



DME Development Limited

(A Wholly Owned Entity of NHAI)

NHAI Corporate Office, Plot G -5 &6, Sector – 10, Dwarka, New Delhi – 110075

CIN : U45202DL2020GOI368878 / PH : 011- 25074100 / 25074200,

Date: 01.08.2022

To,

National Stock Exchange of India Ltd.
Exchange Plaza
Plot no. C/1, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

Sir/Madam,

Subject: Outcome of Board Meeting held on 01st August, 2022 – Audited Financial Results for the year ended 31st March, 2022

Pursuant to Regulation 52 of SEBI (LODR) Regulations, 2015, please find enclosed the following:

1. Audited Financial Results for the year ended 31st March, 2022 as per format prescribed under SEBI (LODR) Regulations, 2015.
2. Auditor's Report on Audited Financial Results for the year ended 31st March, 2022.

We hereby submit that Auditor's has given unmodified opinion in its report for the year ended 31st March, 2022.

The Board Meeting commenced at 2.10 P.M. and concluded at 2.30 P.M.

Requesting you to take note of the same and update your records.

Thanking you,

For DME Development Limited


(Prachi Mittal)
Company Secretary

Financial results for the year ended 31st March' 2022
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	3 months ended 31.03.2022	Precedding 3 months ended 31.03.2022	Corresponding 3 months ended 31.03.2021	For the year ended	For the period ended
				31st March 2022	31st March 2021
	Audited	Audited	Audited	Audited	Audited
REVENUE				-	-
Revenue from operations				-	-
Other Revenue				-	-
Total Revenue				-	-
EXPENSES				-	-
Employees benefits expense				-	-
Financial costs				16.64	-
Administrative expenses				-	275.01
Other expenses				16.64	275.01
Total Expenses				(16.64)	(275.01)
Profit/(Loss) before exceptional items & tax					
Tax expenses					
Current tax				4.33	71.50
Deferred tax				4.33	71.50
Net Tax Expenses					
				(12.31)	(203.51)
Profit/(Loss) for the period (A)					
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent					
Re-measurement (losses)/gains on defined benefit plans				-	-
Income tax effect				-	-
Net other comprehensive income not to be reclassified to profit or					
				(12.31)	(203.51)
Total comprehensive income/deficit for the period (A+B)					
				(12.31)	(203.51)
Profit/(Loss) for the period attributable to:					
Equity holders				(12.31)	(203.51)
Total comprehensive income for the period, net of tax attributable					
Equity holders				(12.31)	(203.51)
Earnings per equity share (of INR 100/- each):					
(1) Basic (absolute value in INR)				(0.01)	(5.21)
(2) Diluted (absolute value in INR)				(0.01)	(5.21)

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DME DEVELOPMENT LIMITED

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

CIN: U45202DL2020GOI368878

Statement of Assets and Liabilities
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at	
	31st March 2022	31st March 2021
	Audited	Audited
I ASSETS		
Non-current assets		
Property, plant and equipment	22,87,399.57	9,89,074.00
Capital work in progress - Intangible Assets	-	-
Other intangible assets	-	-
Financial assets	-	-
(i) Other financial assets	-	-
Non-current tax assets (net)	75.83	71.50
Deferred tax assets (net)	-	-
Other non-current assets	-	-
Total non-current assets	22,87,475.39	9,89,145.50
Current assets		
Financial assets	9,198.68	1,06,148.27
(i) Cash and cash equivalents	-	-
(ii) Other financial assets	1,79,273.11	-
Other current assets	-	-
Total current assets	1,88,471.79	1,06,148.27
Total Assets	24,75,947.18	10,95,293.77
II EQUITY AND LIABILITIES		
Equity		
Share capital	3,13,300.00	1,08,200.00
Other equity	(215.82)	(203.51)
Share application pending allotment	-	-
Total equity	3,13,084.18	1,07,996.49
LIABILITIES		
Non-current liabilities		
Financial liabilities	21,58,099.00	9,73,099.89
(i) Borrowings	-	-
(ii) Other financial liabilities	-	-
Other non-current liabilities	-	-
Total non-current liabilities	21,58,099.00	9,73,099.89
Current liabilities		
Financial liabilities	110.59	14,082.28
(i) Trade payables	4,318.84	-
(ii) Other financial liabilities	334.58	115.11
Other current liabilities	-	-
Total current liabilities	4,764.01	14,197.40
Total equity and liabilities	24,75,947.18	10,95,293.77
	(0.00)	-




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

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

	Particulars	For the year ended	For the period ended
		31 March 2022	31 March 2021
A	Cash flow from operating activities		
	Profit before income tax	(16.64)	(275.01)
	Depreciation	-	-
	Operating cash flows before working capital changes	(16.64)	(275.01)
	Movements in working capital :		
	(Increase)/decrease in other current asset	(1,79,273.11)	-
	(Increase)/decrease in other financial asset	-	-
	(Increase)/decrease in other non current asset	-	-
	Increase/(decrease) in financial liabilities	4,318.84	-
	Increase/(decrease) in other current liabilities	219.46	115.11
	Increase/(decrease) in other non current liabilities	-	-
	Increase/(decrease) in trade payables and financial liabilities	(13,971.69)	14,082.28
	Cash generated from operations	(1,88,723.13)	13,922.38
	Income taxes paid	-	-
	Net cash flow from operating activities (A)	(1,88,723.13)	13,922.38
B	Cash flow from investing activities:		
	Proceeds from sale of property, plant and equipment, including intangible assets and CWIP	-	-
	Addition in CWIP	(12,98,325.57)	(9,89,074.00)
	Capital grant received	-	-
	Change in Fixed Assets	-	-
	Net cash flow (used in) investing activities (B)	(12,98,325.57)	(9,89,074.00)
C	Net cash flow from financing activities:		
	Borrowings during the period	11,84,999.11	9,73,099.88
	Change in Share Capital	2,05,100.00	1,08,200.00
	Share issue expenses paid	-	-
	Change in share application Money	-	-
	Net cash flow (used in) in financing activities (C)	13,90,099.11	10,81,299.88
D	Net Increase /(decrease) in cash and cash equivalents (A + B + C)	(96,949.60)	1,06,148.27
	Effect of exchange differences on cash and cash equivalents held in foreign currency	-	-
E	Cash and cash equivalents at the beginning of the year	1,06,148.27	-
F	Cash and cash equivalents at the end of the year	9,198.68	1,06,148.27
G	Net Increase/ (Decrease) in cash and cash equivalents	(96,949.59)	1,06,148.27

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

Persuant to Regulation 52(4) of SEBI Regulations, 2015

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

(All amounts in INR Lakhs, unless otherwise stated)

21. RATIOS	F.Y 2021-22	F.Y 2020-21	Remarks
a) Current Ratio	<u>188,472</u> 4,764 40	<u>106,148</u> 14,197 7	Current ratio is increased as compared to previous year due to Balances with NHAI for construction, In the Previous Year, it was Payable of Rs. 14,043.15 Lakhs while, in Current year, it is advance (receivable) of Rs. 1,78,620.14 Lakhs.
b) Debt Equity Ratio	<u>2158098.995</u> 313084.1772 6.89	<u>973099.8897</u> 107996.4893 9.01	Debt Equity ratio is decrease as compare to previous year, due to increase in Share capital of Rs. 205100 Lakhs.
c) Debt Service Coverage ratio	NIL	NIL	
d) Return on Equity Ratio	NIL	NIL	
e) Inventory Turnover ratio	NIL	NIL	
f) Trade receivables turnover ratio	NIL	NIL	
g) Trade payables turnover ratio	NIL	NIL	
h) Net Capital turnover ratio	NIL	NIL	
i) Net profit ratio	NIL	NIL	
j) Return on Capital employed,	NIL	NIL	
k) Return on Investment	NIL	NIL	
L) Interest Service coverage ratio	NIL	NIL	
m) outstanding redeemable preference shares	NIL	NIL	
n) capital redemption reserve/debenture redemption reserve	NIL	NIL	Ddebenture Redemption Fund is required to be created by the company, but due to insufficient profit, no fund is transferred to it during the year.
o) Net worth (Amount In Lakhs)	313084.18	107996.49	Net Worth of company has increased from 107996.49 Lakhs to 313084.18 Lakhs in F.Y 2021-22.
p) earnings per share	(0.01)	(5.21)	Due to loss, Company EPS is Negative.
q) long term debt to working capital;	<u>2158098.995</u> 183707.7761 11.75	<u>973099.89</u> 91950.88 10.58	Loag term debt has increased as compare to working capital from 10.58 times to 11.75 times in F.Y 2021-22

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r)bad debts to Account receivable ratio;	NIL	NIL	
s) current liability ratio;	<u>4,764</u> 188,472 0.03	<u>14,197</u> 106,148 0.13	Current liability is decline as compare to previous year
t) total debts to total assets;	<u>2158098.995</u> 2475947.181 0.87	<u>973099.8897</u> 1095293.774 0.89	
u) debtors turnover	NIL	NIL	
v) inventory turnover	NIL	NIL	
w) Operating margin (%)	NIL	NIL	
x) Net profit margin (%)	NIL	NIL	
y) sector specific equivalent ratios, as applicable	NIL	NIL	

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

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Independent Auditor's Report

To the Members of
DME DEVELOPMENT LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion:

We have audited the Standalone Financial Statements of DME DEVELOPMENT LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March' 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act' 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March' 2022, and its Loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year end on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	Auditor's Response
1	Capital Work in Progress (classified under Intangible assets in the balance sheet)	The company was setup by NHAI as 100% subsidiary company as an SPV on 29.08.2020 to Promote, Develop, Survey, Establish, Design, Construct, Equip, Operate, Maintain, Modify and Upgrade Infrastructure facilities and works in relation to the Delhi-Mumbai Expressway. As per Concession Agreement dated 05.02.2021, the company has concession rights for 20 years. As such, company has rights on the Delhi-Mumbai Express Way (physical asset of the GOI) for recovery of its debts including interest & other incidental expenses by way of annuity from NHAI, which shall be fixed after completion of the project. The construction is underway on all the stretches of the project and not yet completed. Thus the cost of construction is classified as CWIP (Intangible Asset) in the financial statements of the company. We have obtained copies of Concessionaire Agreement, Implementation Agreement, statement of Account code 4205 in which cost of construction is accounted for by the NHAI, project status report as on 31.03.2022 and balance confirmations from the NHAI.
2	Revenue Recognition	The Company has an assured right to receive annuities as per the concession agreement dated 05.02.2021 from NHAI, however such annuities are to be scheduled for payment after the completion of the project. Right of the concessionaire (i.e. DME SPV) gets the right, license, authority to construct, operate, manage, and maintain the DME project for construction period: 3 years and operation & maintenance period 17 years. Thus, the right to earn annuity by the company under Concession Agreement shall commence on or after completion of Delhi-Mumbai Expressway. We have obtained copies of concessionaire agreement, status of project report. Quantum of annuity shall be decided mutually by the company and NHAI on the completion of project to repay all debts (including interest accrued thereon) as per repayment schedules and other administrative & other incidental expenses incurred or to be incurred.
3	Pre-operative expenses	Since the sole objective of the company is to arrange funds and provide it to NHAI for construction of Delhi-Mumbai Expressway (DME). Thus, all borrowing cost like interest (net of interest received on temporary liked deposits with various banks), loan processing charges, legal & professional charges and other incidental charges incurred in such borrowings are transferred to Pre-Operative Expenditure for capitalization to the project. We have verified all vouchers, invoices, memos and other relevant documentary evidences to establish the link of expenses to borrowings for the project.
4	Borrowings from banks and Non-Convertible, Non-Cumulative Taxable Bonds issued to QIBs	The company has no tangible assets to pledge against such borrowing as on date. These borrowings are obtained / secured against letter of comfort issued by the NHAI. In the absence of tangible security, these are classified as unsecured borrowings. We have obtained copies of Letter of Comfort issued by the NHAI & sanction letters issued by all banks describing all requisite terms & conditions, Board resolution for authorizing officials to get such loans and Private Placement Memorandum of Information and documents relating to various compliance with various agencies for listing of bond/debenture etc.

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

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

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

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

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

Emphasis of Matter:

We draw attention to Note No 29 (iii) & (vi) of the financial statements, which indicate towards contingent liability for penalty due to delay in appointment of Independent Director u/s 149 and formation of Audit Committee u/s 177 of the Companies Act' 2013 and delay in filing of Statement of Financial Transactions (SFT Returns) annually u/s 285BA of the Income Tax Act, 1961 for the financial year 2020-21 & 2021-22. However, our opinion is not modified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, comprehensive income, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards (Ins AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 vide Order No S.O.849(E) dated 25.02.2020 (CARO 2020) supersedes CARO, 2016, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of section 143(5) of the Companies Act, on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the '**Annexure B**' on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - e) Being a Government company pursuant to the Notification No. GSR 463(E) dated 5.6.2015 as amended by Notification No. GSR 582(E) dated 13.06.2017, Notification No. GSR 802(E) dated 23.02.2018 and Notification No. GSR 151(E) dated 2.3.2020 issued by the Ministry of Corporate Affairs, Government of India, provision of section 164(2) of the Act are not applicable to the company.
 - f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure C**'.
 - g) As per Notification No. GSR 463(E) dated 5.6.2015 as amended by Notification No. GSR 582(E) dated 13.06.2017, Notification No. GSR 802(E) dated 23.02.2018 and Notification No. GSR 151(E) dated 2.3.2020 issued by the Ministry of Corporate Affairs, Government of India, provision of section 197 of the Act are not applicable to the Government Company. Accordingly reporting in accordance with the requirements of Sec 197(16) of the Act as amended, is not required.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the company.
4. In response to issues raised by the Indian Audit & Accounts Department, Office of the Director General of Audit (Infrastructure) on the financial statements of the company for the period ended 31st March 2021 vide their C&AG letter No PDA/Infra/IHQ-IV/38-3/2020-21/313 dated 07.01.2022 and C&AG letter No PDA/Infra/IHQ-IV/38-3/2020-21/651 dated 28.01.2022, the management of the company has clarified on such deficiencies in the board meeting held on 03.03.2022 which is approval by shareholders in their annual general meeting held on 28.03.2022.
5. (a) Refer Point No 29(i),(ii)&(vi) in the financial Notes, regarding delay in appointment of Chief Financial Officer (CFO) in compliance with section 203 of the Companies Act 2013, and payment of undisputed statutory liabilities of Rs 313.20 lakhs towards stamp duty payable on share certificate and delay in appointment of the whole time company secretary u/s 203 of the Companies Act' 2013 on 23.06.2022, 01.06.2022 & 01.06.2022 respectively after the balance sheet date.

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

Place: New Delhi
Date: 01.08.2022
UDIN:

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

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DN: cn=HARBEEER SINGH, c=IN,
ou=HARBEER SINGH, st=UTTAR
PRADESH, o=Personal
serialNumber=2592942143e73e06e7
b6e92b4505607a93a27374e4e400
e9246b178977054
Date: 2022.08.01 14:12:25 +05'30'

Harbeer Singh, FCA
(Partner)
Membership No. 093542

Annexure 'A'

The Annexure referred to in paragraph 1 of Our Report of even date on "Other Legal and Regulatory Requirements" to the members of DME Development Limited on the standalone Financial Statements for the year ended 31.03.2022

We report that:

i.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are of the opinion that the company has no fixed asset except capital work in progress.

Hence report under clause (a) on requirement of proper records showing full particulars, including quantitative details and situation of its Property Plant & Equipment is not applicable.

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

Since the company has no immovable property, hence comment on clause 'c' is not required.

No Property Plant & Equipment is revalued during the period, hence comment on clause (d) is not required.

As per information and explanation given to us, no proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 and rules made there-under.

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

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

Hence, the company is not holding any type of inventory, thus no working capital limit is sanctioned to the company from any bank, financial institution and comment on reconciliation between stock statements with books of accounts under clause (b) is not applicable.

iii. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not made any investment in, or provided any guarantee or security or granted any loan or advance, secured or unsecured, to any company, firm, Limited Liability Partnership or other party listed in the register maintained under Section 189 of the Companies Act, 2013. Hence comments on the provisions of clause iii 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the order are not required.

iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 is not applicable to the company vide Notification No. GSR 151(E) dated 2.3.2020, being a government company.

- v. The company has not accepted any deposit from the public covered under sections 73 to 76 of the Companies Act, 2013 and rules made there-under. According to information and explanation received by us from the management of the company, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Hence comment on maintenance of records is not required.
- vii. a. According to the records of the company, undisputed statutory dues including Goods & Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authority to the extent applicable, have been generally deposited. According to the information and explanations given to us, there were no outstanding statutory dues as on 31st March' 2022 for a period of more than six months from the date they became payable, except:

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

- (b) According to the information and explanations given to us, there is no amount payable in respect of Goods & Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to it but not deposited on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) In our verification of books and according to the information and explanations given to us by the management, we are of the opinion that, the company has not defaulted in repayment of loans or other borrowings or in the repayment of interest thereon to any lender during the year.

As per information given to us in response to clause (b), the company is not declared as willful defaulter by any bank or financial institutions or any other lender.

As per our examination of records and information / explanation given to us by the management in response to clause ©, all terms loans taken by the company are applied for the purpose (end-use) for which these were obtained.

On the examination of books of accounts and information / explanation given to us by the management in response to clause (d), the company has not raised any short loan during the year. Hence utilization of short-term loan for long term purposes does not arise. The company has obtained various long-term loans from various banks and has issued non-convertible non-cumulative taxable bonds / debentures to various financial institutions and utilized the same for long term purpose only for the construction of Delhi-Mumbai-Expressway (DME). Hence no diversion of fund is observed during the year.

As per records produced and information available to us, the company has no subsidiary, associate company or joint venture during the year. Hence comments on clause (e) for taken loan from such entities & clause (f) for raising loans on the pledging of securities of such entities are not required.

- (x) Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments). Hence comment on utilization of fund is not required. According to the information & explanation given by the management and records examined by us, the company has raised money of Rs 6,850.00 crores by way of term loans from banks which have been applied for the purpose for which they were obtained during the year.

The company has made preferential allotment on the basis of right issue of Rs 2,051.00 crores on 25.08.2021 during the year in addition to earlier allotments of equity shares of Rs 1082.00 crores of the company in the previous period and the requirement of section 42 and 62 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.

The company has not raised any money by way of fully or partly convertible debentures during the year under review but it has raised the sum of Rs 5,000.00 crores by way of issuing non-convertible non-cumulative taxable bonds / debentures of Rs 5,000.00 crore to various QIBs and utilized the same for long term purpose only for the construction of Delhi-Mumbai-Expressway (DME). Hence no diversion of fund is observed during the year.

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
(c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company
- (xii) The company is not a nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are made with NHAI and the company is wholly owned subsidiary company of NHAI. However, the company has not formed an audit committee in compliance of section 177 of the Companies Act, 2013 till date. Thus, transactions are in compliance with sections 177(4)(iv) and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable Indian Accounting Standards (Ind AS 24).
- (xiv) The company has appointed an Internal Auditors - M/s Manish Brij Garg & Co, Chartered Accountants (an external professional firm) in compliance of section 138 of the Companies Act, 2013. According to the size and nature of the business of the company, internal audit system is commensurate. Internal auditors have issued their half yearly reports, which are duly considered by us in our report.
- (xv) The company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) On the basis of verification of records and information & explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Since the company is not a Core Investment Company (CIC), hence comments on clause (b), (c) and (d) are not required.
- (xvii) Since the company is pursuing only a single project (i. e. Delhi-Mumbai-Expressway) which is under construction, thus all direct expenditures are capitalized by the company. The company has incurred cash loss of Rs 16.64 lakhs during the year on account of normal expenses incurred and immediately financial period Rs Nil.
- (xviii) There is no resignation of the statutory auditors of the company during the year under report, hence comment under this clause is not required.

- (i) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, concession agreement and implementation agreements executed between the company and NHAI and letter of comfort provided by NHAI to all lender institutions, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xix) On the basis of records of the company, we report that the provisions of Corporate Social Responsibility (CSR) are applicable to the company from the financial 2021-22 being having net worth over and prescribed limits u/s 135 of the Companies Act, 2013, since the average profit in three preceding financial years is Rs Nil, hence comments on clause (b) is not required. However, the company has not formed CSR Committee in compliance of the provisions of section 135 of the Companies Act' 2013 till date.
- (xx) As per verification of records of the company, it is a wholly owned (SPV) of National Highway Authority of India (NHAI) and it has no subsidiary, associate or joint venture as on date. Thus, the company is not required to prepare Consolidate financial statement hence this clause is not applicable.

Place: New Delhi
Date: 01.08.2022
UDIN:

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

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Digitally signed by HARBEER SINGH
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Harbeer Singh, FCA
(Partner)
M. No. 093542

Annexure 'B'

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of DME DEVELOPMENT LIMITED on the Standalone Financial Statements for the year ended 31st March' 2022

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>As per information & explanation given to us, the company has a system in place to process all the accounting transactions through IT system in TALLY- ERP has been implemented for processing of all financial accounting transactions. In addition to above, a common online system – namely common platform of NHAI known as Accounting & Finance Management System (AFMS) provided by NHAI to the company for Online approval of each & every e-office resolution / document & noting the requisite information on time, is used.</p> <p>Based on the audit procedures carried out and as per information & explanation given to us, no accounting transaction has been processed / carried outside IT system. Accordingly, there is no implication on the integrity of the accounts.</p>	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	<p>Based on the audit procedures carried out and as per information & explanation given to us, there was no restructuring of existing loan, waiver, write off of any debt, loan, interest etc. made by the lender to the company due to inability of the company to repay the loan.</p>	Nil