligible offers himself for re-appointment.

Post closure of the financial year Sh. Rajesh Ranjan has been appointed as the additional Director in the capacity of Independent Director of the Company w.e.f., 15.04.2023 and Sh. Alok Deepankar has been appointed as a Nominee Director on the Board of the Company w.e.f., 09.11.2023.

The proposal for regularization of Sh. Rajesh Ranjan as the Director in the capacity of Independent Director has been placed before the members for their approval at the 3<sup>rd</sup> Annual General Meeting of the Company.

## Key Managerial Personnel:

As per the provisions of Section 203 of the Companies Act, 2013, read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, the following Director / Executives of your Company are the Key Managerial Personnel as on 31st March, 2023 and as on the date of this Report.

Name of the KMP	Designation
Ms. Prachi Mittal	Company Secretary (CS)
Sh. Anant Manohar	Chief Financial Officer (CFO)
Sh. Shashibhushan Dipnarayan Mandal*	Chief Executive Officer (CEO)
Sh. Gautam Vishal**	Chief Executive Officer (CEO)

\*Ceased to be CEO w.e.f., 03.05.2023

\*\*Appointed as CEO w.e.f., 09.11.2023

### Changes in the Board of Directors:

During the Financial Year under review following changes took place in the structure of the Board:

Name of Director	Designation	Date of Change	Nature of Change
Smt. Sudha Damodar (DIN- 07755170)	Additional Director (Independent)	23.12.2022	Appointment
Smt. Sudha Damodar (DIN- 07755170)	Director (Independent)	26.12.2022	Change in Designation
Sh. Anant Manohar (DIN- 09822685)	Additional Director	23.12.2022	Appointment
Sh. Anant Manohar (DIN- 09822685)	Nominee Director	26.12.2022	Change in Designation

### 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 on 31<sup>st</sup> March, 2023, the Board met Seven (7) times, on the following dates:

23<sup>rd</sup> June, 2022, 1<sup>st</sup> August, 2022, 15<sup>th</sup> September, 2022, 11<sup>th</sup> November, 2022, 23<sup>rd</sup> December, 2022, 14<sup>th</sup> February, 2023 and 2<sup>nd</sup> March, 2023.

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

During the year under review 2<sup>nd</sup> Annual General Meeting of the members of the Company was held on 26<sup>th</sup> December, 2022. No Extra-ordinary General Meeting held during the financial year under review.

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

Name of the Directors	Date of Board Meetings						
	23.06.2022	01.08.2022	15.09.2022	11.11.2022	23.12.2022	14.02.2023	02.03.2023
Sh. NRVVMK Rajendra Kumar	P	P	P	P	P	LOA	P
Sh. Amit Kumar Gosh	P	P	P	P	P	P	LOA
Sh. Manoj Kumar	P	P	P	P	P	P	P
Sh. S. Q. Ahmad*	P	P	P	P	-	-	-
Sh. Shashibhushan Dipnarayan Mandal	P	P	LOA	P	P	P	P
Sh. Anant Manohar**	-	-	-	-	-	P	P
Smt. Sudha Damodar***	-	-	-	-	-	P	P

P: Present

LOA: Leave of Absence

\*Ceased to be Director w.e.f. 01.12.2022

\*\*Appointed w.e.f. 23.12.2022

\*\*\*Appointed w.e.f. 23.12.2022

## 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. 2021-22 is uploaded on the website of the Company i.e., <http://www.dmedl.in/>.

Further, Annual Return of the Company for F.Y. 2022-23 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/>

## Committees of the Board

As on March 31, 2023, the Board had two committees: the Risk Management Committee and the Stakeholders Relationship Committee. Post Closure of the financial year the Company constituted the Audit Committee and the Nomination & Remuneration Committee of the Board of the Company.

All committees comprise of a mix of executive, non-executive and independent Directors, and Independent Director has been chosen as the chairperson of the committee.

A detailed note on the composition of the Board and its committees is provided in the Corporate Governance report, which forms part of this Integrated Annual Report.

## **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**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6), Code for independent directors of the Companies Act, 2013 and of the Listing Regulations.

## **Familiarization Program for Independent Directors**

All new independent directors inducted into the Board attend an orientation program. The details of the training and familiarization program has been provided on the website of the Company i.e., [www.dmedl.in](http://www.dmedl.in). Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities.

## **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 2022-23 by the office of the Comptroller and Auditor General of India to conduct audit of the Company for the Financial Year 2022-23.



Further, M/s A A A G & Co. LLP, Chartered Accountants (ICAI Firm Registration No. FRN DE1068) who have been appointed as the statutory auditors of the Company for the financial year 2023-24 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 Fourth 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. 2022-23 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 2022-23. 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. Management Reply to the observations of Secretarial Auditor will be enclosed as **Annexure-IV**.

#### **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:**

A Related Party Transactions Policy has been devised by your Company for, inter alia determining the materiality of transactions with related parties and dealings with them in line with the requirements of the SEBI Listing Regulations and it intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

The said Policy is available on your Company's website, [www.dmedl.in](http://www.dmedl.in) and a link to the said Policy has been provided elsewhere in this Annual Report.

During the year under review, all related party transactions entered into by the Company, were approved/ratified by the Audit Committee and were at arm's length and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Further, there are no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other Designated Persons, during the year under review, which may have a potential conflict with the interest of the Company at large. Members may refer to the Notes to the Financial Statements for details of 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 and hence there is no requirement of attaching AOC 2.

**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 31.03.2023 and on the date of the Board report which affects the financial position of the company. However, post closure of the financial year following changes took place in the capital and debt/bonds structure of the Company:

**Equity:**

S. No.	Date of Allotment/ Board Meeting	No. of Equity Shares Issued (of Rs. 100/- each)	Amount (in Rs.)
1.	26 <sup>th</sup> May, 2023	1,40,00,000	1,40,00,00,000
<b>Total</b>		<b>1,40,00,000</b>	<b>1,40,00,00,000</b>

**Bonds:**

Post Closure of the financial year the Company issued 3,00,000 Secured, Non-Convertible, Non-Cumulative, Taxable Bonds (Debentures) of face value of Rs. 1,00,000/- each on a private placement basis, details of which is as follows:

S. No.	ISIN	Coupon Rate	Issuance Date	Maturity Date	Amount Issued (in Cr.)	Amount Outstanding (in Cr.)	Interest Frequency
1.	INE0J7Q07231	7.74%	04-Dec-2023	04-Dec-2038	3000	3000	Half Yearly

The above Secured, Non-Convertible, Non-Cumulative, Taxable Bonds (Debentures) are listed on the Debt Segment of National Stock Exchange of India Limited and BSE India Limited w.e.f., 05.12.2023.

### **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 any profit during the last three financial years and hence the Company was not required to make expenditure towards the Corporate Social Responsibility.

### **Directors' Responsibility Statement:**

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

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

### **Board Policies**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, mandates the formulation of certain policies for all listed entities. The following policies have been adopted by the Company:

<b>Name of the policy/codes</b>	<b>Brief description</b>
Related Party Transaction Policy	The policy regulates all related party transactions of the Group. The policy was adopted and effective w.e.f 29.03.2023
Preservation of Documents and Archival Policy	This policy provides the guidelines adopted by the DMEDL for preservation of documents and also includes archival policy adopted by the DMEDL.
Risk Management policy	The Risk Management Policy forms part of DME's governance and control arrangements.
Vigil-Mechanism-and-Whistleblower-Policy	The Company has adopted a whistleblower mechanism to report concerns about unethical behavior, actual or suspected fraud, or violation of the

	Company's Code of Conduct and Ethics. The policy was adopted and effective w.e.f 29.03.2023
Corporate Governance-Code of Conduct for Board Members and Senior Management Personnel	The purpose of this Code is to codify the accepted practices of integrity, ethics & transparency in governance of DME Development Limited
Familiarization Programme for Independent Directors	The Company familiarizes the Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company through various programmes by way of presentations/ interaction

#### Web Link of the Board Policies/Codes

Name of the policy	Web Link
Related Party Transaction Policy	<a href="https://www.dmedl.in/Related%20Party%20Transaction%20Policy.pdf">https://www.dmedl.in/Related%20Party%20Transaction%20Policy.pdf</a>
Preservation of Documents and Archival Policy	<a href="https://www.dmedl.in/Preservation-of-Documents-and-Archival-Policy.pdf">https://www.dmedl.in/Preservation-of-Documents-and-Archival-Policy.pdf</a>
Risk Management policy	<a href="https://www.dmedl.in/Risk%20Managment%20policy.pdf">https://www.dmedl.in/Risk%20Managment%20policy.pdf</a>
Vigil-Mechanism-and-Whistleblower-Policy	<a href="https://www.dmedl.in/Vigil-Mechanism-and-Whistleblower-Policy.pdf">https://www.dmedl.in/Vigil-Mechanism-and-Whistleblower-Policy.pdf</a>
Corporate Governance-Code of Conduct for Board Members and Senior Management Personnel	<a href="https://www.dmedl.in/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management%20Personnel.pdf">https://www.dmedl.in/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management%20Personnel.pdf</a>
Familiarization Programme for Independent Directors	<a href="https://www.dmedl.in/Familiarisation%20Programme%20for%20Independent%20Directors.pdf">https://www.dmedl.in/Familiarisation%20Programme%20for%20Independent%20Directors.pdf</a>

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

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

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

Particulars	Steps taken
<b>A- Conservation of energy</b>	
i. Steps taken or impact on energy conservation	Not applicable
ii. Steps taken for utilizing alternate sources of energy	Not applicable
iii. Capital investment on energy conservation equipments	Not applicable
<b>B- Technology Absorption</b>	
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
<b>C-Foreign Exchange earnings and outgo</b>	
i. Actual earnings	NIL
ii. Actual outgo	NIL

**Change in Nature of Business:**

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

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

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

**Internal Financial Control & its Adequacy:**

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:**

Your Company has formulated a Whistle Blower Policy incorporating the provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013, and Regulation 22 of SEBI Listing Regulations in order to encourage Directors and employees of your Company to escalate to the level of the Audit Committee, any issue of concerns impacting and compromising with the interest of your Company and its stakeholders in any way. Your Company is committed to adhere to highest standards of ethical, moral and legal business conduct and to open communication, and to provide necessary safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith.

The said Policy is available on your Company's website, [www.dmedl.in](http://www.dmedl.in) and a link to the said Policy has been provided elsewhere in this Annual Report.

No complaints were reported under the Whistle blower Policy during the year under review.

**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 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**

<b>Place: New Delhi</b> <b>Date: 26<sup>th</sup> December, 2023</b>	<b>Sd/-</b> <b>(NRVVMK RAJENDRAKUMAR)</b> <b>Chairman</b> <b>DIN: 09494456</b>	<b>Sd/-</b> <b>(ANANTA MANOHAR)</b> <b>Director &amp; CFO</b> <b>DIN: 09822685</b>
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**Annexure I****REPLY TO THE OBSERVATIONS OF STATUTORY AUDITOR**

<b>S. No.</b>	<b>Observations</b>	<b>Reply by Management</b>
01	Contingent liability for penalty due to delay in appointment of Independent Director u/s 149 and consequently delay in formation of Audit Committee u/s 177 and Nomination & Remuneration Committee u/s 178 of the Companies Act' 2013 and an appeal submitted in terms of section 441 of the Companies Act 2013 for compounding before Regional Director due to delay in holding first annual general meeting for the financial year 2019-2020 in contravention of section 96 of the Companies Act' 2013, contingent liability towards penalty and fine of Rs 9.17 lakhs (excluding GST @ 18%) imposed by the National Stock Exchange of India Limited due to delay in submission of various information & reports before it and consequently, the company has filled five applications before NSEIL for waiver, these were pending as on balance sheet date.	Contingent Liability cannot be determined as no notice has been received. Furthermore, penalty & fine notice of Stock Exchange has been waived off except one which (Rs 1 lakh plus GST) is under consideration.
02	Contingent liability towards delay in formation of Stakeholder relationship Committee, Risk Management Committee and delay in approval / adoption of Vigil Mechanism Policy and Code of Conduct of the Board of directors (including independent directors).	Contingent Liability cannot be determined as no notice has been received.
03	Contingent liability towards delay in appointment of a women director in the Board of Directors u/s 149(1) of the Companies Act' 2013, the company has filed an application before the regional Director for waiver, which was pending as on balance sheet date.	Waiver application filed to Regional Director and the case is under consideration.
04	Delay in establishment of Ring Fencing Mechanism and determination of quantum of Annuity in terms of Concession Agreement dated 05.02.2021 executed between NHAI & the company.	Establishment of Ring Fencing is delayed as company was incorporated during Covid – 19 pandemic and these procedure need time and certain approval. Quantum of annuity fixation is under process. However as on date the Ring Fencing mechanism has been established.





लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



भारतीय लेखापरीक्षा और लेखा विभाग,  
कार्यालय, महानिदेशक लेखापरीक्षा (इन्फ्रास्ट्रक्चर), दिल्ली  
INDIAN AUDIT & ACCOUNTS DEPARTMENT,  
OFFICE OF THE DIRECTOR GENERAL OF AUDIT  
(INFRASTRUCTURE), DELHI

दिनांक / Dated 19-12-2023

सेवा में,

अध्यक्ष,  
डी एम ई डेवलपमेंट लिमिटेड,  
जी-5 एवं 6, सेक्टर - 10,  
द्वारका, नई दिल्ली - 110075

विषय:-कम्पनी अधिनियम 2013 की धारा 143(6)(बी) के अन्तर्गत 31 मार्च 2023 को  
समाप्त वर्ष के लिए डी एम ई डेवलपमेंट लिमिटेड के लेखाओं पर भारत के नियंत्रक-  
महालेखापरीक्षक की टिप्पणियां।

महोदय,

मैं इस पत्र के साथ 31 मार्च 2023 को समाप्त वर्ष के लिए डी एम ई डेवलपमेंट  
लिमिटेड के वार्षिक लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(बी) के अंतर्गत  
भारत के नियंत्रक-महालेखापरीक्षक की "शून्य टिप्पणियां" अग्रेषित करता हूँ। इन टिप्पणियों  
को कंपनी की वार्षिक रिपोर्ट में प्रकाशित किया जाये और कंपनी की आम सभा में उसी  
समय व उसी प्रकार रखा जाये जिस प्रकार वैधानिक लेखा परीक्षक की लेखा परिक्षा प्रतिवेदन  
रखी जाती है।

संलग्न: उपरोक्त

भवदीय,

(राजीव कुमार पाण्डेय)  
महानिदेशक (अवसंरचना)

**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 2023**

The preparation of financial statements of **DME DEVELOPMENT LIMITED** for the year ended 31 March 2023 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 09 August 2023.

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 2023 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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



**(Rajiv Kumar Pandey)  
Director General of Audit (Infrastructure)  
New Delhi**

**Place: New Delhi  
Dated: 19 December 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 31<sup>st</sup> March, 2023

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, 2023 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, 2023 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;
  - 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. The Company is wholly owned subsidiary of National Highway Authority of India (NHAI). During the financial year, the Company has allotted equity shares as detailed below to NHAI. The Company should have followed the procedure as provided in Section 62 of the Act in respect of the aforesaid issue and allotment of equity shares.

Date of Allotment	Number of equity shares allotted
23.06.2022	23100000
01.08.2022	10000000
15.09.2022	21500000
11.11.2022	22500000
23.12.2022	24000000
14.02.2023	13000000
14.03.2023	12000000

2. During the financial year the Company has appointed only one Independent Director w.e.f 23<sup>rd</sup> December, 2022 and thus, did not have any Independent Director till 22<sup>nd</sup> December, 2022 and requisite number of Independent Directors thereafter.
3. Non- constitution of Audit committee and Nomination and Remuneration Committee as required u/s 177/188 of the Act.
4. Company has appointed Chief Executive officer w.e.f 23<sup>rd</sup> December, 2022, before that there was Non-appointment of whole time Key Management Personnel (KMP) -Managing Director/CEO, as required u/s 203 of the Act read with Rule 8 of Companies (Appointment and Remuneration of Management Personnel) Rules, 2014.
5. Company has appointed Women Director w.e.f 23<sup>rd</sup> December, 2022, before that there was non-compliance of the provisions of Section 149 relating to appointment of Woman Director.
6. Company has not filed Form DPT3 as per rule 16 of the Companies (Acceptance of Deposits) Rules, 2014 for the financial year ended 31<sup>st</sup> March, 2022 during the financial year under audit.
7. 2<sup>nd</sup> Annual General Meeting of the Company for the financial year ended on 31<sup>st</sup> March, 2022 has been convened on 26<sup>th</sup> December, 2022 on shorter notice. However, consent of shareholders for holding AGM on shorter notice was not produced before us. The Company has represented to us that the requisite consent was received on email but the said e mail could not be retrieved due Computer server issues.

8. Late submission of following information/disclosures to National Stock Exchange (NSE) under the provisions of Listing (Obligations and Disclosure) Regulations, 2015. NSE issued show cause notices to the Company as detailed below for imposing fine. However, based upon the representation of the Company, NSE has waived off the fine.

Regulation	Period	Show Cause Notice No./Date	Status
52(1)(2), 52(4), 54(2)(3)	31 <sup>st</sup> March,2022	SCN No. NSE/List-SOP/Debt/Fines/107 dated 19th August,2022	Company submitted representation to NSE and NSE has waived the fine vide letter No NSE/LIST/SOP/0241 dated 29th September, 2023
52(1)(2), 52(4), 54(2)(3)	30 <sup>th</sup> June,2022	SCN No. NSE/List-SOP/Debt/Fines/127 dated 14th September,2022	Company submitted representation vide letter dated 21 <sup>st</sup> September, 2022. NSE has waived the fine vide letter No NSE/LIST/SOP/0241 dated 29th September, 2023.
52(7)(A), 57(4)	31 <sup>st</sup> March,2022	SCN No. NSE/List-SOP/Debt/Fines/136 dated 27th September,2022	Company submitted representation vide letter dated 30th September, 2022 NSE has waived the fine vide letter No NSE/LIST/SOP/0241 dated 29th September, 2023.
60(2)	30 <sup>th</sup> June,2022	SCN No. NSE/List-SOP/Debt/Fines/136 dated 27th September,2022	Company submitted representation vide letter dated 30th September, 2022. The response of NSE is still awaited.
60(2)	30 <sup>th</sup> September,2022	SCN No. NSE/List-SOP/Debt/Fines/155 dated 31st October,2022	Company submitted representation vide letter dated 02 <sup>nd</sup> November, 2022 NSE has waived the fine vide letter No NSE/LIST/SOP/0141 dated 16 <sup>th</sup> June, 2023.
13(3)	30 <sup>th</sup> June,2022	No show cause received	

9. In respect of issue and allotment of Listed Non-Convertible Redeemable Bonds (NCRB) on Private placement basis –
- Form PAS-3 for allotment of 368400 NCRB allotted on 24<sup>th</sup> February,2023 has been filed on 25<sup>th</sup> February,2023 vide SRN AA1470890, whereas application money received has been utilized on 24<sup>th</sup> February,2023 as per the Bank Statement produced before us. The Company has represented to us that filing of Form PAS-3 was delayed due to technical issues on MCA portal and screenshot of issue faced while filing the Form PAS-3 on MCA portal has been attached with the said Form PAS-3.
  - Form PAS-3 for allotment of 235500 NCRB allotted on 14<sup>th</sup> March,2023 has been filed on 14<sup>th</sup> March, 2023 vide SRN AA1607413 and the application money received has been also been utilized on 14<sup>th</sup> February,2023 as per the Bank Statement produced before us. The Company has represented to us that the application money has been utilized after filing of Form PAS-3 on MCA portal.
  - The date of circulation of Letter of Offer in Form PAS-5 attached with Form PAS-3 filed for allotment of 235500 NCRB on 14<sup>th</sup> March,2023 has been mentioned as 14<sup>th</sup> March,2023. The Company has represented to us that the date 14<sup>th</sup> March,2023 has been mentioned due to clerical error.
  - Non identification of the persons to whom the Private placement offer to be made by the Board of Directors as required u/s 42 of the Act in respect of Private placement offers of NCRB approved in the Board Meetings held on 14<sup>th</sup> February, 2023 and 02<sup>nd</sup> March,2023.
10. Non-compliance of SEBI (Prohibition of Insider Trading) Regulations,2015 to the extent applicable including SEBI circular dated 16<sup>th</sup> June,2021 for maintenance of System Driven Disclosure database.

**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: 15.12.2023**

**For Jalaj Srivastava & Associates**  
**Company Secretaries**

PINKY SINGH Digitally signed  
by PINKY SINGH  
Date: 2023.12.15  
16:26:31 +05'30'

**Pinky Singh**

**Proprietor**

**ACS No.26096**

**C P No.:9356**

**UDIN: A026096E002951777**

**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: 15.12.2023**

**For Jalaj Srivastava & Associates**  
**Company Secretaries**

PINKY  
SINGH

Digitally signed  
by PINKY SINGH  
Date: 2023.12.15  
16:25:58 +05'30'

**Pinky Singh**

**Proprietor**

**ACS No:26096**

**C P No.:9356**

**UDIN: A026096E002951777**

**Peer Review certificate no.:2459/2022**

**Annexure IV****REPLY TO THE OBSERVATIONS OF SECRETARIAL AUDITOR:**

<b>S. No.</b>	<b>Observations</b>	<b>Reply by Management</b>
1.	The Company is wholly owned subsidiary of National Highway Authority of India (NHAI). During the financial year, the Company has allotted equity shares as detailed in the report to NHAI. The Company should have followed the procedure as provided in Section 62 of the Act in respect of the aforesaid issue and allotment of equity shares	The Company has entered into concession agreement with NHAI and according to the agreement NHAI from time to time releases funds, for the smooth functioning of the DME, against which the DME issues equity shares to NHAI.
2.	During the Financial Year, the Company has appointed only one Independent Director w.e.f 23 <sup>rd</sup> December, 2022 and thus, did not have any Independent Director till 22 <sup>nd</sup> December, 2022 and requisite no. of independent Directors thereafter.	Company being the wholly owned entity of NHAI and 100% controlled by the NHAI/MoRTH and as per AOA the Company has to follow various procedures to get the Directors appointed on its Board. However, another Independent Director was appointed after the closure of financial year thereby complying the enabling provisions w.r.t appointment of Independent Directors.
3.	Non- constitution of Audit committee and Nomination and Remuneration Committee as required u/s 177/188 of the Act	Since the Company did not have the requisite number of Independent Directors the Company could not constitute Audit Committee and Remuneration Committee. However, the said committees have been constituted after the closure of financial year.
4.	Company has appointed Chief Executive Officer w.e.f 23 <sup>rd</sup> December, 2022, before that there was Non-appointment of Whole time KMP- Managing Director/CEO, as required u/s 203 of the Act read with rule 8 of the Companies (Appointment and Remuneration of Management personnel) Rules, 2014.	The Company has to follow various procedures and has to take various approvals for appointment of KMPs which required lengthy internal approvals due to involvement of NHAI and which took time. However, the same has been complied after the closure of financial year
5.	Company has appointed Woman Director w.e.f 23 <sup>rd</sup> December, 2022, before that there was non-compliance of the provisions of Section 149 relating to appointment of Woman Director.	Company being the wholly owned entity of NHAI and 100% controlled by the NHAI/MoRTH and as per AOA the Company has to follow various procedures to get the Directors appointed on its Board. However, Company has appointed Woman Director w.e.f. 23 <sup>rd</sup> December, 2022.
6.	Company has not filed Form DPT3 as per rule 16 of the Companies (Acceptance of	As per the CIN and being 100% SPV of NHAI, filing of DPT is under exemption.



	Deposits) Rules, 2014 for the financial year ended 31 <sup>st</sup> March,2021 during the financial year under audit.	Although, company has filed the same in the current FY to overcome any ambiguity.
7.	2 <sup>nd</sup> Annual General Meeting of the Company for the financial year ended on 31 <sup>st</sup> March,2022 has been convened on 26 <sup>th</sup> December,2022 on shorter notice. However, consent of shareholders for holding AGM on shorter notice was not produced before us. The Company has represented to us that the requisite consent was received on email but the said e mail could not be retrieved due Computer server issues	The consent for holding the AGM at shorter notice was duly received via e-mail but the same could not be extracted due to technical issue on the server of the Organization.
8.	Late submission of following information/disclosures to National Stock Exchange (NSE) under the provisions of Listing (Obligations and Disclosure) Regulations, 2015. NSE issued show cause notices to the Company as detailed in the report for imposing fine. However, based upon the representation of the Company, NSE has waived off the fine.	The Company was incorporated during the peak time of Covid 19 and during that period the due dates were automatically extended by order of the Hon'ble Supreme Court. Also the Company was not in receipt of professional guidance during the initial phase of working. The bonds of the company were listed on the Stock Exchange in March 2022 and after following the procedure for appointment of suitable candidate for the post of Company Secretary the Company appointed the company secretary in June 2022 to look after all the compliance work. Hence there was some delay in compliances for the March and June, 2022 Quarter, in respect of which show cause notices were received by the Company. However, the Company made the representation to stock exchange and after considering the same all the fines/penalties were waived by the Stock Exchange during the Financial Year 2023-24.
9.	In respect of issue and allotment of Listed Non-Convertible Redeemable Bonds (NCRB) on Private placement basis –	
A	Form PAS-3 for allotment of 368400 NCRB allotted on 24 <sup>th</sup> February,2023 has been filed on 25 <sup>th</sup> February,2023 vide SRN AA1470890, whereas application money received has been utilized on 24 <sup>th</sup> February,2023 as per the Bank Statement produced before us. The Company has represented to us that filing of Form PAS-3 was delayed due to technical issues on	<b>Due to technical glitches in the newly formed V3 portal of Ministry of Corporate Affairs wherein the present Form PAS 3 was migrated in January 2023 the said Form PAS 3 could not be filed before the prescribed time frame.</b>

	MCA portal and screenshot of issue faced while filing the Form PAS-3 on MCA portal has been attached with the said Form PAS-3	
B	Form PAS-3 for allotment of 235500 NCRB allotted on 14 <sup>th</sup> March, 2023 has been filed on 14 <sup>th</sup> March, 2023 vide SRN AA1607413 and the application money received has been also been utilized on 14 <sup>th</sup> February, 2023 as per the Bank Statement produced before us. The Company has represented to us that the application money has been utilized after filing of Form PAS-3 on MCA portal.	The prescribed Form PAS 3 was filed before the utilization of the remittance for issuing NCRBs
C	The date of circulation of Letter of Offer in Form PAS-5 attached with Form PAS-3 filed for allotment of 235500 NCRB on 14 <sup>th</sup> March, 2023 has been mentioned as 14 <sup>th</sup> March, 2023. The Company has represented to us that the date 14 <sup>th</sup> March, 2023 has been mentioned due to clerical error.	14th March was the date of allotment and on this date IM (offer letter) was finalized with all the details after bidding process. Company has filed Form PAS-3 along with final IM dated 14th March, 2023.
D	Non identification of the persons to whom the Private placement offer to be made by the Board of Directors as required u/s 42 of the Act in respect of Private placement offers of NCRB approved in the Board Meetings held on 14 <sup>th</sup> February, 2023 and 02 <sup>nd</sup> March, 2023.	The placement was made to eligible bidders on EBP portal, whose names were duly disclosed in the Information Memorandum placed before the Board after bidding process is completed.
10.	Non-compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable including SEBI circular dated 16 <sup>th</sup> June, 2021 for maintenance of System Driven Disclosure database.	Since the present regulation became applicable to the Company for the first time during the financial year, the Company is in process of complying the provision of the said regulations as it took some time for the compliance mechanism to develop and evolve. This being the first Financial year during which the said regulation become applicable to company, so it took some time for the compliance mechanism to develop and evolve. However the regulations are been complied during the current Financial year.

## **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 31.03.2023 and as on the date of this report. The Board comprises of optimum combination of Executive, Non-Executive and Independent Directors, including a Woman Director, Detailed profile of the Board of Directors of your Company is available on the website of the Company i.e. [www.dmedl.in](http://www.dmedl.in). The Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company.

As on the date of this Report, your Company has 5 Directors comprising of 1 Executive Director and 4 Non-Executive Directors including 2 Independent Directors. Your Company also has a woman director on the Board.

- **Board Meeting:**

The Board meets regular intervals and at least once in a quarter to review and discuss and decide on strategies, policies and reviews the financial performance of the Company apart from other Business Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation, as permitted by law, which are noted at the subsequent Board Meeting. Meetings are governed by structured agenda and all major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. During the Financial Year ended on 31<sup>st</sup> March, 2023, the Board met Seven (7) times, on the following dates:

23<sup>rd</sup> June, 2022, 1<sup>st</sup> August, 2022, 15<sup>th</sup> September, 2022, 11<sup>th</sup> November, 2022, 23<sup>rd</sup> December, 2022, 14<sup>th</sup> February, 2023 and 2<sup>nd</sup> March, 2023.

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

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.

As a system, the Agenda papers, along with the explanatory notes, for Board Meetings, in terms of the Act and the SEBI Regulations, are circulated well in advance to the Directors. Information is provided to the Board Members on a continuous basis for their review, inputs and approval from time to time. Every Board Member is free to suggest items for inclusion in the Agenda.

In compliance with the Secretarial Standard 1 on 'Meetings of the Board of Directors' (SS-1), the Company Secretary records minutes of proceedings of each Board and Committee Meeting. Draft minutes are circulated to the Board/Committee members within 15 (fifteen) days from the date of conclusion of the Meeting for their comments and the Minutes are entered in the Minutes Book within 30 (thirty) days from the date of conclusion of the Meeting. Action Taken Report on the decisions of the previous Meeting(s) is placed at the immediately succeeding Meeting of the Board/Committee(s) for information and review by the Board/Committee(s).

Further, 2<sup>nd</sup> Annual General Meeting (“AGM”) of the Company was held on December 26, 2022 in line with the applicable provisions of the Act and relevant circulars issued by the MCA.

**Attendance of each Director at the Board Meetings held in financial year 2022-23 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 December 26, 2022
Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar	7	6	Yes
Sh. Amit Kumar Ghosh	7	6	Yes
Sh. Manoj Kumar	7	7	Yes
Sh. Shashibhushan Dipnarayan Mandal	7	6	Yes
Sh. Anant Manohar*	7	2*	Yes
Smt. Sudha Damodar^	7	2*	No

\*Appointed as Executive, Non-Independent Director w.e.f. 23.12.2022

^Appointed as Non-Executive Independent Director w.e.f., 23.12.2022

**The composition of the Board of Directors, the number of other Directorships and Committee positions held by each Director as on March 31, 2023 is as under:**

Name of Director	Category of Directorship	Total Number of Directorship	Number of other Directorship	Number of Chairmanship/ Membership in committees of other companies	
			Public Listed Companies	Chairman	Member
Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar	Nominee Director	3	Nil	Nil	Nil
Sh. Amit Kumar Ghosh	Nominee Director	2	Nil	Nil	Nil
Sh. Manoj Kumar	Director	6	Nil	Nil	Nil
Sh. Shashibhushan Dipnarayan Mandal	Nominee Director	1	Nil	Nil	Nil
Sh. Anant Manohar	Nominee Director	1	Nil	Nil	Nil
Smt. Sudha Damodar	Independent Director	1	Nil	Nil	Nil

Note: Sh. Manoj Kumar ceased to be Director w.e.f., 09.08.2023;

Sh. Shashibhushan Dipnarayan Mandal ceased to be Director w.e.f., 03.05.2023.

Sh. Anant Manohar appointed as Executive, Non-Independent Director w.e.f. 23.12.2022

Smt. Sudha Damodar appointed as Non-Executive Independent Director w.e.f., 23.12.2022

**Names of the Listed entities where the person is a Director and the category of Directorship: - Nil**

**Change in Composition:**

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

<b>Name of Director</b>	<b>Designation</b>	<b>Date of Change</b>	<b>Nature of Change</b>
Smt. Sudha Damodar (DIN- 07755170)	Additional Director (Independent)	23.12.2022	Appointment
Smt. Sudha Damodar (DIN- 07755170)	Director (Independent)	26.12.2022	Change in Designation
Sh. Anant Manohar (DIN- 09822685)	Additional Director	23.12.2022	Appointment
Sh. Anant Manohar (DIN- 09822685)	Nominee Director	26.12.2022	Change in Designation

**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, 2023 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.

**Familiarization Programs for Independent Directors (IDs)**

In terms of Regulation 25(7) of the SEBI Listing Regulations, 2015, the Company is required to conduct Familiarization Program for its IDs to familiarize them about the Company, including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information. Further, pursuant to Regulation 62 of SEBI Listing Regulations, 2015, the Company is required to disseminate on its website, details of familiarization program imparted to IDs, including the details of:

- number of programs attended by IDs (during the year and on a cumulative basis till date),
- number of hours spent by IDs in such programs (during the year and on a cumulative basis till date), and
- other relevant details.

The familiarization programs conducted for the IDs are in line with the Policy adopted by the Board of Directors in connection thereof. Members of the Board have complete access to the

Information within the Company and IDs gets an opportunity to interact with officials of the Management. The Management provides information as detailed in the Familiarization Policy for the IDs either at the Board Meeting(s) or Committee Meeting(s) or otherwise. IDs have the freedom to interact with the Company's Management. They are given all documents sought by them for enabling a good understanding of the Company, its various operations and industry segments of which it is a part.

Further, the Management of your Company makes various presentations to the IDs on an ongoing basis which, inter alia, includes Company overview, latest key business highlights, latest regulatory developments, financial statements as part of the familiarization program.

The Board has open channels of communication with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications and other related information.

The Company Secretary also regularly apprises the Board Members about their roles, rights and responsibilities in your Company, from time to time, as per the requirements of the SEBI Listing Regulations, 2015, Companies Act, 2013, read together with the Rules and Schedules thereunder and other relevant laws.

The link to the details of familiarization programs imparted to IDs, as required under Regulation 46 of SEBI Listing Regulations, 2015, has been provided elsewhere in this Annual Report.

#### **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:

<b>Management and leadership experience</b>	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.
<b>Industry Experience</b>	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.
<b>Diversity</b>	Diversity of thought, experience, knowledge, perspective, gender and culture.
<b>Functional and managerial experience</b>	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.

<b>Corporate Governance</b>	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.
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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**

The Board has constituted various Committees consisting of Executive and Non-Executive Directors to focus on the critical functions of the Company. The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and need a closer review. They are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by Members of the Board, as a part of good Corporate Governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval, as the case may be. Further, minutes of proceedings of the Committees are circulated to the Members thereof and are placed before the Board, at its Meetings, for noting thereat.

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, 2024 and on mandatory basis thereafter.

The Company has the following Board level committees as on 31<sup>st</sup> March, 2023:

- Risk Management Committee and
- Stakeholders Relationship Committee.

Post Closure of the financial year the Company constituted the following Board level Committees

- Audit Committee (w.e.f., 12.04.2023) and
- Nomination & Remuneration Committee (w.e.f., 13.04.2023).

The Terms of Reference for the various Committees, including their roles and powers, is in accordance with the relevant provisions of Companies Act, 2013, the SEBI Listing Regulations, 2015 and other applicable Rules and Regulations issued by the concerned Regulators, from time to time.

### **Risk Management Committee**

The Risk Management Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 and other rules made thereunder, as amended from time to time, read with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31<sup>st</sup> March 2023, the Committee comprised of the following members:



1. Smt. Sudha Damodar, Independent Director (Chairperson);
2. Sh. BM Rao, Non-Executive Member (Member);
3. Sh. Ananta Manohar, Executive, Non-Independent Director (Member).

The Board re-constituted the Risk Management Committee at the Board meeting held on 9<sup>th</sup> November, 2023 and presently the committee comprises of the following members;

1. Smt. Sudha Damodar, Non-Executive, Independent Director (Chairperson);
2. Sh. Gautam Vishal, CEO (Member);
3. Sh. Ananta Manohar, Executive, Non-Independent Director (Member).

The scope and function of Risk Management Committee is in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The committee has formulated the Risk Management Policy which broadly lays down the various principles and roles and responsibilities of the members.

The Risk Management Policy has been hosted on the website of the Company, [www.dmedl.in](http://www.dmedl.in) and a link to the said Policy has been provided elsewhere in this Annual Report.

During the year under review, no changes were made in the Nomination and Remuneration Policy of the Company.

### **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations, 2015.

As on 31<sup>st</sup> March 2023, the Committee comprised of the following members:

1. Smt. Sudha Damodar, Non-Executive Independent Director, Chairperson
2. Sh. Shashibhushan Dipnarayan Mandal, Non-Executive Non-Independent Director (Member);
3. Sh. Ananta Manohar, Executive, Non-Independent Director (Member).

The Board re-constituted the Stakeholders Relationship Committee at the Board meeting held on 9<sup>th</sup> November, 2023 and presently the committee comprises of the following members;

1. Sh. Rajesh Ranjan, Non-Executive Independent Director (Chairperson)
2. Smt. Sudha Damodar, Non-Executive Independent Director (Member)
3. Sh. Ananta Manohar, Executive Non-Independent Director (Member)

The Committee oversees and reviews redressal of shareholder and investor grievances, transfer & transmission of shares, issue of duplicate share certificates, dematerialisation and rematerialisation of shares, the measures taken for effective exercise of voting rights by the shareholders, the service standards adopted by the Company in respect of the services rendered by the Registrar & Transfer Agent.

During the Financial Year 2022-23, no complaint has been received from the equity shareholders of the Company.

## **Audit Committee**

The Audit Committee has been constituted, in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, 2015, by passing the resolution through circulation.

The Committee comprised of the following members:

1. Sh. Rajesh Ranjan, Non-Executive Independent Director (Chairperson)
2. Smt. Sudha Damodar, Non-Executive Independent Director (Member)
3. Sh. Ananta Manohar, Executive Non-Independent Director (Member)

The representatives of Internal Auditors and the Chief Financial Officer (CFO) of the Company attend the meetings of the Audit Committee as invitees.

Members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Terms of Reference of this Committee inter alia includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible, recommending remuneration of auditors, reviewing/examining quarterly and annual Financial Statements and Auditor's Report(s) thereon, before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors and adequacy of internal control systems, reviewing the functioning of the Whistle Blower Mechanism and other matters specified for Audit Committee in its Terms of Reference drawn as per Section 177 of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI Listing Regulations, 2015, read with Schedule II thereto.

## **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has been constituted, in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, 2015, by passing the resolution through circulation.

The Committee comprised of the following members:

1. Smt. Sudha Damodar, Non-Executive Independent Director (Chairperson)
2. Sh. Rajesh Ranjan, Non-Executive Independent Director (Member)
3. Sh. Shashibhushan Dipnarayan Mandal, Non-Executive Non-Independent Director (Member);

The Board re-constituted the Nomination and Remuneration Committee at the Board meeting held on 9<sup>th</sup> November, 2023 and presently the committee comprises of the following members;

1. Sh. Rajesh Ranjan, Non-Executive Independent Director (Chairperson)
2. Smt. Sudha Damodar, Non-Executive Independent Director (Member)
3. Sh. Ananta Manohar, Executive Non-Independent Director (Member)

The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable Statutes, Rules and Regulations, which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, identifies the persons

who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommends to the Board their appointment and removal and other matters specified for Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, 2015, read with Schedule II thereto.

The Nomination and Remuneration Committee (NRC) of your Company has formulated and laid down criteria for Performance Evaluation and has adopted a formal mechanism for evaluating the performance and effectiveness of the Board (including Committees) and every Director (including Managing Director, Independent Directors and Chairman of the Board) covering, inter alia, the following parameters:

- i. Board Evaluation - degree of fulfilment of key responsibilities; Board culture and dynamics, amongst others;
- ii. Board Committee Evaluation - effectiveness of meetings; Committee dynamics amongst others; and
- iii. Individual Director Evaluation (including Independent Directors) - contribution at Board Meetings, fulfillment of criteria of independence for independence director, amongst others.

**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:**

<b>Payment to Statutory Auditors FY 2022-23</b>	<b>Amount in Rs.</b>
Statutory Audit fees (Including Limited Review Fees) (Half Year Audit + Annual Audit)	3,31,000/-
Other audit fees (Towards Certificates, Tax Audit and out of pocket expenses)	48,000/-
<b>Total</b>	<b>3,79,000/-</b>

## **RELATED PARTY TRANSACTIONS**

A Related Party Transactions Policy has been devised by your Company for, inter alia determining the materiality of transactions with related parties and dealings with them in line with the requirements of the SEBI Listing Regulations and it intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

The said Policy is available on your Company's website, [www.dmedl.in](http://www.dmedl.in) and a link to the said Policy has been provided elsewhere in this Annual Report.

During the year under review, all related party transactions entered into by the Company, were approved/ratified by the Audit Committee and were at arm's length and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Further, there are no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other Designated Persons, during the year under review, which may have a potential conflict with the interest of the Company at large. Members may refer to the Notes to the Financial Statements for details of 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.

### Code of Conduct for Directors and Senior Management

The Company has adopted a Code of Conduct for its employees, Non-Executive Directors and Independent Directors. A Code of Conduct as approved by the Board, has been displayed on the Company's website [www.dmedl.in](http://www.dmedl.in).

### 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 except sitting fees to the Independent Directors.

Name of Director	Sitting Fees	Salary & Perquisites	Commission	Total
Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar	-	-	-	-
Sh. Amit Kumar Ghosh	-	-	-	-
Sh. Manoj Kumar	-	-	-	-
Sh. Shashibhushan Dipnarayan Mandal	-	-	-	-
Sh. Anant Manohar	-	-	-	-
Smt. Sudha Damodar	Rs. 1,50,000	-	-	

### 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. 2021-22	2 <sup>nd</sup>	26 <sup>th</sup> December, 2022	12.00 Noon	At the registered office of the Company situated at Plot No. G-5 & 6, Sector-10, Dwarka, New Delhi-110 075	Nil
F.Y. 2020-21	1 <sup>st</sup>	28 <sup>th</sup> March, 2022	11.00 A.M.	Through Video Conferencing	Nil
F.Y. 2019-20	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, during the year under review no extra-ordinary general meeting was held.

**MEANS OF COMMUNICATION:**

**Website:** The Company’s website i.e. [www.dmedl.in](http://www.dmedl.in), 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:**

**Financial Year –** 1<sup>st</sup> April to 31<sup>st</sup> March

**Annual General Meeting for the F.Y. 2022-23:**

Date & Time	Wednesday, 27 day of December, 2023 at 4.00 P.M.
Venue	At the registered office of the Company situated at Plot No. G-5 & 6, Sector-10, Dwarka, New Delhi-110 075
Financial Year	April 1, 2022 to March 31, 2023
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 & BSE (w.e.f. 05.12.2023). Annual Listing Fees for FY 2022-23 and FY 2023-24 have been 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, INE0J7Q07223, INE0J7Q07215, INE0J7Q07231

BSE Limited – INE0J7Q07231

**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 Exchanges. Distribution of Shareholding as on March 31, 2023 of Equity Shares:

S. No.	Name of Shareholders	No. of Equity Share of Rs.100/-	Total (Rs.)	Percentage (%)
1.	National Highways Authority of India	43,93,99,994	43,93,99,99,400	100%
2.	Sh. Manoj Kumar (Nominee of NHAI)	1	100	-
3.	Sh. Amarendra Kumar (Nominee of NHAI)	1	100	-
4.	Sh. Amit Kumar Ghosh (Nominee of NHAI)	1	100	-
5.	Sh. Virender Sambiyal (Nominee of NHAI)	1	100	-
6.	Sh. Mohan Lal (Nominee of NHAI)	1	100	-
7.	Sh. Dhanesh Kumar (Nominee of NHAI)	1	100	-
	<b>TOTAL</b>	<b>43,94,00,000</b>	<b>43,94,00,00,000</b>	<b>100</b>

**Category-wise Shareholding as on March 31, 2023 of Equity Shares:**

<b>Promoter &amp; Promoter Group</b>		
<b>Indian</b>	<b>Number of Shares</b>	<b>%</b>
Individuals	-	-
Bodies Corporate (NHAI)	439400000*	100
Person Acting in Concert	-	-
<b>Total (A)</b>	<b>439400000</b>	<b>100</b>
<b>Public Shareholdings</b>		

Institutions	Number of Shares	
Mutual Funds/UTI	-	-
Alternate Investment Funds	-	-
Foreign Portfolio Investors	-	-
Insurance Companies	-	-
<b>Total (B)</b>	-	-
Non Institutions	Number of Shares	
Other Bodies Corporate	-	-
NRI & Foreign National	-	-
Clearing Members	-	-
Public & Others	-	-
<b>Total (C )</b>	-	-
<b>Total (A + B+ C )</b>	<b>439400000</b>	<b>100</b>

\*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, 2023:

Name of Shareholder	Number of Shares	% of Capital
National Highways Authority of India	43,93,99,994	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, 2023, the equity shares of the Company are not in in the demat form. However, after the closure of financial year the shares have been converted into electronic form.

#### Credit Rating(s):

Details of the credit ratings obtained by the Company are provided in the 'Board 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

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

Not Applicable

**Share Transfer System & Redressal of Investor Grievances**

The Company has a Board-level Stakeholders' Relationship Committee to examine and redress investors' complaints. However no complaints have been received so far.

**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.

**Disclosure of Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Clauses (a) to (i) of Regulation 62(1A) of the SEBI Listing Regulations, 2015:**

Pursuant to Schedule V to the SEBI Listing Regulations, 2015, the Company hereby confirms that it has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (a) to (i) of Regulation 62(1A), inter alia, covering the following subject matter/heads:

- i) Board of Directors
- ii) Maximum number of Directorship
- iii) Audit Committee
- iv) Nomination and Remuneration Committee
- v) Stakeholders; Relationship Committee
- vi) Risk Management Committee
- vii) Vigil Mechanism
- viii) Related Party Transactions
- ix) Corporate Governance requirements with respect to Subsidiary of the Company – N.A.
- x) Secretarial Audit of material unlisted subsidiaries – N.A.
- xi) Obligations with respect to Independent Directors
- xii) Obligations with respect to Employees including Senior Management, Key Managerial Persons, Directors and Promoters
- xiii) Dissemination of various information on the website of the Company, w.r.t clauses (a) to (i) of Regulation 62(1A) of the aforesaid Regulations.



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.

### **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the Board (SEBI) or any statutory authority, on any matter related to capital markets, during the last three years**

The Company has in general complied with various Rules and Regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets. No penalties or strictures have been imposed by them on the Company during the last three years except the following:

<b>Show cause Notice No./ Date</b>	<b>Received from</b>	<b>Default alleged</b>	<b>Reply/ Waiver status</b>
SCN No. NSE/List-SOP/Debt/Fines/107 dated 19th August, 2022	SEBI	Non compliance Reg 52(1) (2), 52(4), 54(2) and (3) for qtr March-2022	Waived off by NSE vide letter dated September 29, 2023
SCN No. NSE/List-SOP/Debt/Fines/127 dated 14th September, 2022	SEBI	Non Compliance Reg 52(1) (2), 52(4), 54(2) and (3) for qtr June-2022	Waived off by NSE vide letter dated September 29, 2023
SCN No. NSE/List-SOP/Debt/Fines/136 dated 27th September, 2022	SEBI	Non Compliance Reg 52(7) (7A) 57(4) for 31st March 2022	Waived off by NSE vide letter dated September 29, 2023
SCN No. NSE/List-SOP/Debt/Fines/136 dated 27th September, 2022	SEBI	Non Compliance Reg 60(2) June-2022	Application filed for waiver dated 30.09.2022, pending with NSE.
SCN No. NSE/List-SOP/Debt/Fines/155 dated 31st October, 2022	SEBI	Non Compliance Reg 60(2) Sep-2022	Waived off by NSE vide letter dated June 16, 2023

**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 financial year ended on 31<sup>st</sup> March 2023, as stipulated in Regulations 17 to 27, clauses (a) to (i) of sub-regulation (1A) of Regulation 62 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) applicable on a ‘comply or explain’ basis to the Company until 31<sup>st</sup> March 2024, being a ‘high value debt listed entity, on the basis of examination of documents produced to us by the Company.

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.

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 conditions of Corporate Governance as stipulated in the Listing Regulations.

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**

**Sd/-  
PUNEET  
(Proprietor)**

**FCS No. 9056; COP. No. – 10597  
Peer Review Cert. No. 1525/2021  
UDIN: F009056E002997349**

**Place: New Delhi  
Date: 20.12.2023**

**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, Gautam Vishal, 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, 2023 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/-**  
**Gautam Vishal**  
**Chief Executive Officer**

**Sd/-**  
**Ananta Manohar**  
**Director & Chief Financial Officer**

**Place: Delhi**  
**Date: 20.12.2023**

**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 and management of DME Development Limited having CIN U45202DL2020GOI368878 and having registered office at, G-5 & 6, Sector-10, Dwarka, Delhi – 110075 (hereinafter referred to as **‘the Company’**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 53 read with Sub-clause 10(i) of Para C of Schedule V 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](http://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, 2023.

<b>S. No.</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Date of Appointment</b>	<b>Status (<a href="http://www.mca.gov.in">www.mca.gov.in</a>)</b>
1.	Sh. Neti Ravi Vijay Venkat Murali Krishna Rajendra Kumar	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. Shashibhushan Dipnarayan Mandal	09428273	07.12.2021	Active
5.	Sh. Anant Manohar	09822685	23.12.2022	Active
6.	Smt. Sudha Damodar	07755170	23.12.2022	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: F009056E002997316**

**Place: New Delhi**  
**Date: 20.12.2023**



## 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 31<sup>st</sup> March' 2023, 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 31<sup>st</sup> March' 2023, 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 <b>rights</b> 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 at the time of completion of the project. The construction is underway on all the stretches of the project and not yet completed. While the first corridor of the expressway, consisting of the 246 kms Delhi-Dausa-Lalsot section was inaugurated by the Prime Minister on 12.02.2023 during the year but final cost of its' construction is not determined till date. 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 31.03.2023 and balance confirmations as on balance sheet date from the NHAI.
2	Revenue Recognition	The Company has an assured right to receive annuities as per the concession agreement dated 05.02.2021 from the 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 (i.e. 05.02.2024 after 3 years from the date of Concession Agreement dated 05.02.2021). We have obtained copies of concessionaire agreement, status of project report. Quantum of annuity is still pending and to be decided mutually by the company and the NHAI on the completion of project to repay all debts (including interest accrued thereon and other incidental expenses incurred) as per repayment schedules and other administrative expenses incurred or to be incurred. As per current status of the project, construction and annuity period may be revised mutually by the NHAI & the company in the ensuing year.
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) only. Thus, all borrowing cost like interest (net of interest received on temporary linked deposits with various banks), loan processing charges, legal & professional charges and other incidental charges incurred in such borrowings are transferred to Pre-Operative Expenditure for capitalization to the project on its completion. 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 asset to pledge against such borrowing as on date. These borrowings are obtained / secured against letter of comfort issued by the NHAI in favor of financial institutions / Investors. In the absence of tangible security, loans and bonds-series-I are classified as unsecured borrowings. We have obtained copies of Letter of Comforts issued by the NHAI & sanction letters issued by all banks describing all requisite terms & conditions, Board resolutions 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 bonds / debentures etc.



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

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

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

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

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

**Emphasis of Matter:**

We draw attention to Note No 29 (i), (iii) to (vii) of the financial statements, which indicate towards:

- contingent liability for penalty due to delay in appointment of Independent Director u/s 149 and consequently delay in formation of Audit Committee u/s 177 and Nomination & Remuneration Committee u/s 178 of the Companies Act' 2013 and an appeal submitted in terms of section 441 of the Companies Act 2013 for compounding before Regional Director due to delay in holding first annual general meeting for the financial year 2019-2020 in contravention of section 96 of the Companies Act' 2013, contingent liability towards penalty and fine of Rs 9.17 lakhs (excluding GST @ 18%) imposed by the National Stock Exchange of India Limited due to delay in submission of various information & reports before it and consequently, the company has filled five applications before NSEIL for waiver, these were pending as on balance sheet date.
- Contingent liability towards delay in formation of Stakeholder relationship Committee, Risk Management Committee and delay in approval / adoption of Vigil Mechanism Policy and Code of Conduct of the Board of directors (including independent directors).
- Contingent liability towards delay in appointment of a women director in the Board of Directors u/s 149(1) of the Companies Act' 2013, the company has filed an application before the regional Director for waiver, which was pending as on balance sheet date.
- Delay in establishment of Ring Fencing Mechanism and determination of quantum of Annuity in terms of Concession Agreement dated 05.02.2021 executed between NHAI & the company.

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.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
- 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.
- We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 vide Order No S.O.849(E) dated 25.02.2020 (CARO 2020) supersedes CARO, 2016, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. We are enclosing our report in terms of section 143(5) of the Companies Act, on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the '**Annexure-B**' on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - e) Being a Government company pursuant to the Notification No. GSR 463(E) dated 5.6.2015 as amended by Notification No. GSR 582(E) dated 13.06.2017, Notification No. GSR 802(E) dated 23.02.2018 and Notification No. GSR 151(E) dated 2.3.2020 issued by the Ministry of Corporate Affairs, Government of India, provision of section 164(2) of the Act are not applicable to the company.
  - f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure C'.
  - g) As per Notification No. GSR 463(E) dated 5.6.2015 as amended by Notification No. GSR 582(E) dated 13.06.2017, Notification No. GSR 802(E) dated 23.02.2018 and Notification No. GSR 151(E) dated 2.3.2020 issued by the Ministry of Corporate Affairs, Government of India, provision of section 197 of the Act are not applicable to the Government Company. Accordingly reporting in accordance with the requirements of Sec 197(16) of the Act as amended, is not required.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed pending litigations in Note No. 29 of its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.





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

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. No dividend has been declared or paid during the year by the company.

4. In response to various issues raised by the Indian Audit & Accounts Department, Office of the Director General of Audit (Infrastructure) on the financial statements of the company for the year ended 31<sup>st</sup> March' 2022 vide their C&AG letter No DPA/Infra-IV/Annual Audit/DMEDL/4-17/2022-2023/518 dated 06.10.2022, 08.09.2022 and their final comments by letter dated 04.11.2022, the management of the company has clarified on such deficiencies and final report from C&AG office was put before the board in its meeting held on 23.12.2022 as well as before shareholders in their meeting held on 26.12.2022 for their perusal and approval. Thereafter, two points out of previously resolved queries were again communicated by the CAG office vide their letter dated 13.02.2023 to the company to put them before in the next meeting of the board by keeping their seriousness, these points were put before the Audit Committee as well as Board of Directors for perusal & approval in their meetings held on 26.05.2023.
5. As per approval of MoRTH dated 17.08.2020, the NHAI had to set up an Escrow Account to ring fence toll revenues and other revenue generated from the Delhi-Mumbai Expressway and other identified developed sections and utilize this amount for making annuity payment to the SPV and for making payment to the existing HAM projects. The NHAI has opened a current account for collection of toll revenue from starting of corridor Delhi-Dausa-Lalsot w.e.f. 12.02.2023 but no ring fence mechanism is established with the account till date.

Place: New Delhi

Date: 09/08/2023

UDIN:

For Singh Harbeer & Associates  
Chartered Accountants

Firm Regn No: 017247N



Harbeer Singh, FCA  
(Partner)

Membership No. 093542

## Annexure 'A'

The Annexure referred to in paragraph 1 of Our Report of even date on "Other Legal and Regulatory Requirements" to the members of DME Development Limited on the standalone Financial Statements for the year ended 31.03.2023

We report that:

(i)

(a) (A) According to the information and explanations given to us and on the basis of our examination of the records, the company has no Property, Plant and Equipment till date.

(B) The company has Capital Work in Progress (CWIP) under Intangible Assets by way of a license granted to it for recovery of annuity from the NHAI out of toll collection from Delhi-Mumbai-Expressway.

Clause 3(i)(a) on requirement of proper records showing full particulars, including quantitative details and situation of its Property Plant and Equipment is not applicable but it has maintained proper records showing full particulars of intangible assets.

Clause 3(i)(b) in respect of physical verification of Property Plant & Equipment by the management at reasonable intervals is not required.

Clause 3(i)© since the company has no immovable property, hence comment on this clause is not applicable.

Clause 3(i)(d) no Property Plant and Equipment and Intangible asset (including Right of Use assets) is revalued during the year, hence comment on this clause is not applicable.

Clause 3(i)(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

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

Hence nature of its business activities does not require holding of any type of inventory. Thus, under clause 3(ii)(a) comment on maintenance of inventory records and physical verification of stock by the management are not applicable.

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 submitted to bank and with books of accounts under clause 3(ii)(b) is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it 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 during the year. Hence comments on the provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the order are not applicable. However, the company has given an advance of Rs 506.53 crore (outstanding balance of Rs 1786.20 crore as on 31.03.2022) to the NHAI against construction work in progress. It is not in the nature of loan and adjusted in the next month in the ensuing year.



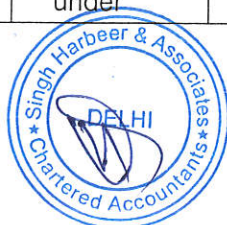


- (iv) In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 are not applicable to the company vide Notification No. GSR 151(E) dated 2.3.2020, being a government company.
- (v) The company has not accepted any deposit from the public covered under sections 73 to 76 of the Companies Act, 2013 and rules made there-under. According to information and explanation provided to us by 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 applicable.
- (vii)
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except the following;

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where Dispute is pending	Remarks, if Any
Companies Act' 2013	Penalty in case of delay in appointment of woman director violation u/s 149(1) of the Companies Act' 2013	211000/- as per penalty order dated 17.11.2022	F.Y 2021-22	Hon'ble Regional Director, Northern Region	Appeal u/s 454(5) of the Companies Act' 2013 filed on 16.01.2023 and it is still pending for hearing.
„	Penalty in contravention of section 96 of the Companies Act' 2013, due to delay in holding Annual	10,60,000/- Calculated in terms of section 99 of the Act as maximum	F.Y. 2019-20	„	Appeal u/s 441 of the Companies Act' 2013 filed on 30.03.2023



	General Meeting.	fine.			
National Stock Exchange of India Limited	Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015	100000/- (excluding GST @ 18% thereon) as per Notice dt. 31.10.2022 under Regulations 60(2) of SEBI	Sept '2022	NSEIL	Request for waiver of fine submitted on 31.10.2022 & it is waived by NSEIL vide letter dated 16.06.2023
„	Notice for Non-compliance with SEBI (LODR) Regulations, 2015 (“Listing Regulations) dated 19.08.2022	441000/- (excluding GST @ 18% thereon) as per Notice dt. 19.08.2022 under Regulations 52(1)/(2), 52(4) & 54(2)/(3) of SEBI	Quarter ended 31.03.2022	NSEIL	-
„	Notice for Non-compliance with SEBI (LODR) Regulations, 2015 (“Listing Regulations) dated 14.09.2022	203000/- (excluding GST @ 18% thereon) as per Notice dt. 19.08.2022 under Regulations 52(1)/(2), 52(4) & 54(2)/(3) of SEBI	30 <sup>th</sup> June' 2022	NSEIL	Request for waiver of fine submitted on 21.09.2022 but still pending for action.
„	Notice for Non-compliance with SEBI (LODR) Regulations, 2015 (“Listing Regulations) dated 27.09.2022	73000/- (excluding GST @ 18% thereon) as per Notice dt. 27.09.2022 under	31 <sup>st</sup> March' 2022	NSEIL	Request for waiver of fine submitted on 30.09.2022 but still pending for action.



		Regulations 52(7)/(7A) & 57(4) of SEBI			
„	Notice for Non-compliance with SEBI (LODR) Regulations, 2015 (“Listing Regulations) dated 27.09.2022	100000/- (excluding GST @ 18% thereon) as per Notice dt. 27.09.2022 under Regulations 60(2) of SEBI	June' 2022	NSEIL	Request for waiver of fine submitted on 30.09.2022 but still pending for action.

- (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 3(ix)(b), the company has 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 3(ix)©, all term loans taken by the company are applied for the purpose (end-use) for which they were obtained.

On the examination of books of accounts and information / explanation given to us by the management in response to clause 3(ix)(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 3(ix)(e) for taken loan from such entities & clause 3(ix)(f) for raising loans on the pledging of securities of such entities are not applicable.





- (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 applicable.

According to the information & explanation given by the management and records examined by us, the company has raised the sum of Rs 4,300.00 crores by way of term loans already sanctioned in the previous periods from various banks during the year under report and utilized for the purposed for which they were raised.

The company has made preferential allotment on the basis of right issue of Rs 1,261.00 crore on 23.06.2022, 01.08.2022, 15.09.2022, 11.11.2022, 23.12.2022, 14.02.2023 & 14.03.2023 during the year in addition to earlier allotments of equity shares of Rs 3,133.00 crore of the company in the previous periods and the requirement of section 42 and 62 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.

The company has not raised any money by way of fully or partly convertible debentures during the year under review but it has raised the sum of Rs 11,039.00 crore by way of issuing Listed, Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds Series-II & III to various QIBs during the year 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. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- (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 the NHAI. However, the company has not formed an audit committee in compliance of section 177 and Nomination & Remuneration Committee u/s 178 of the Companies Act, 2013 till 31.03.2023.

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





- (xiv) The company has appointed an Internal Auditors – M/s Manish Brij Garg & Co, Chartered Accountants (an external professional firm) in compliance of section 138 of the Companies Act, 2013. According to the size and nature of the business of the company, internal audit system is commensurate. Internal auditors have issued their quarterly reports, which are duly considered by us in our report.
- (xv) The company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) On the basis of verification of records and information & explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Since the company is not a Core Investment Company (CIC), hence comments on clause (b), (c) and (d) are not required.
- (xvii) Since the company is pursuing only a single project (i.e. Delhi-Mumbai-Expressway) through NHAI, which is under construction, and the company is providing the cost of constructions under license granted to it for getting annuity from the NHAI, thus all direct expenditures are capitalized by the company as CWIP under Intangible assets. The company has incurred cash loss of Rs 35.20 lakhs during the year under report on account of normal expenses incurred and in immediately financial year Rs 16.64 lakhs.
- (xviii) There is no resignation of the statutory auditors of the company during the period under report, hence comment under this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, concession agreement and implementation agreements executed between the company and the 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 the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) On the basis of records of the company, we report that the provisions of Corporate Social Responsibility (CSR) are applicable to the company from the financial 2021-22 being having net worth over and prescribed limits u/s 135 of the Companies Act, 2013, since the average profit in the three preceding financial years is negative, hence comments on clause 3(xx)(b) is not applicable. However, the company has not formed CSR Committee in compliance of the provisions of section 135 of the Companies Act' 2013 till date.



- (xxi) As per verification of records of the company, it is a wholly owned (SPV) of National Highway Authority of India (NHAI) and it has no subsidiary, associate or joint venture as on date. Thus, the company is not required to prepare Consolidate financial statement hence this clause is not applicable to the company.

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



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

Place: New Delhi

Date: 09/08/2023

UDIN: 23093542BGVTEY4920

## 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 31<sup>st</sup> March' 2023

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.	<p>As per information &amp; 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 &amp; Finance Management System (AFMS) provided by the NHAI to the company for Online approval of each &amp; every e-office resolution / document and noting the requisite information on time, is used.</p> <p>Based on the audit procedures carried out and as per information &amp; explanation given to us, no accounting transaction has been processed / carried outside IT system. Accordingly, there is no financial implication on the integrity of the accounts.</p>	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.	<p>Based on the audit procedures carried out and as per information &amp; explanation given to us, there was no restructuring of any existing loan, waiver, write off of any debt, loan, interest etc. made by the lender to the company due to inability of the company to repay the loan. The company has obtained long terms loans only for providing to the NHAI for construction of Delhi-Mumbai- Expressway only in terms of concession agreement dated 05.02.2021, interest repayments of all loans were made in due time and no installment of principal loans have become due till 31.03.2023.</p>	Nil





3	Whether funds received / receivable for specific schemes from Central / State Agencies were properly accounted for / utilized as per its terms 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 1,261.00 Crore Only from the 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. Fund raised during the year has been utilized for construction of Delhi-Mumbai-Expressway through NHAI in terms of Implementation Agreement dated 05.02.2021.	Nil
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Place: Delhi

Date: 09.08.2023

UDIN: 23093542BGVTEY 49 20

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



Harbeer Singh, FCA  
(Partner)

M. No. 093542

## Annexure-'C'

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

We have audited the internal financial controls over financial reporting of DME DEVELOPMENT LIMITED ("the Company") as of 31<sup>st</sup> March' 2023 in 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 31<sup>st</sup> March' 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, various deficiencies are observed like delays in various legal compliances as pointed in our report under 'Emphasis of Matter' and described in Note No. 29 of the financial statements of the company. Thus, the company needs to strengthen its internal control system by real time accounting and further by adopting various appropriate policies and pre-indicator system for legal compliances to avoid delays & penal consequences in future.

Place: New Delhi

Date: 09.08.2023

UDIN: 23093542BGVTEY4920

For Singh Harbeer & Associates

Chartered Accountants

Firm Regn No: 017247N

DELHI  
Singh Harbeer  
(Partner)

M. No. 093542

# DME DEVELOPMENT LIMITED

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

CIN: U45202DL2020GOI368878

## Balance Sheet

(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	Note No	As At	As At
			31st March 2023	31st March 2022
<b>I</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	Property, plant and equipment	3	-	-
	Capital work in progress - Intangible Assets	3	3,584,107.96	2,287,399.56
	Other intangible assets		-	-
	Financial assets			
	(i) Other financial assets	4	-	-
	Non-current tax assets (net)		-	-
	Deferred tax assets (net)	18	84.98	75.83
	Other non-current assets	5	-	-
	<b>Total non-current assets</b>		<b>3,584,192.94</b>	<b>2,287,475.39</b>
	<b>Current assets</b>			
	Financial assets			
	(i) Cash and cash equivalents	6	1,986.94	9,198.68
	(ii) Other financial assets	4	-	-
	Other current assets	5	51,133.04	179,273.11
	<b>Total current assets</b>		<b>53,119.98</b>	<b>188,471.79</b>
	<b>Total Assets</b>		<b>3,637,312.92</b>	<b>2,475,947.18</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Share capital	7	439,400.00	313,300.00
	Other equity	8	(241.88)	(215.82)
	Share application pending allotment	9	-	-
	<b>Total equity</b>		<b>439,158.12</b>	<b>313,084.18</b>
	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	Financial liabilities			
	(i) Borrowings	10	3,191,995.75	2,158,099.00
	(ii) Other financial liabilities	11	-	-
	Other non-current liabilities	12	-	-
	<b>Total non-current liabilities</b>		<b>3,191,995.75</b>	<b>2,158,099.00</b>
	<b>Current liabilities</b>			
	Financial liabilities			
	(i) Trade payables	13	62.48	110.59
	(ii) Other financial liabilities	11	5,945.14	4,318.84
	Other current liabilities	12	151.43	334.58
	<b>Total current liabilities</b>		<b>6,159.05</b>	<b>4,764.01</b>
	<b>Total equity and liabilities</b>		<b>3,637,312.92</b>	<b>2,475,947.18</b>
			(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

Virm Regn No. : 017247N

DELHI  
(Harbeer Singh)  
Partner  
M.No. 093542

Place : New Delhi

Date : 09-08-2023

UDIN: 23093542.BGVTEY4920

For and on behalf of Board

(NRVVMK RAJENDRAKUMAR)  
Chairman  
DIN: 09494456

(ANANTA MANOHAR)  
Director & CFO  
DIN: 09822685

PRACHI MITTAL  
COMPANY SECRETARY

# DME DEVELOPMENT LIMITED

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

## Statement of Profit and Loss (All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	Year Ended	Year Ended
		31st March 2023	31st March 2022
<b>REVENUE</b>			
Revenue from operations	14	-	-
Other Revenue	14A	10.00	-
<b>Total Revenue</b>		<b>10.00</b>	<b>-</b>
<b>EXPENSES</b>			
Employees benefits expense	15	6.10	-
Financial costs	16	-	-
Other expenses	17	39.10	16.64
<b>Total Expenses</b>		<b>45.20</b>	<b>16.64</b>
<b>Profit/(Loss) before exceptional items &amp; tax</b>		<b>(35.20)</b>	<b>(16.64)</b>
<b>Tax expenses</b>			
Current tax	18	-	-
Deferred tax	18	9.15	4.33
<b>Net Tax Expenses</b>		<b>9.15</b>	<b>4.33</b>
<b>Profit/(Loss) for the year (A)</b>		<b>(26.05)</b>	<b>(12.31)</b>
<b>Other comprehensive income</b>	19	-	-
<b>Items that will not be reclassified to profit or loss in subsequent Re-measurement (losses)/gains on defined benefit plans</b>		-	-
<b>Income tax effect</b>		-	-
<b>Net other comprehensive income not to be reclassified to profit</b>		-	-
<b>Total comprehensive income/deficit for the period (A+B)</b>		<b>(26.05)</b>	<b>(12.31)</b>
<b>Profit/(Loss) for the period attributable to:</b>		<b>(26.05)</b>	<b>(12.31)</b>
Equity holders		(26.05)	(12.31)
<b>Total comprehensive income for the period, net of tax</b>		<b>(26.05)</b>	<b>(12.31)</b>
Equity holders		(26.05)	(12.31)
<b>Earnings per equity share (of INR 100/- each):</b>			
(1) Basic (absolute value in INR)	22	(0.01)	(0.01)
(2) Diluted (absolute value in INR)	22	(0.01)	(0.01)

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

As per our report of even date attached  
For SINGH HARBEER & ASSOCIATES  
Chartered Accountants  
Firm Regn No. : 017247N



*Rajendra Kumar*  
(NRVVMK RAJENDRAKUMAR)  
Chairman  
DIN: 09494456

For and on behalf of Board



Place : New Delhi  
Date : 09.08.2023  
UDIN: 23093542B6VTEY4920

*Prachi Mittal*  
PRACHI MITTAL  
COMPANY SECRETARY



# DME DEVELOPMENT LIMITED

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

CIN: U45202DL2020GOI368878

## Statement of Changes in Equity

(All amounts in INR Lakhs, unless otherwise stated)

### (a) Equity share capital

#### Current reporting period

Particulars	As At	As At
	31st March 2023	31st March 2022
Equity shares of INR 100/- each issued, subscribed and fully paid		
Number of Share at the beginning of the corresponding period	313,300,000.00	108,200,000.00
Change during the period	126,100,000.00	205,100,000.00
Total Number of share for corresponding period.	439,400,000.00	313,300,000.00
Value of Share at the beginning of the corresponding period	313,300.00	108,200.00
Change during the period	126,100.00	205,100.00
Total value of share for corresponding period.	439,400.00	313,300.00

### (b) Other equity

Particulars	As At	As At
	31st March 2023	31st March 2022
Opening balance	(215.82)	(203.51)
Profit for the period	(26.05)	(12.31)
Other comprehensive income	-	-
Total comprehensive income	(26.05)	(12.31)
Transferred from surplus in the Statement of Profit and Loss	-	-
Share issue cost	-	-
Closing Balance	(241.88)	(215.82)

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

As per our report of even date attached

For SINGH HARBEER & ASSOCIATES

Chartered Accountants

Firm Regn No. : 017247N

(Harbeer Singh)

Partner

M.No. 093542

Place : New Delhi

Date : 09.08.2023

UDIN: 23093542 BGVTEY4920

For and on behalf of Board



(NRVVMK RAJENDRAKUMAR)

Chairman

DIN: 09494456



(ANANTA MANOHAR)

Director & CFO

DIN: 09822685



PRACHI MITTAL

COMPANY SECRETARY

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

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

	Particulars	As At	As At
		31st March 2023	31st March 2022
<b>A</b>	<b>Cash flow from operating activities</b>		
	Profit before income tax	(35.20)	(16.64)
	Depreciation	-	-
	<b>Operating cash flows before working capital changes</b>	<b>(35.20)</b>	<b>(16.64)</b>
	<b>Movements in working capital :</b>		
	(Increase)/decrease in other current asset	128,135.52	(179,523.08)
	(Increase)/decrease in other financial asset	-	-
	(Increase)/decrease in other non current asset	-	-
	Increase/(decrease) in financial liabilities	1,626.30	4,318.84
	Increase/(decrease) in other current liabilities	(183.15)	219.47
	Increase/(decrease) in other non current liabilities	-	-
	Increase/(decrease) in trade payables and financial liabilities	(48.11)	(13,971.69)
	<b>Cash generated from operations</b>	<b>129,495.36</b>	<b>(188,973.10)</b>
	Income taxes paid	4.54	249.97
	<b>Net cash flow from operating activities (A)</b>	<b>129,499.91</b>	<b>(188,723.13)</b>
<b>B</b>	<b>Cash flow from investing activities:</b>		
	Proceeds from sale of property, plant and equipment, including intangible assets and CWIP	-	-
	Addition in CWIP	(1,296,708.40)	(1,298,325.56)
	Capital grant received	-	-
	Change in Fixed Assets	-	-
	<b>Net cash flow (used in) investing activities (B)</b>	<b>(1,296,708.40)</b>	<b>(1,298,325.56)</b>
<b>C</b>	<b>Net cash flow from financing activities:</b>		
	Borrowings during the period	1,033,896.75	1,184,999.11
	Change in Share Capital	126,100.00	205,100.00
	Share issue expenses paid	-	-
	Change in share application Money	-	-
	<b>Net cash flow (used in) in financing activities ( C )</b>	<b>1,159,996.75</b>	<b>1,390,099.11</b>
<b>D</b>	<b>Net Increase /(decrease ) in cash and cash equivalents (A + B + C)</b>	<b>(7,211.74)</b>	<b>(96,949.59)</b>
	Effect of exchange differences on cash and cash equivalents held in foreign currency	-	-
<b>E</b>	<b>Cash and cash equivalents at the beginning of the year</b>	<b>9,198.68</b>	<b>106,148.27</b>
<b>F</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>1,986.94</b>	<b>9,198.68</b>
<b>G</b>	<b>Net Increase/ (Decrease) in cash and cash equivalents</b>	<b>(7,211.74)</b>	<b>(96,949.59)</b>
<b>H</b>	<b>Difference</b>	<b>0.00</b>	<b>0.00</b>

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

As per our report of even date attached

For SINGH HARBEER & ASSOCIATES

Chartered Accountants

Firm Regn. No. : 017247N

(Harbeer Singh)

Partner

M.No. 093542

(NRVVMK RAJENDRAKUMAR)

Chairman

DIN: 09494456

For and on behalf of Board



(ANANTA MANOHAR)

Director & CFO

DIN: 09822685

Place : New Delhi

Date : 09-08-2023

UDIN: 23093542BGVTEY4920

PRACHI MITTAL  
COMPANY SECRETARY



**Notes forming part of financial statements for the year ended 31st March' 2023**

**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.



## DME DEVELOPMENT LIMITED

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

CIN: U45202DL2020GOI368878

### Notes forming part of financial statements for the year ended 30th June 2023

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 31st March' 2023**

**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.



**Notes forming part of financial statements for the year ended 31st March' 2023**

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

**Notes forming part of financial statements for the year ended 31st March' 2023**

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.



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**Notes forming part of financial statements for the year ended 31st March' 2023**

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.

**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.

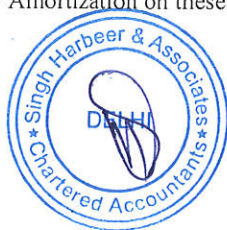
Toll road assets are amortized on pro-rata basis over the relevant remaining concession period after the date of completion of project.

**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.





**Notes forming part of financial statements for the year ended 31st March' 2023**

**2.11 Investment Property**

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

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

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

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

**2.12 Borrowing Costs**

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

**2.13 Leases**

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

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

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

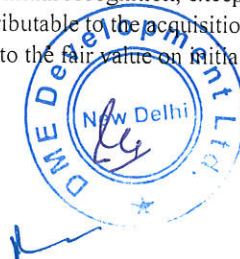
**2.14 Preliminary Expenses**

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

**2.15 Financial instruments**

**Initial recognition**

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



**Notes forming part of financial statements for the year ended 31st March' 2023**

**Subsequent measurement**

**a) Non-derivative financial instruments**

**(i) Financial assets carried at amortised cost**

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

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

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

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

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

**(iv) Financial liabilities**

**Initial Recognition**

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

**Subsequent measurement**

**Financial liabilities at FVPL**

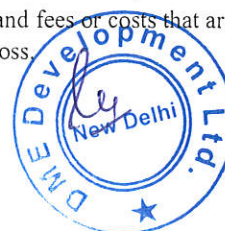
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities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

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

**Financial liabilities at amortized cost**

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

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



**DME DEVELOPMENT LIMITED**  
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Notes forming part of financial statements for the year ended 31st March' 2023

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



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**Notes forming part of financial statements for the year ended 31st March' 2023**

**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



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**DME DEVELOPMENT LIMITED**  
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**Notes forming part of financial statements for the year ended 31st March' 2023**

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

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



**Notes forming part of financial statements for the year ended 31st March' 2023**

**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***

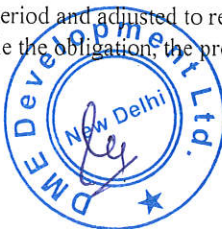
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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**

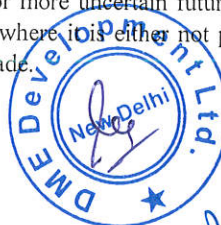




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**Notes forming part of financial statements for the year ended 31st March' 2023**

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



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**DME DEVELOPMENT LIMITED**  
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Notes forming part of financial statements for the year ended 31st March' 2023

**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 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.





**Notes forming part of financial statements for the year ended 31st March' 2023**

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.

**2.23 Government grant**

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

**2.24 Inventories**

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

**2.25 Borrowings and other financial liabilities**

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

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

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

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

**2.26 Trade receivables**

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

**2.27 Trade payables**

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

**2.28 Expenditure**

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

**2.29 Employee benefits**

**Defined contribution plan**



**DME DEVELOPMENT LIMITED**  
G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075  
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Notes forming part of financial statements for the year ended 31st March' 2023

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.



**DME DEVELOPMENT LIMITED**  
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Notes forming part of financial statements for the year ended 31st March' 2023

**Defined benefit plan**

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

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

**Compensated absences**

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

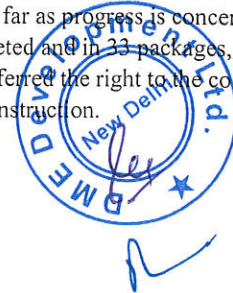
**2.30 Background of the Company and status of projects**

**Background of the Company**

The company was setup to Promote, Develop, Survey, Establish, Design, Construct, Equip, Operate, Maintain, Modify and Upgrade either alone or jointly with other companies or persons or any other entity, Infrastructure facilities and works in relation to the Delhi-Mumbai Expressway and of any other Highways / Expressways of all descriptions, including NHAI decided to implement the project through a SPV, therefore, the company (DMEDL) was formed on 29th August 2020, with the shareholding 100% of National Highways Authority of India (NHAI).

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

As far as progress is concerned, till 31st March 2023, more than 95% of Packages have already been awarded and 16 packages is completed and in 33 packages, construction is in process. A concession agreement was entered between the Company and NHAI which conferred the right to the company to implement the project and levy toll/user fee during the concession period after completion of construction.





**DME DEVELOPMENT LIMITED**  
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Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

**3. Property, plant and equipment**

Particulars	As At	As At
	31st March 2023	31st March 2022
Carrying amounts of :		
Computer equipments - Owned	-	-
Furniture and fixtures	-	-
Office equipments	-	-
	-	-

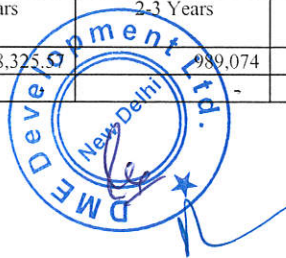
Particulars	Computer equipments - Owned	Office equipments	Total
Cost or deemed cost			
As at 31 March 2022	-	-	-
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2023	-	-	-
Accumulated depreciation			
As at 31 March 2022	-	-	-
Charge for the year	-	-	-
On disposals	-	-	-
As at 31 March 2023	-	-	-
Carrying amount			
As at 31 March 2022	-	-	-
As at 31 March 2023	-	-	-

Capital Work In Progress (Intangible assets)	Construction Work in Progress		Pre-operative Expenditure	
	As At	As At	As At	As At
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Work in process at the beginning of the year	2,195,079.86	986,868.13		-
Un-allocated pre-operative expenditure at the beginning of the year			92,319.71	2,205.87
Capital work in progress during reporting year	1,110,367.36	1,208,211.73	-	-
Un-allocated pre-operative expenditure (Transferred from Note No. 20)	-		186,341.04	90,113.84
Less: Capital Grant Received	-	-	-	-
<b>Outstanding balance pending for capitalization</b>	<b>3,305,447.22</b>	<b>2,195,079.86</b>	<b>278,660.75</b>	<b>92,319.71</b>

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

**Intangible assets under development aging schedule**

Intangible assets under development	Amount in CWIP for a period			> 3 Years
	<1 Years	1-2 Years	2-3 Years	
Project in Progress	1,296,708.40	1,298,325.50	989,074	-
Project temporarily suspended	-	-	-	-



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Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

**4. Other financial assets**

Particulars	As At	As At
	31st March 2023	31st March 2022
<b>Other financial assets (at fair value through profit or loss)</b>		
Current	-	-
Non-Current	-	-
<b>Unsecured-Considered Good</b>		
Amount recoverable from related parties (refer note 23)	-	-
Current	-	-
Non-Current	-	-
Fixed Deposits with Banks (original maturity more than three months but less than a year)	-	-
<b>Total other financial assets (at amortised cost)</b>	-	-
<b>Total</b>	-	-

**5. Other assets**

Particulars	As At	As At
	31st March 2023	31st March 2022
<b>Unsecured-Considered Good</b>		
<b>Current</b>		
Advances for deposit work	-	-
Advances to vendors (GST paid in advance on loan processing fee)	15.57	18.05
Mobilisation advance to vendors	-	-
Security Deposits	1.50	1.50
Recovery Expense Fund (in favour of Stock Exchange @ 0.01% of Issue size subject to maximum Rs 25.00 lakhs)	25.00	25.00
Inter-companies balances	-	-
Accrued Interest	3.58	6.08
Prepaid Expenses	24.36	0.02
Advance tax and TDS (net of provision for income tax)	4.54	249.97
GST Input Tax Credit	405.71	352.35
Balance with NHAI, for construction (holding entity)	50,652.78	178,620.14
<b>Total Current Other Assets</b>	<b>51,133.04</b>	<b>179,273.11</b>
<b>Non-Current</b>		
Advances to vendors (GST paid in advance on loan processing fee)	-	-
Mobilisation advance to vendors	-	-
Security Deposits	-	-
Recovery Expense Fund (in favour of Stock Exchange @ 0.01% of Issue size subject to maximum Rs 25.00 lakhs)	-	-
<b>Total Non Current Other Assets</b>	<b>-</b>	<b>-</b>

**6. Cash and cash equivalents**

Particulars	As At	As At
	31st March 2023	31st March 2022
<b>Balances with banks:</b>		
- Bank balances	1,986.94	9,198.58
- Imprest	-	0.10
- Deposits with original maturity of less than three months	-	-
<b>Cash on hand</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1986.94</b>	<b>9198.68</b>

**Details of Bank accounts**

Particulars	Nature of Account	As At	As At
		31st March 2023	31st March 2022
Bank of Baroda	ESCROW ACCOUNT	-	1,443.84
Axis Bank Ltd	ESCROW ACCOUNT	-	550.34
Bank of India	ESCROW ACCOUNT	-	3.75
Bank of Maharashtra	ESCROW ACCOUNT	-	802.59
Central Bank of India	ESCROW ACCOUNT	0.98	3.80
Karnataka Bank	ESCROW ACCOUNT	0.08	-
Indian Overseas Bank	ESCROW ACCOUNT	0.33	3.75
State Bank of India	ESCROW ACCOUNT	-	-
Canara Bank	CURRENT ACCOUNT	-	-
Canara Bank	FLAXI ACCOUNT	-	-
Punjab National Bank	ESCROW ACCOUNT	54.09	0.29
Axis Bank Ltd	FLAXI ACCOUNT	792.07	5,471.99
Bank of Maharashtra	FLAXI ACCOUNT	310.34	1,050.83
Bank of Maharashtra	CURRENT ACCOUNT	160.21	0.05
Axis Bank Ltd	CURRENT ACCOUNT	168.90	132.60
		<b>1986.94</b>	<b>9198.58</b>



Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

**7. Share capital**

**a. Equity share capital**

Particulars	As At	As At
	31st March 2023	31st March 2022
<b>Authorised</b>		
3,00,00,00,000 equity shares of INR 100/- each	3,00,00,00.00	3,00,00,00.00
	<b>3,00,00,00.00</b>	<b>3,00,00,00.00</b>
<b>Issued, subscribed and fully paid-up</b>		
439400000(313300000) equity shares of INR 100/- each	439,400.00	313,300.00
<b>Total</b>	<b>439,400.00</b>	<b>313,300.00</b>

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

Particulars	As At	As At
	31st March 2023	31st March 2022
<b>Equity shares</b>		
Number of Share At the commencement of the year	313,300,000	108,200,000
Issue of shares during the year	126,100,000	205,100,000
Total Number of Share for Corrospounding year	439,400,000	313,300,000
 Value of Share At the commencement of the year	 313,300	 108,200
Issue of shares during the year	126,100	205,100
Total Value of Share for Corrospounding	439,400	313,300

**Rights, preferences and restrictions attached to equity shares**

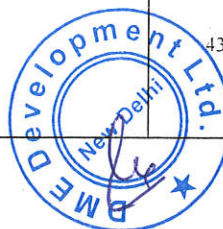
The company has only one class of shares i.e. equity shares having a par value of Rs. 100/- each holder of equity shares is entitled to one vote per share. The equity shareholders of the company are entitled to get the dividend as and when proposed by the Board of Directors and approved by shareholders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

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

Particulars	As At	As At
	31st March 2023	31st March 2022
<b>Equity shares of Rs. 100 each fully paid</b>		
National Highway Authority of India (NHAI)		
Number of Share	439,399,994	313,299,994
% of total shares in the class	99.99999%	99.99999%

**Details of shares held by Promoters**

PARTICULARS	As At	As At
	31st March 2023	31st March 2022
Promoter name : NHAI Equity [NV: 100.00 ]		
<b>Shares at beginning</b>		
Number	313299994.00	108199994.00
%	100.00	100.00
<b>Shares at end</b>		
Number	439399994.00	313299994.00
%	100.00	100.00
% Change	-	-





Notes forming part of financial statements for the year ended 31st March' 2023

(All amounts in INR Lakhs, unless otherwise stated)

**8. Other equity**

Particulars	As At	As At
	31st March 2023	31st March 2022
<b>Surplus in the Statement of Profit and Loss</b>		
At the commencement of the year	(215.82)	(203.51)
Add: Profit / (Loss) for the year	(26.05)	(12.31)
At the end of the year	(241.88)	(215.82)
<b>Total</b>	<b>(241.88)</b>	<b>(215.82)</b>

Nature of reserves:

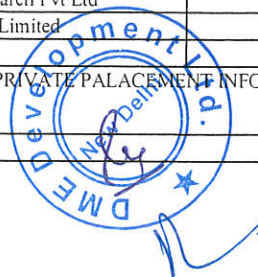
**9. Share application money pending allotment**

Particulars	As At	As At
	31st March 2023	31st March 2022
Pending Application Money	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**10. Borrowings**

Particulars	As At	As At
	31st March 2023	31st March 2022
<b>Unsecured (guaranted against letter of comfort issued by NHAI)</b>		
Taxable Bonds / Debentures	1,103,900.00	500,000.00
Loans from Banks	2,088,095.75	1,658,099.00
Interest accrued & due on borrowings ( refer note 23 )	-	-
<b>Total</b>	<b>3,191,995.75</b>	<b>2,158,099.00</b>

Taxable Bonds - Series -I issued to QIBs (Secured, Non-Convertible, Non-Cumulative)				
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.			
<b>Investors to the Issue (in crore)</b>	Birla Sunlife Mutual Fund			3,000.00
	Morgan Stanley India Primary Dealer Pvt Ltd			1,000.00
	Axis Mutual Fund			510.00
	ICICI Bank Ltd			350.00
	Others			140.00
Listed on Wholesale Debt Market (WDM)				NSE
Trustee of the Issue				SBI Trustee Company
Registrar and Share Transfer Agent to the Issue				Bigshare Services Pvt Ltd
<b>Credit Ratings</b>	India Rating & Research Pvt Ltd			IND AAA / Stable
	CARE Ratings Limited			CARE AAA / Stable
	CRISIL			CRISIL AAA / Stable
NOTE:- OTHER DETAILED TERMS & CONDITIONS WILL BE AS PER PRIVATE PLACEMENT INFORMATION MEMORANDUM EXECUTED AT THE TIME OF PRIVATE PLACEMENT.				





Notes forming part of financial statements for the year ended 31st March' 2023

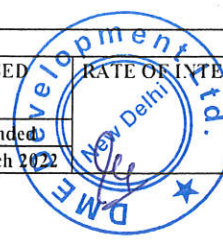
(All amounts in INR Lakhs, unless otherwise stated)

(All amounts in INR Lakhs, unless otherwise stated)

Taxable Bonds - Series -II issued to QIBs (Listed Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, taxable bonds Series-II)				
Information Memorandum (IM)				
Date of Information Memorandum				2/16/2023
Type of Information				Private Placement
Nature of Securities				Secured Debentures
Number of Securities				368,400
Price (Crore)				0.01
Amount of Securities (in Crore)				3,684.00
Issue Size (in Crore)				1,000.00
Green Shoe (in Crore)				2,684.00
Coupon Rate				7.82% p.a. (fixed and payable half yearly)
Redemption dates	10 years from Deemed Date of Allotment i.e 24th February, 2023			
Investors to the Issue (in crore)	CBT-EPFO A/C UTI Asset Management Co Ltd			685.00
	CBT EPFO for SBI Mutual Funds Management Private Limited			565.00
	Axis Bank Limited			500.00
	HDFC Bank Limited			350.00
	Others			1,584.00
Listed on Wholesale Debt Market (WDM)				NSE
Trustee of the Issue			SBI Trustee Company Limited	
Registrar and Share Transfer Agent to the			Bigshare Services Pvt Ltd	
Credit Ratings	India Rating & Research Pvt Ltd		IND AAA / Stable	
	CARE Ratings Limited		CARE AAA / Stable	
	CRISIL		CRISIL AAA / Stable	
NOTE:- OTHER DETAILED TERMS & CONDITIONS WILL BE AS PER PRIVATE PLACEMENT INFORMATION MEMORANDUM EXECUTED AT THE TIME OF PRIVATE PLACEMENT.				

Taxable Bonds - Series -III issued to QIBs (Listed Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, taxable bonds Series-III)					
Information Memorandum (IM)					
Date of Information Memorandum					3/6/2023
Type of Information					Private Placement
Nature of Securities					Secured Debentures
Number of Securities					235,500.00
Price (Crore)					0.01
Amount of Securities (in Crore)					2,355.00
Issue Size (in Crore)					600.00
Green Shoe (in Crore)					1,755.00
Coupon Rate					7.89% p.a.(Fixed and payable half yearly)
Redemption dates		10 years from Deemed Date of Allotment i.e 14th March, 2023			
Investors to the Issue (in crore)		India Infrastructure Finance Company Limited			800.00
		Axis Bank Limited			500.00
		SBI Portfolio Manager Of SBI Employees Pension Fund			200.00
		SBI Portfolio Manager Of SBI Employees Provident Fund			200.00
		Others			655.00
Listed on Wholesale Debt Market (WDM)					NSE
Trustee of the Issue				SBI Trustee Company Limited	
Registrar and Share Transfer Agent to the Issue				Bigshare Services Pvt Ltd	
Credit Ratings		India Rating & Research Pvt Ltd		IND AAA / Stable	
		CARE Ratings Limited		CARE AAA / Stable	
		CRISIL		CRISIL AAA / Stable	
NOTE:- OTHER DETAILED TERMS & CONDITIONS WILL BE AS PER PRIVATE PALACEMENT INFORMATION MEMORANDUM EXECUTED AT THE TIME OF PRIVATE PLACEMENT.					

DETAIL OF TERM LOANS					
NAME OF LENDER	FALICITY	PURPOSE	AMOUNT OF LOAN DISBURSED DURING THE PERIOD		REPAYMENT PERIOD
			Year Ended	Year ended	
			31st March 2023	31st March 2022	



**DME DEVELOPMENT LIMITED**

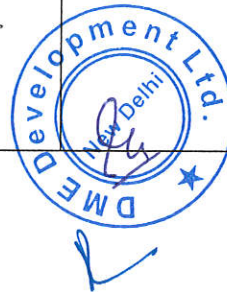
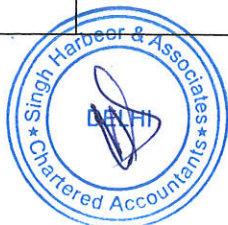
G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075

CIN: U45202DL2020GOI36878

Notes forming part of financial statements for the year ended 31st March' 2023

(All amounts in INR Lakhs, unless otherwise stated)

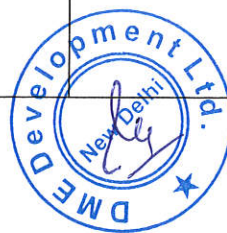
BANK OF MAHARASHTRA	TERM LOAN (Sanctioned ₹ 1700 Crore And outstanding ₹ 1700.03 Crore)	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	-	70,000.00	0.10% above our 1 month MCLR ie, presently 6.90%+0.10%=7.00% P.A with monthly rest. MCLR to be reset at monthly Interval.	Repayment period will start from 31-10-2024 within 28 installments as per repayment sechedue as mentioned in sanction letter.
BANK OF INDIA	TERM LOAN (Sanctioned ₹ 5000 Crore And outstanding ₹ 2350.09 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.	115,000.00	120,000.00	0.35% over our overnight MCLR (prevailling 6.65%) presently 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.
CENTRAL BANK OF INDIA	TERM LOAN (Sanctioned ₹ 2500 Crore And outstanding ₹ 1450.00 Crore)	DEVELOPMENT OF GREEFIELD EXPRESSWAY CONNECTING DELHI AND MUMBAI VIA VARODARA WITH DOOR TO DOOR TENOR OF 17 YEARS - 204 MONTHS (COMPRISING IMPLEMENTATION PERIOD OF 24 MONTHS)	25,000.00	120,000.00	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 ₹ 2850 Crore)	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	20,000.00	265,000.00	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 ₹ 500 Crore And outstanding ₹ 400 Crore)	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	20,000.00	20,000.00	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.





Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

KARNATAKA BANK	TERM LOAN (Sanctioned ₹ 500 Crore And outstanding ₹ 500 Crore)	Construction of greenfield Expressway Delhi & Mumbai via Vadodara (8 lane greenfield expressway with provision to expand 12 lanes) under Hybrid Annuity Model.	30,000.00	20,000.00	Three Month T-Bill rate prevailing on the date of availment of term loan plus applicable spread, with an effective rate of interest of 6.85% P.A. Interest to be reset quarterly	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedule as mention sanction letter.
STATE BANK OF INDIA	TERM LOAN (Sanctioned ₹ 9000 Crore And outstanding ₹ 7500 Crore)	Construction of greenfield 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.	200,000.00	50,000.00	The rate of Interest for the loan facility will be based pricing linked to 6 month MCLR of SBI (same presently being @ 6.95% p.a	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedule as mentioned in sanction letter.
UCO BANK	TERM LOAN (Sanctioned ₹ 1000 Crore And outstanding ₹ 400 Crore)	Construction of greenfield 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.	20,000.00	20,000.00	One Month MCLR i.e. 6.85% p.a. at prasant with monthly rests. Interest to be serviced as and when due.	Repayment period will start from 31-03-2025 within 28 installments as per repayment sechedule as mentioned in sanction letter.
AXIS BANK	TERM LOAN (Sanctioned ₹ 1000 crore And outstanding ₹ 931 crore.	Construction of greenfield Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	-	-	The rate of interest for the Loan facility will be based on pricing linked to 6-month MCLR of SBI, it will changes time to time as per term & Condition of sanction letter.	Repayment period will start from 30-09-2024 with in 28 instrallment as per repayment sechedule as mentioned in sanction letter.



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Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

PUNJAB NATIONAL BANK	TERM LOAN (Sanctioned ₹ 2800 crore And outstanding ₹ 2800 crore.	Construction of greenfield Delhi - Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	-	-	7.00% p.a. linked with 3 month MCLR as of Mar '2021 i.e. 6.90% + 0.10% chargeable at monthly intervals, which shall be serviced on 1st day of the next month. Rate of Interest of PNB shall not lower than the rate of interest of any lenders for the 1st year of debt requirement of the company. Further charges of PNB shall not be lower than any of these lenders. In case any downgradation in external risk rating, Bank has right to review its ROI & Service charges.	Repayment period will start from 31-03-2025 with in 28 installments as per repayment sechedue as mention sanction letter.
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Notes forming part of financial statements for the year ended 31st March' 2023

(All amounts in INR Lakhs, unless otherwise stated)

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

**Utilization of Borrowed Funds :-**

All the abovementioned loans are utilized for their specific purpose.

**Registration of Charges or satisfaction with Registrar of Companies**

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

**11. Other financial liabilities**

Particulars	As At	As At
	31st March 2023	31st March 2022
<b>Other financial liabilities at amortised cost</b>		
<b>Non Current</b>		
Interest accrued on borrowings	-	-
Retention Money	-	-
Payable to related parties	-	-
Expenses Payable	-	-
Payable towards purchase of property, plant and equipment	-	-
<b>Total Non Current Other Financial liabilities</b>	-	-
<b>Current</b>		
Interest accrued on borrowings	5,945.14	4,318.84
Retention Money	-	-
Payable to related parties	-	-
Expenses Payable	-	-
Payable towards purchase of property, plant and equipment	-	-
<b>Total Current Other Financial Liabilities</b>	<b>5,945.14</b>	<b>4,318.84</b>

**12. Other Liabilities**

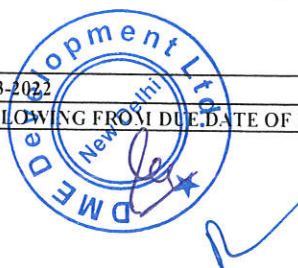
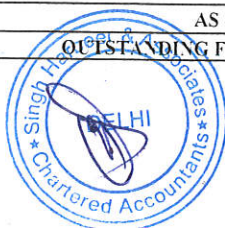
Particulars	As At	As At
	31st March 2023	31st March 2022
<b>Non Current</b>		
Earnst Money Deposit	-	-
Income Tax Provision	-	-
Statutory liabilities	-	-
Stamp Duty payable	-	-
<b>Total Non Current Other Liabilities</b>	-	-
<b>Current</b>		
Earnst Money Deposit	-	-
Statutory Liabilities	25.33	21.28
Stamp Duty Payable	126.10	313.30
<b>Total Current Other Liabilities</b>	<b>151.43</b>	<b>334.58</b>

**13. Trade payables**

Particulars	As At	As At
	31st March 2023	31st March 2022
Trade payables		
- Due to micro and small enterprises*	1.14	1.51
- Others	61.34	109.08
<b>Total</b>	<b>62.48</b>	<b>110.59</b>

AS ON 31-03-2023				
PARTICULARS	OUTSTANDING FOR FOLLOWING FROM DUE DATE OF PAYMENT			
	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	MOTE THAN 3 YEARS
1) MSME	1.14	-	-	-
2) OTHER	61.34	-	-	-
3) DIPUTED DUES - MSME	-	-	-	-
4) DIPUTED DUES - OTHER	-	-	-	-

AS ON 31-03-2022	
PARTICULARS	OUTSTANDING FOR FOLLOWING FROM DUE DATE OF PAYMENT





Notes forming part of financial statements for the year ended 31st March' 2023

(All amounts in INR Lakhs, unless otherwise stated)

	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS		TOTAL
1) MSME	1.51	-	-		1.51
2) OTHER	109.08	-	-		109.08
3) DIPUTED DUES - MSME	-	-	-		-
4) DIPUTED DUES - OTHER	-	-	-		-

\*The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, the amounts payable to Micro and Small Enterprises as at 31st March' 2023 has been disclosed.



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Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

**14. Revenue from Operations**

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
Revenue from Operations	-	-
<b>Total</b>	-	-
Less: Transferred to Pre-operative expenditure (in terms of Ind AS-23)	-	-
Balance transferred to the Statement of Profit & Loss	-	-

**Note: - Revenue will be generated from the completion of project in the shape of annuity or toll charges**

**14A. Other income**

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
Interest Income		
From Banks on Flexi linked deposits	57.73	3,557.78
From Income tax refund	10.00	-
Misc. receipts	0.45	-
<b>Total</b>	<b>68.18</b>	<b>3,557.78</b>
Less: Transferred to Pre-operative expenditure (in terms of Ind AS-23)	<b>58.18</b>	<b>3,557.78</b>
Balance transferred to the Statement of Profit & Loss	<b>10.00</b>	-

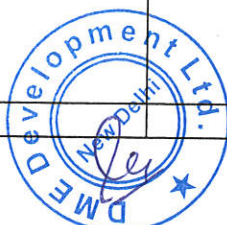
**15. Employee benefits expense**

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
Salaries and wages*	6.00	-
Staff welfare expenses	-	-
Incentive	0.10	-
<b>Total</b>	<b>6.10</b>	-
Less: Transferred to Pre-operative expenditure (in terms of Ind AS-23)	-	-
Balance transferred to the Statement of Profit & Loss	<b>6.10</b>	-

\* A company secretary is appointed as an employee in the Company on 01.06.2022 during the year. All other workforce is working for the company on deputation made by the NHAI from its staff on additional charge without any additional cost from the company and / or outsourced employees are engaged in the company. No other employee in the company except a company secretary through out the year in the company.

**16. Finance costs**

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
Interest on Term Loans	140,085.87	89,861.38
Interest on Bond/Debentures to QIBs (Financial Institutions)	45,917.20	1,501.37
Loan Processing Fees	-	1,886.80
Inspection Charges	-	0.44
<b>Total</b>	<b>186,003.07</b>	<b>93,249.99</b>



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Notes forming part of financial statements for the year ended 31st March' 2023

(All amounts in INR Lakhs, unless otherwise stated)

Less: Transferred to Pre-operative expenditure (in terms of Ind AS 23)	186,003.07	93,249.99
Balance transferred to the Statement of Profit & Loss	-	-



**DME DEVELOPMENT LIMITED**  
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Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

**17. Other expenses**

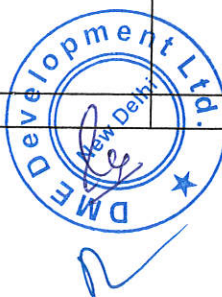
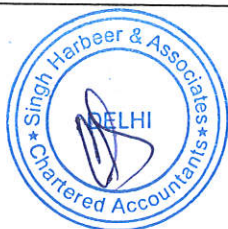
Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
Internal Audit Fee	0.90	0.90
Legal and Professional Charges	173.91	165.34
Auditors' Remuneration [Refer note (i)]	3.79	1.85
Printing & Stationary	-	-
Stamp Duty Charges	130.15	209.20
NCNCR Bonds / Debentures Issue Expenses	33.92	27.42
Bank Charges	78.46	30.06
LEI Renewal Fee	0.03	0.03
Diwali Incentive	0.70	0.10
Rates & Taxes [Refer note (ii)]	1.17	0.79
Director Meeting Fee (Independent director)	1.00	-
Vehicle Hiring Charges	6.34	-
Conveyance Charges	0.69	-
Advertisement Expenses	3.59	-
Miscellaneous Expenses	0.61	2.57
<b>Total</b>	<b>435.25</b>	<b>438.26</b>
Less: Transfer to Pre-operative expenses (in terms of Ind AS-23)	<b>396.15</b>	<b>421.63</b>
Balance transferred to the Statement of Profit & Loss	<b>39.10</b>	<b>16.64</b>

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

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
<b>As Statutory Auditors:</b>		
Statutory audit fee	2.21	1.85
Other Services	1.58	-
<b>Total</b>	<b>3.79</b>	<b>1.85</b>

(ii) Rates & Taxes:

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
IGST Input	-	0.27
Interest on TDS	0.00	0.19
RCM with no Input Receivable	0.32	0.05
ROC Filing Fee	0.85	0.29
<b>Total</b>	<b>1.17</b>	<b>0.79</b>





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Notes forming part of financial statements for the year ended 31st March' 2023

(All amounts in INR Lakhs, unless otherwise stated)

**18. Current Tax**

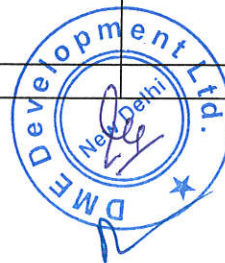
The major components of income tax expense for the period ended 31 March' 2023 are as follows

**Profit and Loss section**

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
Current tax charge	-	-
<b>Income tax expense reported in the Statement of Profit and Loss</b>	-	-

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

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
Accounting profit before income tax	(35.20)	(16.64)
At statutory income tax rate (Current year 26% ( P.Y 26% ) )	-	-
Earlier year tax adjustment	-	-
Others- Interest on Income Tax	-	-
<b>Income reported in the Statement of Profit and Loss</b>	(35.20)	(16.64)





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Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

**Deferred tax**

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
Deferred tax asset relates to the following:		
Opening balance	75.83	71.50
Timing Difference due to loss as per income tax act and company act	(35.20)	(16.64)
<b>Total deferred tax asset on above timing difference(A) @ 26%</b>	<b>9.15</b>	<b>4.33</b>
Deferred tax liability relates to the following:	-	-
<b>Net deferred tax assets/(liability) (A-B)</b>	<b>84.98</b>	<b>75.83</b>

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

The details of tax assets / (liabilities) (net) as at Mar. 31, 2023 are as follows:

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
<b>NON-CURRENT TAX ASSETS (NET)</b>		
Tax assets		
Deferred Tax Assets	84.98	75.83
Tax liabilities		
Income tax payable	-	-
	<b>84.98</b>	<b>75.83</b>

**19. Other Comprehensive Income (OCI) section**

Particulars	Year ended	Year ended
	31st March 2023	31st March 2022
Remeasurements of defined benefit plans	-	-
<b>Income tax charged to OCI</b>	<b>-</b>	<b>-</b>



Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

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

Particulars	Note No	Year ended	As At
		31st March 2023	31st March 2022
<b>INCOME</b>			
Other Income		58.18	3,557.78
Total income		<b>58.18</b>	<b>3,557.78</b>
<b>EXPENSES</b>			
Employee benefits expense	15	-	-
Finance costs	16	186,003.07	93,249.99
Depreciation and amortisation expense		-	-
Other expenses	17	396.15	421.63
Total expenses		<b>186,399.22</b>	<b>93,671.62</b>
Pre-operative expenditure for the year (net)		<b>186,341.04</b>	<b>90,113.84</b>
Provision for Income Tax		-	-
Prior Period Adjustment		-	-
Brought Forward from last year		-	-
Carried forward to capital work in progress		<b>186,341.04</b>	<b>90,113.84</b>

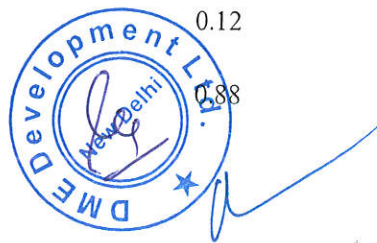


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Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

**21. RATIOS**

	As At 31st March 2023	As At 31st March 2022
a) Current Ratio	53,120 6,159 8.62	188,472 4,764 40
b) Debt Equity Ratio	3,191,996 439,158 7.27	2158098.995 313084.1778 6.89
c) Debt Service Coverage ratio	NIL	NIL
d) Return on Equity Ratio	NIL	NIL
e) Inventory Turnover ratio	NIL	NIL
f) Trade receivables turnover ratio	NIL	NIL
g) Trade payables turnover ratio	NIL	NIL
h) Net Capital turnover ratio	NIL	NIL
i) Net profit ratio	NIL	NIL
j) Return on Capital employed,	NIL	NIL
k) Return on Investment	NIL	NIL
l) interest service coverage ratio	NIL	NIL
m) outstanding redeemable preference shares (quantity and value)	NIL	NIL
n) capital redemption reserve/debenture redemption reserve	NIL	NIL
o) net worth	439,158.12	313,084.18
p) net profit after tax	-26.05	-12.31
q) earnings per share	NIL	NIL
r) long term debt to working capital	NIL	NIL
s) bad debts to Account receivable ratio	NIL	NIL
t) current liability ratio	0.12	0.03
u) total debts to total assets	0.88	0.87



v) debtors turnover	NIL	NIL
w) Operating margin (%)	NIL	NIL
x) Net profit margin (%)	NIL	NIL
y) sector specific equivalent ratios, as applicable	NIL	NIL

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



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Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

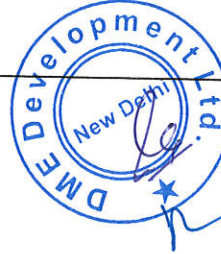
**22. Earnings per share (EPS)**

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

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

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

Particulars	As At	As At
	31st March 2023	31st March 2022
Profit attributable to equity holders for basic earnings	(26.05)	(12.31)
Profit attributable to equity holders for the effect of dilution	(26.05)	(12.31)
Weighted average number of equity shares for basic EPS	366,899,178	231,260,000
Weighted average number of equity shares adjusted for the effect of dilution	366,899,178	231,260,000
Basic EPS (absolute value in INR)	(0.01)	(0.01)
Diluted EPS (absolute value in INR)	(0.01)	(0.01)





Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

### 23. Related party transactions

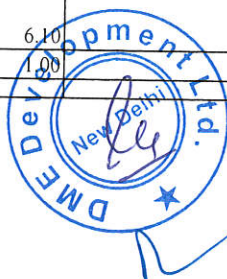
In the normal course of business, the Company enters into transactions at arm's length with affiliated companies, its ultimate holding company and key managerial personnel.

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	<b>Independent Directors:</b> Mrs. Sudha Damodar (w.e.f. 23.12.2022 & Continue as an Independent Director) Rajesh Ranjan (w.e.f. 15.04.2023 & continue as an Independent Director) <b>Directors:</b> Mr. Amit Kumar Ghosh (w.e.f. 22.09.2020 & continue) Mr. Manoj Kumar (w.e.f. 29.08.2020 & continue) Mr. Syed Qamar Ahmed (w.e.f. 29.08.2020 till 30.11.2022) Mr. Shashibhushan Dipnarayan Mandal (w.e.f. 07.12.2021 & continue) Mr. Nrvvmk Rajendra Kumar (wef. 16.02.2022 & Continue) Mr. Ananta Manohar (w.e.f 23.12.2022 & Continue) <b>Chief Financial Officer:</b> Mr. Ananta Manohar (w.e.f. 23.06.2022 & Continue) <b>Chief Executive Officer</b> Mr. Shashibhushan Dipnarayan Mandal (w.e.f. 23.12.2022 & continue) <b>Company Secretary</b> Mrs. Prachi Mittal (Appointed on 01.06.2022 & continue)

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

Particulars	As At	As At
	31st March 2023	31st March 2022
a. Enterprise having substantial interest in the Company -	NHAI	NHAI
Transactions during the year		
Equity share issued	126,100.00	205,100.00
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 DME	1,110,367.36	1,208,211.73
Balance outstanding as at the year end		
Loan outstanding from NHAI	-	-
Interest Accrued (NHAI)	-	-
Amount Deposited to NHAI for Expenses	50,652.78	178,620.14
Amount Payable to NHAI for Expenses	-	-
d. Key management personnel		
Salary & Incentive to Ms. Prachi Mittal Company secretary	6.10	-
Independent Director's Sitting Fees	1.00	-



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Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

**24. Fair values**

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

Particulars	As At	As At
	31st March 2023	31st March 2022
<b>FINANCIAL ASSETS</b>		
Financial assets measured at amortised cost		
Cash and cash equivalents	1,986.94	9,198.68
Other financial assets		-
<b>Total</b>	<b>1,986.94</b>	<b>9,198.68</b>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost		
Borrowings	3,191,995.75	2,158,099.00
Trade payables	62.48	110.59
Other financial liabilities	5,945.14	4,318.84
<b>Total</b>	<b>3,198,003.37</b>	<b>2,162,528.43</b>



Notes forming part of financial statements for the year ended 31st March' 2023  
(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 2.17 for accounting policy on impairment of trade receivables.

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

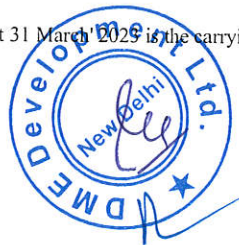
An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes. The Company does not hold collateral as security for the period ended 31st March' 2023. Considering the nature of operations, the Company evaluates the concentration of risk with respect to trade receivables as low.

The management believes that the trade receivables of on 31st March' 2023 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' 2023 is the carrying amounts of balances with banks.





Notes forming part of financial statements for the year ended 31st March' 2023

(All amounts in INR Lakhs, unless otherwise stated)

**(c) Liquidity risk**

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

The Company maintained a cautious liquidity strategy, with a positive cash and bank balance throughout the year ended 31st March' 2023. Fund 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
<b>As at 31st March 2023</b>					
Borrowings	3,191,995.75	3,191,995.75	-	103,125.00	3,088,870.75
Trade payables	62.48	62.48	62.48	-	-
Other financial liabilities	5,945.14	5,945.14	5,945.14	-	-
Other Liability	151.43	151.43	151.43	-	-
<b>Total</b>	<b>3,198,154.80</b>	<b>3,198,154.80</b>	<b>6,159.05</b>	<b>103,125.00</b>	<b>3,088,870.75</b>

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 35841.80 Crore. Total pending commitments for the remaining period for the F.Y. 2023-24 and onwards till completion of the project is of Rs. 18,007.20 Crore.



Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

28. In view of the Circular No.150/06/2021-GST from Ministry of Finance, the outward supply of the Company is taxable as forward charges under the Central Goods and Services Tax'2017. Consequently, annuity receivables from 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.

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

i. *The Formation of the Audit Committee u/s 177 of the companies Act'2013 and Nomination & Remuneration Committee u/s 178 of the Companies Act' 2013 due to delay in appointment of Independent Directors u/s 149 of the Companies Act 2013 and read with Rules 4 & 5 of the Companies (Appointment and Qualification of Directors) Rules 2014. Such committees could not be formed throughout the year. Since the company could appoint two independent directors on 23.12.2022 and 15.04.2023 respectively. Thus the audit committee could be formed on 15.04.2023.*

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

iii. *The company has filed an application / petition u/s 441 of the Companies Act' 2013 on 30.03.2023 for compounding of default in contravention of section 96 of the Companies Act' 2013 before the Honable Regional Director, Northern Region in case of delay in holding annual general meeting for the financial year 2019-20. The maximum fine may go up to Rs 10.60 Lakhs as prescribed in section 99 of the Act, for which the company has prayed before Honble Regional Director for compounding with no penalty or minimum penalty as may deem fit. This liability is contingent in nature and shall be quantified on the final decision of the Appellate Authority.*

iv. *The company has moved five request applications before the National Stock Exchange of India Limited for waiver of fines & penalties of Rs 9.17 lakhs (excluding GST@ 18% thereon ) imposed on the company vide NSEIL' notices dated 19.08.2022, 14.09.2022, 27.09.2022 & 31.10.2022 due to delay in submission of various informations in terms of regulations 52(1)(2), 52(4)54(2)(3), 57, 60(2) of the Stock Exchange. These are still pending before the National Stock Exchange of India Limited as on date. Such liability is contingent in nature and shall be quantified on the final decision of the NSEIL.*

v. *Stakeholder Relationship Committee & Risk Committee was formed on 29.03.2023, Vigil Mechanism Policy was approved and adopted on 29.03.2023, Code of Conduct of the Board of directors including Independent directors and their duties as laid down in the Companies Act' 2013 is adopted on 29.03.2023 and Audit Committee could be formed on 15.04.2023 on or after the appointment of 2nd Independent Director. Thus, the company was in default throughout the year to comply with above-said formalities/guidelines.*

vi. *Ring Fence Mechanism could not be established so far in terms of Concession Agreement dated 05.02.2021 between NHAI & the company, inspite of toll collection of a particular portion is started w.e.f. 12.02.2023 by NHAI. Quantum of Annuity that shall be given to the company by NHAI in terms of Concession Agreement to pay off its debts and to meet out expenses in 17 years after completion of the project could not be determined till date. While as per Article 3, Grant of Concession, Para 3.1.1 of the Agreement, annuity will start w.e.f. 05.02.2024.*

vii. *The company has filed an application for compounding before the Regional Director in respect of delay in appointment of Woman Director in the Board of the Company u/s 149(1) of the Companies Act 2013. Application is pending before the Regional Director as on date and contingent liability may be ascertained on the final decision of the Appellate Authority.*

30. No provision has been made for Gratuity, Leave Encashment and other Retirement Benefits to Company's employees, since the company has employees below 10 and no employee has completed 5 years of his/her service in the company till 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 Rs 11,039.00 corore till year end 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 in the company, no such Reserve Fund created or transfer any fund to it during the year.

### 33. Expenses / Income relating to earlier period

Income  
Expenditure



Current Year

Nil

Nil

Prevoius Period

Nil

5.94



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

Notes forming part of financial statements for the year ended 31st March' 2023  
(All amounts in INR Lakhs, unless otherwise stated)

34. The company has no benami property as on balance sheet date. Hence no proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 and rules made thereunder.
35. The company has not made any transaction with any company struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act 1956 during the year.
36. The mangement of the company assure that the company is never declared as wilful defaulter by any bank or financial institution or any other lender.
37. Previous period figures have been regrouped and rearranged to make them comparable with the current year figures.

For SINGH HARBEER & ASSOCIATES

Chartered Accountants  
Firm Regn No. : 017247N

(Harbeer Singh)  
Partner  
M.No. 093542

Place : New Delhi

Date : 09.08.2023

UDIN: 23093542 BGIVTEY 4920

For and on behalf of Board

(NRVVMK RAJENDRAKUMAR)  
Chairman  
DIN: 09494456

(ANANTA MANOHAR)  
Director & CFO  
DIN: 09822685

PRACHI MITTAL  
COMPANY SECRETARY