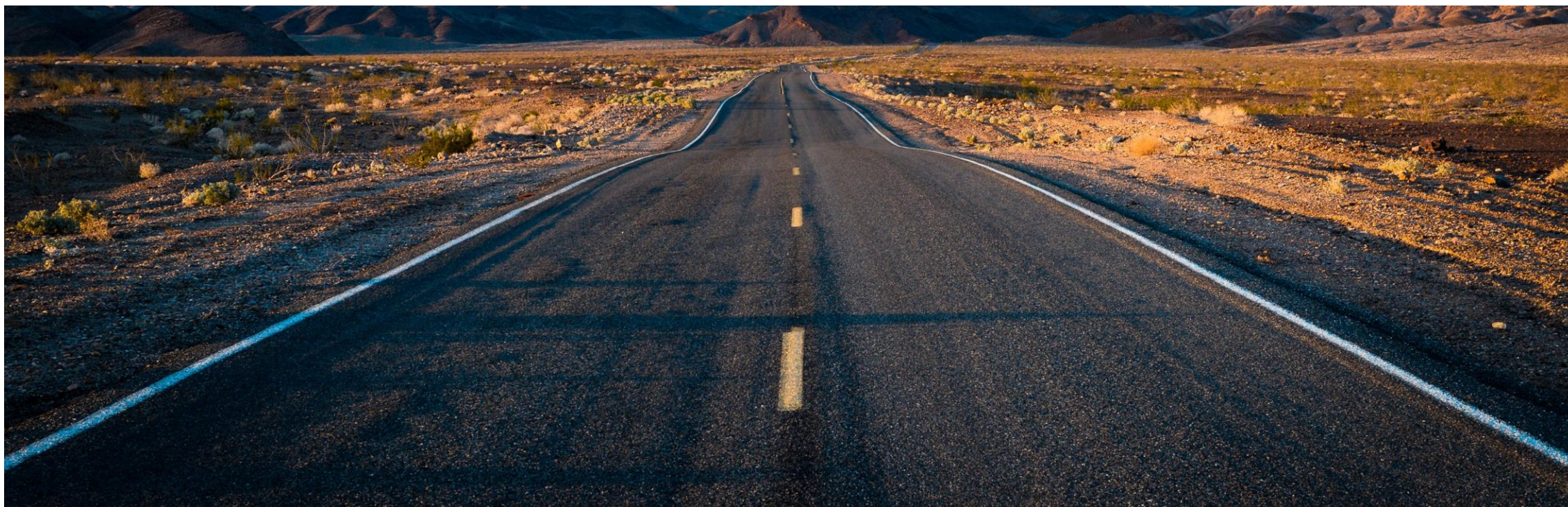


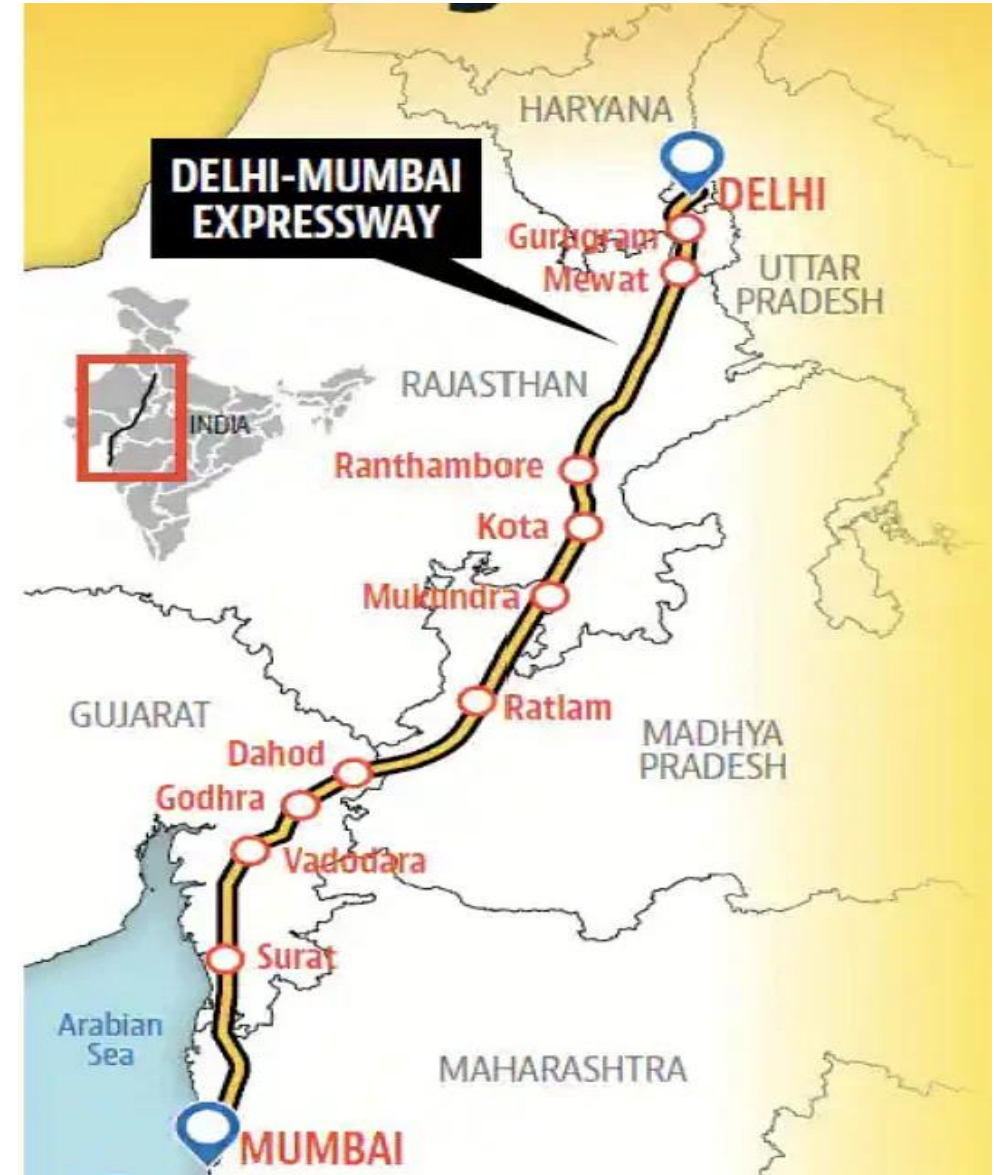
DME DEVELOPMENT LIMITED



ABOUT DELHI MUMBAI EXPRESSWAY PROJECT

One of the flagship highway projects of National Highway Authority of India (NHAI/ Authority); Underscored in the Union Budget 2020 by the Hon'ble Finance Minister Ms. Nirmala Sitharaman

- The Expressway will act as a lifeline for production centres in North India for international trade by providing seamless connectivity to the ports in Gujarat and Maharashtra
- NHAI has incorporated a Special Purpose Vehicle called DME Development Limited ('DME DL') to undertake the development and financing of Delhi Mumbai Expressway project ('Project')
- DME DL is **100% owned entity of NHAI** and was incorporated on 29th August 2020 to raise finance for the Project
- Revenue source for DME DL is Committed Annuity from NHAI (Traffic risk will be with NHAI)



SALIENT FEATURES OF DELHI MUMBAI EXPRESSWAY

8 -Lane Expressway with provision to expand upto 12 lanes with **Design speed of 120 kmph**

Distance reduction of 130 km from Delhi -Mumbai, expected time **reduction of 12 hours** from 23 hours. Once completed, total length of expressway will be ~1,277 Km*

Passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode

Complete access controlled with pay per use closed tolling concept

Reduced distance and travel time to enable fuel and monetary savings

Perpetual (D-V) & Rigid (V-M)** pavement design to ensure superior ride quality & low maintenance cost

Wayside amenities and cargo facilities at 92 locations across the corridor

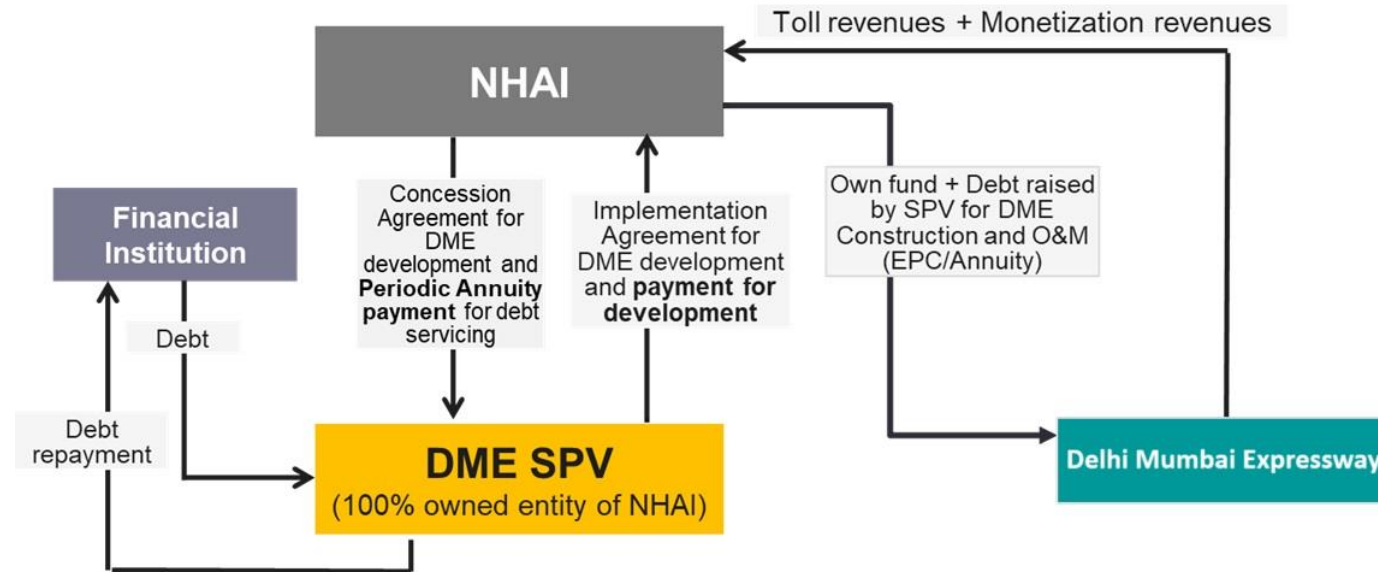
Expected to unlock new economic opportunities in the hinterland districts

*The number of packages and accordingly length is subjected to revision, updation and shall be supplemented with the contracts that shall be awarded by the Authority from time to time.

**D – V: Delhi Vadodara section; V – M: Vadodara – Mumbai section

PROJECT IMPLEMENTATION FRAMEWORK

- ❖ The Authority and the Issuer have entered into a Concession Agreement wherein the Issuer has rights related to financing, development, operation, maintenance and management of the Project in accordance with the terms and conditions as set forth in the Concession Agreement.
- ❖ The Project shall be financed by the Issuer which shall raise funds from the market by means of debt and equity from Authority and shall recover the investment by way of Annuity from the Authority.
- ❖ The Issuer has subsequently entered into an Implementation Agreement with the Authority wherein the Authority is assigned with the responsibility related to development, operation, maintenance and management of the Project.
- ❖ Responsibility of land acquisition, approvals and clearances will be of the Authority and related cost will be paid by the Authority directly.
- ❖ The Authority shall directly make payments to HAM Contractors and EPC Contractors.



MANAGEMENT PROFILE

Board Members

Shri Neti Ravi Vijay Venkat Murali Krishna Rajendra Kumar, Member (Finance), NHAI	Chairman and Nominee Director
Shri Amit Kumar Ghosh, IAS, Addl. Secretary, MoRTH	Nominee Director
Shri Alok Deepankar, Member (Technical), NHAI	Nominee Director
Smt. Sudha Damodar	Independent Director
Shri Rajesh Ranjan, IPS (Retd)	Independent Director
Shri Ananta Manohar, DGM (Finance), NHAI	Nominee Director

Key Managerial Personal

Shri Gautam Vishal, GM (Technical), NHAI	Chief Executive Officer
Shri Ananta Manohar, DGM (Finance), NHAI	Chief Financial Officer
Mrs. Prachi Mittal, Company Secretary, DME DL	Compliance Officer

PROJECT COST

The total estimated project cost for Delhi Mumbai Expressway is approximately Rs. 87,453 Crores as explained below:

Section	Implementation Mode	# Of Packages	Total Length (km)	Civil Cost + Centages	Land Acquisition	Total Capital Cost
Delhi – Vadodara (D-V)	EPC	31	844.4	35,184	6,646.4	41,855
Vadodara – Mumbai (V-M)	HAM	17	432.2	31,655	13,942.5	45,598
Grand Total		48	1276.6	66,864	20,589	87,453

Break-up of expenses already incurred by the NHAI till 30th September 2023 as explained below:

Section	EPC Cost (Rs. Crores)	LA and Pre-construction Activities (Rs. Crores)	Total (Rs. Crores)
Delhi – Vadodara (D-V)	26,572	5,141	31,713
Vadodara – Mumbai (V-M)	6,684	16,975	23,659
Grand Total	33,256	22,116	55,372

PROJECT FINANCING

The total estimated project funding requirement for Delhi-Mumbai Expressway is explained below:

Particulars	Estimated Cost (Rs. Crores)
Total civil + centages costs [A]	66,864
(Less: Construction cost paid by HAM contractor – Later to be paid by NHAI as annuity during operations) [B]	18,993
Balance civil cost + centages costs [C=A-B]	47,871
Interest during construction (estimated) [D]	5,978
Total funding requirement [C+D]	53,849

The total capex for the project (actual and budgeted) bifurcated between debt and equity is as below:

Particulars	FY2021	FY2022	FY2023	FY2024 Upto 30.09.2023	Total upto 30.09.2023	Balance estimated cost to be incurred
Capex Phasing	10,813	13,901	11,600	1,240	37,554	16,296
NHAI Equity	1,082	2,051	1,261	140	4,534	851
Debt (term loan from lenders /bonds)	9,731	11,850	10,339	1,100	33,020	15,445

- At any point of time during the construction period of the project, DME SPV shall maintain maximum Debt: Equity of 90:10.
- Responsibility of land acquisition, approvals and clearances will be of NHAI and related cost (approx. Rs. 20,589 Crore) paid/ will be paid by NHAI directly. Cost on account of payment of annuity for HAM Contracts will also be paid directly by NHAI to various concessionaires
- Sponsor has already infused total equity capital of Rs. 4,534 Crores (Rs. 1,082 Crores in FY2021, Rs. 2,051 Crores in FY2022, Rs. 1,261 Crore in FY2023 and Rs. 140 crores till 30th September 2023) and shall infuse commensurate equity from their own sources so as to ensure compliance with **approved Debt Equity ratio of 9:1 at all times during the construction period.**
- The Issuer till September 30, 2023, has received total sanction of Term Loan of Rs. 29,000 Crore (Rs. 9,800 Crores in FY2021, Rs. 19,200 Crores in FY2022) from the banks and proceeds of Rs. 11,039 Crores from bonds out of total estimated required debt of Rs. 48,465 Crores.

PROJECT STATUS

Delhi – Vadodara Section

Project physical progress as on 30th September 2023

Status	# of Pkgs	Length (km)
Completed	18	514
Under Construction	13	331
Awarded – Not appointed	-	-
Total	31	845

Land Acquisition Status as on 30th September 2023

State	Length (km)	Total Area Required (ha)	3D (%)	3G (%)	Possession %
Haryana	79	940	100.00	99.57	97.95
Rajasthan	374	4,217	98.82	98.43	97.99
Madhya Pradesh	245	2,901	99.64	99.30	99.29
Gujarat	148	1,605	84.68	75.97	98.30
Grand Total	845	9,663	96.83	95.07	98.43

Vadodara – Mumbai Section

Project physical progress as on 30th September 2023

Status	# Of Pkgs	Length (km)
Completed	4	100
Under Construction	11	270
Under Re-Bidding	2	62
Total	17	432

Land Acquisition Status as on 30th September 2023

State	Length (km)	Total Area Required (ha)	3D (%)	3G (%)	Possession (%)
Gujarat	275	3,215	95.65	91.65	93.26
Maharashtra	175	1,844	100.00	81.20	77.05
Grand Total	450	5,059	97.23	87.84	87.35

Land for approx. 95% of the overall project length has already been taken into possession

INDICATIVE TERMS OF ISSUE (1/4)

Terms	Particulars
Issuer	DME Development Ltd (“the “Issuer”)
Promoter / Sponsor / Authority	National Highways Authority of India (NHAI) (“Promoter” / “Sponsor”)
Tenor	15 Years from Deemed Date of Allotment.
Issue Size	Rs. 3,000 Crore
Base Issue Size	Rs. 1,000 Crore
Green Shoe Option	Rs. 2,000 Crore
Type of Instrument	Listed, Senior, Taxable Secured Redeemable Non-Convertible Bonds in the nature of Debentures (“Bonds”) Series- IV
Nature of Instrument	Secured
Seniority	Senior
Listing	Proposed to be listed on NSE and BSE.
Credit Rating of the Instrument	“CRISIL AAA/Stable” by CRISIL, “IND AAA/Stable” by IRRPL, and “CARE AAA; Stable” by CARE
Objects of the Issue	100% of the Issue proceeds to be used to part finance the Capex requirement for the Project
Step Up/Step Down Coupon Rate	Not Applicable

INDICATIVE TERMS OF ISSUE (2/4)

Terms	Particulars
Coupon Type	Fixed
Coupon Payment Frequency	Half-yearly
Redemption Premium / Discount	Nil
Put Option	Not Applicable
Call Option	Not Applicable
Face Value	Rs 1 lakh per Bond
Minimum bid size / Application and in multiples thereafter	Rs. 1,00,000 (Rupees One lakh only) and in multiple of 1 Bond of Rs. 1,00,000 (Rupees One lakh only) each thereafter
Manner of Bidding	Closed Book
Mode of Allotment/ Allocation option	Uniform Yield
Financial Covenants	DSCR shall not be less than 1.0 time, to be tested for the first time at the end of the first full financial year from COD and annually thereafter, based on audited results of the previous financial year of the Issuer
Letter of Comfort	Letter of comfort to be provided by NHAI before disbursement along with requisite corporate authorization of NHAI for execution of LOC in favour of the Trustee/ Bondholder(s). The Letter of Comfort shall be irrevocable & unconditional and shall remain operative till the maturity of the Bonds.
Service Account	The Issuer shall continue with the no lien service account and no set off service account opened for servicing the coupon payments till the redemption of the entire/ whole of the Bonds, corresponding to the outstanding Bonds held by the Bondholder(s). Interest Payment Mechanism: 1 (one) Business Day prior to each Coupon Payment Date, the Issuer shall fund service account equal to the requisite amount of coupon payment and/or principal repayment due.

INDICATIVE TERMS OF ISSUE (3/4)

Terms	Particulars
	<p>1(one) business day prior to each Coupon Payment Date, the Debenture Trustee shall issue a notice to the Issuer with a request to get the service account funded either by the Sponsor or itself with the requisite amount on or before Coupon Payment Date.</p> <p>The Sponsor shall get the service account funded with the requisite amount on or before the relevant Coupon Payment Date at such notice from the Debenture Trustee</p>
Undertaking from Promoter	<p>The Letter of Comfort should be having the approval of the Government of India/MORTH, and read in conjunction with the Implementation agreement, inter-alia confirming in substance to the following:</p> <p>(a) that, as on date of the NHAI Letter of Comfort, NHAI holds 100% (one hundred percent) of the shareholding of the Issuer with voting rights and that NHAI shall not dilute its shareholding in the Issuer below 51% (fifty one percent) of the voting rights, till the Bonds to be issued are fully redeemed, without the prior written consent from the Bondholder(s);</p> <p>(b) NHAI shall aim to maintain the debt-to-equity ratio of the Issuer at a maximum of 9:1 till the Commercial Operation</p> <p>(c) NHAI to ensure that the Issuer meets its payment obligations in respect of the interest and repayment of instalments of the borrowed funds</p> <p>(d) NHAI to undertake all reasonable actions for maintaining the Escrow Account held with any scheduled commercial bank (which is created exclusively for the benefit of the Bondholder(s)) and shall also fund the Escrow Account at least 1 (one) Business Day prior to the due date for the repayment of respective instalment/ coupon in accordance with the provisions of the Debenture Trust Deed;</p> <p>(e) The debt servicing obligations of NHAI towards the Bondholder(s) shall remain in full force and effect so long as any sum remains to be advanced or is outstanding from the DME SPV in respect of the Bonds received by it from the Bondholder(s).</p>

INDICATIVE TERMS OF ISSUE (4/4)

Terms	Particulars
Description regarding security	<ul style="list-style-type: none"> • First pari-passu charge over all the Issuer's movable and immovable assets*, if any, both present and future, save and except Project Assets. • First pari-passu charge by way of assignment or creation of Security Interest on all the rights, title, interest, benefits, claims, and demands. • First pari-passu charge/assignment of all the receivables/ revenues/Annuity of the Issuer from the Project. • First pari-passu charge on escrow arrangement to meet debt serviceability. <p>Any additional security other than those mentioned herein above offered by Issuer to other long-term lenders of the project (in case of pari-passu charge) shall also be available to the Bondholder(s).</p> <p>The issuer shall maintain a minimum security coverage ratio of 1 on the outstanding principal of the NCDs plus accrued interest/coupon thereon, at all times.</p>

* First pari passu charge on all the immovable property/ies of the Issuer shall be offered as security in future for securing the debentures. The Issuer on obtaining the title of immovable property/ies shall immediately inform the Trustee regarding initiation of the procedure for creation of charge and execution of the required documents. The Issuer undertakes that while creating charge on immovable properties in future, the Issuer shall submit all the requisite documents as demanded by the Trustee for undertaking the due-diligence procedure as per the extant laws/regulations. The charge proposed to be created on the immovable property/ies in future shall be created within the applicable timelines as per SEBI regulations.

THANK YOU



APPENDIX A – LETTER OF COMFORT



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय, भारत सरकार)

National Highways Authority of India

(Ministry of Road Transport and Highways, Government of India)

जी-5 एवं 6, सेक्टर-10, द्वारका, नई दिल्ली - 110 075 • G-5 & 6, Sector-10, Dwarka, New Delhi-110075
दूरभाष / Phone : 91-11-25074100 / 25074200



Letter of Comfort

Dt 10-11-2023

To,

All the Bondholders

Sub: Letter of comfort for fund raising by DME Development Limited (DMEL) by way of issuance of Non-Convertible Debentures ('Bonds') for the execution of the Delhi – Mumbai Expressway Project.

Dear Sir/Ma'am,

The Delhi – Mumbai Expressway ("DME" or "Project") is one of the flagship highway projects currently being executed by National Highways Authority of India ("NHAI"). DME Development Limited ("Borrower" or "DME SPV"), is a Special Purpose Vehicle (SPV) which has been incorporated as a 100% owned entity of NHAI to undertake the financing and development of DME. The DME SPV shall undertake the financing and development of DME in accordance with the provisions of the Concession Agreement executed between the DME SPV and NHAI ("Concession Agreement"). The total funding requirement for the Project is estimated to be ~INR 54,000 Crores out of which DME SPV has received sanction of ~INR 29,000 Crores through Rupee Term Loan Facility from banks and raised INR 11,039 Crores through Bonds as on 30th September 2023. The DME SPV is in the process of tying up balance fund requirement and is proposing to raise part fund requirement through issuance of Bonds of INR 3,000 Crores.

The Project is of strategic importance and NHAI has been authorized by its Board of Directors vide Board resolution dated 7th July 2020 to form the DME SPV and undertake financing and development of DME. NHAI has further decided to issue this Letter of Comfort to express its commitment to make the Project successful and support DME SPV as the Borrower, for raising funding for the Project and servicing thereof.

- NHAI has 100% shareholding in DME SPV with voting rights. NHAI shall not dilute its shareholding below 51% of the voting rights, till the Bonds issued by DME SPV is fully repaid, without prior permission in writing of the Bondholders.
- As mentioned hereinabove, the total funding requirement for the DME Project is estimated to be ~INR 54,000 Crores. Estimated year wise funding requirement for the Project is given below:

Particulars	Year 1 (FY 20-21)	Year 2 (FY 21-22)	Year 3 (FY 22-23)	Year 4 (FY 23-24)	Total (INR Crores)
Capex Phasing	10,813	13,901	11,600	17,535	53,849

The funding requirement is proposed to be funded through a mix of equity and debt from the lenders in the ratio of 1:9.

- NHAI shall aim to maintain the debt equity ratio of DMEDL at 9:1 by infusing further equity in the subsequent years. The corresponding fund requirements for FY 23-24, is proposed to be raised through a mix of debt from banks, and other sources outside banking system (including LIC, mutual funds, insurance companies, pension funds, multilateral funding agencies, foreign lenders etc.). In case of any shortfall in the funding plan for any corresponding year, the same shall be arranged by NHAI through equity infusion by NHAI and/or term loan facility(ies) from within or outside the banking system.

It is in the interest of NHAI to ensure that DME SPV meets its payment obligations in respect of interest and repayment of instalments of the borrowed funds, on due dates to the lenders. NHAI shall continue to extend its support by making periodic Annuity payments to DME SPV for meeting the debt servicing obligation of DME SPV.

- In respect of the above, NHAI shall undertake all reasonable actions for maintaining the designated Escrow Account held with a scheduled commercial bank (DME SPV Bond Servicing Account) which is created exclusively for the benefit of Bondholders which shall act as the Lender(s) to DME SPV. DME SPV Bond Servicing Account shall be funded by NHAI at least 1 (one) business day prior to the due date for the repayment of respective instalment in accordance with the provisions of the Debenture Trust Deed/ Escrow Agreement.
- The debt service obligations of NHAI towards the Bondholders shall remain in full force and effect so long as any sum remains to be advanced or is outstanding from the DME SPV in respect of the monies received by it from Bondholders, notwithstanding the termination of the Concession Agreement.

The Letter of Authorization dated 04.03.2022 in favour of the authorised signatory of NHAI, in this regard is attached.

This letter may be treated as "Letter of Comfort" from NHAI to facilitate the issuance of Bonds of INR 3,000 Crores through private placement of Bonds under the trusteeship of SBI CAP Trustee Company Ltd. for the DME SPV.

The Letter of Comfort is irrevocable & unconditional and shall remain operative till the Bonds issued by DME SPV is fully repaid.

Thanking you,

Yours faithfully,


B. M. Rao 
Chief General Manager (Finance)
National Highways Authority of India (NHAI)
G-5 & 6, Sector-10, Dwarka, New Delhi-110075

Cc to: Compliance Officer, SBICAP Trustee Company Limited, Mumbai

APPENDIX B – PACKAGE WISE FINANCIAL PROGRESS (1/2)

DELHI – VADODARA SECTION

#	State	Length (km)	Status	Concessionaire	Financial progress (%)
1.	Haryana	18	Completed	M/s APCO Infratech Pvt. Ltd.	99.0%
2.	Haryana	29	Completed	M/s APCO Infratech Pvt. Ltd.	95.5%
3.	Haryana	32	Completed	M/s Centrodorstroy India Pvt. Ltd	97.7%
4.	Rajasthan	37	Completed	M/s H.G. Infra Engineering Limited	100.0%
5.	Rajasthan	36	Completed	M/s KCC Buildcon Pvt. Ltd.	100.0%
6.	Rajasthan	31	Completed	M/s KCC Buildcon Pvt. Ltd.	99.1%
7.	Rajasthan	31	Completed	M/s Gawar Constructions Ltd.	99.4%
8.	Rajasthan	33	Completed	M/s H.G. Infra Engineering Limited	97.8%
9.	Rajasthan	46	Under Construction	M/s H.G. Infra Engineering Limited	97.9%
10.	Rajasthan	26	Under Construction	M/s Dhaya Maju Infrastructure (Asia) Sdn. Berhad - Crescent EPC Projects & Technical Services Ltd.	70.1%
11.	Rajasthan	12	Under Construction	M/s Larsen & Toubro Ltd.	93.4%
12.	Rajasthan	28	Under Construction	M/s G R Infraprojects Limited	76.8%
13.	Rajasthan	29	Under Construction	M/s CDS Infra Projects Limited	74.9%
14.	Rajasthan	31	Under Construction	M/s Dhaya Maju Infrastructure (Asia) Sdn. Berhad - Crescent EPC Projects & Technical Services Ltd.	63.7%
15.	Rajasthan	8	Under Construction	M/s Dilip Buildcon Ltd – M/s Altis Holding Corporation	35.5%
16.	Rajasthan	25	Under Construction	M/s Dineshchandra R. Agrawal Infracon Pvt. Ltd.	85.2%
17.	Madhya Pradesh	32	Completed	M/s JiangXi Construction Engineering (Group) Corporation Ltd. - MKC Infrastructure Ltd. (JV)	98.1%
18.	Madhya Pradesh	33	Completed	M/s G R Infraprojects Limited	98.2%
19.	Madhya Pradesh	30	Completed	M/s JiangXi Construction Engineering (Group) Corporation Ltd. - MKC Infrastructure Ltd. (JV)	93.6%
20.	Madhya Pradesh	25	Completed	M/s GHV (India) Pvt Ltd.	99.5%
21.	Madhya Pradesh	30	Completed	M/s G R Infraprojects Limited	99.2%
22.	Madhya Pradesh	25	Completed	M/s Larsen & Toubro Ltd.	100.0%
23.	Madhya Pradesh	25	Completed	M/s G R Infraprojects Limited	97.9%
24.	Madhya Pradesh	21	Completed	M/s G R Infraprojects Limited	99.7%
25.	Madhya Pradesh	23	Completed	M/s G R Infraprojects Limited	99.1%
26.	Gujarat	30	Under construction	M/s Atlas Construction Pvt. Ltd. - NKC (JV)	22.4%
27.	Gujarat	29	Under construction	M/s GHV (India) Pvt Ltd	37.6%
28.	Gujarat	26	Under Construction	M/s GHV (India) Pvt Ltd	48.3%
29.	Gujarat	23	Completed	M/s PNC Infratech Pvt. Ltd.	98.6%
30.	Gujarat	22	Under Construction	M/s Patel Infrastructure Limited	50.9%
31.	Gujarat	19	Under Construction	M/s PNC Infratech Pvt. Ltd.	82.4%

APPENDIX B – PACKAGE WISE FINANCIAL PROGRESS (2/2)

VADODARA - MUMBAI

#	State	Length (km)	Status	Concessionaire	Financial Progress (%)
1.	Gujarat	24	Completed	M/s IRB Infrastructure Developers Ltd.	100.0%
2.	Gujarat	32	Completed	M/s IRCON International Limited	100.0%
3.	Gujarat	31	Completed	M/s Patel Infrastructure Limited	99.3%
4.	Gujarat	13	Completed	M/s Ashoka Buildcon Limited	97.1%
5.	Gujarat	25	Under Construction	M/s Sadbhav Engineering Pvt. Ltd.	31.6%
6.	Gujarat	37	Under Construction	M/s G R Infraprojects Limited	44.8%
7.	Gujarat	28	Under Construction	M/s IRB Infrastructure Developers Ltd.	42.0%
8.	Gujarat	35	Under Re-bidding	-	-
9.	Gujarat	27	Under Re-bidding	-	-
10.	Gujarat	25	Under Construction	M/s Roadway Solutions India Infra Ltd.	7.6%
11.	Maharashtra	26	Under Construction	M/s RKC Infrabuilt Private Ltd.	38.9%
12.	Maharashtra	26	Under Construction	M/s Montecarlo Limited	33.2%
13.	Maharashtra	27	Under Construction	M/s G R Infraprojects Ltd.	38.2%
14.	Maharashtra	17	Under Construction	M/s IRCON International Limited	14.9%
15.	Maharashtra	23	Under Construction	M/s Agroh Infrastructre & Developer Pvt. Ltd.	13.5%
16.	Maharashtra	27	Under Construction	M/s Shivalaya Construction Ltd.	22.3%
17.	Maharashtra	10	Under Construction	M/s IRCON International Limited	11.2%