

# DME

## DEVELOPMENT LIMITED



# 4<sup>TH</sup>

## ANNUAL REPORT

### 2023-2024

**CORPORATE INFORMATION:****BOARD OF DIRECTORS:**

Sh. NRVVMK Rajendra Kumar, Member (Fin), NHAI – Chairman  
 Sh. Vinay Kymar (JS Highways, MoRTH) w.e.f., 22.05.2024  
 Sh. Alok Deepankar, Member (T), NHAI  
 Sh. Ananta Manohar Meduri Chakravartula  
 Smt. Sudha Damodar, Independent Director  
 Sh. Rajesh Ranjan, Independent Director

**BOARD COMMITTEES:****Audit Committee:**

Sh. Rajesh Ranjan – Chairman  
 Smt. Sudha Damodar  
 Sh. Ananta Manohar

**Nomination & Remuneration Committee:**

Smt. Sudha Damodar – Chairperson  
 Sh. Rajesh Ranjan  
 Sh. Ananta Manohar

**Risk Management Committee:**

Smt. Sudha Damodar – Chairperson  
 Sh. Ananta Manohar  
 Sh. Gautam Vishal

**Stakeholders Relationship Committee**

Sh. Rajesh Ranjan – Chairperson  
 Smt. Sudha Damodar  
 Sh. Ananta Manohar

**Corporate Social Responsibility Committee:**

Sh. Rajesh Ranjan – Chairperson  
 Sh. NRVVMK Rajendra Kumar  
 Sh. Ananta Manohar

**Chief Financial Officer:**

Sh. Ananta Manohar Meduri Chakravartula

**Company Secretary & Compliance Officer:**

Ms. Prachi Mittal

**Chief Executive Office:**

Sh. Gautam Vishal Charan Pahari

**STOCK EXCHANGES/LISTING – Debt**

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

**Statutory Auditors:**

M/s. AAAG & Co. LLP,  
 Chartered Accountants  
 E – 10A, Kailash Colony, Greater  
 Kailash – 1, New Delhi – 110048

**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  
 Axis Bank  
 Karnataka Bank Ltd.

Bank of Baroda  
 Bank of India  
 Canara 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: [dmedl@nhai.org](mailto:dmedl@nhai.org); Website: [www.dmedl.in](http://www.dmedl.in)

**Corporate Identification Number (CIN):**

U45202DL2020GOI368878

**NOTICE**

**NOTICE** is hereby given that the 4<sup>th</sup> Annual General Meeting of the Members of “**DME DEVELOPMENT LIMITED**” will be held on **Friday, the 20<sup>th</sup> day of December 2024 at 11:30 A.M. at a 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 2024, 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 Ananta Manohar Meduri Chakravartula (DIN: 09822685) and Sh. Alok Deepankar (DIN: 07317490) who retires by rotation and being eligible offers themselves 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 2024-25.**

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 2024-25 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 5<sup>th</sup> Annual General Meeting of the Company to be held in the year 2025 at a fees of Rs. 1,21,000/- (Rs One Lakh Twenty One Thousand only) (excluding GST).

**By Order of the Board of Directors  
For DME Development Limited**

**Sd/-  
(Prachi Mittal)**

**Company Secretary  
ACS: 40236**

**Place: New Delhi  
Date: 19<sup>th</sup> December, 2024**

**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 4<sup>th</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.

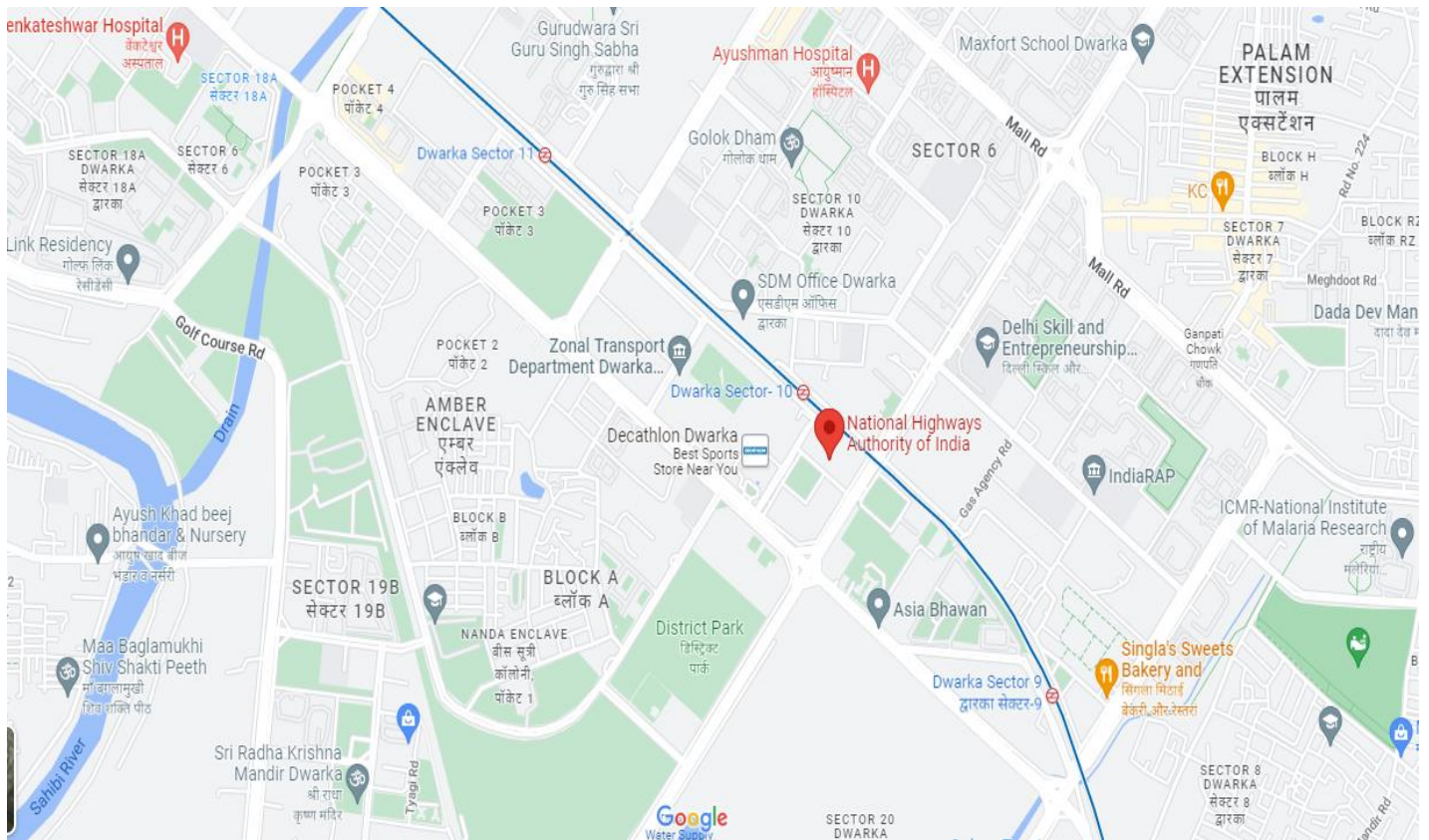
- 8. Information of Directors pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meeting:**  
At the 4<sup>th</sup> AGM of the Company, Sh. Ananta Manohar Meduri Chakravartula (DIN: 09822685) and Sh. Alok Deepankar (DIN: 07317490) Directors, 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 Order of the Board of Directors  
For DME Development Limited**

**Place: New Delhi  
Date: 19<sup>th</sup> December, 2024**

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

## 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>

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

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

1.	<b>Name</b>	:	
	<b>Address</b>	:	
	<b>Email Id</b>	:	
	<b>Signature</b>	:	
	<b>or failing him</b>	:	

2.	<b>Name</b>	:	
	<b>Address</b>	:	
	<b>Email Id</b>	:	
	<b>Signature</b>	:	
	<b>or failing him</b>	:	

3.	<b>Name</b>	:	
	<b>Address</b>	:	
	<b>Email Id</b>	:	
	<b>Signature</b>	:	
	<b>or failing him</b>	:	

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 Friday, the 20<sup>th</sup> day of December 2024 at 11:30 A.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 2024, 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 Sh. Ananta Manohar Meduri Chakravartula (DIN: 09822685) and Sh. Alok Deepankar (DIN: 07317490) who retires by rotation and being eligible offers themselves 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 2024-25.	Ordinary

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2024

Signature of the Shareholder \_\_\_\_\_

Signature of Proxy holder \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed, stamped signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.

**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 4<sup>th</sup> Annual General Meeting of the Company being held on ..... the ..... day of ....., 2024 at .....  
 .....  
 ..... at ..... a.m./p.m./noon.

Please (✓) in the box

MEMBER ☐

PROXY ☐

\_\_\_\_\_  
 Signature of Shareholder / Proxy

**By Order of the Board of Directors  
 For DME Development Limited**

**Place: New Delhi**

**Date: ..... December, 2024**

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

## DIRECTORS REPORT

**To  
The Members,  
DME Development Limited**

Your Directors have the pleasure in presenting the 4<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended on March 31, 2024 and Auditors' Report thereon on behalf of the Board of Directors.

### **ECONOMIC OVERVIEW**

India's road network, spanning around 6.4 million kilometers, is critical to its economic development, connecting rural areas to urban centers, facilitating trade and commerce, and promoting regional development. 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. India is continuing to invest in expanding and upgrading its road infrastructure to meet the growing demands of transportation and economic activities.

Road transport indeed plays a pivotal role in the economic development of a country, influencing various aspects such as trade, employment, industrial growth, and overall mobility. Efficient road infrastructure enables the swift movement of goods and people, which directly impacts sectors like agriculture, manufacturing, and services, thus enhancing productivity and fostering economic growth.

### **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 tranches linked to milestones, while the balance 60% cost will be arranged by the contractors.

The **Delhi-Mumbai Expressway** is a landmark project that will drastically reduce travel time between two of India's largest cities and improve overall connectivity in the country. As a part of the broader **Bharatmala Pariyojana** (National Highways Development Project), it will not only provide a faster route for vehicles but also stimulate economic growth, improve logistics, and contribute to regional development in multiple states. With its advanced design and expected impact, the expressway is poised to be a game-changer for transportation in India.

### **Financial Highlights:**

Particulars	Amount (In Lakhs) 2023-24	Amount (In Lakhs) 2022-23
Revenue from Operations	-	-
Other Revenue	0.05	10.00
<b>Total Revenue</b>	<b>10.00</b>	<b>10.00</b>

Employee Benefits Expense	10.30	6.10
Financial Costs	-	-
Other Expenses	84.77	39.11
<b>Total expenses excluding depreciation</b>	<b>95.07</b>	<b>45.21</b>
<b>Profit/(Loss) before Depreciation &amp; Tax</b>	<b>(95.02)</b>	<b>(35.21)</b>
Less-Depreciation	-	-
<b>Profit /(Loss) after depreciation</b>	<b>(95.02)</b>	<b>(35.21)</b>
Less- Prior Period adjustments	-	-
<b>Profit after Prior Period adjustments</b>	<b>(95.02)</b>	<b>(35.21)</b>
Less-Provision for Tax net of MAT credit entitlements	-	-
Less: Provision for Deferred tax	24.71	9.16
Less: Tax for earlier years	-	-
<b>Profit/(Loss) after tax</b>	<b>(70.31)</b>	<b>(26.05)</b>

During the year under review, your Company incurred a loss of Rs. 70.31 lakhs as against a loss of Rs. 26.05 lakhs for the previous year.

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

S. No.	Particulars	FY 2023-24	FY 2022-23
a.	Current Ratio	0.03	8.62
b.	Debt-Equity Ratio	7.76	7.27
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	Nil	0.12
p.	Total Debts to Total Assets	0.86	0.88
q.	Debtors Turnover	Nil	Nil
r.	Sector Specific Equivalent Ratio, as applicable	Nil	Nil

**\*Note: Since the company has not started its annuity till date, thus other ratios are either Not Applicable or Nil.**

#### **Reserves:**

No amount has been proposed to be transferred to reserves during the year. The Company has incurred a loss of Rs. 70.31 lakhs during the F.Y. 2023-24.

## 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 31.03.2024 is Rs. 5,234/- 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	26.05.2023	1,40,00,000	1,40,00,00,000	100
National Highways Authority of India	22.03.2024	7,00,00,000	7,00,00,00,000	100

At the end of the financial year the paid-up share capital of the Company stands at Rs. 52,34,00,00,000/-.

However, post closure of the financial year following changes took place in the 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	21.06.2024	1,51,00,000	1,51,00,00,000	100

### 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 ₹ 1,00,000 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 & BSE
1.	3,00,000	1,00,000	30,00,00,00,000	7.74%	04.12.2023	05.12.2023
2.	2,89,600	1,00,000	28,96,00,00,000	7.55%	01.03.2024	04.03.2024

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, 2024, 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
13.	INE0J7Q07231	7.74%	4-Dec-2023	4-Dec-2038	3000	3000	Half Yearly
14.	INE0J7Q07249	7.55%	1-Mar-2024	1-Mar-2029	2896	2896	Half Yearly

**\*Note:** 6.85% p.a. is the coupon rate at the time of issuance of Bonds which is linked to Benchmark to be reset on a quarterly basis + Spread which will remain constant during the Tenor of the Instrument.

However, post closure of the financial year following changes took place in the debt/bonds structure of the Company:

S. No.	No. of Bonds/ Debentures	Face Value (in Rs.)	Total Amount (in Rs.)	Coupon Rate	Date of Issuance
1.	77,500*	1,00,000	7,75,00,00,000	7.23%	11.12.2024

**\*The Company has successfully raised Rs. 775 crore from the first of its kind issue of 'Green Bonds' in roads and highways sector.**

**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 proposed issuance of Green bonds of Rs. 1,000 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	IND AAA/Stable
Long-term debt <sup>~</sup>	-	INR 60390	IND AAA/Stable
Long-term debt <sup>#</sup> ~	-	INR 50000	IND AAA/Stable
Unsupported rating <sup>\$</sup>		-	IND AAA/Stable

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

@ previously rated as proposed term loan till 19 October 2023

# previously rated as bond till 19 October 2023. Only the nomenclature has been changed to long-term debt from bonds

~ Long-term debt represents taxable bonds in annexure

\$ 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 (CE) 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. 2023-24.

### **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, 2024, 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. Alok Deepankar	07317490	09.11.2023	Nominee Director
Smt. Sudha Damodar	07755170	23.12.2022	Independent Director
Sh. Rajesh Ranjan	10094828	15.04.2023	Independent Director
Sh. Ananta Manohar Meduri Chakravartula	09822685	23.12.2022	Nominee Director

Sh. Ananta Manohar Meduri Chakravartula and Sh. Alok Deepankar shall be liable to retire by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013, and being eligible offers themselves for re-appointment.

Post closure of the financial year Sh. Vinay Kumar, JS Highways has been appointed as the Nominee Director of the Company w.e.f., 22.05.2024.

## 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, 2024 and as on the date of this Report.

Name of the KMP	Designation
Ms. Prachi Mittal	Company Secretary (CS)
Sh. Ananta Manohar	Chief Financial Officer (CFO)
Sh. Gautam Vishal w.e.f., 09.11.2023	Chief Executive Officer (CEO)

## 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
Sh. Rajesh Ranjan (DIN-1009482)	Additional Director (Independent)	15.04.2023	Appointment
Sh. Shashibhushan Dipnarayan Mandal (DIN-09428273)	Nominee Director	03.05.2023	Cessation
Sh. Manoj Kumar (DIN- 08854382)	Director	09.08.2023	Cessation
Sh. Alok Deepankar (DIN- 07317490)	Nominee Director	09.11.2023	Appointment
Sh. Amit Kumar Ghosh (DIN-01092172)	Nominee Director	15.11.2023	Cessation

Sh. Rajesh Ranjan (DIN-1009482)	Director (Independent)	27.12.2023	Change in Designation
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### Meetings of the Board of Directors and Members:

The Board of Directors meets at regular intervals to discuss and decide on policies and strategies, along with other business matters. However, in the event of urgent and special business needs, the Board's approval is obtained by passing resolutions through circulation, as permitted by law, which are subsequently recorded at the following Board meeting. During the Financial Year ended on 31<sup>st</sup> March, 2024, the Board met Five (5) times, on the following dates:

26<sup>th</sup> May, 2023, 9<sup>th</sup> August, 2023, 9<sup>th</sup> November, 2023, 26<sup>th</sup> December, 2023 and 12<sup>th</sup> February, 2024.

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

During the year under review 3<sup>rd</sup> Annual General Meeting of the members of the Company was held on 27<sup>th</sup> December, 2023.

During the financial year under review Two (2) Extra-ordinary General Meetings were held on 22<sup>nd</sup> September, 2023 and 14<sup>th</sup> February, 2024.

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

Name of the Directors	Date of Board Meetings				
	26.05.2023	09.08.2023	09.11.2023	26.12.2023	12.02.2024
Sh. NRVVMK Rajendra Kumar	P	P	P	P	P
Sh. Amit Kumar Gosh****	P	P	P	-	-
Sh. Alok Deepankar***	-	-	-	P	LOA
Sh. Manoj Kumar**	LOA	-	-	-	-
Smt. Sudha Damodar	P	P	P	P	P
Sh. Rajesh Ranjan*	P	P	P	P	P
Sh. Anant Manohar	P	P	P	P	P

P: Present

LOA: Leave of Absence

\*Appointed w.e.f. 15.04.2023

\*\* Ceased to be Director w.e.f. 09.08.2023

\*\*\*Appointed w.e.f. 09.11.2023

\*\*\*\*Ceased to be Director w.e.f. 15.11.2023

### 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. 2022-23 is uploaded on the website of the Company i.e., <http://www.dmedl.in/>.

Further, Annual Return of the Company for F.Y. 2023-24 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 of March 31, 2024, the Board of Directors had established five committees to assist in the effective governance and management of the Company viz:

- Audit Committee;
- Nomination & Remuneration Committee;
- Risk Management Committee;
- Stakeholders' Relationship Committee; and
- Corporate Social Responsibility Committee.

Each committee is composed of a balanced mix of executive, non-executive, and independent Directors, ensuring a diversity of perspectives and expertise. In line with best corporate governance practices, independent Directors have been appointed as the Chairperson of each of these committees, thereby enhancing their objectivity and impartiality.

A comprehensive overview of the composition of the Board and its committees, along with their respective roles and responsibilities, is provided in the Corporate Governance Report, which forms an integral 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 A A A G & Co. LLP, Chartered Accountants (ICAI Firm Registration No. FRN DE1068) were 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 to conduct audit of the Company for the Financial Year 2023-24.

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 2024-25 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 Fifth 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/Report:**

Comments/Report of C & AG on Financial Statements for the F.Y. 2023-24 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 2023-24. 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 is enclosed as **Annexure – IV**.

#### **Directors Appointment & Remuneration:**

In accordance with the Articles of Association of the Company, the National Highways Authority of India (NHAI) and the Ministry of Road Transport and Highways (MoRTH) have the right to appoint Directors to the Board of the Company. The Directors are nominated by NHAI from among its officers, who are employees of NHAI/MoRTH, and their salaries are paid by NHAI.

In addition to NHAI, MoRTH also appoints Directors to the Board. These Directors, being employees or officers of the respective appointing bodies, are governed by the applicable service rules of their parent organizations. 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, during the year under review, there are no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other Designated Persons 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 31.03.2024 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.	21 <sup>st</sup> June, 2024	1,51,00,000	1,51,00,00,000
<b>Total</b>		<b>1,51,00,000</b>	<b>1,51,00,00,000</b>

**Bonds:**

S. No.	No. of Bonds/ Debentures	Face Value (in Rs.)	Total Amount (in Rs.)	Coupon Rate	Date of Issuance
1.	77,500	1,00,000	7,75,00,00,000	7.23%	11.12.2024

**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.

#### Composition of CSR Committee:

S. No.	Name of Committee members	Designation
1.	Sh. Rajesh Ranjan	Chairperson
2.	Sh. NRVVMK Rajendra Kumar	Member
3.	Sh. Ananta Manohar	Member

#### 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 2024, 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:

Name of the policy/codes	Brief description
Related Party Transaction Policy	The policy regulates all related party transactions of the Group.
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 Whistle blower 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:**

The Company has implemented a Whistle Blower Policy in accordance with the provisions of the Vigil Mechanism under Section 177 of the Companies Act, 2013, and Regulation 22 of the SEBI Listing Regulations. This policy is designed to encourage Directors and employees to report any concerns or issues that may impact or compromise the interests of the Company and its stakeholders, escalating such matters to the Audit Committee.

The Company is committed to upholding the highest standards of ethical, moral, and legal business conduct, fostering open communication, and ensuring the protection of employees who raise concerns in good faith. Necessary safeguards are in place to protect employees from retaliation, reprisals, or victimization for whistleblowing actions taken 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(1) and 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.

However, an application for compounding of offence under Section 99 read with Section 96 was filed and pending with the Office of the Regional Director at the end of the year ended 31.03.2024. This matter has since been settled and disposed of by paying compounding fee in compliance with the order of the Hon'ble Regional Director, Northern Region.

Further, an appeal has been filed and is currently pending with the Office of the Regional Director against the order issued by the Registrar of Companies under Section 149(1) of the Companies Act, 2013.

### **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.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **I. ECONOMY OUTLOOK**

#### **Global Economy**

The global economy is projected to grow by 3.2% in 2024 and 3.3% in 2025, according to the International Monetary Fund's (IMF) *World Economic Outlook* (WEO) published in July 2024. The report, titled *The Global Economy in a Sticky Spot*, indicates that global economic activity and world trade gained momentum at the turn of the year, driven by strong exports from Asia, particularly within the technology sector. However, persistent services inflation continues to hinder progress toward disinflation, complicating the normalization of monetary policy. As a result, inflationary pressures have intensified, increasing the likelihood of sustained high interest rates, particularly in the context of escalating trade tensions and growing policy uncertainty. To navigate these challenges, the policy mix must be carefully calibrated to restore price stability and rebuild diminished economic buffers.

The IMF emphasizes that, while overall risks to the global economic outlook remain balanced, certain near-term risks have become more prominent. Notably, upside risks to inflation have emerged, driven by a lack of progress in services disinflation and price pressures resulting from renewed trade or geopolitical tensions. The persistence of inflation within the services sector is closely linked to both wage and price-setting dynamics, given the significant share of labor costs in this sector. Higher nominal wage growth, which in some instances reflects the catch-up of real wages, may exacerbate inflationary pressures if not accompanied by corresponding productivity gains. This could complicate firms' efforts to moderate price increases, particularly when profit margins are already under strain. Such conditions could result in persistent wage and price inflation. Furthermore, the escalation of trade tensions could exacerbate near-term inflation risks by increasing the cost of imported goods across supply chains. Any disruptions in the disinflation process could destabilize the trajectory toward price stability, particularly if short-term inflation expectations surge in response to disappointing inflation data.

*Source: World Economic Outlook-IMF, July 2024*

#### **Domestic Economy**

Despite global economic uncertainties, including elevated interest rates and geopolitical tensions, India demonstrated exceptional resilience. As the world's fifth-largest economy, India posted a robust performance in FY 2023-24, achieving a GDP growth rate of 8.2%, up

from 7.0% in the previous year. This growth was driven by strong domestic consumption, increased government investments, and a resilient financial sector.

*Source: Ministry of Statistics and Programme Implementation (MOSPI), Trading Economics*

The manufacturing sector played a pivotal role, achieving a notable growth rate of 9.9%, driven by a significant increase in the Index of Industrial Production (IIP). The services sector also demonstrated resilience, with the Purchasing Managers' Index (PMI) consistently surpassing 50, indicating sustained expansion. Additionally, robust domestic demand was reflected in a 12.7% rise in Goods and Services Tax (GST) collections compared to FY 2022-23.

The Union Budget for 2024-25, presented in July 2024, reaffirmed the government's commitment to advancing infrastructure development, ensuring economic stability, promoting sector-specific growth, fostering environmental sustainability, and enhancing India's strategic position on the global stage. Central to the budget is the long-term vision of 'Viksit Bharat' (Developed India) by 2047. On the monetary front, the Reserve Bank of India (RBI) continued its policy of 'withdrawal of accommodation,' maintaining key policy rates at 6.5% for the eighth consecutive review as of June 2024. This prudent stance has contributed to managing inflation, with core inflation moderating for the 11th consecutive month since June 2023.

### **Outlook**

The Reserve Bank of India (RBI) projects real GDP growth of 7.2% for 2024-25. This optimistic forecast is supported by strengthening rural demand, improved employment and informal sector activity, moderating inflationary pressures, rising exports driven by improving global trade, and sustained growth in manufacturing and services, all of which are expected to support private consumption. In contrast, the World Bank's bi-annual report, *South Asia Development Update*, released on April 2, 2024, presents a more cautious outlook, raising its growth forecast for India's economy to 6.6% for 2024-25, up from the previously estimated 6.4%.

*Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2034973>*

## **II. INDUSTRY SECTOR AND OUTLOOK**

### **Industry Overview**

The construction sector holds immense significance in India, contributing significantly to the country's economic activity and serving as a major source of employment across rural and urban areas. It has emerged as a vital pillar of India's economic development, demonstrating robust growth and considerable potential. The Indian construction industry is the second largest employment generator in India, next to agriculture, according to various reports. As the sector is expected to continue its expansion, employment opportunities are anticipated to increase, supporting the livelihood of significant portion of the workforce.

According to the provisional estimates of NSO, the construction industry accounted for approximately 9% of the overall Gross Value Added (GVA) for FY 2023-24, experiencing a real growth rate of 9.9% compared to the previous year. Notably, the construction industry was the fastest growing sector in the GVA in the last fiscal.

The construction sector's robust performance underscores its vital role in driving economic growth, creating employment opportunities, and fostering socio-economic development across the country. As India embarks on ambitious infrastructure projects and urbanization initiatives, the construction industry is poised to play an even more significant role in shaping the nation's future landscape. Continued investments in infrastructure development, coupled

with supportive policies and innovation, will further strengthen the domestic construction sector.

### **Sector Outlook**

Road construction has experienced significant growth over the past several years, with notable achievements in both highways and rural roads. The Ministry of Road Transport and Highways (MoRTH) constructed 12,349 km of national highways in the financial year 2023-24, second highest in its history and a 20% growth over last year. It effectively translated to constructing around 34 km of highways per day, substantial increase from 28 km per day in the previous year. NHAI also recorded its highest ever construction of national highways at 6,644 km, surpassing its target of 6,544 km. The road ministry spent almost 100% of its allocated revised capital expenditure of Rs. 2.65 Lakh Crores in the last fiscal. Total capex spent for highways touched Rs. 3 Lakh Crores including private sector investment. However, award of new highway projects declined to 8,581 km, lowest in last five years, against a target of 13,290 km. This decline was expected due to the typical slowdown in project awards in the financial year preceding the Lok Sabha elections. Furthermore, the delay in cabinet approval for the revised Bharat Mala program contributed to the shortfall in project award. Despite muted awards, MoRTH plans to ramp up project awarding in the current year, aiming to complete Detailed Project Reports (DPRs) for approximately 10,000 km of highways post-elections results.

*Source: Ministry of Road Transport & Highways (MoRTH)*

Overall, the road construction sector in India is poised for sustained growth, driven by government initiatives, technological advancements, and a focus on sustainability and digitalisation. DMEDL is well-positioned to capitalise on these opportunities and contribute to the country's infrastructure development, enhancing connectivity and economic growth.

## **III. BUSINESS & OPERATIONS**

### **COMPANY OVERVIEW**

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 tranches linked to milestones, while the balance 60% cost will be arranged by the contractors.

The **Delhi-Mumbai Expressway** is a landmark project that will drastically reduce travel time between two of India's largest cities and improve overall connectivity in the country. As a part of the broader **Bharatmala Pariyojana** (National Highways Development Project), it will not only provide a faster route for vehicles but also stimulate economic growth, improve logistics, and contribute to regional development in multiple states. With its advanced design and expected impact, the expressway is poised to be a game-changer for transportation in India.

## **IV. OUTLOOK**

The outlook for the construction market in India, as well as in targeted overseas geographies, remains highly optimistic. The Indian construction industry is set for substantial growth, driven by several key factors, including sustained government support for infrastructure



development, rising urbanization, overall economic expansion, and industrial development with a strong emphasis on enhancing manufacturing capabilities and improving logistics.

## **V. RISK MANAGEMENT**

Risk management is a cornerstone of your Company's growth strategy, equipping it to navigate challenges and seize opportunities with confidence and agility. The Company's approach is founded on a thorough understanding of the multifaceted risks it faces, underpinned by meticulously crafted policies and procedures that align with industry best practices. With the implementation of robust systems and sound risk management practices, the Company effectively identifies, measures, and mitigates risks. By managing risks within carefully defined appetite levels, the Company ensures operational resilience and adaptability, supporting the achievement of its long-term objectives. This proactive and strategic approach not only safeguards assets but also drives innovation, fostering sustainable progress across all facets of the business.

## **VI. INTERNAL CONTROL AND AUDIT**

Your Board places the highest priority on establishing and continually enhancing the Internal Control Framework, recognizing its critical role in navigating the complexities of the business environment and increasing regulatory oversight for sustainable growth. The company adopts a well-calibrated and strategic framework, built on the pillars of administrative and financial controls.

On the administrative control front, the company has implemented a clear reporting structure, established several oversight committees, and defined roles and responsibilities at all levels to ensure effective checks and balances. In terms of financial controls, the management, with a deep understanding of the business, its operations, and processes, has instituted robust controls, including segregation of duties and a comprehensive reporting mechanism. These measures are designed to prevent and detect any misstatements in financial reporting, safeguarding the integrity of financial operations.

Your company has implemented an Internal Financial Control (IFC) system that is aligned with the nature of its business and the scale and complexity of its operations. The company's internal control framework is designed to provide reasonable assurance over critical business activities, ensuring the orderly and efficient conduct of operations, compliance with policies and procedures, and safeguarding against fraud and errors. It also ensures effective management of critical procurements, compliance with regulations, and the timeliness and reliability of financial reporting. The company's IFC system undergoes regular reviews, and corrective actions are taken as necessary to enhance controls and strengthen the overall risk management framework.

The Audit Committee of the Board evaluates and reviews the adequacy and effectiveness of the Internal Control Systems and suggests improvements to strengthen them. Based on the report of Internal Auditor and the response thereto, necessary corrective actions are undertaken to strengthen the controls. Overall, the Board and the Audit Committee maintains a proactive approach in ensuring that the control and governance framework is regularly reviewed and timely corrective actions are taken to minimise risk of disruption.

During the year under review, your Company appointed M/s Manish Brij Garg & Co., a firm of Chartered Accountants, having requisite academic and professional qualifications, work

experience, skill and other suitable capabilities, as the Internal Auditor of the Company for the Financial Year ended March 31, 2024.

There was no change in the Internal Auditor during the year under review.

## **VII. HUMAN RESOURCES DEVELOPMENT**

The company's commitment to Human Capital management sets a benchmark within the infrastructure industry, with a strong focus on employee engagement and development. By prioritizing training and development initiatives across all organizational levels, the company fosters a culture of continuous improvement. Trend analysis reveals the company's success in sustaining high productivity, maintaining a stable workforce, and achieving low attrition rates, outperforming industry competitors. This dedication to nurturing talent and fostering a positive work environment contributes to the company's long-term success and resilience.

## **CAUTIONARY STATEMENT**

The statement in Management Discussions and Analysis describing the Company's operations and expectations are "forward looking statements". Actual results may differ owing to environmental dynamics.

## **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 Directors would like to express their sincere appreciation for the exceptional support and cooperation extended by Financial Institutions, Bankers, the National Highways Authority of India (NHAI), the Ministry of Corporate Affairs (MCA), the Registrar of Companies (ROC), Government Authorities, Debenture Holders, Contractors, Members, and other stakeholders throughout the year under review.

The Directors also wish to place on record their profound gratitude for the valuable contributions made by the Company's employees. Their dedication and hard work are vital to the Company's success, and look forward to their continued cooperation in achieving the Company's goals and fulfilling its mission in the years ahead.

**By Order of the Board  
For DME Development Limited**

**Place: New Delhi**  
**Date: 19.12.2024**

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

**(ANANTA MANOHAR)**  
**Director & CFO**  
**DIN: 09822685**

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

S. No.	Observations	Reply by Management
01	<p><b><u>Revenue recognition</u></b></p> <p>As per Ind AS 115, revenue is to be recognised as control over the asset is transferred to the grantor and if the operator is entitled to annuity, revenue will be recognized over time based on the performance obligations satisfied during the period.</p> <p>The Company has an assured right to receive annuities under the concession agreement dated 05.02.2021 with the NHAI. Under the concession agreement the company has received from NHAI the right, license, authority to construct, operate, manage, and maintain the Delhi Mumbai Expressway (DME) project for construction period of 3 years and operation &amp; maintenance period of 17 years as a concessionaire. We have been provided copies of the concession agreement.</p> <p>As per the said concession agreement, the commercial operation date (COD) is the date on which completion certificate or provisional certificate for the project or any relevant part thereof is issued. We understand some parts of the projects have been completed during the Financial Year under audit, however details thereof including the and the project's status report have not been made available to us. In absence of the said report we are not in position to evaluate or comment on the Percentage Completion of the project.</p> <p>The concession agreement allows the company to demand &amp; collect Annuity payments from NHAI based on the debt repayment obligations under Financing Agreements. As conveyed to us by the management, the amount of the annuity is yet to be determined</p>	<p>As per the provisions (Article 23.6) of the Concession Agreement signed Between DME DL &amp; NHAI, "The periodicity and Quantum of the Annuity shall be required to be aligned with the terms agreed with the lenders under the financing agreement". Further, Annuity is not linked with the partial/ full SCOD of the project. The repayment schedule will start from September 2024 and onwards. So, the annuity will be due and payable by NHAI to DME DL from September 2024 only, as per the executed agreements &amp; hence, revenue recognition starts from FY 25</p>

	<p>and will be mutually decided by the Company and NHAI based upon initiation of debt repayment obligations.</p> <p>The said policy where revenue is proposed to be recognised based on Debt repayment obligation and not on project completion is not compliant with Ind AS 115.</p> <p>Due to the absence of agreement between NHAI and the company regarding the annuity amount to which the company is entitled under the concession agreement and the status of project completion, we are currently unable to comment upon the revenue amount pertaining to the completed project and its corresponding impact on the statement of profit &amp; loss, had the financial statement be prepared in compliance with Ind AS 115.</p>	
02	<p><b><u>Borrowing Cost</u></b></p> <p>In accordance with the provision of paragraph 22 of Appendix C of Ind AS 115 and in line with Ind AS 23, the borrowing cost attributable to the arrangement shall be recognized as an expense in the period in which it is incurred unless the operator has a contractual right to receive an intangible asset (a right to charge users of the public services). Hence, the cost incurred on borrowing the loan needs to be charged to the Profit &amp; Loss account instead of being capitalized. Consequently, we are of the opinion that the interest cost of Rs. 2,89,316.19 Lakhs pertaining to the borrowed funds should be expensed in the statement of profit &amp; loss since the ownership of the asset rests with NHAI, and the company does not possess any ownership right over the asset. Accordingly, it has resulted in an understatement of the company's losses and an overstatement of its financial assets by Rs. 2,89,316.19 Lakhs.</p>	<p>The present treatment of interest cost on the borrowing by DME DL is capitalized as DME DL is required to maintain Debt-Equity ratio of a maximum 9:1. The total Equity received by DME from NHAI till 31.03.2024 is Rs.5,234 Cr., whereas total interest on borrowings made till 31.03.2024 amounts to Rs. 5,536.79. Total Debt (RTL + Bonds) as on 31.03.2024 was Rs.40,565 Cr. If the interest on borrowings is charged to the P&amp;L account, the net loss till 31.03.2024 amounting Rs 5,536.79 Cr. needs to be set off from the equity of DME DL. This will result in negative equity of Rs.302.79 Cr. Therefore, to comply with the agreement executed with the Lenders, the present treatment of capitalizing the interest is being followed. (However, as the equity is complete in FY 25 and annuities have been started, this anomaly shall be resolved in FY 25.)</p>

<p><b>03</b></p>	<p><b><u>Amortization of Financial Assets</u></b></p> <p>In accordance with Ind AS 115 and Ind AS 109, the operator must recognize a financial asset to the extent that it has an unconditional right to receive cash or another financial asset from, or at the direction of, the grantor for construction services. This financial asset should be initially measured at fair value and subsequently at amortized cost. The Company has reclassified capital work-in-progress as a financial asset in line with its updated accounting policy, but has not amortized this asset over its useful life.</p> <p>Due to the absence of the status of project completion, we are currently unable to comment upon the amortization of an amount pertaining to the completed project and its corresponding impact on the statement of profit &amp; loss.</p>	<p>The amortization of the financial assets will hit the P&amp;L account by Approximately Rs 1271 Cr., Which will increase the Debt Equity ratio to 10.24:1, which is beyond 9:1. This will result in a breach of conditions of the contract executed with the Lenders and also against the approval received from GOI. Once the annuity starts from NHAI i.e., 30/09/2024 &amp; onwards, we shall begin the amortization of Financial Assets in compliance with the provisions of IND AS 115 &amp; IND AS 109. (However, as the equity is complete in FY 25 and annuities have been started, this anomaly shall be resolved in FY 25.)</p>
<p><b>04</b></p>	<p><b><u>Verification of Financial Assets</u></b></p> <p>As per the Implementation Agreement with NHAI dated 5th February 2021, NHAI is responsible for the expenditures related to the projects under construction. Since NHAI is incurring these expenses, the company is effectively financing NHAI for these costs. The total expenditure incurred by the company till 31st March, 2024 is Rs 41,56,799.95 Lakhs.</p> <p>It is important to highlight that due to the absence of the required documents, vouchers etc., we have not verified or examined supporting documents related to expenditure of Rs. 8,51,352.73 Lakhs incurred by NHAI during the year. The financial asset balance recorded in the books of the company has been verified by us based on the certificate provided by NHAI for the year ended 31st March, 2024. Therefore, the certificate issued by NHAI has been relied upon as the basis for recording the financial asset balance in the company's accounts.</p>	<p>The Certificate provided by NHAI confirming the expenditure incurred on the project till 31/03/2024 can be relied upon as NHAI is a Statutory Body created by the Act of Parliament and the actual execution agency for the project. The Books of accounts of NHAI are audited by CAG and the said expenditure has been audited by the CAG.</p>

**Annexure – II**

गोपनीय  
कार्यालय महानिदेशक लेखापरीक्षा  
(अवसंरचना), नई दिल्ली  
तृतीय तल, ए-स्कन्ध, इन्द्रप्रस्थ भवन,  
इन्द्रप्रस्थ एस्टेट, नई दिल्ली-110002



OFFICE OF THE DIRECTOR GENERAL OF  
AUDIT (INFRASTRUCTURE), NEW DELHI  
3rd Floor, A-Wing, Indraprastha Bhawan,  
I.P. Estate, New Delhi-110002

दिनांक / DATE 20.11.2024

सेवा मे,

अध्यक्ष,

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

विषय: कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अधीन 31 मार्च 2024 को समाप्त वर्ष हेतु  
डी.एम.ई डेवलपमेंट लिमिटेड (DMEDL) के वार्षिक लेखों पर भारत के नियंत्रक एवं  
महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं इस पत्र के साथ 31 मार्च 2024 को समाप्त वर्ष के लिए डी.एम.ई डेवलपमेंट लिमिटेड (DMEDL)  
के वार्षिक लेखों पर कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अन्तर्गत भारत के नियंत्रक महालेखा  
परीक्षक की 'शून्य टिप्पणियाँ' अग्रेषित कर रही हूँ। इन शून्य टिप्पणियों को कम्पनी की वार्षिक आमसभा में उसी  
प्रकार रखा जाए जिस प्रकार वैधानिक लेखा परीक्षकों की लेखा परीक्षा रिपोर्ट रखी जाती है।

संलग्न: शून्य टिप्पणियाँ

भवदीया,  
विनीता मिश्रा

(विनीता मिश्रा)  
महानिदेशक

**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 2024**

The preparation of financial statements of **DME DEVELOPMENT LIMITED** for the year ended 31 March 2024 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 25 September 2024.

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 2024 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 noting 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**



**(Vinita Mishra)**

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

**Place: New Delhi**

**Dated: 26 November 2024**



**Annexure – III**

**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, 2024**

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, 2024 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, 2024 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. Non-compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable including SEBI circular dated 16th June, 2021 for maintenance of System Driven Disclosure database. As informed to us, the Company has initiated the compliances of Regulation 3(5) and 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 during the period under the review. There was no event during the period under review which required reporting under Regulation 7.

#### **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. 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**

**For Jalaj Srivastava & Associates  
Company Secretaries**

**Date: 05.12.2024**

**Sd/-**

**Pinky Singh  
Proprietor  
ACS No.26096  
C P No.:9356**

**UDIN: A026096F003263682**

**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 nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. In view of the Covid-19 pandemic, the audit process has been carried out on line and offline and is based upon the soft /scanned copies of the documents furnished to us by the Company.

**Place: New Delhi**

**For Jalaj Srivastava & Associates  
Company Secretaries**

**Date: 05.12.2024**

**Sd/-**

**Pinky Singh  
Proprietor  
ACS No.26096  
C P No.:9356**

**UDIN: A026096F003263682**

**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.	<p>Non-compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable including SEBI circular dated 16th June, 2021 for maintenance of System Driven Disclosure database. As informed to us, the Company has initiated the compliances of Regulation 3(5) and 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 during the period under the review.</p> <p>There was no event during the period under review which required reporting under Regulation 7.</p>	<p>None of the Key Managerial Personnel (KMP) or Directors hold any securities in the Company in their personal capacity.</p> <p>The maintenance of the SDD software has been carried out in compliance with applicable regulations, and all required entries have been duly recorded.</p>

## **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 31.03.2024 and 6 (Six) 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 6 Directors comprising of 1 Executive Director and 5 Non-Executive Directors including 2 Independent Directors. Your Company also has a Woman Director on the Board.

- **Board Meeting:**

The Board meets at 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, 2024, the Board met Five (5) times, on the following dates:

26<sup>th</sup> May, 2023, 9<sup>th</sup> August, 2023, 9<sup>th</sup> November, 2023, 26<sup>th</sup> December, 2023 and 12<sup>th</sup> February, 2024.

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 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 of the Company 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, 3<sup>rd</sup> Annual General Meeting (“AGM”) of the Company was held on December 27, 2023 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 2023-24 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 27, 2023
Sh. Neti Ravi Vijay Venkat Murali Krishna RajendraKumar	5	5	Yes
Sh. Amit Kumar Ghosh	3	3	NA
Sh. Alok Deepankar	2	1	Yes
Sh. Manoj Kumar	1	0	NA
Smt. Sudha Damodar	5	5	No
Sh. Rajesh Ranjan	5	5	Yes
Sh. Anant Manohar	5	5	No

**The composition of the Board of Directors, the number of other Directorships and Committee positions held by each Director as on March 31, 2024 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	4	Nil	Nil	Nil
Sh. Alok Deepankar	Nominee Director	1	Nil	Nil	Nil
Smt. Sudha Damodar	Independent Director	1	Nil	Nil	Nil
Sh. Rajesh Ranjan	Independent Director	2	Nil	Nil	Nil
Sh. Ananta Manohar Meduri Chakravartula	Nominee Director	1	Nil	Nil	Nil

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

**Change in Composition:**

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
Sh. Rajesh Ranjan (DIN-1009482)	Additional Director (Independent)	15.04.2023	Appointment
Sh. Shashibhushan Dipnarayan Mandal (DIN-09428273)	Nominee Director	03.05.2023	Cessation
Sh. Manoj Kumar (DIN- 08854382)	Director	09.08.2023	Cessation
Sh. Alok Deepankar (DIN- 07317490)	Nominee Director	09.11.2023	Appointment
Sh. Amit Kumar Ghosh (DIN-01092172)	Nominee Director	15.11.2023	Cessation
Sh. Rajesh Ranjan (DIN-1009482)	Director (Independent)	27.12.2023	Change in Designation

**Note:**

- a. 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.
- b. 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, 2024 and as on the date of this Report, it is confirmed that none of the Directors:

1. have any inter-se relationship with each other;
2. hold directorships/memberships/ chairpersonships more than the limit prescribed under the Act and the SEBI Listing Regulations;
3. 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:

- (i) number of programs attended by IDs (during the year and on a cumulative basis till date),
- (ii) number of hours spent by IDs in such programs (during the year and on a cumulative basis till date), and
- (iii) 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 of the Company 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 Company has the following Board level committees as on 31<sup>st</sup> March, 2024:

- Risk Management Committee;
- Stakeholders Relationship Committee;
- Audit Committee;
- Nomination & Remuneration Committee; and
- Corporate Social Responsibility Committee.

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 2024, the Committee comprised of the following members:

1. Smt. Sudha Damodar, 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 2024, 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 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 2023-24, 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.

As on 31<sup>st</sup> March 2024, 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.

As on 31<sup>st</sup> March 2024, 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. 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.

## **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee has been constituted, in line with the provisions of Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee of your Company comprised of the following Members as 31<sup>st</sup> March 2024:

1. Sh. Rajesh Ranjan, Non-Executive Independent Director (Chairperson)
2. Sh. NRVVMK Rajendra Kumar, Non-Executive Non-Independent Director (Member)
3. Sh. Ananta Manohar, Executive Non-Independent Director (Member)

The Board of Directors had constituted the Corporate Social Responsibility Committee at their meeting held on 12<sup>th</sup> February, 2024.

**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 2023-24</b>	<b>Amount in Rs.</b>
Statutory Audit fees (Including Limited Review Fees) (Half Year Audit + Annual Audit)	1,91,000
Other audit fees (Towards Certificates, Tax Audit and out of pocket expenses)	12,000
<b>Total</b>	<b>2,03,000</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. Alok Deepankar	-	-	-	-
Smt. Sudha Damodar	6,50,000	-	-	-
Sh. Rajesh Ranjan	6,50,000	-	-	-
Sh. Ananta Manohar Meduri Chakravartula	-	-	-	-

#### 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. 2022-23	3 <sup>rd</sup>	27 <sup>th</sup> December, 2023	4.00 P.M.	At the registered office of the Company situated at Plot No. G-5 & 6, Sector-10, Dwarka, New Delhi-110 075	Appointment of Sh. Rajesh Ranjan (DIN: 10094828) as Director (Independent Director) of the Company
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

#### 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 financial year under review Two (2) Extra-ordinary General Meetings were held on 22<sup>nd</sup> September, 2023 and 14<sup>th</sup> February, 2024 respectively.

#### 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. 2023-24:

Date & Time	Friday, the 20 <sup>th</sup> day of December, 2024 at 11.30 A.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, 2023 to March 31, 2024
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\*. Annual Listing Fees for FY 2023-24 and FY 2024-25 have been paid to the exchanges and there is no outstanding payment as on date.

\*(w.e.f. 05.12.2023)

### Securities Code:

NSE Limited – INE0J7Q07025, INE0J7Q07033, INE0J7Q07041, INE0J7Q07058, INE0J7Q07066, INE0J7Q07074, INE0J7Q07082, INE0J7Q07090, INE0J7Q07108, INE0J7Q07017, INE0J7Q07223, INE0J7Q07215, INE0J7Q07231, INE0J7Q07249, INE0J7Q07256

BSE Limited – INE0J7Q07231, INE0J7Q07249, INE0J7Q07256

### MARKET PRICE DATA:

NCDs listed on NSE and BSE 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, 2024 of Equity Shares is as follows:



S. No.	Name of Shareholders	No. of Equity Share of Rs.100/-	Total (Rs.)	Percentage (%)
1.	National Highways Authority of India	52,33,99,994	52,33,99,994/-	100%
2.	Sh. Alok Deepankar (Nominee of NHAI)	1	100/-	-
3.	Sh. Amarendra Kumar (Nominee of NHAI)	1	100/-	-
4.	Sh. Dhanesh Kumar (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. Amit Kumar Ghosh (Nominee of NHAI)	1	100/-	-
	<b>TOTAL</b>	<b>52,34,00,000</b>	<b>52,34,00,00,000/-</b>	<b>100</b>

**Category-wise Shareholding as on March 31, 2024 of Equity Shares:**

<b>Promoter &amp; Promoter Group</b>		
<b>Indian</b>	<b>Number of Shares</b>	<b>%</b>
Individuals	-	-
Bodies Corporate (NHAI)	523400000*	100
Person Acting in Concert	-	-
<b>Total (A)</b>	<b>523400000</b>	<b>100</b>
<b><u>Public Shareholdings</u></b>		
<b>Institutions</b>	<b>Number of Shares</b>	
Mutual Funds/UTI	-	-
Alternate Investment Funds	-	-
Foreign Portfolio Investors	-	-
Insurance Companies	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Non Institutions</b>	<b>Number of Shares</b>	
Other Bodies Corporate	-	-
NRI & Foreign National	-	-
Clearing Members	-	-
Public & Others	-	-
<b>Total (C )</b>	<b>-</b>	<b>-</b>
<b>Total (A + B+ C)</b>	<b>523400000</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, 2024:**

<b>Name of Shareholder</b>	<b>Number of Shares</b>	<b>% of Capital</b>
National Highways Authority of India	52,33,99,994	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, 2024, except the 7,00,00,000 equity shares allotted on 22.03.2024, all the equity shares of the Company are held in the demat form.

However, the remaining 7,00,00,000 equity shares have been converted into electronic form after the closure of the financial year.

**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.

**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, a firm Practicing Company Secretaries confirming compliance with the conditions of corporate governance, as applicable, annexed hereto marked as “Annexure A”.

### **CEO and CFO Certification**

The 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, a firm Practicing Company Secretaries, 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:

Show cause Notice No./ Date	Received from	Default alleged	Reply/ Waiver status
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

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
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
SCN No. NSE/List-SOP/Debt/Fines/136 dated 27th September, 2022	SEBI	Non-Compliance Reg 60(2) June-2022	Waived off by 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

Also, an application for compounding of offence under Section 99 read with Section 96 was filed and was pending with the Office of the Hon'ble Regional Director at the end of the year ended 31.03.2024. However, this matter has since been settled and disposed of by paying compounding fee in compliance with the order of the Hon'ble Regional Director, Northern Region.

Further, an appeal has been filed and is currently pending with the Office of the Hon'ble Regional Director against the order issued by the Registrar of Companies under Section 149(1) of the Companies Act, 2013.

**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

**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 2024, 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 2025, 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 of the Company. 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 and based on the representation made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") for the year ended 31<sup>st</sup> March, 2024.

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.

**Restriction on use**

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

**For PUNEET AND ASSOCIATES  
Company Secretaries**

**Sd/-  
PUNEET  
(Proprietor)**

**FCS No. 9056; COP. No. – 10597  
Peer Review Cert. No. 1525/2021  
UDIN: F009056F003219043**

**Place: New Delhi  
Date: 02.12.2024**

**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, both certify to the Board that we have reviewed the Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended on 31<sup>st</sup> March, 2024 and to the best of our knowledge and belief, we certify that

1. These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. 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.
3. 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.
4. 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 and the Audit Committee, 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;
5. We have indicated to the Auditors and the Audit Committee:
  - (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.
6. The annual financial statements for the financial year have been prepared on a 'going concern' basis.

**For DME Development Limited**

**Gautam Vishal**  
**Chief Executive Officer**

**Ananta Manohar**  
**Director & Chief Financial Officer**

**Place: Delhi**  
**Date: 16.12.2024**

**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)**  
**Plot No. G-5 & 6, Sector-10, Dwarka,**  
**New Delhi-110 075**

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, 2024.

<b>S. No.</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Date of Appointment</b>	<b>Status (www.mca.gov.in)</b>
1.	Sh. Neti Ravi Vijay Venkat Murali Krishna Rajendra Kumar	09494456	16.02.2022	Active
2.	Sh. Alok Deepankar	07317490	09.11.2023	Active
3.	Smt. Sudha Damodar	07755170	23.12.2022	Active
4.	Sh. Rajesh Ranjan	10094828	15.04.2023	Active
5.	Sh. Ananta Manohar Meduri Chakravartula	09822685	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: F009056F003219032**

**Place: New Delhi**  
**Date: 02.12.2024**



## Independent Auditor's Report

To the Members of

**M/s. DME DEVELOPMENT LIMITED**

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Qualified Opinion:

We have audited the Financial Statements of DME DEVELOPMENT LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024, 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 material accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid 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 the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, losses (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.





## **Basis for Qualified Opinion**

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

## **Description of Basis of Qualified Opinion**

### **Revenue recognition**

As per Ind AS 115, revenue is to be recognised as control over the asset is transferred to the grantor and if the operator is entitled to annuity, revenue will be recognized over time based on the performance obligations satisfied during the period.

The Company has an assured right to receive annuities under the concession agreement dated 05.02.2021 with the NHAI. Under the concession agreement the company has received from NHAI the right, license, authority to construct, operate, manage, and maintain the Delhi Mumbai Expressway (DME) project for construction period of 3 years and operation & maintenance period of 17 years as a concessionaire. We have been provided copies of the concession agreement.

As per the said concession agreement, the commercial operation date (COD) is the date on which completion certificate or provisional certificate for the project or any relevant



part thereof is issued. We understand some parts of the projects have been completed during the Financial Year under audit, however details thereof including the and the project's status report have not been made available to us. In absence of the said report we are not in position to evaluate or comment on the Percentage Completion of the project.

The concession agreement allows the company to demand & collect Annuity payments from NHAI based on the debt repayment obligations under Financing Agreements. As conveyed to us by the management, the amount of the annuity is yet to be determined and will be mutually decided by the Company and NHAI based upon initiation of debt repayment obligations.

The said policy where revenue is proposed to be recognised based on Debt repayment obligation and not on project completion is not compliant with Ind AS 115.

Due to the absence of agreement between NHAI and the company regarding the annuity amount to which the company is entitled under the concession agreement and the status of project completion, we are currently unable to comment upon the revenue amount pertaining to the completed project and its corresponding impact on the statement of profit & loss, had the financial statement be prepared in compliance with Ind AS 115.

### **Borrowing Cost**

In accordance with the provision of paragraph 22 of Appendix C of Ind AS 115 and in line with Ind AS 23, the borrowing cost attributable to the arrangement shall be recognized as an expense in the period in which it is incurred unless the operator has a contractual right to receive an intangible asset (a right to charge users of the public services). Hence, the cost incurred on borrowing the loan needs to be charged to the Profit & Loss account instead of being capitalized. Consequently, we are of the opinion that the interest cost of Rs. 2,89,316.19 Lakhs pertaining to the borrowed funds should be expensed in the statement of profit & loss since the ownership of the asset rests with



NHAI, and the company does not possess any ownership right over the asset. Accordingly, it has resulted in an understatement of the company's losses and an overstatement of its financial assets by Rs. 2,89,316.19 Lakhs.

### **Amortization of Financial Assets**

In accordance with Ind AS 115 and Ind AS 109, the operator must recognize a financial asset to the extent that it has an unconditional right to receive cash or another financial asset from, or at the direction of, the grantor for construction services. This financial asset should be initially measured at fair value and subsequently at amortized cost. The Company has reclassified capital work-in-progress as a financial asset in line with its updated accounting policy, but has not amortized this asset over its useful life.

Due to the absence of the status of project completion, we are currently unable to comment upon the amortization of an amount pertaining to the completed project and its corresponding impact on the statement of profit & loss.

### **Verification of Financial Assets**

As per the Implementation Agreement with NHAI dated 5th February 2021, NHAI is responsible for the expenditures related to the projects under construction. Since NHAI is incurring these expenses, the company is effectively financing NHAI for these costs. The total expenditure incurred by the company till 31<sup>st</sup> March, 2024 is Rs 41,56,799.95 Lakhs.

The total amount of expenditure and the balance has been confirmed by NHAI and we have relied upon the said confirmation w.r.t. the amount of expenditure incurred till 31<sup>st</sup> March, 2024 and financial asset balance. We have not conducted any other audit procedure due to unavailability of the supporting documents, vouchers etc. from NHAI.



## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the 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.

## **Description of Key Audit Matters**

### **Advance against Annuity from NHAI**

During the year, the company received an advance of Rs. 23,000 Lakhs from NHAI, which was intended to be against annuity payments. However, this amount was subsequently returned to NHAI, as the terms of the annuity are yet to be mutually agreed upon. In the absence of supporting documents, agreements, or formal approvals, we are unable to comment on the nature and purpose of this transaction. However, as the amount was fully returned within the year, we do not consider this matter material enough to qualify our report.

### **Revenue Recognition**

Based on the decision of the company's management in agreement with NHAI, the company has opted not to recognise any revenue during the year, as per their interpretation of the relevant clauses of the concession agreement. The amount of annuity income, will be determined at the discretion of the management of the company which is yet to be decided mutually between the company and NHAI.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's



statement, Director's report, Business Responsibility and Sustainability Reporting etc. but does not include the financial statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. is expected to be made available to us subsequent to this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" statement on the matters specified in paragraph 3 and 4 of the said Order, to the extent applicable.
2. 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 appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss dealt with by this report are in agreement with the books of account;





- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors, taken on record by the Board of Directors, we report that none of the directors is disqualified as on from being appointed as a director in terms of Sub-section (2) of Section 164 of the Companies Act, 2013
- (f) In our opinion and according to the information and explanations obtained, the provisions of Section 197 are not applicable to the company as the company has not paid any remuneration to its directors.
- (g) 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 B".
- (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 explanation given to us:
- i. The company does not have any pending litigations which would impact its financial position.
  - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts that were required to be transferred to the investor's education and protection fund by the company.
  - iv. A).The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 entity ("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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“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;

C). Based on the 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 misstatement.

v. According to the information and explanations given to us and on the basis of our examination of the records of the company:

A). The final dividend has not been declared and paid by the Company during the previous year.

B). The interim dividend has not been declared and paid by the Company during the year.

C). The Board of Directors of the Company have not proposed final dividend.

vi. Based on our examination, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.



As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

3. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure C" on the directions and sub- directions issued by the comptroller and Auditor General of India.

**For A A A G & CO. LLP**

Chartered Accountants

Firm's Registration No.004924N



**(CA. ANKIT GOEL)**

PARTNER

Membership No. :522308

DATE: 25/09/2024

Place: New Delhi

UDIN: 24522308BKAUYS6236



### **Annexure "A" to the Auditors' report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31 March 2024, we report that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (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's. Accordingly, the provisions stated under clause 3(i)(a)(A) of the order are not applicable to the company.  
B). The Company has no intangible assets. Accordingly, the provisions stated under clause 3(i)(a)(B) of the order are not applicable to the company.
  - (b) The company has no Property, Plant and Equipment and intangible assets. Accordingly, the provisions stated under clause 3(i)(b) of the order are not applicable to the company.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the provisions stated under clause 3(i)(c) of the order are not applicable to the company.
  - (d) According to the information and explanation given to us and based on our examination of records, the provisions stated under clause 3(i)(d) of the order are not applicable to the company.
  - e) According to the information and explanation given to us and based on our examination of records, the provisions stated under clause 3(i)(e) of the order are not applicable to the company.
- (ii) a) 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. Accordingly, the provisions stated under clause 3(ii)(a) of the order are not applicable to the company.

b) 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) The Company has not made any investment in the companies and has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans, investments, guarantees and security where Section 186 is applicable. Thus, paragraph (iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposit from the public. Thus, paragraph 3(v) of the Order is not applicable.
- (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 records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, duty of Customs, Duty of Excise, Cess and other material statutory dues have been



generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2024 for a period of more than six months from the date of becoming payable.

(b) According to the records and information and explanations given to us, there are no statutory dues referred to in clause 3 (vii)(a) above which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

(ix) a). Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

b). Based on the information and explanations obtained by us, the Company has not been declared willful defaulter by any bank or financial institution or other lender and hence, reporting under clause 3(ix)(b) of the Order is not applicable.

c). In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

d). According to the information and explanation given to us and based on our examination of records, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company. Accordingly, reporting under this clause 3(ix)(d) of the Order is not applicable.

e). 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) a). In our opinion and according to the information and the explanations given to us, the Company has not raised any money by way of initial public offer. Hence, reporting under clause 3(x)(a) of the order is not applicable to the company.

b). The company has made preferential allotment of Rs. 84,000 Lakhs on 28.04.2023 & 23.02.2024 during the year in addition to earlier allotments of equity shares of Rs. 4,39,400 Lakhs 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.

(xi) A). In our opinion and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

B). According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

C). We have been informed that there is no whistle blower complaints received by the Company during the year (and up to the date of this report). Accordingly, the reporting under the clause 3(xi)(c) of the Order is not applicable.

(xii) The said company does not fall under the provisions of Nidhi Company. Thus, paragraph (xii) of the Order is not applicable.



- (xiii) As per the records obtained, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 and details have been disclosed in the Financial Statements as required by applicable accounting standards.
- (xiv) A). According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- B). We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.
- (xv) As per the information obtained the company has not entered into any non-cash transactions.
- (xvi) A). As per the records obtained the, company is not required to be registered under section 45-IA of the Reserve Bank of India.
- B). According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
- C). According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- D). According to the information and explanations given to us and based on our examination of the records, there is only one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.





- (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 Financial Assets under Other Financial Assets. The company has incurred cash loss of Rs 95.02 lakhs during the year under report on account of normal expenses incurred and in immediately previous financial year Rs 35.21 lakhs.
- (xviii) In accordance with clause 3(xviii) we note that the statutory auditors, Singh Harbeer & Associates, resigned during the year and we have been appointed by Comptroller General Auditors of India, ensuring that our audit approach remains robust and independent. All relevant issues have been addressed in our assessment of the company's financial statements.
- (xix) 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 and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



(xx) On the basis of records of the company, we report that the provisions of Corporate Social Responsibility (CSR) are applicable to the company from the financial 2021-22 being having net worth over and prescribed limits u/s 135 of the Companies Act, 2013, since the average profit in the three preceding financial years is negative, hence comments on clause 3(xx)(a)(b) are not applicable. Also, 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 A A A G & CO. LLP**

Chartered Accountants

Firm's Registration No.004924N



**(CA. ANKIT GOEL)**

PARTNER

Membership No. :522308

DATE: 25/09/2024

Place: New Delhi

UDIN: 24522308BKAUYS6236



## **Annexure 'B' to the Auditors' report**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of Companies Act 2013**

We have audited the internal financial controls with reference to standalone financial statements of DME Development Limited (“the company”) as of 31st March, 2024 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 (the “Guidance Note”) 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 Act.

#### **Auditor’s 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 issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization 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 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, 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 issued by the Institute of Chartered Accountants of India.

**For A A A G & CO. LLP**

Chartered Accountants

Firm's Registration No.004924N



**(CA. ANKIT GOEL)**

**PARTNER**

Membership No. :522308

DATE : 25/09/2024

Place : New Delhi

UDIN : 24522308BKAUYS6236s



### Annexure C

Referred to in our report of even date to the members of DME Development Limited on the accounts for the period ended 31st March 2024.

S.No	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on Financial Statements
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 transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company is maintaining its accounts through IT system on Tally Prime. The Company has system in place to process all the accounting transactions through IT system. No accounting transaction is done manually outside IT system.	NIL
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loan / 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.	There is no case of restructuring of an existing loan. Also there is no cases of waiver/write off of debts/loan / interest etc. made by a lender to the company due to the company's inability to repay the loan.	NIL





3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	During the period, no funds were received or receivable for any specific schemes from Central/State agencies.	NIL
4	Report under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on accounting software/audit trail matters w.e.f. 2023-24 in view of applicability of Rule 3(1) of Companies (Accounts) Rules, 2014 for companies on same issue w.e.f. 2023-24	We confirm that the Company has used an accounting software "Tally Prime" for maintaining its books of account for the year ended 31 <sup>st</sup> March, 2024 which has a feature of recording audit trail (edit log) facility, and the same has operated throughout the year. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.	NIL

For **A A A G & CO. LLP**

Chartered Accountants

Firm's Registration No.00492411



(**CA. ANKIT GOEL**)

PARTNER

Membership No. :522308

DATE: 25/09/2024

Place: New Delhi

UDIN: 24522308BKAUYS6236





## Compliance Certificate

We have conducted the audit of annual accounts of **M/s. DME DEVELOPMENT LIMITED** for the year ended 31 March, 2024 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For **AAAG & CO. LLP**

Chartered Accountants

Firm's Registration No.004924N



(**CA. ANKIT GOEL**)

**PARTNER**

Membership No. :522308

Date: 25.09.2024

Place: New Delhi





**DME DEVELOPMENT LIMITED**

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

CIN: U45202DL2020GOI368878

**Balance Sheet as at 31st March, 2024**

(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	Note No	As at 31st March 2024	As at 31st March 2023
<b>I</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	Financial assets			
	Other financial assets	3	47,24,853.46	35,84,107.96
	Deferred tax assets (net)	19	109.70	84.99
	<b>Total Non-current assets</b>		<b>47,24,963.16</b>	<b>35,84,192.95</b>
	<b>Current assets</b>			
	Financial assets			
	Cash and Cash equivalents	4	4,043.96	1,986.94
	Other current assets	5	523.09	51,133.04
	<b>Total Current assets</b>		<b>4,567.05</b>	<b>53,119.98</b>
	<b>Total Assets</b>		<b>47,29,530.21</b>	<b>36,37,312.93</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Equity share capital	6	5,23,400.00	4,39,400.00
	Other equity	7	(312.18)	(241.87)
	<b>Total Equity</b>		<b>5,23,087.82</b>	<b>4,39,158.13</b>
	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	Financial liabilities			
	Borrowings	8	40,56,567.40	31,91,995.75
	<b>Total Non-current liabilities</b>		<b>40,56,567.40</b>	<b>31,91,995.75</b>
	<b>Current liabilities</b>			
	Financial liabilities			
	Other financial liabilities	9	15,613.05	5,945.14
	Other current liabilities	10	1,34,261.94	213.91
	<b>Total Current liabilities</b>		<b>1,49,874.99</b>	<b>6,159.05</b>
	<b>Total Equity and Liabilities</b>		<b>47,29,530.21</b>	<b>36,37,312.93</b>

The accompanying notes 1-34 are an integral part of these financial statements.

As per our report of even date attached

For AAAG &amp; Co. LLP

Chartered Accountants

Firm Regn No. : 004924N

For and on behalf of Board



(CA Ankit Goel)

Partner

M.No. 522308

Place : New Delhi

Date : 25/09/2024

UDIN: 24522308BKAUYS6236




(NRVVMK Rajendra Kumar)

Chairman

DIN: 09494456



(Ananta Manohar)

Director &amp; CFO

DIN: 09822685



(Gautam Vishal)

Chief Executive Officer



Prachi Mittal

Company Secretary

M.No. 40236

**DME DEVELOPMENT LIMITED**

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

CIN: U45202DL2020GOI368878

**Statement of Profit and Loss for the year ended 31st March, 2024**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No	Year ended 31st March 2024	Year ended 31st March 2023
<b>Income</b>			
Other Revenue	11	0.05	10.00
<b>Total Income (I)</b>		<b>0.05</b>	<b>10.00</b>
<b>Expenses</b>			
Employees benefits expense	12	10.30	6.10
Financial costs	13	-	-
Administrative expenses	14	84.77	39.11
<b>Total Expenses (II)</b>		<b>95.07</b>	<b>45.21</b>
<b>Profit/(Loss) before tax (III= I-II)</b>		<b>(95.02)</b>	<b>(35.21)</b>
<b>Tax expenses</b>			
Current tax	15	-	-
Deferred tax	15	24.71	9.16
<b>Total Tax Expenses (IV)</b>		<b>24.71</b>	<b>9.16</b>
<b>Profit/(Loss) for the year (V= III+IV)</b>		<b>(70.31)</b>	<b>(26.05)</b>
<b>Other comprehensive (loss)/income</b>			
<b>a) Items that will not be reclassified to profit or loss (net of Tax)</b>			
- Re-measurement (loss)/gain on defined benefit plan		-	-
- Income tax relating to items that will not be re-classified to profit and loss		-	-
<b>b) Items that may be reclassified to profit or loss (net of Tax)</b>			
- Prior Period Expenses due to reclassification of Intangible Assets to Financials Assets		-	-
<b>Total other comprehensive (loss)/income for the year (VI= a+b)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year (VII= V+VI)</b>		<b>(70.31)</b>	<b>(26.05)</b>
<b>Profit/(Loss) for the period attributable to:</b>		<b>(70.31)</b>	<b>(26.05)</b>
Equity holders		(70.31)	(26.05)
<b>Total comprehensive loss for the period, net of tax attributable to:</b>		<b>(70.31)</b>	<b>(26.05)</b>
Equity holders		(70.31)	(26.05)
<b>Earnings per equity share (of INR 100/- each):</b>			
(1) Basic (absolute value in INR)	18	(0.02)	(0.01)
(2) Diluted (absolute value in INR)		(0.02)	(0.01)

The accompanying notes 1-34 are an integral part of these financial statements.

As per our report of even date attached

For AAAG & Co. LLP  
Chartered Accountants  
Firm Regn No. : 004924N


  
(CA Ankit Goel)  
Partner

M.No. 522308  
Place : New Delhi  
Date : 25/09/2024

UDIN: 24522308BKAUYS6236



For and on behalf of Board

  
(NRVMK Rajendra Kumar)  
Chairman  
DIN: 09494456

  
(Ananta Manohar)  
Director & CFO  
DIN: 09822685

  
(Gautam Vishal)  
Chief Executive Officer

  
(Prachi Mittal)  
Company Secretary  
M.No. 40236

**DME DEVELOPMENT LIMITED**

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

CIN: U45202DL2020GOI368878

**Cash Flow Statement for the year ended 31st March, 2024**

(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	Year ended 31st March 2024	Year ended 31st March 2023
<b>A</b>	<b>Operating Activities</b>		
	Loss before tax	(95.02)	(35.21)
	<b>Operating profit/(loss) before working capital changes</b>	<b>(95.02)</b>	<b>(35.21)</b>
	<b>Movements in working capital :</b>		
	(Increase)/decrease in other current assets	50,609.96	1,28,135.52
	(Increase)/decrease in other financial assets	(11,40,745.49)	(12,96,708.40)
	Increase/(decrease) in other financial liabilities	9,667.91	1,626.30
	Increase/(decrease) in other current liabilities	1,34,048.03	(183.15)
	Increase/(decrease) in trade payables and financial liabilities	-	(48.11)
	<b>Cash flow from/(used in) operations</b>	<b>(9,46,514.61)</b>	<b>(11,67,213.05)</b>
	Income taxes paid	-	4.54
	<b>Net cash used in operating activities (A)</b>	<b>(9,46,514.61)</b>	<b>(11,67,208.51)</b>
<b>B</b>	<b>Investing Activities</b>		
	<b>Net cash used in investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>C</b>	<b>Financing Activities</b>		
	Borrowings during the period	8,64,571.65	10,33,896.75
	Net proceeds from issue of equity shares capital	84,000.00	1,26,100.00
	<b>Net cash from financing activities (C)</b>	<b>9,48,571.65</b>	<b>11,59,996.75</b>
	<b>Net increase/(decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>2,057.02</b>	<b>(7,211.76)</b>
	Cash and Cash equivalents at the beginning of the year	1,986.94	8,528.69
	<b>Cash and Cash equivalents at the end of the year (refer note 5)</b>	<b>4,043.96</b>	<b>1,986.94</b>

**Notes :**

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
2. Figures in bracket represent cash outflow.
3. Components of Cash and Cash equivalents:

Particular	As at 31st March 2024	As at 31st March 2023
<b>Cash &amp; Cash Equivalent</b>		
Balance with Banks	4,043.96	1,986.94
<b>Balance as per Statement of Cash Flows</b>	<b>4,043.96</b>	<b>1,986.94</b>

The accompanying notes 1-34 are an integral part of these financial statements.  
As per our report of even date attached

For AAAG & Co. LLP  
Chartered Accountants  
Firm Regn No. : 004924N

(CA Ankit Goel)  
Partner

M.No. 522308

Place : New Delhi

Date : 25/09/2024

UDIN: 24522308BKAUY56236



For and on behalf of Board

(NRVVMK Rajendra Kumar)  
Chairman  
DIN: 09494456

(Ananta Manohar)  
Director & CFO  
DIN: 09822685

(Gautam Vishal)  
Chief Executive Officer

Prachi Mittal  
Company Secretary  
M.No. 40236



# DME DEVELOPMENT LIMITED

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

CIN: U45202DL2020GOI368878

## Statement of changes in equity for the year ended 31st March, 2024

(All amounts in INR Lakhs, unless otherwise stated)

### (a) Equity share capital (refer note 6)

Particulars	Number of Shares	(Rs. In lakhs)
Equity shares of INR 100/- each issued, subscribed and fully paid		
As at April 01, 2022	31,33,00,000	3,13,300.00
Add: Issued during the year	12,61,00,000	1,26,100.00
As at March 31, 2023	43,94,00,000	4,39,400.00
Add: Issued during the year	8,40,00,000	84,000.00
As at March 31, 2024	52,34,00,000	5,23,400.00

### (b) Other equity (refer note 7)

Particulars	Reserves and Surplus	
	Retained earnings	Total
Balance as at April 01, 2023	(241.87)	(241.87)
Loss for the year	(70.31)	(70.31)
Balance as at March 31, 2024	(312.18)	(312.18)

### For the year ended March 31, 2023

Particulars	Reserves and Surplus	
	Retained earnings	Total
Balance as at April 01, 2022	(215.82)	(215.82)
Loss for the year	(26.05)	(26.05)
Balance as at March 31, 2023	(241.87)	(241.87)

The accompanying notes 1-34 are an integral part of these financial statements.

As per our report of even date attached

For AAAG & Co. LLP

Chartered Accountants

Firm Regn No. : 004924N

  
(CA Ankit Goel)

Partner

M.No. 522308

Place : New Delhi

Date : 25/09/2024

UDIN: 24522308BKAVYS6236





(RRVVMK Rajendra Kumar)

Chairman

DIN: 09494456



(Gautam Vishal)

Chief Executive Officer

For and on behalf of Board



(Ananta Manohar)

Director & CFO

DIN: 09822685



Prachi Mittal

Company Secretary

M.No. 40236

## **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 2024**

#### **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 segment of this project is scheduled for completion by March 2025. 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.

The Financial Statements for the year ended 31st March, 2024 were approved by the Board of Directors and authorised on 25th September, 2024.

#### **2 SUMMARY OF MATERIAL 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 in accordance with Indian Accounting Standard (Ind AS) prescribed under Section 133 of Companies Act, 2013 (the "Act"), read with rule 3 of the companies (Indian Accounting Standards) Rules, 2015 and relevant amendments rules issued thereunder.

The Financial Statements have been prepared under the historical cost convention on the accrual basis except certain financial instrument which are measured at fair values, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

The Financial Statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest Rs. In lakh (as per the requirement of Schedule III), unless 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.

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



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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 2024

#### 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 in conformity with the principles of Ind AS requires the management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about the significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements.

#### 2.3 Classification of assets and liabilities as current and non-current

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

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

All other assets are classified as non-current.

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

- It is expected to be settled in the company's normal operating cycle
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date or
- The company does not have an unconditional right to defer 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

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

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (if any) as they are considered an integral part of the cash management.



## **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 2024**

#### **2.5 Revenue recognition**

Recognition of revenue from contracts with customers 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 recognised when it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably. Interest income is included under the head "other income" in the statement of profit and loss.

#### **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.

#### **2.6 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.





## **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 2024**

#### **2.7 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **2.8 Financial instruments**

##### **Initial recognition**

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

##### **Subsequent measurement**

##### **a) Non-derivative financial instruments**

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

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

##### **(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.





## **DME DEVELOPMENT LIMITED**

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CIN: U45202DL2020GOI368878

### **Notes forming part of financial statements for the year ended 31st March 2024**

#### ***Subsequent measurement***

##### **Financial liabilities at FVPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

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

##### **Financial liabilities at amortized cost**

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

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

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

##### **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.



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### Notes forming part of financial statements for the year ended 31st March 2024

#### 2.9 Fair value measurement

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

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

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

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

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

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

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

#### 2.10 Provisions

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. 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.

#### 2.11 Contingent liabilities

Contingent liability is a possible obligation that rises from past events and 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 Group, or is a present obligation that arises from past event but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised.





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### **Notes forming part of financial statements for the year ended 31st March 2024**

#### **2.12 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.

#### **2.13 Earnings per share**

Basic earnings per share are calculated by dividing the net profit and loss for the period attributable to equity shareholders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity and preference shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit and loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **2.14 Segment reporting**

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



## **DME DEVELOPMENT LIMITED**

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### **Notes forming part of financial statements for the year ended 31st March 2024**

#### **2.15 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.

#### **2.16 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.

#### **2.17 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.

#### **2.18 Expenditure**

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

#### **2.19 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 phases comprising of section from Delhi to Vadodara from Km. 0.000 to Km. 844.382 ( "Phase I") and Vadodara to Mumbai from Km. 378.740 to Km. 26.582 of Main Expressway and 03.000 to Km. 79.783 of SPUR of Vadodara Mumbai Expressway by eight laning and SPUR to Delhi from Km. 0.000 to Km. 59.063 Km by six laning, on Engineering, Procurement Construction ( the " EPC") basis for Phase I and Hybrid Annuity Model (HAM) for the remaining section (the Project) through DME Development Limited. However, till 31st March 2024, approx 94% of physical progress and approx. 90% of financial progress have been achieved. 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.





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Notes to financial statements for the year ended 31st March, 2024

(All amounts in INR Lakhs, unless otherwise stated)

**3. Other financial assets**

Particulars	Non-current		Current	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
<b>Unsecured-Considered Good</b>				
Other financial assets (at fair value through profit or loss)				
Reclassification of Construction cost	33,05,447.22	21,95,079.86	-	-
Add: Current year Construction Cost	8,51,352.73	11,10,367.36	-	-
Reclassification of Pre-Operative Expenses	2,78,660.74	92,319.71	-	-
Add: Current year Pre-Operative Expenses (As per note 16)	2,89,392.77	1,86,341.03	-	-
<b>Total other financial assets (at amortised cost)</b>	<b>47,24,853.46</b>	<b>35,84,107.96</b>	<b>-</b>	<b>-</b>

**4. Cash and cash equivalents**

Particulars	Non-current		Current	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
Balances with banks:				
- Bank balances	-	-	4,043.96	1,986.94
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4043.96</b>	<b>1986.94</b>

Details of Bank accounts:

Particulars	As at 31st March 2024	As at 31st March 2023
Bank of Baroda	5.83	-
Bank of India	2.13	-
Central Bank of India	0.96	0.98
Karnataka Bank	0.49	0.08
Indian Overseas Bank	13.98	0.33
Punjab National Bank	54.08	54.09
Axis Bank	3,939.73	1,560.90
Bank of Maharashtra	26.77	370.54
	<b>4,043.96</b>	<b>1,986.94</b>

**5. Other assets**

Particulars	Non-current		Current	
	As at 31st March 2024	As at 31st March 2023	As at 31st March 2024	As at 31st March 2023
<b>Unsecured-Considered Good</b>				
Advances to vendors (GST paid in advance on loan processing fee)	-	-	12.84	15.57
Security Deposits	-	-	1.50	1.50
Recovery Expense Fund (in favor of Stock Exchange @0.01% of Issue size subject to maximum Rs 25.00 lakhs)	-	-	25.00	25.00
Accrued Interest	-	-	1.82	3.58
Prepaid Expenses	-	-	22.98	24.36
Advance tax and TDS (net of provision for income tax)	-	-	12.32	4.54
GST Input Tax Credit	-	-	446.63	405.71
Balance with NHAI, for construction (holding entity)	-	-	-	50,652.78
<b>Total other assets</b>	<b>-</b>	<b>-</b>	<b>523.09</b>	<b>51,133.04</b>



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(All amounts in INR Lakhs, unless otherwise stated)

**6. Equity Share capital**

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Authorised share capital</b>		
3,00,00,00,000 (March 31, 2023: 3,00,00,00,000) equity shares of INR 100/- each	30,00,000.00	30,00,000.00
	<b>30,00,000.00</b>	<b>30,00,000.00</b>
<b>Issued, subscribed and fully paid-up</b>		
52,34,00,000 (March 31, 2023: 43,94,00,000) equity shares of INR 100/- each	5,23,400.00	4,39,400.00
<b>Total</b>	<b>5,23,400.00</b>	<b>4,39,400.00</b>

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

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number of Shares	(Rs. In lakhs)	Number of Shares	(Rs. In lakhs)
<b>Equity shares</b>				
At the commencement of the year	43,94,00,000	4,39,400	31,33,00,000	3,13,300
Add: Issued during the year *	8,40,00,000	84,000	12,61,00,000	1,26,100
(@ Rs. 100/- each)				
<b>Outstanding as the end of the year</b>	<b>52,34,00,000</b>	<b>5,23,400</b>	<b>43,94,00,000</b>	<b>4,39,400</b>

\* During the current year ended 31st March, 2024, the company had issued 8,40,00,000 number of equity shares of face value Rs. 100/- each. Each holder of equity shares is entitled to one vote per share.

**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 31st March 2024		As at 31st March 2023	
	No. of shares	% of holding	No. of shares	% of holding
<b>Name of the shareholder</b>				
<b>Equity shares of Rs. 100 each fully paid</b>				
Number of equity shares held by NHAI (Promoter & holding company) and balance 6 equity shares are held through other nominee of NHAI	52,34,00,000	100%	43,94,00,000	100%

**Details of shares held by Promoters**

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of shares	% of holding	No. of shares	% of holding
<b>Name of the shareholder</b>				
<b>Equity shares of Rs. 100 each fully paid</b>				
Number of equity shares held by NHAI (Promoter & holding company) and balance 6 equity shares are held through other nominee of NHAI	52,34,00,000	100%	43,94,00,000	100%

**7. Other equity**

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Retained earnings</b>		
At the commencement of the year	(241.87)	(215.82)
Add: Profit / (Loss) for the year	(70.31)	(26.05)
At the end of the year	<b>(312.18)</b>	<b>(241.87)</b>
<b>Total other equity</b>	<b>(312.18)</b>	<b>(241.87)</b>





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Notes to financial statements for the year ended 31st March, 2024

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**8. Borrowings**

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Unsecured (against letter of comfort issued by NHAI)</b>		
Taxable Bonds - issued to QIBs (Secured, Non-Convertible, Non-Cumulative)	16,93,500.00	11,03,900.00
Rupee Term Loans from Banks	23,63,067.40	20,88,095.75
<b>Total</b>	<b>40,56,567.40</b>	<b>31,91,995.75</b>

Taxable Bonds - Series -I issued to QIBs			
Information Memorandum (IM)			
Date of Information Memorandum			14-03-2022
Type of Information			Private Placement
Nature of Securities			
Number of Securities			5,000.00
Price (Crore)			1.00
Amount of Securities (in Crore)			5,000.00
Base Issue Size (in Crore)			1,000.00
Green Shoe (in Crore)			4,000.00
Coupon Rate			6.85% p.a. (Liked to 3-Month T-Bill)
Redemption dates	Each Bond will comprise of 10 detachable STRPPs (Separately Transferrable Redeemable Principal Parts) redeemable at par in 10 equal instalments of Rs. 10 lakhs each at the end of every year starting from end of 6th year from the Deemed Date of Allotment.		
Investors to the Issue (in crore)	Birla Sunlife Mutual Fund		3,000.00
	Morgan Stanley India Primary Dealer Pvt Ltd		1,000.00
	Axis Mutual Fund		510.00
	ICICI Bank Ltd		350.00
	Others		140.00
Listed on Wholesale Debt Market (WDM)			NSE
Trustee of the Issue			SBI Trustee Company Limited
Registrar and Share Transfer Agent to the Issue			Big share 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 -II issued to QIBs (Listed Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, taxable bonds Series-II)			
Information Memorandum (IM)			
Date of Information Memorandum			16-02-2023
Type of Information			Private Placement
Nature of Securities			Secured Debentures
Number of Securities			3,68,400
Price (Crore)			0.01
Amount of Securities (in Crore)			3,684.00
Base 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		685.00
	CBT EPFO for SBI Mutual Funds		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 Issue			big share Services Pvt Ltd
Credit Ratings	India Rating & Research Pvt Ltd		IND AAA / Stable
	CARE Ratings Limited		CARE AAA / Stable
	CRISIL		CRISIL AAA / Stable
Note:- Other detailed terms & conditions will be as per private placement information memorandum executed at the time of private placement.			



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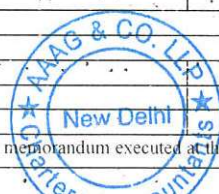
Notes to financial statements for the year ended 31st March, 2024

(All amounts in INR Lakhs, unless otherwise stated)

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			06-03-2023
Type of Information			Private Placement
Nature of Securities			Secured Debentures
Number of Securities			2,35,500.00
Price (Crore)			0.01
Amount of Securities (in Crore)			2,355.00
Base 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		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	big share 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 -IV issued to QIBs (Listed Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, taxable bonds Series-IV)			
Information Memorandum (IM)			
Date of Information Memorandum			01-12-2023
Type of Information			Private Placement
Nature of Securities			Secured Debentures
Number of Securities			3,00,000.00
Price (Crore)			0.01
Amount of Securities (in Crore)			3,000.00
Base Issue Size (in Crore)			1,000.00
Green Shoe (in Crore)			2,000.00
Coupon Rate			7.74% p.a. (Fixed and payable half yearly)
Redemption dates	15 years from Deemed Date of Allotment i.e. 04th December, 2023		
Investors to the Issue (in crore)	HDFC BANK		350.00
	ICICI BANK		239.00
	LIFEINSURANCECORPORATION OF INDIA		2,000.00
	NPS TRUST AC HDfC		200.00
	Others		211.00
Listed on Wholesale Debt Market (WDM)			NSE/BSE
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 placement information memorandum executed at the time of private placement.			

Taxable Bonds - Series -V issued to QIBs (Listed Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, taxable bonds Series-V)			
Information Memorandum (IM)			
Date of Information Memorandum			29-02-2024
Type of Information			Private Placement
Nature of Securities			Secured Debentures
Number of Securities			2,89,600.00
Price (Crore)			0.01
Amount of Securities (in Crore)			2,896.00
Base Issue Size (in Crore)			1,000.00
Green Shoe (in Crore)			1,896.00
Coupon Rate			7.55% p.a. (Fixed and payable half yearly)
Redemption dates	15 years from Deemed Date of Allotment i.e. 01st March, 2024		
Investors to the Issue (in crore)	Life Insurance Corporation of		1,000.00
	SBI Employee Pension Fund		200.00
	HDFC Bank Limited		324.80
	ICICI Bank		200.00
	Others		1,171.20
Listed on Wholesale Debt Market (WDM)			NSE AND BSE
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 placement information memorandum executed at the time of private placement.			





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Details of Tem Loans						
Name of Lender	FALICITY	Purpose	Amount of Loan outstanding during the year.		Rate of Interest	Repayment period
			As at 31st March 2024	As at 31st March 2023		
Bank of Maharashtra	TERM LOAN (Sanctioned ₹ 1700 Crore And outstanding ₹ 1700.00 Crore	Construction of greenfield Delhi – Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	1,69,994.98	1,70,002.55	0.10% above our 1 month MCLR ie, presently 8.30%+0.10%=8.40% P.A with monthly reset MCLR to be reset at monthly Interval.	Repayment period will start from 31-10-2024 within 28 instalments as per repayment schedule as mentioned in sanction letter.
Bank of India	TERM LOAN (Sanctioned ₹ 5000 Crore And outstanding ₹ 3350.00 Crore	Construction of greenfield Delhi – Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	3,34,999.36	2,35,008.81	0.15% over our overnight MCLR presently effective 8.25% p.a	Repayment period will start from 31-03-2025 with in 28 instalments as per repayment schedule as mentioned in sanction letter.
Central Bank of India	TERM LOAN (Sanctioned ₹ 2500 Crore And outstanding ₹ 2499.94 Crore	Development Of Greefield Expressway connecting Delhi And Mumbai via Vadodara with Door To Door tenor of 17 Years - 204 Months (comprising implementation period of 26 months, moratorium of 12 month and actual repayment of 166 months	2,49,993.61	1,45,000.26	ROI Linked with MCLR (3M) i.e., 8.40% P.A at Present.	Repayment period will start from 31-03-2025 with in 28 instalments as per repayment schedule 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.	2,84,999.54	2,85,000.00	0.35% over our One Month MCLR i.e. 8.40% p.a at present with monthly reset of MCLR	Repayment period will start from 31-03-2025 with in 28 instalments as per repayment schedule as mentioned in sanction letter.
Indian Overseas Bank	TERM LOAN (Sanctioned ₹ 500 Crore And outstanding ₹ 500 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.	50,000.00	40,000.00	1 month MCLR 8.20%	Repayment period will start from 31-03-2025 with in 28 instalments as per repayment schedule as mentioned in sanction letter.
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.	50,000.00	49,999.94	Three Month T-Bill rate prevailing on the date of avaiement of term loan plus applicable spread, with an effective rate of interest of 8.30% P.A. Interest to be reset quarterly	Repayment period will start from 31-03-2025 with in 28 instalments as per repayment schedule as mention sanction letter.
State Bank of India	TERM LOAN (Sanctioned ₹ 9000 Crore And outstanding ₹ 7500 Crore	Construction of greenfield Delhi – Mumbai Expressway (access-controlled 8 lane greenfield expressway) of approx. 1312 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	7,49,995.29	7,49,995.29	0.20% over our three Month MCLR ie 8.40% p.a	Repayment period will start from 31-03-2025 with in 28 instalments as per repayment schedule as mentioned in sanction letter.



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UCO Bank	TERM LOAN (Sanctioned ₹ 1000 And outstanding ₹ 1000 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	99,997.44	40,000.00	One Month MCLR i.e., 8.30% p.a. at present with monthly rests. Interest to be serviced as and when due.	Repayment period will start from 31-03- 2025 within 28 instalments as per repayment schedule as mentioned in sanction letter.
Axis Bank	TERM LOAN (Sanctioned ₹ 1000 And outstanding ₹ 931 crore.	Construction of greenfield Delhi - Mumbai Expressway (access- controlled 8 lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode.	93,100.00	93,100.00	The rate of interest for the Loan facility will be 7% floating linked to external benchmark. Presently rate of interest is 8.40%	Repayment period will start from 30-09- 2024 with in 28 instalment as per repayment schedule as mentioned in sanction letter.
Punjab National Bank	TERM LOAN (Sanctioned ₹ 2800 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.	2,79,987.18	2,79,988.90	One Month MCLR i.e., 8.25% p.a. at present.	Repayment period will start from 31-03- 2025 with in 28 instalments as per repayment schedule as mention sanction letter.

Note:- Other detailed terms &amp; conditions will be as per sanction letter executed by all banks at the time of loans granted.

**Utilization of Borrowed Funds :-**

All the above mentioned loans are utilized for their specific purpose.

**Registration of Charges or satisfaction with Registrar of Companies (ROC)**

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.

**9. Other financial liabilities**

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Current</b>		
Interest accrued on borrowings	15,613.05	5,945.14
<b>Total other financial liabilities</b>	<b>15,613.05</b>	<b>5,945.14</b>

**10. Other current liabilities**

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Current</b>		
Statutory liabilities	2.89	25.33
Stamp Duty payable	129.60	126.10
Balance payable to NHAI	1,34,099.95	-
Other Current Liabilities	29.49	62.48
<b>Total other current liabilities</b>	<b>1,34,261.94</b>	<b>213.91</b>



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**11. Other income**

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Interest Income :		
From Banks on Flexi linked deposits	88.75	57.73
From Income tax refund	0.05	10.00
Reversal of Bank Charges	-	0.45
<b>Total</b>	<b>88.80</b>	<b>68.18</b>
Less: Transferred to Pre-operative expenditure	(88.75)	(58.18)
Balance to be shown in the Statement of Profit & Loss	0.05	10.00

**12. Employee benefits expense**

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Salaries and wages*	10.20	6.00
Incentive	0.10	0.10
<b>Total</b>	<b>10.30</b>	<b>6.10</b>
Less: Transferred to Pre-operative expenditure	-	-
Balance to be shown in the Statement of Profit & Loss	10.30	6.10

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

**13. Finance costs**

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Interest on Term Loans	1,82,418.75	1,40,085.87
Interest on Bond/Debentures to QIBs (Financial Institutions)	1,06,896.33	45,917.20
Inspection Charges	1.11	-
<b>Total</b>	<b>2,89,316.19</b>	<b>1,86,003.07</b>
Less: Transferred to Pre-operative expenditure	(2,89,316.19)	(1,86,003.07)
Balance to be shown in the Statement of Profit & Loss	-	-





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**14. Administrative expenses**

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Internal audit fee	0.90	0.90
Legal and professional charges	80.01	173.91
Auditors' remuneration [Refer note (i)]	2.46	3.79
Printing & Stationary	0.08	-
Stamp Duty Charges	37.72	130.15
NCNCR Bonds / Debentures Issue Expenses	3.28	33.92
Bank charges	73.64	78.46
LEI Renewal Fee	0.03	0.03
Listing Fees	20.65	-
Diwali Incentive	0.60	0.70
Rates & Taxes [Refer note (ii)]	0.65	1.17
Sitting Fees to Independent Director	12.50	1.00
Vehicle Hiring Charges	8.92	6.34
Conveyance Charges	1.23	0.69
Advertisement Expenses	4.85	3.59
Miscellaneous Expenses	2.58	0.61
<b>Total</b>	<b>250.10</b>	<b>435.26</b>
Less: Transferred to Pre-operative expenditure	(165.33)	(396.15)
Balance to be shown in the Statement of Profit & Loss	84.77	39.11

**Note (i) Auditors' remuneration:**

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
<b>As Statutory Auditors:</b>		
- Statutory audit fee	1.21	2.21
- Other services	1.25	1.58
<b>Total</b>	<b>2.46</b>	<b>3.79</b>

**Note (ii) Rates & Taxes:**

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
RCM with no input receivables	0.44	0.32
ROC filing fees	0.21	0.85
<b>Total</b>	<b>0.65</b>	<b>1.17</b>



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**15. Current Tax**

The major components of income tax expense for the year ended 31 March 2024 are as follows:-

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

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Loss as per Income Tax	(95.02)	(35.21)
At statutory income tax rate (Current year 26% ( P.Y 26%))	-	-
Earlier year tax adjustment	-	-
Others- Interest on Income Tax	-	-
Income reported in the Statement of Profit and Loss	(95.02)	(35.21)

**Deferred tax**

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Deferred tax asset relates to the following:		
Opening balance (A)	84.99	75.83
Timing Difference due to loss as per income tax act and Company Act (B)	(95.02)	(35.21)
Total deferred tax asset on above timing difference. C=26% of (B)	24.71	9.16
Net deferred tax assets/(liability) (A+C)	109.70	84.99

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 (net) as at March 31, 2024 are as follows:

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Non-Current Tax Assets (Net)		
Deferred Tax Assets	109.70	84.99
	109.70	84.99



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**Notes to financial statements for the year ended 31st March, 2024**

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**16: Statement of Pre Operative Expenses**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No	Year ended 31st March 2024	Year ended 31st March 2023
<b>Income</b>			
Other Revenue	11	88.75	58.18
<b>Total Income (I)</b>		<b>88.75</b>	<b>58.18</b>
<b>Expenses</b>			
Financial costs	13	2,89,316.19	1,86,003.07
Administrative expenses	14	165.33	396.15
<b>Total Expenses (II)</b>		<b>2,89,481.52</b>	<b>1,86,399.22</b>
<b>Pre-operative expenditure for the year (net)</b>		<b>2,89,392.77</b>	<b>1,86,341.04</b>
<b>Carried forward to other financial assets (refer note 3)</b>		<b>2,89,392.77</b>	<b>1,86,341.04</b>





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Notes to financial statements for the year ended 31st March, 2024

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17. RATIOS	As at 31st March 2024			As at 31st March 2023			% Change
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
a) Current Ratio (refer (i) below)	4,567.05	1,49,874.99	0.03	53,119.98	6,159.05	8.62	100%
b) Debt Equity Ratio	40,56,567.40	5,23,087.82	7.76	31,91,995.75	4,39,158.13	7.27	-7%
c) Net profit ratio	(70.31)	-	-	(26.05)	-	-	-
d) Return on equity	(70.31)	4,81,122.98	-	(26.05)	3,76,121.16	-	-
e) Total debts to total assets	40,56,567.40	47,29,530.21	0.86	31,91,995.75	36,37,312.93	0.88	2%
f) Debt Service Coverage ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A
g) Inventory Turnover ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A
h) Trade receivables turnover ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A
i) Trade payables turnover ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A
j) Net Capital turnover ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A
k) Return on Capital employed,	(95.02)	45,79,655.23	-	(35.21)	36,31,153.88	-	-

Element of Ratio	Numerator	Denominator
Current assets	Current Assets	Current Liabilities
Debt Equity Ratio	Debt (Borrowings)	Shareholder's Equity
Net profit ratio	Net Loss	Net Sales
Return on equity	Net Loss	Average Shareholder's Equity
Total debts to total assets	Total Debt/Borrowings	Total assets
Debt Service Coverage ratio	Earnings available for debt service	Debt Service
Inventory Turnover ratio	Cost of goods sold OR sales	Average Inventory
Trade receivables turnover ratio	Net Credit Sales	Average Accounts Receivable
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables
Net Capital turnover ratio	Net Sales	Average Working Capital
Return on Capital employed,	Earning before interest and taxes	Capital Employed

**Reasons for variance of more than 25% in above ratios**

(i) Change is on account of decrease in current assets on account of decrease of amount paid to NHAI in advance for expenditure. Further, there has been corresponding increase in current liability due to increase of amount payable to NHAI & increase of interest accrued on borrowings.

Note:- Since the company has not started its annuity till date, thus other ratios are either Not Applicable or Nil.

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

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

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

Particulars	As at 31st March 2024	As at 31st March 2023
Loss attributable to equity holders for basic earnings	(70.31)	(26.05)
Loss attributable to equity holders for the effect of dilution	(70.31)	(26.05)
Weighted average number of equity shares for calculating basic EPS	45,94,60,274	36,68,99,178
Weighted average number of equity shares for calculating diluted EPS	45,94,60,274	36,68,99,178
Basic EPS (absolute value in INR)	(0.02)	(0.01)
Diluted EPS (absolute value in INR)	(0.02)	(0.01)



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**19. 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	
a.	Enterprise having substantial interest in the Company	National Highway Authority of India holding (with its nominees) 100% share capital	
b.	Key management personnel of the Company	Mrs. Sudha Damodar	Independent Director
		Mr. Rajesh Ranjan	Independent Director (w.e.f. 15.04.2023 & Continue)
		Mr. Alok Deepankar	Director (w.e.f. 09.11.2023 & Continue)
		Mr. NRVVMK Rajendra Kumar	Director
		Mr. Ananta Manohar	Director
		Mr. Gautam Vishal	Chief Executive Officer (w.e.f. 09.11.2023 & continue)
		Mr. Ananta Manohar	Chief Financial Officer
		Mrs. Prachi Mittal	Company Secretary

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

Particulars		As at 31st March 2024	As at 31st March 2023
a.	Enterprise having substantial interest in the Company - NHAI	NHAI	NHAI
	Transactions during the year		
	Equity share issued	84,000.00	1,26,100.00
	Reimbursement of expenses (paid to NHAI)	6,66,600.00	9,82,400.00
	Expenditure Incurred by NHAI on the behalf of DME	8,51,352.73	11,10,367.36
	Balance outstanding as at the year end		
	Amount Deposited with NHAI for Expenses	-	50,652.78
	Amount Payable to NHAI for Expenses.	1,34,099.95	-
b.	Key management personnel		
	Independent Director's Sitting Fees	12.50	1.00
	Remuneration to CS	10.30	6.10

**20. Fair values**

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

Particulars	As at 31st March 2024	As at 31st March 2023
<b>FINANCIAL ASSETS</b>		
Financial assets measured at amortised cost		
Cash and cash equivalents	4,043.96	1,986.94
Other financial assets	47,24,853.46	35,84,107.96
<b>Total</b>	<b>47,28,897.42</b>	<b>35,86,094.90</b>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost		
Borrowings	40,56,567.40	31,91,995.75
Other financial liabilities	15,613.65	5,945.14
<b>Total</b>	<b>40,72,180.45</b>	<b>31,97,940.89</b>





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**21. Financial risk management objectives and policies**

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

**(a) Market risk**

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

**(i) Foreign currency exchange rate risk**

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

**(ii) Price risk**

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

**(iii) Interest rate risk**

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

**(b) Credit risk**

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

**(i) Trade receivables**

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

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

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes. The Company does not hold collateral as security for the year ended 31st March 2024. Considering the nature of operations, the Company evaluates the concentration of risk with respect to trade receivables as low.

The management believes that the trade receivables of on 31 March 2024 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 2024 is the carrying amounts of balances with banks.



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**(c) Liquidity risk**

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

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st March 2024. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

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

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

Particulars	Carrying amount	Contractual cash flow	0-1 year	1-5 years	More than 5 years
<b>As at 31st March 2024</b>					
Borrowings	40,56,567.40	40,56,567.40	-	96,550.00	39,60,017.40
Other financial liabilities	15,613.05	15,613.05	15,613.05	-	-
Other current liabilities	1,34,261.94	1,34,261.94	1,34,261.94	-	-
<b>Total</b>	<b>42,06,442.39</b>	<b>42,06,442.39</b>	<b>1,49,874.99</b>	<b>96,550.00</b>	<b>39,60,017.40</b>

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

**22. 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.

23. 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.

24. The Management has reviewed various pending legal compliances during the FY 2023-24 and there are no such pending legal compliances.

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

26. 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.

27. Company has issued, Secured, Non-Convertible, Non-Cumulative Redeemable Taxable Bonds in the nature of Debentures, which is repayable on demand as per listing agreement, these debentures are listed on NSE. As per the Companies Act 2013, Debenture Redemption Fund is required to be created by the company, but due to insufficient profit, no fund is transferred to it during the year.





**DME DEVELOPMENT LIMITED**

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

CIN: U45202DL2020GOI368878

**Notes to financial statements for the year ended 31st March, 2024**

(All amounts in INR Lakhs, unless otherwise stated)

**28. Expenses / Income relating to earlier period**

	Current Year	Previous Period
Income	Nil	Nil
Expenditure	Nil	Nil

29. 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.

30. 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.

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

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

33. As per the provision of the Companies Act, 2013 the figures have been rounded off to the nearest of lakh and decimal thereof.

34. Negative figures have been shown in bracket

For AAAG & Co. LLP  
Chartered Accountants  
Firm Regn No. : 004924N

For and on behalf of Board



(CA Ankit Goel)

Partner

M.No. 522308

Place : New Delhi

Date : 25/09/2024

UDIN: 24522308BKADYS6236





(NRVVMK Rajendra Kumar)

Chairman

DIN: 09494456



(Gautam Vishal)

Chief Executive Officer



(Ananta Manohar)

Director & CFO

DIN: 09822685



Prachi Mittal

Company Secretary

M.No. 40236