



DME Development Limited

(A Wholly Owned Entity of NHAI)

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

CIN : U45202DL2020GOI368878

PH : 011-25074100/25074200

Email: prachimittal.dme@nhai.org

Website: www.dmedl.in

Date: 09.08.2023

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 09th August, 2023 and change in directorship

Pursuant to Regulation 51(2) SEBI (LODR) Regulations, 2015, please find enclosed the following:

1. Unaudited Financial Results along with Limited Review Report for the quarter ended 30th June, 2023 as per format prescribed under SEBI (LODR) Regulations, 2015.(Annexure -I)
2. Audited Financial Statements along with Auditor's Report with unmodified opinion for the period ended 31.03.2023. (Annexure-II)
3. Cessation of Sh. Manoj Kumar (DIN : 08854382) from Directorship w.e.f 09.08.2023.

The Board Meeting commenced at 12.00 P.M. and concluded at 12.20 P.M.

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

Thanking you,

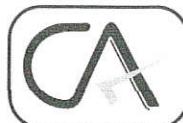
For DME Development Limited

Prachi Mittal

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by Prachi Mittal
Date:
2023.08.09
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**(Prachi Mittal)
Company Secretary**

Singh Harbeer & Associates
Chartered Accountants



7, LGF, Shrestha Vihar, Delhi
110092, Ph. No. # 9910844007,
9910339697, 011-43023197,
011-45840062, URL:casha.in,
Email id: hsfcaDELHI@casha.in,
hsfcaDELHI@gmail.com

Review Report on financial results of M/s DME Development Limited, Pursuant to the regulations 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 for the Quarter Ended 30th June' 2023

To,
The Board of Directors,
M/s DME Development Limited

We have reviewed the accompanying statement of unaudited standalone financial results of DME Development Limited ("the Company") for the quarter ended 30th June' 2023 ("the Statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. It has been prepared in accordance with the recognitions and measurement principles laid down in the Indian Accounting Standard (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act' 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditors of the entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



Singh Harbeer & Associates
Chartered Accountants



7, LGF, Shrestha Vihar, Delhi
110092, Ph. No. # 9910844007,
9910339697, 011-43023197,
011-45840062, URL:casha.in,
Email id: hsfcadelhi@casha.in,
hsfcadelhi@gmail.com

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and measurement principles laid down in applicable Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act' 2013 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 including the manner in which it is to be disclosed or that it contains any material mis-statement.

**For Singh Harbeer & Associates
Chartered Accountants
Firm Registration No. 017247N**



(CA Shambhu Nath Sharma)

Partner

Membership No. 097334

Place: New Delhi

Dated: 07.08.2023

UDIN: 23097334BGXCEO9370

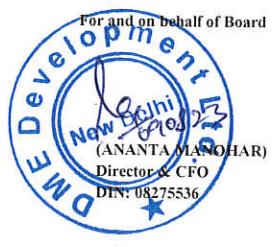
DME DEVELOPMENT LIMITED

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

CIN: U45202DL2020GOI368878

STATEMENT OF UNAUDITED STANDALONE FINANCIALS RESULTS FOR THE QUARTER ENDED JUNE 30, 2023
(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | Note No. | Quartered ended | | | Year ended | For the year ended |
|--|----------|-----------------|-----------------|----------------|-----------------|--------------------|
| | | 30th June 2023 | 31st March 2023 | 30th June 2022 | 31st March 2023 | 31st March 2022 |
| REVENUE | | | | | | |
| Revenue from operations | 14 | - | - | - | - | - |
| Other Revenue | 14 | - | - | - | 10.00 | - |
| Total Revenue | | - | - | - | 10.00 | - |
| EXPENSES | | | | | | |
| Employees benefits expense | 15 | 3.00 | - | - | 6.10 | - |
| Financial costs | 16 | - | - | - | - | - |
| Administrative expenses | 17 | 10.74 | 21.51 | 7.13 | 39.10 | 16.64 |
| Other expenses | 18 | - | - | - | - | - |
| Total Expenses | | 13.74 | 21.51 | 7.13 | 45.20 | 16.64 |
| Profit/(Loss) before exceptional items & tax | | (13.74) | (21.51) | (7.13) | (35.20) | (16.64) |
| Tax expenses | | | | | | |
| Current tax | 19 | 3.57 | 5.59 | 1.86 | 9.15 | 4.33 |
| Deferred tax | 19 | 3.57 | 5.59 | 1.86 | 9.15 | 4.33 |
| Net Tax Expenses | | 3.57 | 5.59 | 1.86 | 9.15 | 4.33 |
| Profit/(Loss) for the period (A) | | (10.17) | (15.92) | (5.27) | (26.05) | (12.31) |
| Other comprehensive income | | | | | | |
| Items that will not be reclassified to profit or loss in subsequent years | | | | | | |
| Re-measurement (losses)/gains on defined benefit plans | | - | - | - | - | - |
| Income tax effect | | - | - | - | - | - |
| Net other comprehensive income not to be reclassified to profit or loss | | - | - | - | - | - |
| Total comprehensive income/deficit for the period (A+B) | | (10.17) | (15.92) | (5.27) | (26.05) | (12.31) |
| Profit/(Loss) for the period attributable to: | | | | | | |
| Equity holders | | (10.17) | (15.92) | (5.27) | (26.05) | (12.31) |
| (10.17) | | (15.92) | (5.27) | (26.05) | (12.31) | |
| Total comprehensive income for the period, net of tax attributable to: | | | | | | |
| Equity holders | | (10.17) | (15.92) | (5.27) | (26.05) | (12.31) |
| (10.17) | | (15.92) | (5.27) | (26.05) | (12.31) | |
| Earnings per equity share (of INR 100/- each): | | | | | | |
| (1) Basic (absolute value in INR) | 20 | (0.00) | (0.01) | (0.00) | (0.01) | (0.00) |
| (2) Diluted (absolute value in INR) | 20 | (0.00) | (0.01) | (0.00) | (0.01) | (0.00) |



DME Development Limited
G-5 & 6, SECTOR-10, DWARKA, NEW DELHI-110075
CIN:U45202DL2020GOI3688878
Summary for Ratios [Regulation 52(4)]

(Amount in Lakhs)

| S.No. | Name of Ratio | Quarter ended | 30th | Quarter ended | 31st |
|-------|---|---------------|-------------|---------------|-----------|
| | | June' 2023 | (Unaudited) | March' 2023 | (Audited) |
| 1 | Debt-equity ratio | 7.14 | | 7.27 | |
| 2 | debt service coverage ratio | Nil | | Nil | |
| 3 | interest service coverage ratio | Nil | | Nil | |
| 4 | outstanding redeemable preference shares (quantity and value) | Nil | | Nil | |
| 5 | capital redemption reserve/debenture redemption reserve | Nil | | Nil | |
| 6 | net worth | 453,147.96 | | 439,158.56 | |
| 7 | net profit after tax | -10.17 | | -15.92 | |
| 8 | earnings per share | - | | - | |
| 9 | current ratio | 0.03 | | 8.62 | |
| 10 | long term debt to working capital | Nil | | Nil | |
| 11 | bad debts to Account receivable ratio | Nil | | Nil | |
| 12 | current liability ratio | 37.07 | | 0.12 | |
| 13 | total debts to total assets | 0.85 | | 0.88 | |
| 14 | debtors turnover | Nil | | Nil | |
| 15 | inventory turnover | Nil | | Nil | |
| 16 | Operating margin (%) | Nil | | Nil | |
| 17 | Net profit margin (%) | Nil | | Nil | |
| 18 | sector specific equivalent ratios, as applicable | NA | | NA | |

For and on behalf of the Board



(ANANTA MANOHAR)
Director & CFO
DIN: 08275536

**SINGH HARBEER & ASSOCIATES
CHARTERED ACCOUNTANTS**

7, LGF, Master Somnath Marg, Shrestha Vihar, East Delhi-0092.
Phone Nos:(off): 011-43023197, 45840062,
Mobile: 9910844007, 9910339697, Email id: hscadelhi@gmail.com

To,
Stock Exchange

Independent Statutory Auditor's Certificate in respect of listed debt Securities of DME Development Limited

We understand that DME Development Limited (CIN: U45202DL2020GOI368878) ("the Company") having its registered office at G-5 & 6, Sector-10, Dwarka, New Delhi-110075, India is required to obtain a certificate with respect to Security Cover provided as security in respect of listed secured debt securities of the Company as on 30th June' 2023 and compliance with respect to financial covenants of the listed debt securities for quarter ending 30th June' 2023 in terms of Requirements of Regulation 54 read with Regulation 56 (1) (d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("LODR Regulations") and SEBI (Debenture Trustees) Regulations, 1993 as amended ("DT Regulations").

Management's Responsibility

The Company's Management is responsible for ensuring that the Company complies with the LODR Regulations and DT Regulations. Further the Company is also responsible to comply with the requirements of Debenture Trust deed executed with respective Debenture Trustee.

Auditor's Responsibility

Our responsibility is to certify the Security Cover for the assets provided as security in respect of listed secured debt securities of the Company as on 30th June' 2023 based on the financial statements and compliance with respect to financial covenants of the listed debt securities for quarter ending 30th June' 2023, as specified in SEBI Circular No. SEBI/HO/MIRSD/MIRSD CRADT / CIR/P/2022/67 circular dated 19th May 2022.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for ethical that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on examination of books of accounts and other relevant records / documents, we hereby certify that:

- a) Security Cover Certificate in respect of listed secured debt securities of the Company as on 30th June' 2023 which is placed at **Annexure—I**.
- b) **Compliance of financial covenants of the listed debt securities:**

We have examined the compliances made by DME Development Limited in respect of the financial covenants of the listed debt securities and certify that such covenant / terms of the issue have been complied by DME Development Limited for quarter ended 30th June' 2023.

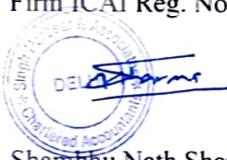


The above certificate has been given on the basis of information provided by the Management and the records produced before us for verification.

Restriction on Use

This certificate has been issued to the management of DME Development Limited to comply with requirements of LODR Regulation. Our certificate should not be used for any other purpose or by any person other than the Company and its Debenture Trustee(s). Accordingly, we do not accept or assume any liability or duty of care to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For Singh Harbeer & Associates
Chartered Accountants
Firm ICAI Reg. No. 017247N



Shambhu Nath Sharma
Partner
M. No.:097334
Place: New Delhi
Date: 07/08/2023
UDIN: 23097334BGXCEN3201

DME Development Limited

Statement of Security

Coverage Ratio as on

30.06.2023

(Amount in Crore)

| Column A | Column B | Column C | Column D | Column E | Column F | Column G | Column H | Column I | Column J | Column K | Column L | Column M | Column N | Column O |
|-------------------------------|--|--|--------------------|--|---|--|--|--|---|---|--|----------------------|----------|----------|
| Particulars | Description of Asset for which this Certificate relate | Exclusive Charge | Pari- Passu Charge | | | | Assets not offered as Security | Elimination on (amount in negative) | (Total C to H) | Related to only those items covered by this Certificate | | | | |
| | | Debt for which this certificate being issued | Other Secured Debt | Debt for which this certificate being issued | Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge | Other assets on which there is pari-Passu charge (excluding items Covered in column F) | Debt amount considered more than once (due to exclusive plus pari passu charge) | Market Value for Assets charge d on Exclusi ve Basis | Carrying /book value for exclusive assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable) | Market Value for Pari passu charge assets where market value is not ascertainable or applicable | Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable | | | |
| | | Book Value | Book Value | Yes/ No | Book Value | Book Value | | | | | | Relating to Column F | | |
| Assets | | | | | | | | | | | | | | |
| Property, Plant and Equipment | - | | | | | | | | | | | | | |
| Capital Work-in-Progress | 38157.64 | | | | 38157.64 | - | | 38157.64 | | | | 38157.64 | 38157.64 | |
| Right of Use Assets | - | | | | | | | | | | | | | |
| Goodwill | - | | | | | | | | | | | | | |
| Intangible Assets | - | | | | | | | | | | | | | |



| | | | | | | | | | | | | | |
|--|-----------------|--|--|--|--|--|--|--|--|--|--|-----------------|-----------------|
| Intangible Assets under Development | - | | | | | | | | | | | | |
| Investments | - | | | | | | | | | | | | |
| Loans (Refer Note - 9) | - | | | | | | | | | | | | |
| Trade Receivables (Refer Note -9) | - | | | | | | | | | | | | |
| Inventories | - | | | | | | | | | | | | |
| Cash and Cash Equivalents | 30.48 | | | | | | | | | | | 30.48 | 30.48 |
| Bank Balances other than Cash and Cash Equivalents | - | | | | | | | | | | | | |
| Others | - | | | | | | | | | | | - | - |
| Total | 38188.12 | | | | | | | | | | | 38188.12 | 38188.12 |
| Liabilities | | | | | | | | | | | | | |
| Debt securities to which Certificate Pertains | 11039.00 | | | | | | | | | | | | |
| Other debt sharing pari-passu charge with above debt | 21310.91 | | | | | | | | | | | | |
| other debt | - | | | | | | | | | | | | |
| Subordinated debt | - | | | | | | | | | | | | |
| Borrowings | - | | | | | | | | | | | | |
| Bank | - | | | | | | | | | | | | |
| Debt Securities | - | | | | | | | | | | | | |
| Others | - | | | | | | | | | | | | |
| Trade Payables | - | | | | | | | | | | | | |
| Lease Liabilities | - | | | | | | | | | | | | |
| Provisions | - | | | | | | | | | | | | |
| Others (Refer Note- 10) | 176.07 | | | | | | | | | | | | |
| Total | 32525.98 | | | | | | | | | | | | |
| Cover on Book Value | 1.174 | | | | | | | | | | | | |
| Cover on Market Value (Refer Note - 11) | NA | | | | | | | | | | | | |



Annexure A

Notes

- This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.
- This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C. iii This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else. No.
- This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.
- This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.
- This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.
- In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.
- Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.
- The market value shall be calculated as per the total value of assets mentioned in Column O





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' 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act' 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March' 2023, and its Loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year end on that date.

Basis for Opinion:

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

Key Audit Matters:

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



| S. No. | Key Audit Matters | Auditor's Response |
|--------|--|---|
| 1 | Capital Work in Progress (classified under (Intangible assets in the balance sheet) | The company was setup by NHAI as 100% subsidiary company as an SPV on 29.08.2020 to Promote, Develop, Survey, Establish, Design, Construct, Equip, Operate, Maintain, Modify and Upgrade Infrastructure facilities and works in relation to the Delhi-Mumbai Expressway. As per Concession Agreement dated 05.02.2021, the company has concession rights for 20 years. As such, company has 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 at the time of completion of the project. The construction is underway on all the stretches of the project and not yet completed. While the first corridor of the expressway, consisting of the 246 kms Delhi-Dausa-Lalsot section was inaugurated by the Prime Minister on 12.02.2023 during the year but final cost of its' construction is not determined till date. Thus, the cost of construction is classified as CWIP (Intangible Asset) in the financial statements of the company. We have obtained copies of Concessionaire Agreement, Implementation Agreement, statement of Account code 4205 in which cost of construction is accounted for by the NHAI, project status report as on 31.03.2023 and balance confirmations as on balance sheet date from the NHAI. |
| 2 | Revenue Recognition | The Company has an assured right to receive annuities as per the concession agreement dated 05.02.2021 from the NHAI, however such annuities are to be scheduled for payment after the completion of the project. Right of the concessionaire (i.e. DME SPV) gets the right, license, authority to construct, operate, manage, and maintain the DME project for construction period: 3 years and operation & maintenance period 17 years. Thus, the right to earn annuity by the company under Concession Agreement shall commence on or after completion of Delhi-Mumbai Expressway (i.e. 05.02.2024 after 3 years from the date of Concession Agreement dated 05.02.2021). We have obtained copies of concessionaire agreement, status of project report. Quantum of annuity is still pending and to be decided mutually by the company and the NHAI on the completion of project to repay all debts (including interest accrued thereon and other incidental expenses incurred) as per repayment schedules and other administrative expenses incurred or to be incurred. As per current status of the project, construction and annuity period may be revised mutually by the NHAI & the company in the ensuing year. |
| 3 | Pre-operative expenses | Since the sole objective of the company is to arrange funds and provide it to NHAI for construction of Delhi-Mumbai Expressway (DME) only. Thus, all borrowing cost like interest (net of interest received on temporary 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 on its completion. We have verified all vouchers, invoices, memos and other relevant documentary evidences to establish the link of expenses to borrowings for the project. |
| 4 | Borrowings from banks and Non-Convertible, Non-Cumulative Taxable Bonds issued to QIBs | The company has no tangible asset to pledge against such borrowing as on date. These borrowings are obtained / secured against letter of comfort issued by the NHAI in favor of financial institutions / Investors. In the absence of tangible security, loans and bonds-series-I are classified as unsecured borrowings. We have obtained copies of Letter of Comforts issued by the NHAI & sanction letters issued by all banks describing all requisite terms & conditions, Board resolutions for authorizing officials to get such loans and Private Placement Memorandum of Information and documents relating to various compliance with various agencies for listing of bonds / debentures etc. |



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

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

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

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

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

Emphasis of Matter:

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

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

However, our opinion is not modified in respect of these matters.



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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to standalone financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements:

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



2. We are enclosing our report in terms of section 143(5) of the Companies Act, on the basis of such checks of books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the '**Annexure-B**' on the directions and sub-directions issued by the Comptroller and Auditor General of India.

3. As required by Section 143 (3) of the Act, we report that:

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



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

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

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

4. In response to various issues raised by the Indian Audit & Accounts Department, Office of the Director General of Audit (Infrastructure) on the financial statements of the company for the year ended 31st March' 2022 vide their C&AG letter No DPA/Infra-IV/Annual Audit/DMEDL/4-17/2022-2023/518 dated 06.10.2022, 08.09.2022 and their final comments by letter dated 04.11.2022, the management of the company has clarified on such deficiencies and final report from C&AG office was put before the board in its meeting held on 23.12.2022 as well as before shareholders in their meeting held on 26.12.2022 for their perusal and approval. Thereafter, two points out of previously resolved queries were again communicated by the CAG office vide their letter dated 13.02.2023 to the company to put them before in the next meeting of the board by keeping their seriousness, these points were put before the Audit Committee as well as Board of Directors for perusal & approval in their meetings held on 26-5-2023.

5. As per approval of MoRTH dated 17.08.2020, the NHAI had to set up an Escrow Account to ring fence toll revenues and other revenue generated from the Delhi-Mumbai Expressway and other identified developed sections and utilize this amount for making annuity payment to the SPV and for making payment to the existing HAM projects. The NHAI has opened a current account for collection of toll revenue from starting of corridor Delhi-Dausa-Lalsot w.e.f. 12.02.2023 but no ring fence mechanism is established with the account till date.

Place: New Delhi
Date: 9/8/2023
UDIN: 23093542BGVTEY4920

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


Harbeer Singh, FCA
(Partner)
Membership No. 093542



Annexure 'A'

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

We report that:

(i)

(a) (A) According to the information and explanations given to us and on the basis of our examination of the records, the company has no Property, Plant and Equipment till date.
(B) The company has Capital Work in Progress (CWIP) under Intangible Assets by way of a license granted to it for recovery of annuity from the NHAI out of toll collection from Delhi-Mumbai-Expressway.

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

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

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

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

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

(ii) As the company is providing funds to the NHAI by way of reimbursement of all capital expenditures made for construction of Delhi-Mumbai-Expressway in terms of Implementation Agreement & Concession Agreement dated 05.02.2021 between the Company & the NHAI for execution of the Project.
Hence nature of its business activities does not require holding of any type of inventory. Thus, under clause 3(ii)(a) comment on maintenance of inventory records and physical verification of stock by the management are not applicable.
Hence, the company is not holding any type of inventory, thus no working capital limit is sanctioned to the company from any bank, financial institution and comment on reconciliation between stock statements submitted to bank and with books of accounts under clause 3(ii)(b) is not applicable.

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



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

(v) The company has not accepted any deposit from the public covered under sections 73 to 76 of the Companies Act, 2013 and rules made there-under. According to information and explanation provided to us by the management of the company, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. Hence comment on maintenance of records is not applicable.

(vii)

(a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except the following;

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



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



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

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

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

As per information given to us in response to clause 3(ix)(b), the company has not declared as willful defaulter by any bank or financial institutions or any other lender.

As per our examination of records and information / explanation given to us by the management in response to clause 3(ix)©, all term loans taken by the company are applied for the purpose (end-use) for which they were obtained.

On the examination of books of accounts and information / explanation given to us by the management in response to clause 3(ix)(d), the company has not raised any short loan during the year. Hence utilization of short-term loan for long term purposes does not arise. The company has obtained various long-term loans from various banks and has issued non-convertible non-cumulative taxable bonds / debentures to various financial institutions and utilized the same for long term purpose only for the construction of Delhi-Mumbai-Expressway (DME). Hence no diversion of fund is observed during the year.

As per records produced and information available to us, the company has no subsidiary, associate company or joint venture during the year. Hence comments on clause 3(ix)(e) for taken loan from such entities & clause 3(ix)(f) for raising loans on the pledging of securities of such entities are not applicable.



(x) Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments). Hence comment on utilization of fund is not applicable.

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

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

The company has not raised any money by way of fully or partly convertible debentures during the year under review but it has raised the sum of Rs 11,039.00 crore by way of issuing Listed, Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds Series-II & III to various QIBs during the year and utilized the same for long term purpose only for the construction of Delhi-Mumbai-Expressway (DME). Hence no diversion of fund is observed during the year.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.

(xii) ~~The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.~~

(xiii) According to the information and explanations given to us, all transactions with the related parties are made with NHAI and the company is wholly owned subsidiary company of the NHAI. However, the company has not formed an audit committee in compliance of section 177 and Nomination & Remuneration Committee u/s 178 of the Companies Act, 2013 till 31.03.2023.

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



(xiv) The company has appointed an Internal Auditors – M/s Manish Brij Garg & Co, Chartered Accountants (an external professional firm) in compliance of section 138 of the Companies Act, 2013. According to the size and nature of the business of the company, internal audit system is commensurate. Internal auditors have issued their quarterly reports, which are duly considered by us in our report.

(xv) The company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) On the basis of verification of records and information & explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Since the company is not a Core Investment Company (CIC), hence comments on clause (b), (c) and (d) are not required.

(xvii) Since the company is pursuing only a single project (i.e. Delhi-Mumbai-Expressway) through NHAI, which is under construction, and the company is providing the cost of constructions under license granted to it for getting annuity from the NHAI, thus all direct expenditures are capitalized by the company as CWIP under Intangible assets. The company has incurred cash loss of Rs 35.20 lakhs during the year under report on account of normal expenses incurred and in immediately financial year Rs 16.64 lakhs.

(xviii) There is no resignation of the statutory auditors of the company during the period under report, hence comment under this clause is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, concession agreement and implementation agreements executed between the company and the NHAI and letter of comfort provided by NHAI to all lender institutions, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) On the basis of records of the company, we report that the provisions of Corporate Social Responsibility (CSR) are applicable to the company from the financial 2021-22 being having net worth over and prescribed limits u/s 135 of the Companies Act, 2013, since the average profit in the three preceding financial years is negative, hence comments on clause 3(xx)(b) is not applicable. However, the company has not formed CSR Committee in compliance of the provisions of section 135 of the Companies Act' 2013 till date.



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

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



Place: New Delhi

Date: 9/8/2023

UDIN: 23093542BGVTEY4920

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' 2023

| Sl. No. | Directions u/s 143(5) of the Companies Act, 2013 | Auditor's reply on action taken on the directions | Impact on financial statement |
|---------|---|--|-------------------------------|
| 1 | Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | <p>As per information & 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 the NHAI to the company for Online approval of each & every e-office resolution / document and noting the requisite information on time, is used.</p> <p>Based on the audit procedures carried out and as per information & explanation given to us, no accounting transaction has been processed / carried outside IT system. Accordingly, there is no financial implication on the integrity of the accounts.</p> | Nil |
| 2 | Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. | <p>Based on the audit procedures carried out and as per information & explanation given to us, there was no restructuring of any existing loan, waiver, write off of any debt, loan, interest etc. made by the lender to the company due to inability of the company to repay the loan. The company has obtained long terms loans only for providing to the NHAI for construction of Delhi-Mumbai- Expressway only in terms of concession agreement dated 05.02.2021, interest repayments of all loans were made in due time and no installment of principal loans have become due till 31.03.2023.</p> | Nil |



| | | | |
|---|--|---|-----|
| 3 | <p>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.</p> | <p>Based on the audit procedures carried out and as per information & explanation given to us, the company has obtained the sum of Rs 1,261.00 Crore Only from the NHAI towards capital contributions during the year under report. In addition to that, the company has not received any fund for specific scheme from any Central / State Agency during the year under audit. Fund raised during the year has been utilized for construction of Delhi-Mumbai-Expressway through NHAI in terms of Implementation Agreement dated 05.02.2021.</p> | Nil |
|---|--|---|-----|

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



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

Place: Delhi
Date: 09.08.2023
UDIN: 23093542BGVTEY4920

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

We have audited the internal financial controls over financial reporting of DME DEVELOPMENT LIMITED ("the Company") as of 31st March' 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that-

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March' 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, various deficiencies are observed like delays in various legal compliances as pointed in our report under 'Emphasis of Matter' and described in Note No. 29 of the financial statements of the company. Thus, the company needs to strengthen its internal control system by real time accounting and further by adopting various appropriate policies and pre-indicator system for legal compliances to avoid delays & penal consequences in future.

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



Place: New Delhi

Date: 9/8/2023

UDIN: 23093542BGVTEY4920

DME DEVELOPMENT LIMITED
 G-3 & 6, SECTOR 10, DWARKA, NEW DELHI-110075
 CIN: UH5202DL20200C0368878

Balance Sheet
 (All amounts in INR Lakhs, unless otherwise stated)

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

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

As per our report of even date attached

For SINGH HARBEER & ASSOCIATES

Chartered Accountants

Firm Regn No. : 017247N

DELHI

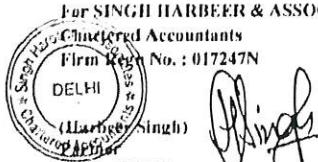
(Harbhag Singh)

M. No. 093542

Place : New Delhi

Date : 09-08-2023

UDIN: 23093542BGVTEY4920



For and on behalf of Board

Rajendra Kumar

(NRVYMK RAJENDRA KUMAR)

Chairman

DIN: 09494456

ANANTA MANOJAR
 (ANANTA MANOJAR)
 Director & CFO
 DIN: 08275536

Prachi Mittal
 PRACHI MITTAL
 COMPANY SECRETARY

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

| Particulars | Note No. | Year Ended | |
|---|----------|-----------------|-----------------|
| | | 31st March 2023 | 31st March 2022 |
| REVENUE | | | |
| Revenue from operations | 14 | - | - |
| Other Revenue | 14A | 10.00 | - |
| Total Revenue | | 10.00 | - |
| EXPENSES | | | |
| Employees benefits expense | 15 | 6.10 | - |
| Financial costs | 16 | - | - |
| Other expenses | 17 | 39.10 | 16.64 |
| Total Expenses | | 45.20 | 16.64 |
| Profit/(Loss) before exceptional items & tax | | (35.20) | (16.64) |
| Tax expenses | | | |
| Current tax | 18 | - | - |
| Deferred tax | 18 | 9.15 | 4.33 |
| Net Tax Expenses | | 9.15 | 4.33 |
| Profit/(Loss) for the year (A) | | (26.05) | (12.31) |
| Other comprehensive income | 19 | - | - |
| 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 loss | | - | - |
| Total comprehensive income/deficit for the period (A+B) | | (26.05) | (12.31) |
| Profit/(Loss) for the period attributable to: | | | |
| Equity holders | | (26.05) | (12.31) |
| Total comprehensive income for the period, net of tax attributable to equity holders | | (26.05) | (12.31) |
| Earnings per equity share (of INR 100/- each): | | | |
| (1) Basic (absolute value in INR) | 22 | (0.01) | (0.01) |
| (2) Diluted (absolute value in INR) | 22 | (0.01) | (0.01) |

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

As per our report of even date attached
 For SINGH HARBEER & ASSOCIATES
 Chartered Accountants
 Firm Regd. No. : 017247N
 (SINGH HARBEER & ASSOCIATES)
 DELHI
 Partner
 M.No. 093542

Place : New Delhi
 Date : 09.08.2023
 UDIN: 23093542BGVTEY4920

(NRVVMK RAJENDRAKUMAR)
 Chairman
 DIN: 09494456

For and on behalf of Board
 (ANANTA MANOHAR)
 Director & CFO
 DIN: 08275536

PRACHI MITTAL
 COMPANY SECRETARY

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

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

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

As per our report of even date attached

For **SINGH HARBEER & ASSOCIATES**
 Chartered Accountants
 Firm Regd. No. 01227N

(Harbeer Singh)
 Partner
 M.No. 093542

Place : New Delhi
 Date : 09-08-2023
 UDIN: 23093542BGVTEY4920

Refers to
 (NRVVMIK RAJENDRAKUMAR)
 Chairman
 DIN: 09494456

For and on behalf of Board

Legg 08/23
 (ANANTA MANOHAR)
 Director & CFO
 DIN: 08275536

Prachi Mittal
 PRACHI MITTAL
 COMPANY SECRETAR

DME DEVELOPMENT LIMITED

G-5 & 6, SECTOR 10, DWARKA, NEW DELHI-110075
CIN: UH5202DL2020GOI368878

Statement of Changes in Equity

(All amounts in INR Lakhs, unless otherwise stated)

(a) Equity share capital

Current reporting period

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

(b) Other equity

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

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

As per our report of even date attached

For SINGH HARBEER & ASSOCIATES

Chartered Accountants

Firm Regn No. : 017247N


 (Harbeer Singh)
 Partner
 M.No. 093542

For and on behalf of Board


 (ANANTA MANOHAR)
 Director & CFO
 DIN: 08275536

Place : New Delhi
 Date : 09.08.2023
 UDIN: 23093542BGVTEY4920


 PRACHI MITTAL
 COMPANY SECRETARY