

Date: 16th February 2023

Private Placement Information Memorandum

(THIS PRIVATE PLACEMENT MEMORANDUM IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THIS INFORMATION MEMORANDUM IS PREPARED IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021. ISSUED VIDE CIRCULAR NO. SEBI/LAD-NRO/GN/2021/39 DATED AUGUST 09, 2021 AS AMENDED FROM TIME TO TIME, THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ISSUED VIDE CIRCULAR NO. SEBI/LAD-NRO/GN/2015-16/013 DATED SEPTEMBER 02, 2015, AS AMENDED FROM TIME TO TIME, SECTION 42 OF THE COMPANIES ACT, 2013 AS AMENDED FROM TIME TO TIME AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AS AMENDED FROM TIME TO TIME)



DME Development Limited

(100 % subsidiary of National Highway Authority of India, an Autonomous Body under the Ministry of Road Transport & Highways, Government of India)

Regd. & Corp. Office: G - 5 & 6, Sector 10, Dwarka, New Delhi – 110075

Tel: (011) 25074100, 25074200; **Fax:** +91-11-25093517, 25093515

Website: www.dmedl.in; **E-mail:** dmedl@nhai.org

CIN: U45202DL2020GOI368878 **PAN:** AAHCD9496K

Date & Place of Incorporation: 29th August 2020, Delhi

Contact Person: Mr. Anant Manohar, Chief Financial Officer

SERIES-II IM FOR PRIVATE PLACEMENT OF LISTED, SENIOR, SECURED, NON-CONVERTIBLE, NON-CUMULATIVE, REDEEMABLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS 1 LAKH EACH AT PAR AGGREGATING TO TOTAL ISSUE SIZE NOT EXCEEDING RS. 5,000 CRORES WITH A BASE ISSUE SIZE OF RS. 1,000 CRORES AND GREEN SHOE OPTION TO RETAIN OVERSUBSCRIPTION UPTO RS. 4,000 CRORES BY DME DEVELOPMENT LTD. (“DME” OR THE “ISSUER”) BY WAY OF PRIVATE PLACEMENT (“THE ISSUE”).

**Chief Financial Officer**

Mr. Anant Manohar
CFO, DME Development Limited
Tel: +91 11 25074100, 25074200
E-mail: anant@nhai.org

Compliance Officer

Mrs. Prachi Mittal
Company Secretary and Compliance officer, DME Development Ltd.
Tel: +91 11 25074100, 25074200
Email: prachimittal.dme@nhai.org





Promoter of the Issuer

National Highway Authority of India (“NHAI”)
Mr. Bugatha Muralidhara Rao,
Chief General Manager (Finance), NHAI
Tel: +91 11 25074100, 25074200
E-mail: bmrao@nhai.org



QIBs / Investors to the Issue:


Name	Allocated Amount (Rs. Crore)
CBT-EPFO A/C UTI Asset Management CO LTD	685
CBT EPFO for SBI Mutual Funds Management Private Limited	565
Axis Bank Limited	500
HDFC Bank Limited	350
ICICI Securities Primary Dealership Ltd	315
CMPFO PROVIDENT FUND – SBI FUNDS	300
Coal Mines Provident Fund Organisation UTI Portfolio	300
India Infrastructure Finance Company Limited	300
ALPHA ALTERNATIVES MSAR LLP	175
ICICI Bank Limited	100
Navi Finserv Limited	50
Aditya Birla Finance Limited	25
A K Capital Finance Limited	10
CMPFO ADMIN FUND - SBI FUNDS	6
CMPFO PENSION FUND - SBI FUNDS	3
Total	3,684



Arrangers to Issue¹:

 Axis Bank Ltd	 HDFC Bank Ltd	 ICICI Securities Primary Dealership Ltd.	 Trust Investment Advisors
Axis House, 4th Floor, Tower 4, Sector-128, Noida-201304 (Rs. 500 crore)	Peninsula Business Park, 4 th Floor, Tower B, Senapati Bapat marg, Lower Parel, Mumbai – 400013 (Rs. 350 crore)	501-B First international Financial Centre, Plot No.- C-54&55 G Block, Bandra Kurla Complex, Mumbai-400098 (Rs. 315 crore)	1101, Naman Centre, Bandra Kurla Complex, Bandra (East), Mumbai - 400051. (Rs. 250 crore)

¹ As informed by Arrangers / investors

Issue/bid opening date	Issue/bid closing date	Pay-in date	Date of allotment
22.02.2023	22.02.2023	24.02.2023	24.02.2023
TRUSTEE OF THE ISSUE  SBICAP Trustee SBICAP Trustee Company Limited Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road, Church gate, Mumbai - 400 020 Email: corporate@sbicaptrustee.com Tel.: 022-4302 5555 Fax.: 022-4302 5500 Website: www.sbicaptrustee.com		REGISTRAR AND SHARE TRANSFER AGENT TO THE ISSUE  Bigshare Services Pvt. Ltd. Bigshare Services Pvt Ltd 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400059, India Tel: +91 022 62638200 E-mail: marketing@bigshareonline.com ; Investor.del@bigshareonline.com Website: www.bigshareonline.com	

STATUTORY AUDITOR OF THE ISSUER Singh Harbeer & Associates 7, LGF, Shrestha Vihar Delhi, New Delhi – 110092 Tel: +91 9891107288 E-mail: hsfcadelhi@casha.in / hsfcadelhi@gmail.com	STATUTORY AUDITOR OF THE PROMOTER / SUPPLEMENTARY AUDITOR OF THE ISSUER  Comptroller and Auditor General of India Indian Audit & Accounts Department Office of the Principal Director of Commercial Audit & Ex-Officio Member, Audit Board – 1 3rd Floor, A-Wing, Indraprastha Bhawan New Delhi - 110002 Tel: +91 11 23378473 Fax: +91 11 23378432 E-mail: mabnewdelhi1@cag.gov.in
---	---

TRANSACTION ADVISOR OF THE ISSUER  Ernst & Young LLP 3rd & 6th Floor, Wing A & B Worldmark-1 Indira Gandhi International Airport Hospitality, Opp Holiday Inn, Aerocity, Mahipalpur, New Delhi - 110037 Tel: +91 124 464 4000 Fax: +91 124 464 4050 E-mail: sheshank.kaul@in.ey.com ; waliul.islam@in.ey.com ; ankita.mangal@in.ey.com ; bhanu.yadav@in.ey.com	LEGAL COUNSEL OF THE ISSUER  Singhania & Partners (Solicitors & Advocates) P-24, Green Park Extension New Delhi - 110016 Tel: +91 11 4747 1414 Fax: +91 11 4747 1404 E-mail: abhimeet@singhania.in ; Website: https://www.singhania.in/
---	---

CREDIT RATING AGENCY OF THE ISSUE

 India Ratings & Research Private Limited Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E) Mumbai – 400051 Tel: +91 (012) 46687247 E-mail: bijoy.thomas@indiaratings.co.in ; rishabh.jain@indiaratings.co.in Website: www.indiaratings.co.in	 CARE Ratings Limited 13th floor, E-1 Videocon Towers, Jhandewala extension, New Delhi 110055 Tel: +91 79 40265656 Fax: +91 79 40265657 E-mail: setu.gajjar@careratings.com ; Maulesh.desai@careratings.com Website: www.careratings.com	 CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400 076 Tel: +91 22 33423000 Email: saina.kathawala@crisil.com ; anuj.sethi@crisil.com Website: www.crisil.com
---	--	---

Date of Information Memorandum	16 th February 2023
Type of Information Memorandum	Private Placement
Nature of Securities	Listed, Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds
Number of Securities	5,00,000
Price	1,00,000
Amount of Securities in Rs. Crores	5,000
Issue size in Rs. Crores	1,000
Green shoe In Rs. Crores	4,000

The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the shelf information memorandum – Not Applicable. It is a Series-II IM for Private Placement of secured, non-convertible, non-cumulative, redeemable, taxable bonds aggregating to Rs. 5,000 Crores with a base issue size of Rs. 1,000 Crores and Green Shoe option to retain oversubscription upto Rs. 4,000 Crores.

Credit Rating:

CareEdge Ratings (“CARE Ratings Ltd”), vide its credit rating letter dated 3rd February 2021, had assigned the credit rating of “CARE AAA/Stable” assigned to the Long-Term Borrowing of Rs. 49,000 Crores of the Issuer. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. CARE has reaffirmed the rating vide its credit rating letter dated 3rd February 2022 as “CARE AAA/Stable” and has further revalidated the rating vide press release / letter dated 2nd March 2022 and 6th October 2022. CARE has further reaffirmed the rating vide its credit rating letter dated 1st February 2023 as “CARE AAA/Stable”. A copy of rating letter from CARE is enclosed elsewhere in this Series-II IM.

CRISIL Limited (“CRISIL”), vide its credit rating letter dated 26th February 2021, had assigned a credit rating of “CRISIL AAA/Stable” assigned to the Long-Term Borrowing of Rs. 49,000 Crores of the Issuer. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Further, CRISIL has reaffirmed its rating vide rating letter dated 21st February 2022 and 21st February 2023 as “CRISIL AAA/Stable” and has further revalidated the rating vide letter dated 10th October 2022 and 21st February 2023. A copy of rating letter from CRISIL is enclosed elsewhere in this Series-II IM.

India Ratings and Research Pvt. Ltd. (“IRRPL”), vide its letter dated 2nd March 2021, had assigned a credit rating of “IND AAA/Stable” to the Long-Term Borrowing of Rs. 49,000 Crores of the Issuer. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. IRRPL has affirmed the rating vide its credit rating letter dated 15th December 2021 as “IND AAA/ Stable” IRRPL and has further revalidated the rating vide its press release dated 7th March 2022 and 21st February 2023. IRRPL has further reaffirmed the rating vide its credit rating letter dated 14th December 2022 as “IND AAA/Stable”. A copy of rating letter from IRRPL is enclosed elsewhere in this Series-II IM.

Other than the credit ratings mentioned hereinabove, Issuer has not sought any other credit rating from any other credit rating agency(ies) for the Long-Term Borrowing, for which Bonds is offered for subscription under the terms of this Series-II IM.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

LISTING

The Bonds are proposed to be listed on the Electronic Bidding Platform (EBP) of National Stock Exchange (NSE). The Issuer has requested NSE for in-principle approval for listing of Bonds offered under the terms of this Series-II IM.

The Issuer shall be making listing application and seeking Listing permission to NSE within 3 days from the Issue/Bid Closing Date of the Issue. In case of delay in listing of the Bonds beyond 3 days from the Issue/Bid Closing Date of the Issue, the Issuer shall pay penal interest at the rate of 1.00% p.a. over the respective Coupon Rates for the period of delay to the Investor (s) (i.e. from the date of allotment to the date of listing).

EBP COMPLIANCE CLAUSE

This Offer is made on the Electronic Book of NSE in compliance with SEBI Debt Regulations and circulars issued by NSE. A draft of this IM has been uploaded on the EBP of NSE on 16th February 2023.

ELIGIBLE INVESTORS

The following categories of investors (Qualified Institutional Buyers) may apply for the Debentures, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents along with the application form.

1	Scheduled Commercial Banks
2	Public financial institution as defined in section 4A of the Companies Act, 1956
3	Insurance Companies registered with the Insurance Regulatory and Development Authority (IRDA)
4	State Industrial Development Corporations.
5	Pension Funds with minimum corpus of Rs. 25 crores
6	Mutual Fund, Venture Capital fund, alternative investment fund and foreign venture capital investor registered with the SEBI
7	Foreign portfolio investor other than individuals, corporate bodies and family offices
8	Provident Funds with minimum corpus of Rs.25 crores
9	Multilateral and bilateral development financial institutions
10	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
11	Insurance funds set up and managed by army, navy or air force of the Union of India;
12	Insurance funds set up and managed by the Department of Posts, India
13	Systemically important non-banking financial companies

(Source: SEBI (Issue of Capital and Disclosure Requirements), 2018, amended on 25th July, 2022)

Coupon Rate	[] % p.a. Note: Coupon Rate is to be rounded off to 2 (Two) decimal points.
Coupon frequency	Half yearly
Redemption Date	10 years from Deemed Date of Allotment
Redemption amount	At par (Rs. 1 Lakh per Bond)
Trustee	SBICAP Trustee Company Ltd
Issue size in Rs. Crore	5,000
Base Issue in Rs. Crore	1,000
Green shoe in Rs. Crore	4,000
Underwriters	Not Applicable

Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform. – Please refer Page 7

Disclosure in terms of SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated 3rd November 2020:

Debt securities shall be considered as secured only if the charged asset is registered with Sub - Registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.

Terms and conditions of Debenture Trustee Agreement including fees charged by Debenture Trustees, details of security to be created and process of due diligence carried out by the Debenture Trustee.

The Issuer has executed the Debenture Trustee Agreement (DTA) with the Debenture Trustee on 16th February 2023. Fees of Debenture Trustee is mentioned in their consent letter dated 08th November 2022 and the same is enclosed herein as Annexure.

The due diligence carried out by Trustee is in accordance with the SEBI extant circular and the said certificate is enclosed herein as Annexure.

GENERAL RISK

For taking an investment decision, investors must rely on their own examination of the issue, the INFORMATION MEMORANDUM and the risks involved. The Securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this INFORMATION MEMORANDUM.

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors given in this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.



ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the Issuer and the Issue which is material in the context of the Issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

Delay, Delinquency and Credit Risk:

The Debentures represent an obligation of the Issuer and do not represent any other person associated with the Issue.

THE INVESTMENTS CAN BE SUBJECT TO INVESTMENT RISK, INCLUDING INTEREST RATE RISK, CREDIT RISK, EXCHANGE RISK, POSSIBLE DELAYS IN REPAYMENT AND LOSS OF INCOME AND PRINCIPAL INVESTED.

TABLE OF CONTENTS

Particulars	Page no
I. DISCLAIMER	2
II. DEFINITIONS/ ABBREVIATIONS	4
III. CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL AND MARKET DATA	8
IV. FORWARD LOOKING STATEMENTS	10
V. MANAGEMENT PERCEPTION OF RISK FACTORS	
1) RISKS RELATING TO THE ISSUER	12
2) RISKS RELATING TO INDIA	19
3) RISK IN RELATION TO BONDS	23
VI. ABOUT THE ISSUER	
1) OVERVIEW OF THE BUSINESS OF THE ISSUER	24
2) STRENGTHS	25
3) STRATEGIES	27
4) THE ISSUER'S PROJECT	29
5) FINANCING	38
6) SUMMARY OF INDEBTEDNESS	38
7) INSURANCE	39
8) COMPETITION	40
9) INFORMATION TECHNOLOGY ("IT")	40
10) CORPORATE STRUCTURE	40
VII. BRIEF HISTORY OF ISSUER SINCE INCORPORATION	
1) BRIEF BACKGROUND	41
2) HEAD OFFICE	41
3) VISION AND MISSION	41
4) MAIN OBJECTS	41
5) MAJOR EVENTS	44
6) HOLDING COMPANY	46
7) THE PROMOTER, PROMOTER GROUP AND GROUP COMPANIES	46
VIII. FINANCIAL INFORMATION	
1) AUDITED FINANCIAL STATEMENTS OF THE ISSUER SINCE INCEPTION	53
2) KEY OPERATIONAL AND FINANCIAL PARAMETERS ON STANDALONE BASIS	54
3) DEBT TO EQUITY RATIO AS ON 31ST OCTOBER 2022	56
4) DETAILS OF ANY OTHER CONTINGENT LIABILITIES OF THE ISSUER BASED ON THE LAST AUDITED FINANCIAL STATEMENTS	56
IX. CAPITAL STRUCTURE	
1) BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION	57
2) DETAILS OF SHARE CAPITAL AS ON 31ST OCTOBER 2022	58
3) DETAILS REGARDING DIRECTOR OF THE ISSUER	58

Particulars	Page no
4) DETAILS OF BORROWINGS OF THE ISSUER, AS ON 31ST OCTOBER 2022	60
X. MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE	69
XI. SUMMARY TERM SHEET	70
XII. TERMS OF OFFER	91
XIII. STOCK EXCHANGE WHERE BONDS ARE PROPOSED TO BE LISTED	108
XIV. MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER	109
XV. DECLARATION	110
XVI. OTHER INFORMATION AND APPLICATION PROCESS	111
XVII. ANNEXURES	113
<u>ANNEXURES</u> 1) Credit Rating Letters 2) Non-Commercial Consent Letter of the Trustee 3) Commercial Consent Letter of the Trustee 4) Due Diligence Certificate from Debenture Trustee 5) Audited financials for FY2021, FY2022 and 9 months ending 31st December 2022 6) Letter of Comfort 7) Copy of Board Resolution for issuance of Debentures 8) Form PAS-4	

I. DISCLAIMER

1. DISCLAIMER OF THE ISSUER

This IM dated 16th February 2023, is neither a prospectus nor a statement in lieu of prospectus. It does not and shall not deem to constitute an offer or an invitation to the public to subscribe to the Bonds issued by DME Development Limited (“DME” or “Company” or “Issuer”). This IM is not intended for distribution and is for the consideration of the person to whom it is addressed and should not be reproduced / redistributed by the recipient. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same entity shall be deemed to be offered to the same person. The Bonds mentioned herein are being issued strictly on a private placement basis and this offer does not and shall not deem to constitute a public offer/invitation.

This IM is not intended to form the basis of evaluation for the Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to these Bonds issued by DME. This IM has been prepared to give general information regarding DME to parties proposing to invest in this Issue of Bonds and it does not purport to contain all the information that any such party may require. DME believes that the information provided in this IM as of the date herein is true and correct in all respects. DME does not undertake to update this IM to reflect subsequent events and thus, it should not be relied upon without first confirming its accuracy with DME.

Eligible Investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risks of investing in the Bonds. It is the responsibility of Eligible Investors to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for and purchase the Bonds. It is the responsibility of the Eligible Investors to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Eligible Investors should conduct their own investigation, due diligence and analysis before applying for the Bonds. Eligible Investors should not rely solely on the information provided in the IM and must be construed as advice or recommendation by DME to subscribe to and purchase the Bonds. The Eligible Investors also acknowledge that DME does not owe them any duty of care in respect of their offer to subscribe for and purchase of the Bonds. The Eligible Investors are advised to consult their tax advisors regarding the tax implications of the acquisition, ownership and redemption of Bonds and income arising thereon. DME reserves the right to withdraw the Private Placement prior to the closing date at its discretion. In such an event, the Issuer may, at its sole discretion, make the allotment under the new series bonds, if open for subscription at that time.

2. DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Series-II IM shall not be filed with Securities & Exchange Board of India (“SEBI”) for their approval. The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Series-II IM. It is to be distinctly understood that this Series-II IM should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Series-II IM. The Issue of Bonds being made

on private placement basis, filing of this Series-II IM is not required with SEBI. However, SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities, or lapses in this Series-II IM.

NOTHING IN THIS IM CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE SUCH OFFER OR PLACEMENT WOULD BE IN VIOLATION OF ANY LAW, RULE OR REGULATION. NO ACTION IS BEING TAKEN TO PERMIT AN OFFERING OF THE BONDS IN THE NATURE OF DEBENTURES OR THE DISTRIBUTION OF THIS IM IN ANY JURISDICTION WHERE SUCH ACTION IS REQUIRED. THE DISTRIBUTION/ TAKING/ SENDING/ DISPATCHING/ TRANSMITTING OF THIS IM AND THE OFFERING AND SALE OF THE BONDS MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS.

3. DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Series-II IM shall be submitted to National Stock Exchange Limited (hereinafter referred to as “NSE”) for hosting the same on its website. It is to be distinctly understood that such submission of the Series-II IM with NSE or hosting the same on its website should not in any way be deemed or construed that the Series-II IM has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Series-II IM; nor does it warrant that this Issuer’s securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

4. LIMITS ON DISTRIBUTION

This IM and any other information supplied in connection with this IM are not for distribution (directly or indirectly) in any jurisdiction other than India unless the Issuer has intentionally delivered this IM and any other information supplied in connection with this IM in such jurisdiction and even then, only for the limited purpose intended by the Issuer. They are not an offer for sale of Bonds, nor a solicitation to purchase or subscribe for Bonds, in any jurisdiction where such offer, sale or solicitation would be unlawful. The Bonds have not been and will not be registered under the laws of any jurisdiction (other than India; to the extent mandatory under Applicable Laws in India). The distribution of the IM in certain jurisdictions may be prohibited by law. Recipients are required to observe such restrictions and neither the Issuer accept any liability to any person in relation to the distribution of information in any jurisdiction.

II. DEFINITIONS / ABBREVIATIONS

Particulars	Definition
AY	Assessment Year
Allotment/ Allot/ Allotted	The issue and allotment of the Bonds to the successful Applicant(s) in the Issue
Allottee / Investor(s)	A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part
Applicable laws	Any statute, law, regulation, notification, ordinance, rule, judgement, rule of law, order, decree, government resolution, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or governmental or regulatory authority including without limitation stock exchanges, having jurisdiction over the matter in question, whether in effect as of the date of this IM or thereafter and in each case as amended.
Applicant	A person who makes an offer to subscribe the Bonds pursuant to the terms of this Series-II IM and the Application Form
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds in the Issue (To be sent separately)
Appointed Date	The date on which Financial Close is achieved and all the Conditions Precedent specified in Clause 4.1 of Concession Agreement are satisfied. Financial Close may be achieved in respect of the entire Project Cost or part(s) thereof in case of stage wise funding. Accordingly, the Appointed Date for the Project shall be deemed to have been achieved when the Financial Close shall have been achieved for the Project or part(s) thereof.
Article of Association/ AOA	The Articles of Association of our Company, as amended from time to time.
Auditor	The Statutory Auditors of our Company, namely Singh Harbeer & Associates
Board	Board of Directors of the Company
Bonds / Debentures	Listed, Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds in the nature of debentures of face value of Rs. 1 Lakh each at par aggregating to Rs. 5,000 Crores with a base issue size of Rs. 1,000 Crores and green shoe option to retain oversubscription upto Rs. 4,000 Crores
Bondholder(s)	Any person holding Bonds and whose name appears on the beneficial owners list provided by the Depositories
Beneficial Owner(s)	Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section of Section 2 of the Depositories Act, 1996)

Particulars	Definition
Concessionaire	DME Development Limited, a company incorporated under the provisions of the Companies Act, 2013 with CIN U45202DL2020GOI368878, represented by its director and having its registered office at G-5 & 6, Sector-10, Dwarka, New Delhi- 110075 in terms of the Concession Agreement.
Concession Agreement	Shall mean the concession agreement dated February 05, 2021, entered into between DME Development Limited and the National Highways Authority of India
Designated Bank Account	The bank account designated by the Issuer into which the issue proceeds will be credited by the clearing corporation of NSE.
Eligible Investor(s)	All QIBs, specifically mapped by the Issuer on the NSE BOND – EBP Platform, are eligible to bid / invest / apply for this Issue.
Record Date	Reference date for payment of interest/ repayment of principal
CAG	Comptroller and Auditor General of India
CCEA	Cabinet Committee on Economic Affairs
CRISIL	CRISIL Limited
CARE	CARE Ratings Limited
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant / DP	A Depository participant as defined under Depositories Act, 1996
Director	Director(s) of the Company, unless otherwise specified
DRR	Bond / Debenture Redemption Reserve
Designated Stock Exchanges	NSE
FIs	Financial Institutions
Financial Year/ FY	Period of twelve months ending March 31, of that particular year
GoI / GOI	Government of India/ Central Government
Trustees	Trustees for the Bondholders in this case being SBICAP Trustee Company Limited
NHAI/Authority	National Highways Authority of India, an autonomous body under the Ministry of Road Transport & Highways, Government of India, constituted by an act of Parliament - The National Highways Authority of India Act, 1988 and having its head office at G - 5 & 6, Sector 10, Dwarka, New Delhi – 110075
Information Memorandum	This Information Memorandum dated 16 th February 2023, filed with the Stock Exchanges for listing of Bonds and referred to as the Information Memorandum or IM.
IRRPL	India Ratings and Research Pvt. Ltd.
Issue	Private Placement of Bonds
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Listing Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time
Km	kilo meter

Particulars	Definition
MF	Mutual Fund
Memorandum of Association/MOA	The Memorandum of Association of our Company, as amended from time to time.
Members of the Board	The Members of the Board of the Issuer
MoEFCC	Ministry of Environment, Forest and Climate Change
MoF	Ministry of Finance
NECS	National Electronic Clearing Service
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
NHDP	National Highways Development Programme
“National Stock Exchange” or “NSE”	shall mean the stock exchange in which Bonds of the Issuer are proposed to be listed
PAN	Permanent Account Number
Promoter	The promoter of the Issuer namely the NHAI / Authority
Project	Delhi Mumbai Expressway Project
GIR	General Index Registration Number
Rs.	Indian National Rupee
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
Registrar	Registrar to the Issue, in this case being Bigshare Services Pvt. Ltd.
Registered Office	G-5 & 6, Sector-10, Dwarka Delhi South-West Delhi DL 110075 IN
Registrar of Companies / RoC	Unless specified otherwise, the Registrar of Companies, Delhi.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time read with SEBI Operational Circular as amended from time to time
TDS	Tax Deducted at Source under provisions of the Income Tax Act, 1961
Series-II IM	This IM dated 16 th February 2023, containing necessary terms and conditions of the specific issue and other necessary disclosures
The Act	The National Highways Authority of India Act, 1988 (“NHAI Act”)
Working Day(s)/ Business Day(s)	Working Days shall be all days on which commercial banks are open for business in the city of Delhi and the days when the money market is functioning in Mumbai. Further, Sundays, have also been considered as non-Business Days. We have not considered the effect of public holidays as it is difficult to ascertain for future dates. If any of date(s) defined in the Series-II IM, except the Deemed Date of Allotment, the next working day shall be considered as

Particulars	Definition
	the effective date(s) in line with SEBI circular No CIR/IMD/DF-1/122/2016 dated November 11, 2016.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board India Act, 1992, the Reserve Bank of India Act, 1934, the Insurance Regulatory and Development Authority of India Act, 1999, the National Housing Bank Act, 1987, the Depositories Act, 1996 and the rules and regulations made there under.

Notwithstanding the foregoing, terms in the sections titled "Main Provisions of the Articles of Association" and "Financial Statements", shall have the meanings given to such terms in these respective sections.

III. CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL AND MARKET DATA

1. CERTAIN CONVENTIONS

All references to "India" contained in this IM are to the Republic of India.

Unless stated otherwise, all references to page numbers in the IM are to the page numbers of the IM.

2. FINANCIAL DATA

Unless stated otherwise, the financial data in this IM is derived from the audited financial statements of our Company as of and for the fiscal year ended 31st March 2021, 31st March 2022 and nine months ending 31st December 2022 has been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

Further, unless stated otherwise, the financial data in this IM in respect of the Authority is derived from the audited financial statements (consolidated where applicable) of these entities as of and for the fiscal years ended 31st March 2019, 31st March 2020 and 31st March 2021.

In this IM, any inconsistencies in any table between the aggregate and the totals of the sums recorded are because of rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in the IM.

Our Company's financial year commences on April 1 of the preceding year and ends on March 31 of that year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-months period ended on 31st March of that year.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled "Management perception of Risk Factors" and "Brief summary of business" on pages 12 and 24 respectively, and elsewhere in the IM have been calculated on the basis of the audited financial statements of our Company prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

3. CURRENCY AND UNITS OF PRESENTATION

1. All references to "Rupees" or "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India.
2. All references to "USD" or "US\$" are to the United States Dollar, the official currency of the United States.

At certain places, our Company has presented certain numerical information in the IM in "Crores" units. One Crore represents 1,00,00,000 or 10 million.

4. INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout this IM have been obtained or derived from publicly available information as well as various industry publications and sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this IM is reliable, it has not been independently verified.

The information included in this IM about various other companies is based on their respective Annual Reports and information made available by the respective companies. The data included in this IM about different organizations is based on their particular Annual Reports and information made available by the respective organizations.

IV. FORWARD-LOOKING STATEMENTS

This IM includes certain statements which contain words or phrases such as "will", "would", "aim", "aimed", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimate", "estimating", "intend", "plan", "contemplate", "seek to", "seeking to", "trying to", "target", "propose to", "future", "objective", "goal", "project", "should", "can", "could", "may", "will pursue", or other words or phrases of similar import, that can be identified as "forward-looking statements". Our forward-looking statements contain information regarding, among other things, our financial condition, future plans, business strategies, objectives, prospects or goals. Forward-looking statements reflect the current views of our Company as of the date of the IM and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our directors, nor any of their affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

- a. Any adverse change in government policies or focus, or delay in payment may lead to our contracts being foreclosed, terminated, restructured or renegotiated;
- b. The Project is exposed to various implementation and other risks and uncertainties, which may adversely affect our business, financial condition, results of operations, and prospects;
- c. Our exposure to market risks and credit risk;
- d. We may be exposed to liabilities arising under our warranties or from defects during construction, which may adversely affect our business, financial condition, results of operations and prospects;
- e. Our Company, its Directors, its Promoters and their group companies are involved in certain outstanding legal proceedings, which if determined adversely, may adversely affect our business, financial condition, results of operations and prospects;
- f. We cannot assure you that we will be successful in executing the Project or if we will be able to achieve better returns as compared to other projects, or any returns at all.
- g. We are exposed to risks emanating from economic, regulatory and other changes with respect to the location of the Project which we may not be able to successfully manage may adversely affect our business, financial condition, results of operations, and prospects of the Project.
- h. Regulatory changes pertaining to the industry in India in which we operate and our ability to respond to them.
- i. Our ability to successfully implement our strategy, our growth and expansion plans;
- j. Technological changes.
- k. Changes in the value of the Rupee and other currency changes.
- l. Changes in Indian or international interest rates.
- m. Adverse changes in social, economic or political conditions in India.

- n. The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- o. The changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ from the expectations, see the sections titled "Management perception of Risk Factors" and "Our Business" on pages 12 and 24 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

V. MANAGEMENT PERCEPTION OF RISK FACTORS

1. RISKS RELATING TO THE ISSUER

- a. *The Issuer is a new company incorporated in the year 2020 with approximately two and half years of operating history and historical financial information and, as a result, Eligible Investors may not be able to assess its prospects on the basis of past records.***

The Issuer was incorporated on 29th August 2020 under the provisions of the Companies Act, 2013, bearing CIN No. U45202DL2020GOI368878. Accordingly, the Issuer only has about two and half years of history and financial information by which its past performance may be judged. This could make it difficult for Eligible Investors to assess the likely performance of the Issuer.

- b. *The Promoter and their group companies are involved in certain legal proceedings that if decided against them may have a material adverse impact on our business operations, results of operations and financial conditions.***

The Promoters and its group companies are involved in certain legal proceedings pending at different stages of adjudication before various courts and tribunals, appellate authorities and arbitrators. There can be no assurance that these legal proceedings will be decided in our favour, decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our Promoter and their group companies or our directors, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. Furthermore, we may also not be able to quantify all the claims in which we are involved.

- c. *The Issuer's operations are dependent on the policies of the Central Government and the State Governments and the initiatives implemented by them to develop the road infrastructure in India. Any lack of support or any delay in the implementation of regulatory initiatives will adversely affect the Issuer's operations.***

The Issuer believes that the development of India's infrastructure is dependent on the formulation and effective implementation of State Government and Central Government's programs and policies that facilitate and encourage private sector investment in the infrastructure sectors in India. Many of these programs and policies are evolving and their successful implementation may depend on whether they are properly designed to address the infrastructure development needs in India. Additionally, these programs will need continued support from stable and experienced regulatory regimes that not only encourage the continued movement of private capital into infrastructure development but also lead to increased competition, appropriate allocation of risk, transparency, effective dispute resolution and more efficient and cost-effective services to the end-consumer. Additionally, policies of the Central Government and State Governments which mandate development in certain specific sectors, or areas, including but not limited to rural, coastal and/or border areas may not be economically remunerative. In the event that State Government and Central Government's initiatives and

regulations in the infrastructure industry do not proceed or progress in the anticipated manner, the results of the Issuer's operations could be materially affected.

Further, for a successful implementation of a project, an efficient process for the acquisition of land is necessary. Any delay in the acquisition of balance land will lead to delays in the implementation of the project which could materially affect the Issuer's operation and growth.

The responsibility for land acquisition is of Authority as per Implementation Agreement. It shall be noted that around 93% of land has been taken into possession as on 31st January 2023.

- d. The Issuer has not started any business activities since its incorporation and shall not receive annuity during the construction period and shall raise loans from the lenders / Investors to fund the Project.***

The Issuer has not done any business activities since incorporation, so the Issuer does not have any experience in infrastructure of highways activities, but its Promoters and their group Companies & the Issuer's Directors have rich experience in infrastructure or highways activities & based on their goodwill and contacts. The Company is confident of generating more business opportunities. The Issuer does not have any business track record; so, it might be a hinderance in getting Government contracts or private contracts; wherein track record of the Company is must. This will hamper and limit its business activities in the beginning. It is also relevant to note that the Company has to borrow loans from the lenders to complete the Project and intends to borrow the funds from the Investors.

However, the Authority as the Implementation Agency of the Project has extensive experience in development and roads and highways, and the Authority will continue to extend its support by making periodic payments to DME as annuity for meeting its obligations in terms of the Concession Agreement and Letter of Comfort.

- e. We are liable to fulfil all the obligations arising under the Existing Contracts and shall undertake to perform and discharge all the respective balance obligations of the Authority subject to and in accordance with the terms of the existing contracts.***

It is relevant to note that these obligations may inter alia include any one or more of the following:

- i. subject to the respective Concessionaire/ contractors (as the case may be) complying with Applicable Laws, provide reasonable support and assistance to the relevant concessionaire/ contractors in procuring approvals, other than approval of the general approval drawings of the Railway authorities for construction of such road over bridges/under bridges;
- ii. Upon written request from the relevant concessionaire/ contractors (as the case may be), provide reasonable assistance to it in obtaining access to all necessary infrastructure facilities and utilities, including water and electricity at rates and on terms no less favourable to such concessionaire/ contractors than those generally available to commercial customers receiving substantially equivalent services
- iii. Undertake review, inspection and monitoring of construction and O&M works under relevant Existing Contracts

- iv. Cause to be conducted Tests on completion of construction and issue of Completion/ Provisional Certificate
- v. Undertake review, inspection and monitoring of Divestment Requirements as set forth in respective Existing Contracts
- vi. make the due payments in accordance with requirements under Existing Contract towards full discharge of Authority's payment obligation under Extracts
- vii. Do such other activities for and behalf of the Authority as would be incidental and/or required for due discharge of Authority's obligations under respective Existing Contracts.

We shall also during the Development Period, undertake to maintain the Project. During the Development Period, we shall protect the Project from any and all occupations, encroachments or encumbrances, and shall not place or create nor permit any contractor or other person claiming through or create any encumbrance or security interest over all or any part of the Project.

It is also relevant to note that the project agreements contain provisions that entitle the Authority to step into such agreements in our substitution, in its sole discretion, in the event of termination/ suspension or at the end of the operation period.

Further, in terms of the Implementation Agreement, except the financing obligations all other obligations mentioned hereinabove stand transferred to the Authority.

f. Weaknesses, disruptions or failures in IT systems could adversely impact our business.

We have to rely on IT systems in connection with financial controls, risk management and transaction processing. The increasing size of the operations, which use automated control and recording systems for record keeping, exposes us to the risk of errors in control and record keeping. We may also be subject to disruptions of our IT systems, arising from events that are wholly or partially beyond our control (including, for example, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, hacking, cyber-attacks or similar events, or loss of support services from third parties such as internet backbone providers). In the event we experience system interruptions, errors or downtime, this may give rise to deterioration in customer service and to loss or liability to us and it may materially and adversely affect our business, financial condition and results of operations.

Our dependence upon automated IT systems to record and process transactions may further increase the risk that technical system flaws will result in losses that are difficult to detect. As a result, we face the risk that the design of our controls and procedures may prove to be inadequate thereby causing delays in detection or errors in information.

g. No toll collection rights

We have no toll collection rights and our debt repayment obligations are dependent on the annuity payments to be received from the Authority.

As per the Letter of Comfort given by the Authority and Concession Agreement, it shall ensure that the Issuer meets its payment obligations in respect of interest and repayment of instalments of the borrowed funds, which includes the debt service obligations of the Authority towards bondholders. The Authority shall continue to extend its support by making periodic Annuity payments to the Issuer for meeting the debt servicing obligations of the Issuer.

Therefore, debt service obligations of the Authority towards bondholders shall remain in full force and effect so long as any sum remains to be advanced or is outstanding from the Issuer in respect of the Bonds to be received by it from Investors, notwithstanding the termination of the Concession Agreement.

h. The Issuer may raise further borrowings and charge its assets.

The Issuer is not barred from raising future borrowings and may charge its assets as per Debenture Trust Deed from time to time for any of such future borrowings within the permitted indebtedness and stipulated financial covenants under the respective loan agreements.

i. Fluctuations in interest rates and exchange rates on the Issuer's external borrowings may adversely affect its operations.

As of 31st January 2023, the Issuer has outstanding external borrowings of Rs. 25,731 Crores (Rupees Twenty-Five Thousand Seven Hundred and Thirty-One Crores Only) from the following financial institutions/ investors:

S. No.	Lending Agency	Financial Year for sanction	Amount sanctioned (in Rs. Crore)	Amount outstanding (in Rs. Crore)
1	State Bank of India	FY 21	5,000	5,000
2	Punjab National Bank	FY 21	2,800	2,800
3	Bank of Maharashtra	FY 21	1,000	1,000
4	Axis Bank	FY 21	1,000	931
5	Bank of Baroda	FY 22	5,000	2,850
6	Bank of India	FY 22	5,000	2,200
7	Bank of Maharashtra	FY 22	700	700
8	State Bank of India	FY 22	4,000	2,500
9	Central Bank of India	FY 22	2,500	1,450
10	UCO Bank	FY 22	1,000	400
11	Indian Overseas Bank	FY 22	500	400
12	Karnataka Bank Ltd.	FY 22	500	500
	Total term loan from Banks (A)		29,000	20,731
	Outstanding Bonds Series-I (B)	FY22	5,000	5,000
	Total Debt (A+B)		34,000	25,731

The final instalment of such borrowings is payable till 2039. The Issuer may raise further borrowings for remaining funding requirement of the Project. Any increase in domestic and/or international interest rates may have adverse impact on the Issuer's cost of borrowings and the Project.

However, the Authority will continue to extend its support by making periodic payments to DME as annuity for meeting its obligations in terms of the Concession Agreement and Letter of Comfort.

j. The Issuer's financial condition and physical performance could be materially affected if the Issuer does not complete the Project as planned or if its project experience delay.

The Issuer may experience time and cost overruns. There may be a delay in implementation and completion of Project or a change of scope of work, due to factors such as delays or failures to obtain necessary permits, or authorisations which are beyond the Issuer's control or the control of the relevant contractors or concessionaires. Delays in the completion of a Project may also lead to cost overruns.

Any delay in the completion of the Project may also trigger the delay mechanism in the underlying contracts and adverse consequences under the relevant contracts could follow.

The Issuer's operations and financials may be adversely affected due to any delay in completion of the Project and resulting in an increase in the costs for the concessionaires. However also, as per Clause 14.3.2 of the Concession Agreement, a provisional certificate can be issued for operating part of the Project, if the Issuer has completed construction of 100% of the Site made available to the Issuer up to 180 days from the Appointed date and the Issuer shall be entitled to demand and collect Annuity payments in accordance with provision of Concession agreement to fulfil its debt repayment obligations under the Financing Agreements

Further, as per clause 23.9.2 of the Concession agreement, Authority can modify the scope of work in the event the Authority determines that any incomplete work is not required to be completed for any reason.

Also, the Issuer to receive fixed annuity from the Authority for meeting its debt repayment obligations. Further, for any increase in the costs or any shortfall in funds because of the time or cost overrun, the Authority will arrange for the funds as per Letter of Comfort. Further, as per Clause 23.6 of Concession Agreement, the periodicity and quantum of the Annuity payments shall be required to be aligned with the repayment terms agreed with the lenders under the Financing agreements.

k. A change in the Authority's equity stake in the Issuer or a change in the administrative structure of the Issuer may adversely affect its operations.

The Issuer is a special purpose vehicle of the Authority and any change in the Authority's shareholdings or any change in the structure of the Issuer could materially adversely affect the financial status and performance of the Issuer. It is relevant to note that as per Letter of Comfort, the Authority shall not dilute its shareholding in the Issuer below 51%.

l. The Issuer's operations may also be adversely affected if it is unable to manage its business as it grows. The Issuer's business operations may be affected by shortcomings and failures in the Issuer's internal processes and systems.

The Issuer's business is dependent on its ability to process and monitor a large number of projects. As the Issuer develops its business, the inability of its systems to accommodate an increasing volume of projects could also constrain its ability to expand its businesses. Additionally, shortcomings or failures in the Issuer's internal processes or systems could lead to an impairment of its financial condition, financial loss, disruption of its business and reputational damage. Any inability of the Issuer to successfully scale up its resources will adversely affect its business and results of operations. The Issuer's ability to operate will depend in part on its ability to maintain and upgrade its contract management systems and policies on a timely and cost-effective basis. The information made available to the Issuer's management through its existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in the Issuer's operations. The Issuer may experience difficulties in upgrading, developing and expanding its systems quickly enough to accommodate its growing requirements. The Issuer's failure to maintain or improve or upgrade its management information systems in a timely manner could materially and adversely affect its operations.

m. The Issuer's insurance coverage may not adequately protect it against all losses it incurs in its operations or otherwise.

The Issuer maintains or contractually provides for insurance coverage of the type and in the amounts that it believes is adequate for its operations. In addition, not all risks may be insurable on commercially reasonable terms or at all. Although the Issuer believes that it has obtained insurance coverage customary for its business, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. Therefore, to the extent that the Issuer suffers damage or losses which are not insured, or exceeds its insurance coverage, the loss would have to be borne by the Issuer. There can also be no assurance that the Issuer's claims will be paid, and the proceeds of any insurance claim may also not be sufficient to cover the reinstatement costs as a result of inflation, changes in regulations regarding infrastructure projects, environmental and other factors. The Issuer cannot make any assurances that material losses in excess of insurance proceeds will not occur in the future, potentially having an adverse effect on the Issuer's operations, business and financial conditions. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deduction or co-insurance requirement, could adversely affect its performance and operations. The Issuer may, at its option, obtain the insurance policies and / or pay the insurance premium and keep the relevant policy in force. The Issuer does, however, have the option to recover the premium from the relevant concessionaires or contractors.

Further, in terms of the Implementation Agreement, except the financing obligations all other obligations including maintenance of the adequate insurance cover during the construction and operation period is that of the Authority. As per the Implementation Agreement, the Authority shall also affect and maintain such insurances as may be necessary for mitigating the risks that may devolve on the Issuer as a consequence of any act or omission of the Authority during the construction period.

n. The Issuer may be unable to obtain environmental clearances from competent authorities in a timely manner or at all, and the lack of such permissions could adversely affect the Project.

The Issuer's ability to commence the Project depends on it obtaining certain environmental approvals from the relevant governmental authorities. In the event that any such environmental approvals are not received on a timely basis or at all, the commencement of the Project or ongoing construction in the Project will be adversely affected, which may have a material adverse impact on the Issuer's business, financial condition and results of operations.

In terms of the Implementation Agreement, except the financing obligations, all other obligations including obtaining all the clearances is that of NHAI.

o. The Issuer's operations are subject to physical hazards and similar risks that could expose it to material liabilities, reduced inflows and increased execution costs.

The Issuer's operations are subject to operational risks as well as project implementation risks. There are hazards inherent in construction projects such as the risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion and other hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. The Issuer also does not have a structured and documented environmental and social management system to address the issues relevant to its sector. Further, the Issuer also assumes liability for defects in connection with any design or engineering work provided by the contractors. The Issuer may be liable for accidents during the construction and operation of the Project. Any of the foregoing factors could have a material adverse effect on the financial condition, reputation and results of the Issuer's operations.

The Issuer's operations could be adversely affected by strikes, work stoppages or increased wage demands by its own or its contractors' work force or any other kind of disputes involving the Issuer's work force.

While the Issuer considers its current labour relations to be good, there can be no assurance that future disruptions in the form of strikes or work stoppages may not be experienced due to disputes or other problems with its work force. Such disruptions may adversely affect its business and results of operations.

p. Any inability to attract, recruit and retain skilled personnel could adversely affect results of the Issuer's operations.

The Issuer is highly dependent on its members, senior management and other key personnel including skilled project management personnel for managing its business. The Issuer may also face strong competition in recruiting and retaining skilled and professionally qualified staff. Due to the limited pool of skilled personnel in the Issuer's industry, competition for retaining senior management, commercial and finance professionals and engineers in the Issuer's industry is intense. The loss of the services of the Issuer's Members, senior management or other key personnel or the Issuer's inability to recruit or train a sufficient number of experienced personnel or its inability to manage the attrition levels in different employee categories may have an adverse effect on the Issuer's results of operations.

q. Opposition from local communities and other parties may adversely affect the Issuer's operations.

The construction and operation of the Issuer's current and future projects may face opposition from local communities and other parties where these projects are located and from special interest groups such as environmental groups. Such opposition may arise in response to any proposed land acquisition, the intended operations of the Issuer in that particular area and the perceived negative impact such activities may have on the local community and the environment. Any significant opposition by local communities, environmental groups, non-governmental organisations and other parties to the Project of the Issuer may delay project implementation and adversely affect the Issuer's operations.

2. RISKS RELATING TO INDIA

a. A slowdown in economic growth in India could adversely impact our business.

Any slowdown in the Indian economy or in the growth of the industry which could cause future volatility in global commodity prices could adversely affect the growth of the businesses.

India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors, including pandemics.

Further, conditions outside India, such as slowdowns in the economic growth of other countries, could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions.

b. Financial instability in other countries may cause increased volatility in Indian financial markets

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, Russia, the Middle East and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm the Issuer's business, its future financial performance and the trading price of the Bonds.

c. There has been only limited trading in the bonds, and it may not be available on sustained basis in the future, and the price of the Bonds may be volatile.

There has been only limited trading in bonds of such nature in the past. Although the Bonds are proposed to be listed on NSE, there can be no assurance that a public market for these Bonds would be available on a sustained basis. The liquidity and market prices of the Bonds can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of Bonds. Such fluctuations may significantly affect the liquidity and market price of the Bonds, which may trade at a

discount to the price at which the Bonds are issued. Further, all extraneous factors which influence the Bond market will affect the present Bonds. The pricing will be subject to factors affecting the general economic condition in India and in the global financial markets.

d. *Any adverse change in India's credit rating by an international rating agency could adversely affect the Issuer's business and profitability*

In May 2013, Standard & Poor's, an international rating agency, reiterated its negative outlook on India's credit rating. It identified India's high fiscal deficit and heavy government borrowing as the most significant constraints on its ratings and recommended the implementation of reforms and containment of deficits. In June 2013, Fitch, another international rating agency, returned India's sovereign outlook to "stable" from "negative" a year after its initial downgrade of the outlook, stating that the authorities had been successful in containing the upward pressure on the Central Government budget deficit in the face of a weaker-than-expected economy and that the authorities had also begun to address structural factors that have weakened the investment climate and growth prospects. Similarly, Standard & Poor's upgraded its outlook on India's sovereign debt rating to "stable" in September 2014 and reaffirmed such rating in November 2016, while reaffirming the "BBB-" long-term rating on bonds. Standard & Poor's stated that the revision reflects the view that India's improved political setting offers an environment which is conducive to reforms that could boost growth prospects and improve fiscal management. In July 2016, Fitch revised its outlook for the Indian banking sector to "Negative" from "Stable" due to the increase in non-performing loans. However, in November 2017, Moody's upgraded India's credit rating to "Baa2" from "Baa3" and changed its India rating outlook to "stable" from "positive" citing reforms such as GST, demonetisation, the inflation-targeting monetary policy framework, the Bankruptcy Act, bank recapitalisation, Aadhaar and the Direct Benefits Transfer system. In June 2020 Moody's downgraded India's Sovereign Rating to "Baa3" from "Baa2" with negative outlook citing structural weaknesses, weak policy effectiveness, and slow reforms momentum even before the Covid-19 pandemic. However, in October 2021 Moody re-affirmed India's Sovereign Rating to "Baa3" and revised the outlook to "stable" from "negative" outlook citing improved growth forecasts and expected reduction in fiscal deficit. In September 2022, Moody's retained India's sovereign credit rating at Baa3 with stable outlook citing that the impact of Russia-Ukraine conflict, higher inflation and tightening global financial conditions are unlikely to derail India's economic recovery from the pandemic. The rating agency also stated that the country's credit rating could upgrade if its growth potential rose beyond expectations, supported by effective implementation of economic and financial sector reforms. In December 2022, Fitch ratings affirmed India's credit rating at BBB- with Stable outlook citing strengths from robust growth outlook compared to peers and still-resilient external finance. There can be no assurance that these ratings will not be further revised or changed by Standard and Poor's, Fitch, or Moody's or that any of the other global rating agencies will not downgrade India's credit rating. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Issuer's business, financial condition and results of operations and limit its access to capital markets.

e. *Any volatility in the exchange rate may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which may impact the Project*

Capital inflows into India have remained extremely volatile responding to concerns about the domestic macroeconomic landscape and changes in the global risk environment. A substantial increase in the import bills led to a significant widening of the trade deficit that in turn increased the size of the current account deficit from the budget estimates. The primary challenge for the Rupee was the volatile swings in capital flows. The Rupee may come under pressure depending on the US monetary policy and major events in global financial markets. Any event leading to decrease in Rupee compared to USD there may be a need for intervention which may result in a decline in India's foreign exchange reserves and subsequently reduce the amount of liquidity in the domestic financial system. This in turn could further impact domestic interest rates.

However, DME to receive fixed annuity from NHAI for meeting its debt repayment obligations.

f. Political instability or changes in the Government in India could delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which would impact the Issuer's financial results and prospects

Since 1991, successive Indian Governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. Nevertheless, the roles of the Central Government and State Governments in the Indian economy as producers, consumers and regulators remain significant as independent factors in the Indian economy. In successive 2014 and 2019, further to the election of a pro-business majority Government, there has been a distinct increase in expectations for policy and economic reforms of the Indian economy. There is no guarantee that the new Government will be able to enact an optimal set of reforms or that any such reforms would continue or succeed if there were a change in the current majority leadership in the Government in the future. There is also no guarantee that the Government will announce an optimal set of reforms or policies in the future. The rate of economic liberalisation is subject to change and specific laws, and policies affecting banking and finance companies, foreign investment, currency exchange and other matters affecting investment in the Issuer's securities are continuously evolving as well. Other major reforms have been the direct tax code and provisions relating to the General Anti-Avoidance Rule (the "GAAR"). Any significant change in India's economic liberalisation, deregulation policies or other major economic reforms could adversely affect business and economic conditions in India generally and the Issuer's business in particular.

g. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely impact the Issuer's business, the trading price of the Bonds could decrease and lead to a loss of confidence and impair travel, which could reduce its customers' appetite for its products and services

Terrorist attacks, such as those which took place in Mumbai in November 2008, and other acts of violence or war may negatively affect the Issuer's business, the trading price of the Bonds and the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult, and as a result, ultimately adversely affect its business. In addition, any deterioration in relations between India and Pakistan or between India and China might result in investors' concern about stability in the region, which could adversely affect the trading price of the Bonds.

India has also witnessed civil disturbances in recent years, and future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on the Issuer. Such incidents also create a greater perception about investment in Indian companies involving a greater degree of risk, which in turn could have an adverse impact on the Issuer's business.

h. Natural disasters could have a negative impact on the Indian economy and damage the Issuer's facilities.

Natural disasters such as floods, cyclones, earthquakes or famines have in the past had a negative impact on the Indian economy. If any such event were to occur, the business of the Issuer could be affected due to the event itself or due to our inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure and the loss of business continuity or business information. In the event that the facilities of the Issuer are affected by any of these factors, its operations may be significantly interrupted, which may materially and adversely affect its business, financial condition and results of operations.

i. Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by employees as well as due to unavailability of a sufficient pool of contract labour.

We are also dependent on the availability of a sufficient pool of contract labour to execute our infrastructure development and construction projects. Some of our contracts provide that a significant percentage of the aggregate number of unskilled labours employed for the relevant project must be sourced from within the district in which the work site is located. If the requisite number of contract labour is not available within such district, we may employ the rest from outside the district, with the permission of the relevant government entity. The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with independent contractors to complete specific assignments. All contract labourers engaged at the Project are assured minimum wages that are fixed by the relevant state governments. Any upward revision of wages required by such state governments to be paid to such contract labourers may adversely affect our business and results of our operations.

j. Significant differences exist between Indian GAAP and IND (AS), on one hand, and other accounting principles, such as U.S. GAAP and IFRS, on the other hand, which may be material to investors' assessments of our financial condition.

Our financial statements, included in this Information Memorandum, were prepared and presented in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this IM, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP and IND (AS). Accordingly, the degree to which the IND (AS) Audited Financial Statements included in this IM will provide meaningful information is dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian

accounting practices on the financial disclosures presented in this Information Memorandum should accordingly be limited.

k. Pandemic such as COVID-19 could have impact on the Issuer facilities

With the outbreak of COVID-19 pandemic, the international market has been disturbed and fluctuating ever since its inception. Big shifts in stock markets have been observed, where shares in companies are bought and sold. With the advent of the second wave of COVID-19 pandemic, there has been a surge in the demand of Industrial Oxygen for the patients across the country, which lead to the halting the fabrication works at the construction sites, as they too had to divert their supply to the healthcare systems on priority basis. This has caused the Contractors to ask for Extension of Time due to COVID-19 pandemic. The effect of COVID-19 has now reduced, and the situation is coming back to normal with economy on track towards recovery. India has crossed ~2.2 billion marks in administering COVID-19 vaccines. The active caseload as on 3rd Feb 2023 stands at 1,764 whilst India's recovery rate stands over 44 million (~98.81%). (Source: <https://www.mohfw.gov.in>)

l. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our Company's financial condition.

A decline in India's foreign exchange reserves could impact the value of the Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our Company's future financial condition. Alternatively, high levels of foreign funds inflow could add excess liquidity to the system, leading to policy interventions, which would also allow slowdown of economic growth. In either case, an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect our Company's business, prospects, financial condition, and results of operations.

The foreign exchange reserves stood at USD 573.7 billion in the week ended 20th January 2023 (Source: https://rbidocs.rbi.org.in/rdocs/Wss/PDFs/2T_27012023987AB67469604A0DBD9EFA08C15B2A1C.PDF)

3. RISK IN RELATION TO BONDS

Any downgrading in credit rating of the Bonds may affect the value of Bonds and thus our ability to raise further debts. Investors may not be able to recover, on a timely basis or at all, the full value of the outstanding amount and/or the interest accrued thereon in connection with the Bonds. Changes in interest rate/exchange rates may affect the prices of the Bonds. Payments made on the Bonds will be subordinated to certain tax and other liabilities preferred bylaw. There is a risk of volatility in the price of the Bonds. Any adverse change in India's credit rating by an international rating agency could adversely affect the Issuer's business and profitability.

VI. ABOUT THE ISSUER

1. OVERVIEW OF THE BUSINESS OF THE ISSUER

National Highway Authority of India (“NHAI” or “the Authority”) was exploring alternate financing mechanisms that allow financial investors to finance the large-scale road infrastructure projects during the construction phase while minimising the impact of the construction risks for the financial investors and at the same time enabling NHAI to execute large scale infrastructure projects of national importance with additional funds. It was proposed to execute such projects by floating separate corridor specific Special Purpose Vehicles (“SPVs”), wherein SPV shall raise debt on its balance sheet, while NHAI retains the operational control during construction and O&M.

The Delhi-Mumbai greenfield expressway being undertaken by NHAI, is one of the flagship highway projects being executed by NHAI. It was proposed that Delhi Mumbai Expressway be executed through the aforementioned SPV mechanism. The Cabinet Committee on Economic Affairs had approved the formation of SPV for financing construction and operation of Delhi-Mumbai Expressway on 24th June 2020 and DME Development Ltd (“Issuer”) was formed.

The Issuer is a SPV owned by the NHAI and was constituted on 29th August 2020 by Ministry of Corporate Affairs under the Companies Act, 2013 (18 of 2013).

The Issuer was incorporated by the Authority for the development and financing of Delhi – Mumbai Expressway project consistent with global standards, to meet road users' expectations in the most efficient and cost-effective manner and to provide a road infrastructure capable of supporting a sustainable economic growth. The objectives of the Issuer as provided in the Memorandum of Association and Article of Association states the Issuer to be responsible for the development, maintenance and management of the Delhi Mumbai Expressway or other expressway / highways.

The Issuer's functions include the survey, development, maintenance and management of the national highways and, inter alia, to construct offices or workshops, to establish and maintain hotels, restaurants and rest rooms on or near the highways entrusted to it, to regulate and control regular traffic volume, to develop and provide consultancy and construction services and to collect service and usage fees on behalf of the Authority or other fees as maybe specified by the Authority from time to time in connection with the Delhi-Mumbai Expressway or any other highway projects.

The Issuer has entered into a Concession Agreement dated 5th February 2021 with the Authority, which bestows upon the Issuer the rights and responsibilities related to financing, development, operation, maintenance and management of the Project, in accordance with the terms and conditions as set forth in the Concession Agreement. Subsequently, the Issuer has entered into an Implementation Agreement with the Authority to assign the responsibilities related to development, operation, maintenance and management of the Project to the Authority. The Authority has adopted a business model geared towards outsourcing of such implementation activities rather than undertaking such activities through its own employees.

2. STRENGTHS

a. Backed by the Authority

The Issuer believes that it has a strategic advantage being wholly owned subsidiary of the Authority, which has strong relationship with the Central Government and occupies central position in the plans of the Central Government for the development and implementation of various programmes, policies and structural and procedural reforms for the roads and highway infrastructure sector in India. Further, the Project is an outcome of the conscious recognition by the Authority to improve the road transport network in the country. The Project is thus, assured of administrative support, which is important for projects of this nature.

b. Liquidity

The Issuer has liquidity underpinned by support from the Authority. Out of the estimated project cost of Rs. 53,849 Crores (excluding annuity for HAM projects and land acquisition costs), the Authority will infuse Rs. 5,385 Crores in the project as equity. Annuity for HAM and land acquisition costs will be paid/incurred directly by the Authority. The Project is expected to be completed by 31st March 2024. Debt is expected to have a moratorium of 6 months to 1 year post completion. The Issuer will receive fixed annuity from the Authority to cover its debt obligations and incidental expenses in accordance with the terms agreed with the lenders / Investor(s) under Financing Agreements.

The Authority will also provide Letter of Comfort to the lenders / Investor(s) for achieving financial closure of the Project. As per the terms of the Letter of Comfort, the Authority will ensure that DME meet its payment obligations in respect of interest and repayment obligations. The Authority will fund loan accounts of DME at least one business day prior to the due date. Further, Letter of Comfort also covers that in case of any shortfall in the funding plan for any year, the same shall be arranged by the Authority. Also, the Authority will undertake to continue servicing entire debt obligations outstanding, even in the event of termination of the Project, if any.

c. Strategic and economic importance of the Project in augmenting India's infrastructure requirement

The Issuer is a special purpose vehicle (SPV) floated by the Authority to construct an 8 lane 1,277 km high-speed corridor connecting north India with west and south India. The Project will connect the country's prominent economic and social hubs such as Mumbai, Delhi, Vadodara, Kota and Jaipur. The stretch is being constructed through engineering procurement construction (EPC) and hybrid annuity model (HAM), wherein the Delhi to Vadodara section is being constructed through EPC mode and the Vadodara to Mumbai section through HAM. It is one of the largest infrastructure projects in India with 8-lane configuration and provision to expand to 12 lanes. The Project will reduce travel time between Delhi and Mumbai by around 50%. Successful implementation of the Project is expected to unlock new economic opportunities and reduce distance and travel time, which will enable cost savings. CRISIL Ratings believes the Project is extremely critical and of high strategic importance for economic growth in India.

d. Technical, managerial, and financial support from the Authority

Given the criticality of the Issuer, the Authority is providing complete support for the implementation of the Project. The Authority and the Issuer have entered into a Concession Agreement wherein the Issuer has rights related to financing, development, operation, maintenance and management of the Project in accordance with the terms and conditions as set forth in the Concession Agreement. The Issuer has subsequently entered into an Implementation Agreement with the Authority wherein rights related to development, operation, maintenance and management of the project have been transferred to the Authority. The Issuer will only be responsible for raising funds for the Project. The Project is being monitored at the highest level of the Government of India, and the Authority has nominated its senior and experienced personnel to DME's Board including representation of senior official from MoRTH. Governance planning through the concession and implementation agreement between the Authority and the Issuer will ensure that no ambiguity arises regarding the scope and implementation of the Project. A Project of such magnitude is likely to pose new implementation challenges, which is partly mitigated given expertise of the Authority in executing road projects.

The Project is being funded through debt and equity mix of 9:1. Out of the estimated project cost of Rs. 53,849 Crore, the Authority will infuse Rs. 5,385 Crores in the Project as equity and balance Rs. 48,464 Crore will be funded as debt. The Project is expected to be completed by 31st March 2024 and debt is being raised in a phased manner. The Issuer will receive fixed annuity from the Authority in accordance with the terms agreed with the lenders / Investors under Financing Agreements which will cover its debt obligation and maintenance cost. Annuities to the Issuer shall be due and payable in accordance with the terms agreed with the lenders / Investors under the financing agreements. As per the termination clause in the Concession Agreement, on termination of the Project, the Authority will make the termination payment to the extent of the debt due.

The Issuer is rated as AAA / Stable by three rating agencies in India i.e., CRISIL, IRRPL and CARE. The rating factors in technical, managerial, and financial support expected from the Authority. The Authority will provide Letter of Comfort to the lenders / Investors for achieving financial closure of the Project. As per the terms of the Letter of Comfort, the Authority will ensure that DME meet its payment obligations in respect of interest and repayment obligation. The Authority will fund loan accounts of DME at least one business day prior to the due date. The Authority will continue to extend its support by making periodic payments to DME as annuity for meeting its debt servicing obligations. The letter further states that debt service obligations of DME shall remain obligation of the Authority, notwithstanding the termination of the Concession Agreement. In case of any shortfall in the funding plan for any corresponding year, the same shall be arranged by the Authority. Besides, the Authority has also undertaken to maintain stake of at least 51% until debt is outstanding- if there is any dilution of stake it will be with prior approval from the Investors.

e. No traffic or financial risk owing to robust implementation structure

The Authority will provide Letter of Comfort to lenders / Investors for making periodic payments to Issuer as Annuity for meeting debt servicing obligations and other incidental expenses of Issuer, which nullify the financial or traffic risk.

f. Experienced and committed management and employee base with in-depth sector expertise.

The Issuer believes that it has an experienced, qualified and committed management and employee base. The Issuer believes that it is one of the few organisations where people with extensive experience in the road and highways and finance sectors are regularly seconded from various central or state services, departments and organisations to share their expertise. The Issuer is organised in a manner so as to facilitate faster operational decision-making. Supervision consultants and independent engineers are appointed through a rigorous recruitment process in order to select the most qualified professionals.

In addition to our Promoters, we have a dedicated and experienced management team, which is responsible for our overall strategic planning and business development. We have strong work culture designed to balance our organizational priorities with life-stage needs and aspirations of our employees.

3. STRATEGIES

The Issuer's goal is to undertake the development of Delhi Mumbai Expressway ('Project') by raising finance required for the development of the section. The Issuer aims to achieve this goal through the following areas of strategic focus.

a. *The Issuer has entered into concession agreement and implementation agreement with the Authority*

The Issuer and the Authority has entered into Concession Agreement wherein the Issuer shall have rights related to financing, development, operation, maintenance and management of the Project in accordance with the terms and conditions as set forth in the Concession Agreement.

Subsequently, the Issuer has entered into an Implementation Agreement with the Authority wherein the Authority shall be assigned with the responsibility related to development, operation, maintenance and management of the Project.

b. *Formation of escrow account to ring fence the toll revenues from Delhi Mumbai Expressway*

The Authority to form an escrow account to ring-fence the toll revenues from Delhi Mumbai Expressway. This shall help in providing a secure stream of revenues to the Authority to make periodic payments to the Issuer and annuity payments to HAM concessionaires. It shall be noted that the modality of ring fencing of revenues from specific projects by the Authority through project specific escrow accounts has been approved by the CCEA as part of the toll securitization model.

c. *Letter of Comfort from the Authority and annuity for meeting debt service obligations*

The Authority will provide Letter of Comfort to lenders/ Investors undertaking arrangement of additional debt and making periodic payments to the Issuer as Annuity for meeting debt servicing obligations and other incidental expenses of the Issuer.

d. *Greater focus on human resources*

The Issuer expects an increase in the scale of future businesses arising from the development of this expressway, which will require continued growth within its human resources both in terms of size and expertise. The Issuer plans to extend its outsourcing of personnel to its different areas of operation in order that the right level of expertise is available where necessary. The Issuer believes that by doing so it shall be able to utilise the experience and expertise of these personnel to enhance its business and areas of operation.

e. *Developing strong institutional relationships with external stakeholders*

The Issuer's strategy is to engage with and build strong relationships with a variety of stakeholders across various aspects of its operations. These include, but are not limited to, the Central Government, the Niti Aayog, State and local Governments and agencies, implementing authorities such as the police and health service, contractors, concessionaires, technical, financial and legal consultants, audit firms, financial institutions, investors, industry associations, academic institutions, the media, and both multilateral and bilateral funding agencies.

f. *Greater use of information technology ("IT")*

The rapid advance in IT resources across various aspects of expressway development and management has resulted in a stronger incentive for the Issuer/ Authority as Implementing Agency for the Project to maximise the application of these resources within its operations. The Implementing Agency has already instituted various information technology systems across its various operations. Examples include e-tendering, electronic tolling, advanced traffic management systems and road asset management systems. The Implementing Agency expects to expend more resources towards the implementation of information technology across its operations to enhance its productivity and its results of operations.

g. *Attractive Industry Sector with Favourable Government Policies*

Further development of the infrastructure sector, in particular road infrastructure, is a priority for the Government of India and has been the subject of enhanced investment from the public sector through traditional means of public investment and new channels such as PPPs., and road transport has emerged as the dominant segment in India's transport sector. With initiatives such as the NHDP, the Special Accelerated Road Development Programme and the National Highways Interconnectivity Improvement Project, union budget allocation for FY2024 towards the Ministry of Road Transport and Highways is ~Rs. 2.71 lakhs crores.

4. THE ISSUER'S PROJECT

a. Project Brief

The Delhi – Mumbai Expressway (“DME”, the expressway) is one of the flagship highway projects currently being executed by National Highways Authority of India (“NHAI” or the Authority”) and the same was underscored in the Union Budget 2020 by the Hon’ble Finance Minister Ms. Nirmala Sitharaman.

Key Features of the Delhi-Mumbai Expressway are as follows:

1. An 8-lane configuration with provision to expand to 12-lanes in the future
2. Design speed of 120 km/hr
3. Distance reduction of 130 km from Delhi – Mumbai and expected travel time reduced to 12 hours from current 23 hours
4. To be completely access controlled, under pay per use close tolling concept
5. Wayside amenities planned at 92 locations across the length of the corridor
6. Perpetual (D-V) & Rigid (V-M) pavement design to ensure superior ride quality & low maintenance cost
7. Expected to unlock new economic opportunities in the hinterland districts
8. Reduced distance and travel time to enable fuel and monetary savings

b. Project Need and Importance

The Delhi-Mumbai Expressway Project is planned as an ambitious high-speed corridor which provides high speed connectivity between states of North India and states of West & South India, more importantly giving a reliable access to the country’s prominent economic and social hubs like Mumbai, Delhi, Vadodara, Kota, Jaipur.

Overall, the DME Project will act as a lifeline for production centres in North India for international trade by providing seamless connectivity to the ports in Gujarat and Maharashtra. The strong regional connectivity proposed through the Project will further increase regional trade and economic growth:

1. Delhi NCR has industrial catchment focused on Agri and processed food, automotive & auto ancillary, home consumables, metals and minerals etc.
2. Kota have industrial profiles with focus on fertilizers & chemicals, stone polishing, engineering and cement. Kota is the second largest producer of stone in Rajasthan.
3. Vadodara industrial belt is concentrated with industries like textiles, chemicals & petrochemicals, pharmaceuticals and bio-technology

DME Project will also support the local businesses and economy along the proposed corridor. Several industries along the alignment and other connected districts stand to benefit by use of the expressway, further contributing to traffic generation. It will also create considerable employment opportunities in form of transportation of construction materials, greenbelt development, wayside facilities like canteens, dhabas etc.

Delhi Mumbai Expressway is divided into seven homogeneous sections with two additional sections starting from Sohna-Firozpur Jhirka section to Spur to JNPT section. Details of the sections are given hereunder:

Homogeneous Sections	Name of the Section	Length (km)
	Sohna-Firozpur Jhirka	79
HS 1	Delhi-Alwar	37
HS 2	Alwar-Dausa	67
HS 3	Dausa-Jhalawar	269
HS 4	Jhalawar-Dahod	245
HS 5	Dahod-Vadodara	148
HS 6	Vadodara-Surat	161
HS 7	Surat-Mumbai	194
	Spur to JNPT	77
	Total	1277

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

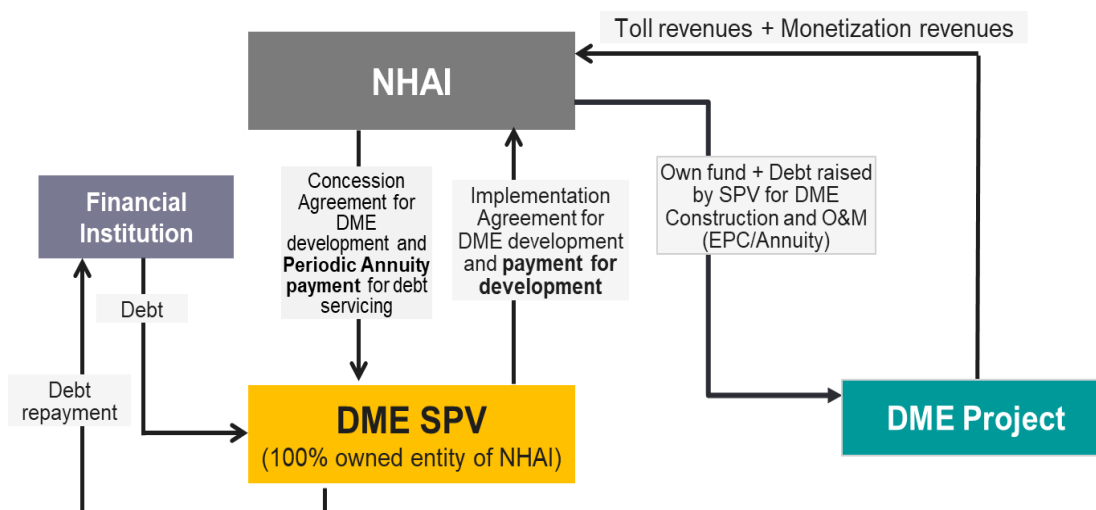
c. Implementation Structure

Delhi Mumbai Expressway Project is being executed through a separate Special Purpose Vehicle, DME Development Limited (“Issuer”), which is a 100% owned entity of the Authority. The Issuer will raise the finances required for the development of the Delhi-Vadodara section under EPC contract mechanism and upfront commitment required for development of Vadodara-Mumbai section under HAM contracts.

d. Salient features of the arrangement are as follows:

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

e. **Implementation Framework:**



Key roles and responsibilities of the Authority and the Issuer under the given implementation framework is mentioned below:

The Authority	Issuer
<ul style="list-style-type: none"> • Provided concession rights to the Issuer through a Concession Agreement for implementation of the project. • Entered into Implementation Agreement with the Issuer wherein the Authority appointed as the Implementing Agency to undertake the development, operation, maintenance, and management of Delhi Mumbai Expressway on behalf of the Issuer. Development shall include, inter alia, procurement, award, signing of contracts and project monitoring. • Undertake land acquisition, approvals and clearances for the project and bear the related costs • Pay Annuity to HAM Contractors as per the payment obligations • Make periodic payments to the Issuer as Annuity equivalent to amount required for debt servicing and meeting other incidental expenses of the Issuer • Form an escrow account to ring-fence the toll revenues from Delhi Mumbai Expressway • Provide a Letter of Comfort (LOC) to lenders / Investor(s) for project financing and debt servicing obligations 	<ul style="list-style-type: none"> • Exclusive right, license and authority to construct, operate, manage and maintain the Project (the “Concession”) for concession period of 20 years. • Transfer the rights to the Authority for construction and operation of the project through an Implementation Agreement • Raise the funds required for the project through a mix of equity from the Authority and debt from lenders / Investors • Pay the Authority the funds required for development of the Project as per Implementation Agreement • Repayment of debt and interest as per the schedule to lenders / Investors

f. Estimated Project Cost

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

(Rs. Crores)

Section	Implementation Mode	# Of Packages	Total Length (km)	Civil Cost + Centages *	Land Acquisition	Total Capital Cost
Delhi – Vadodara (D-V)	EPC	31	844.4	35,184	6,646.4	41,855
Vadodara – Mumbai (V-M) ¹	HAM	17	432.2	31,655	13,942.5	45,598
Grand Total		48	1276.6	66,864	20,589	87,453

¹Including 4 packages of Spur, last package excluded

* The Civil Costs for EPC and HAM projects are considering adjustment for inflation and Price Index Multiple on Bid Project Cost, respectively

The above estimated project cost is as per original business plan and excludes DND-Sohna Spur of 90 kms and 15 kms connectivity to JNPT (developed by Maharashtra State Road Development Corporation).

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

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

g. Project physical progress as on 31st December 2022

i. Delhi – Vadodara (D-V)

Status	# of Pkgs	Length (km)
Completed	2	62.4
Under Construction	28	752.4
Awarded – Not appointed	1	29.5
Total	31	844.3

ii. Vadodara – Mumbai (V-M)

Status	# Of Pkgs	Length (km)
Under Construction	11	293.4
Awarded – Not Appointed	5	103.4
Terminated – To be Awarded	1	35.4
Total	17	432.2

As evident from above, more than 90% of the Project length has been completed or awarded and is under construction.

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

h. Package-wise breakup of financial progress as on 31st December 2022:

Delhi – Vadodara (D-V)

#	State	Length (km)	Status	Concessionaire	Financial progress (%)
1.	Haryana	18	Under Construction	M/s APCO Infratech Pvt. Ltd.	98%
2.	Haryana	29	Under Construction	M/s APCO Infratech Pvt. Ltd.	94%
3.	Haryana	32	Under Construction	M/s Centrodorstroy India Pvt. Ltd	97%
4.	Rajasthan	37	Under Construction	M/s H.G. Infra Engineering Limited	100%
5.	Rajasthan	36	Under Construction	M/s KCC Buildcon Pvt. Ltd.	100%
6.	Rajasthan	31	Completed	M/s KCC Buildcon Pvt. Ltd.	99%
7.	Rajasthan	31	Completed	M/s Gawar Constructions Ltd.	99%
8.	Rajasthan	33	Under Construction	M/s H.G. Infra Engineering Limited	96%
9.	Rajasthan	46	Under Construction	M/s H.G. Infra Engineering Limited	79%
10.	Rajasthan	26	Under Construction	M/s Dhaya Maju Infrastructure (Asia) Sdn. Berhad - Crescent EPC Projects & Technical Services Ltd.	39%
11.	Rajasthan	12	Under Construction	M/s Larsen & Toubro Ltd.	72%
12.	Rajasthan	28	Under Construction	M/s G R Infraprojects Limited	54%

#	State	Length (km)	Status	Concessionaire	Financial progress (%)
13.	Rajasthan	29	Under Construction	M/s CDS Infra Projects Limited	52%
14.	Rajasthan	31	Under Construction	M/s Dhaya Maju Infrastructure (Asia) Sdn. Berhad - Crescent EPC Projects & Technical Services Ltd.	38%
15.	Rajasthan	8	Under Construction	M/s Dilip Buildcon Ltd – M/s Altis Holding Corporation	18%
16.	Rajasthan	25	Under Construction	M/s Dineshchandra R. Agrawal Infracon Pvt. Ltd.	58%
17.	Madhya Pradesh	32	Under Construction	M/s JiangXi Construction Engineering (Group) Corporation Ltd. - MKC Infrastructure Ltd. (JV)	85%
18.	Madhya Pradesh	33	Under Construction	M/s G R Infracorps Limited	98%
19.	Madhya Pradesh	30	Under Construction	M/s JiangXi Construction Engineering (Group) Corporation Ltd. - MKC Infrastructure Ltd. (JV)	81%
20.	Madhya Pradesh	25	Under Construction	M/s GHV (India) Pvt Ltd.	97%
21.	Madhya Pradesh	30	Under Construction	M/s G R Infracorps Limited	98%
22.	Madhya Pradesh	25	Under Construction	M/s Larsen & Toubro Ltd.	99%
23.	Madhya Pradesh	25	Under Construction	M/s G R Infracorps Limited	88%
24.	Madhya Pradesh	21	Under Construction	M/s G R Infracorps Limited	100%
25.	Madhya Pradesh	23	Under Construction	M/s G R Infracorps Limited	96%
26.	Gujarat	30	Awarded – Not Appointed	M/s Atlas Ltd	5%
27.	Gujarat	29	Under construction	M/s GHV (India) Pvt Ltd	17%
28.	Gujarat	26	Under Construction	M/s GHV (India) Pvt Ltd	21%
29.	Gujarat	23	Under Construction	M/s PNC Infracorps Pvt. Ltd.	71%
30.	Gujarat	22	Under Construction	M/s Patel Infrastructure Limited	27%

#	State	Length (km)	Status	Concessionaire	Financial progress (%)
31.	Gujarat	19	Under Construction	M/s PNC Infratech Pvt. Ltd.	63%

Vadodara-Mumbai (V-M)

#	State	Length (km)	Status	Concessionaire	Financial Progress (%)
1.	Gujarat	24	Under Construction	M/s IRB Infrastructure Developers Ltd.	100%
2.	Gujarat	32	Under Construction	M/s IRCON International Limited	99%
3.	Gujarat	31	Under Construction	M/s Patel Infrastructure Limited	93%
4.	Gujarat	13	Under Construction	M/s Ashoka Buildcon Limited	97%
5.	Gujarat	25	Under Construction	M/s Sadbhav Engineering Pvt. Ltd.	24%
6.	Gujarat	37	Under Construction	M/s G R Infraprojects Limited	27%
7.	Gujarat	28	Under Construction	M/s IRB Infrastructure Developers Ltd.	17%
8.	Gujarat	35	Awarded - Not Appointed (Terminated)	M/s Roadway Solutions India Infra Ltd.	-
9.	Gujarat	27	Awarded - Not Appointed	M/s Roadway Solutions India Infra Ltd.	-
10.	Gujarat	25	Under Construction	M/s Roadway Solutions India Infra Ltd.	4%
11.	Maharashtra	26	Under Construction	M/s RKC Infrabuilt Private Ltd.	8%
12.	Maharashtra	26	Under Construction	M/s Montecarlo Limited	11%
13.	Maharashtra	27	Under Construction	M/s G R Infraprojects Ltd.	15%
14.	Maharashtra	17	Awarded - Not Appointed	M/s IRCON International Limited	-
15.	Maharashtra	23	Awarded - Not appointed	M/s Agroh Infrastructure & Developer Pvt. Ltd.	-

#	State	Length (km)	Status	Concessionaire	Financial Progress (%)
16.	Maharashtra	27	Awarded - Not appointed	M/s Shivalaya Construction Ltd.	-
17.	Maharashtra	10	Awarded – Not Appointed	M/s IRCON International Limited	-

i. Land Acquisition Status as on 31st December 2022

Land Acquisition activities are in an advanced stage for the corridor. 3(D) stage (i.e., Notification of Acquisition) has been completed for more than 97% of the land to be acquired, i.e., the competent authority for land acquisition has declared the survey numbers to be acquired after due process.

Land for approx. 93% of the length has already been taken into possession which is expected to increase in the coming months. Land acquisition status summary as of 31st December 2022 is shown below:

i. Delhi-Vadodara Section:

State	Length (km)	Total Area Required (ha)	3D (ha)	3D %	3G (ha)	3G %	Possession (Ha)	Possession %
Haryana	79	940	940	100	936	99.57	920	97.87
Rajasthan	374	4,217	4,167	98.82	4,151	98.43	4,132	97.98
Madhya Pradesh	245	2,902	2,891	99.62	2,881	99.30	2,881	99.29
Gujarat	148	1,605	1,359	84.68	1,153	71.84	1,456	90.72
Grand Total	845	9664	9,357	96.82	9,121	94.38	9,390	97.16

ii. Vadodara-Mumbai Section:

State	Length (km)	Total Area Required (ha)	3D (ha)	3D %	3G (ha)	3G %	Possession (Ha)	Possession (%)
Gujarat	275	3,215	3,013	93.72	2,911	92.00	2,958	92
Maharashtra	157	1,844	1,844	100.00	1,497	81.20	1,305	70.82
Grand Total	432	5,139	4,857	96.01	4,408	87.13	4,263	84.28

j. Approvals and Clearances

As on 31st December 2022, the status of Forest and Wildlife clearances for the Project is mentioned below.

S. No.	State	Stage I Forest Clearance	Environmental clearance	Wildlife Clearance
1	Haryana	Received	Received	Received
2	Rajasthan	Received	Received	Received
3	Madhya Pradesh	Received	Received	Received
4	Gujarat (Delhi Vadodara Section)	Received	Received	NA
5	Gujarat (Vadodara Mumbai Section)	Received	Received	NA
6	Maharashtra	Received	Received	NA

k. Expenses already incurred by the Authority till 31st December 2022

The Authority's expenditure towards the project is about Rs. 48,074 Crores till 31st December 2022 out of which Rs. 27,903 Crores have been spent for civil construction works, while Rs. 20,171 Crores have been spent towards land Acquisition & pre-construction activities. The same is summarized below:

Section	EPC Cost (Rs. Crores)	LA and construction Activities (Rs. Crores)	Pre-Total (Rs. Crores)
Delhi – Vadodara (D-V)	23,009	5,106	28,115
Vadodara – Mumbai (V-M)	4,894	15,065	19,959
Grand Total	27,903	20,171	48,074

The Authority shall form an escrow account to ring-fence the toll revenues from Delhi-Mumbai Expressway. This shall help in providing a secure stream of revenues to the Authority to make periodic payments to the Issuer and annuity payments to HAM concessionaires. It shall be noted that the modality of ring fencing of revenues from specific projects by the Authority through project specific escrow accounts has been approved by the CCEA as part of the toll securitization model.

5. FINANCING

The total estimated project funding requirement phasing over the construction life, bifurcated between debt and equity is explained below:

(Rs. Crores)

Particulars	2021	2022	2023	2024	Total
Capex Phasing	10,812	13,901	10,314	18,822	53,849
NHAI Equity	1,081	2,051	1,141	1,112	5,385
Debt (From lenders / Investors / other sources)	9,731	11,850	9,173	17,710	48,464

Under the proposed structure, the Issuer shall seek financial closure for fund requirement from the lenders / Investors through a mix of debt and equity in the ratio of 9:1.

The Issuer till 31st January 2023, has received total sanction of Term Loan of Rs. 29,000 Crore (*Rs. 9,800 Crores in FY2021, Rs. 19,200 Crores in FY2022*) from the banks and proceeds from bonds of Rs. 5,000 Crores out of total estimated required debt of Rs. 48,464 Crores.

In addition to the above, the Issuer is looking to raise part funds via issuance of Non-Convertible Debentures from Qualified Institutional Buyers and term loans from Banks/ Non-Banking Financial Companies.

6. SUMMARY OF INDEBTEDNESS

The following table sets forth the details of the Issuers' indebtedness as on the dates mentioned:

Summary of funds raised (sanctions received) in FY2021 is as follows:

(In Rs. Cr)

Particulars	FY2021
State Bank of India	5,000.00
Punjab National Bank	2,800.00
Bank of Maharashtra	1,000.00
Axis Bank	1,000.00
Total	9,800.00

Summary of funds raised (sanctions received) in FY2022 is as follows:

(In Rs. Cr)

Particulars	FY2022
Bank of Baroda	5,000.00

Particulars	FY2022
Bank of India	5,000.00
Central Bank of India	2,500.00
Bank of Maharashtra	700.00
UCO Bank	1000.00
State Bank of India	4,000.00
Indian Overseas Bank	500.00
Karnataka Bank Limited	500.00
Series-I Bonds issuance	5,000.0
Total	24,200.00

7. INSURANCE

The Issuer maintains or contractually provides for insurance coverage of the type and in the amounts that it believes is adequate for its operations. Further, as per the Implementation Agreement, the Authority shall also affect and maintain such insurances as may be necessary for mitigating the risks that may devolve on the Issuer as a consequence of any act or omission of the Authority during the Construction Period.

8. COMPETITION

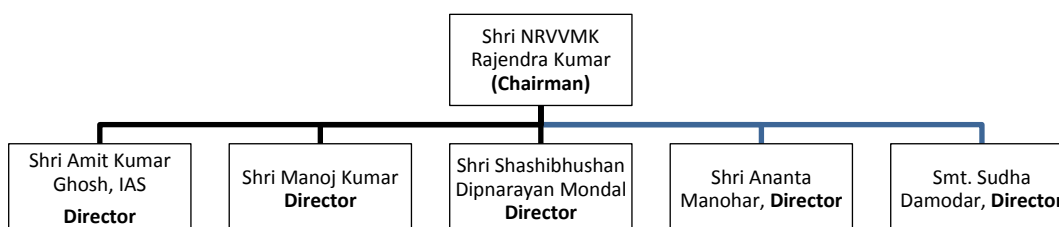
Responsibility for all of the national highway's vest in the Government, and such responsibility has been designated to the Authority under the NHDP/ Bharatmala and the other programmes entrusted to it. The Issuer is wholly owned subsidiary of the Authority and aims to undertake the development of Delhi Mumbai Expressway by raising finance required for the development of the section. Although the Authority is the sole delegate for this role, roads authorities such as PWDs and other road construction corporations under the control of State or Union Territory governments are also working towards the development and maintenance of roads and certain other national highways, some of which also form part of the NHDP.

9. INFORMATION TECHNOLOGY ("IT")

The Issuer invests in IT designed to help it better monitor and run its business. The rapid advance in IT resources across various aspects of expressway development and management has resulted in a stronger incentive for the Issuer/ Authority as Implementing Agency for the Project to maximise the application of these resources within its operations. The Implementing Agency has already instituted various information technology systems across its various operations. Examples include e-tendering, electronic tolling, advanced traffic management systems and road asset management systems. The Implementing Agency expects to expend more resources towards the implementation of information technology across its operations to enhance its productivity and its results of operations.

10. CORPORATE STRUCTURE

The organisation structure of the Issuer is as follows:



In addition to above, the Issuer has appointed Shri Anant Manohar as its new Chief Financial Officer (CFO) with effect from 23rd June 2022 and Mrs. Prachi Mittal as its Compliance Officer with effect from 1st June 2022.

VII. BRIEF HISTORY OF ISSUER SINCE INCORPORATION

1. BRIEF BACKGROUND

Issuer is a SPV formed as a wholly owned entity of the Authority. It was incorporated on 29th August 2020, to undertake the development of the Delhi Mumbai Expressway Project. The estimated project funding requirement of Rs. 53,849 Crores (excluding the cost and annuity for HAM projects of Rs. 18,993 Crores and land acquisition costs of Rs. 20,589 Crores and including interest during construction of Rs. 5,978 Crore) will be funded in debt-to-equity ratio of 9:1. The land cost is borne by the Authority and annuity for HAM projects will be paid directly by the Authority. The concession period of the project is twenty (20) years including construction period of three (3) years.

2. HEAD OFFICE

The Registered office and head office of the Issuer is G-5 & G-6, Sector-10, Dwarka, South Delhi – 110075.

3. VISION & MISSION

Vision:

To undertake development, operation, maintenance, and management of Delhi-Mumbai Expressway or any other Green-field Expressways/ Highways which would act as an economic driver as a medium of robust transport system with commitment to environment, ecology and social values for ease of business, strengthening logistics etc. for the overall growth of the Country.

Mission:

- To provide ease of transportation to the users and providing last mile connectivity to major urban centers, logistics hubs, ports, airports etc. thereby boosting the economic growth of the country;
- To facilitate transportation for the users through development of the expressway with an ambition to generate employment for the citizens of the country;
- To build sustainable, environment friendly, and socially valuable asset strengthening relationship with all stakeholders for a mutual benefit;
- To accept Corporate Social Responsibilities (CSR), including meeting the social needs of the under - privileged society of the country;

4. MAIN OBJECTS

As per the Memorandum and Articles of Association, the Objects to be pursued by the Issuer on its incorporation are:

- a. To Promote, Develop, Survey, Establish, Design, Construct, Equip, Operate, Maintain, Modify and Upgrade either alone or jointly with other companies or persons or any other entity,

Infrastructure facilities and works in relation to the Delhi-Mumbai Expressway and of any other Highways/Expressways of all descriptions, including Highways, Roads, Bridges, River Crossings, Waterways, Approach Roads, Interchanges, Flyovers, Culverts, Buildings, Residential and Commercial Townships, Restaurants, Hotels, Motels, Recreation Parks, Amusement Parks, Fuel Pumps, Vehicle Repair Workshops, Public Conveniences, Medical Centres, First Aid Centres, Commercial Premises, Rest Rooms, Hoardings, Toll Booths, Toll Plazas and to regulate and control the plying of vehicles on the Delhi-Mumbai Expressway and other highways/roadways and to charge and collect tolls, cess, rents from the users of any of the facilities, to retain and appropriate receivables under a concession received from the Central or State Government or any other Agency statutory or otherwise; to develop and provide consultancy and construction services in India and abroad and carry on research activities in relation to the development, maintenance and management of highways or of any other facilities thereat and to provide such facilities and amenities for the users of the highways, collect fees on behalf of the National Highways Authority of India and/or any other Body/ Authority/ Organisation/ Entity/ Person for services or benefits rendered and as may be collected by the National Highways Authority of India and/or such other Body/Authority/ Organisation/Entity/Person and any other fees as may be specified by the National Highways Authority of India and/or such other Body/ Authority/ Organisation/Entity/Person from time to time in connection with the Delhi-Mumbai Expressway and or any other highways/roadways so entrusted/vested in it and to develop, maintain, sell, contract, lease, rent, retain, distribute acquire such infrastructure works including but not limited to:

- i. Making or constructing in or upon, across, under or over any lands, or any Streets, Hills, Valleys, Roads, Railways, Tramways or any Rivers, Canals, Brooks, Streams, or other waters or any Drains, Water Pipes, Gas Pipes, Oil Pipes, Sewers, Electric Supply Lines, Telephone Lines, Optic Fibre Cables, or any other communication facilities or telegraph lines, such temporary or permanent inclined planers, bridges, tunnels, culverts, embankments, aqueducts, canals, roads, lines or railways, passages, conduits, drains, piers, cuttings and fences in-take wells, tube-wells, dams, river training and protection works related thereto.
- ii. Altering the course of any rivers, brooks, streams or other water courses, for the purpose of constructing and maintaining tunnels, bridges, passages or other works over or under them, and divert or alter, either temporarily or permanently, the course or any rivers, brooks, streams or other water courses or any roads, streets or ways, or raise or sink the level thereof, in order to carry them more conveniently over or under or by the side of Delhi Mumbai Expressway or other highway/roadway;
- iii. Making drains or conduits into, through or under any lands adjoining the Delhi Mumbai Expressway or other highway/roadway for the purpose of conveying water from or to the Delhi Mumbai Expressway or other highway/roadway;
- iv. Erecting and constructing such houses, warehouses, offices and other buildings, and such yards, stations, wharves, engines, machinery apparatus and other works and conveniences related thereto
- v. Altering, repairing or discounting such building, works and conveniences so other in their stead.
- vi. Erecting, operating and maintaining or repairing any telegraph and telephone lines, other communication facilities, any electric traction equipment, power supply and distribution installation with the working of the Delhi Mumbai Expressway or other highway/roadway;
- vii. Making and maintaining works for the accommodation of the staff managerial or otherwise including but not limited to personnel catering for emergency services, utility services, law

and order and all such like activities and occupation of lands adjoining the Delhi Mumbai Expressway or other highway/roadway such as crossings, bridges, over bridges, under bridges, culverts, tunnels, roads, drains, water sources or other passages over under or by the sides of or leading to or from the Delhi Mumbai Expressway or other highway/roadways;

- viii. Making boundary marks or fences, erecting gates, chains, bars, stiles or hand rails in connection with the working of the Delhi Mumbai Expressway or other highway/roadway;
 - ix. Establishment of ferries for the accommodation to traffic of the Delhi Mumbai Expressway or other highway/roadway or otherwise providing and maintaining bridges and roadways, carrying other traffic roadways constructing and maintaining roads for the accommodation of traffic passing providing and maintaining any means of transport including motor transport or aircraft services with a terminus at or near the Delhi Mumbai Expressway or other highway/roadway which may be required for the reasonable conveniences of passengers, animals or goods carried or to be carried on the Delhi Mumbai Expressway or other highway/roadway;
 - x. Establishment of mass transit and other people mover systems of all types and disciplines, rail, road, sea, underground and air based including air base mass capacity rapid transit systems, surface heavy rail-systems, heavy metro systems, people mover systems, including magnetic levitation systems and monorails;
- b.** To Promote, Establish, Construct, Equip, Operate, Upgrade and Maintain all types of systems and methods in order to facilitate travel transportation, and commuting of passengers, cargo and freight and to further these objectives amongst others, to construct equip, operate and maintain roads, paths routes, circuits, courses, itinerary, street, access, approach arteries avenues, boulevards, channels, drags, highways, passes, promenades, channels, drags, high-drag, passes, roadways, strait, thoroughfares, trails, bridges, overpasses, trestles, viaducts, tunnels, passageways, conduits, pathways, shafts, subways tubes, by-passes, freeways, highways, expressways and all types of infrastructure and all other works, erection and things of any description whatsoever either upon the lands acquired by the company or upon other lands and generally to alter and improve the lands and other properties of the Company and to finance all such activities and to promote, plan, locate, establish, build, lease, construct, finance, equip, maintain, operate, administer, manage, service, improve, upgrade and carry out repairs in respect of all types of project, systems, and methods in the infrastructure sector on a “Build Own Operate” (BOO), “Build Own Operate Maintain” (BOOM), “Build Own Operate Transfer” (BOOT), “Design Build Finance and Operate” (DBFO), “Build Operate Lease and Transfer” (BOLT), or any other model basis and particularly in sectors relating to roads, bridges highways, waterways, telecommunications, ports, power, energy, urban development, airports, railways, tramways with a view to facilitating, improving and developing the level of infrastructure in the economy.
- c.** To participate in various schemes of programmes, sponsored or promoted by the Government for and to undertake regulation and improvement of transport facilities and provide the requisite infrastructure therefore and to collect fees, tolls, charges and dues from the public for providing, managing or maintaining facilities or infrastructure put up or acquired by the Company as principals or as agents of all and as concessionaire on behalf of Government or any other authority or any person whatsoever.

5. MAJOR EVENTS

Date	Event
25 th June 2020	Approval of Cabinet Committee on Economic Affairs for formation of SPV for financing of Large-Scale Highway Projects
24 th July 2020	NHAI has approved formation of an SPV as wholly owned subsidiary of NHAI, for financing, construction and operation of Delhi-Mumbai Greenfield expressway.
29 th Aug 2020	Incorporation of the Issuer
19 th Oct 2020	Infusion of funds of Rs. 1 Crore by NHAI, towards meeting part equity requirement for Year I
05 th Feb 2021	Execution of Concession and Implementation Agreement
26 th Feb 2021	CRISIL Ratings has assigned its CRISIL AAA / Stable rating on the long-term borrowing programme of the Issuer
1 st Mar 2021	CARE Ratings has assigned its CARE AAA / Stable rating on the long-term borrowing programme of the Issuer
02 nd Mar 2021	India Ratings has assigned IND AAA / Stable rating on the long-term borrowing programme of the Issuer
12 th Mar 2021	Infusion of additional funds of Rs. 1,081 Crores by NHAI, towards meeting equity requirement for Year I
19 th Mar 2021	1 st Extra-Ordinary General Meeting of the Members of the Issuer to approve <i>inter alia</i> following: <ul style="list-style-type: none"> The borrowing limits of the Company in accordance with the provision of section 180 (1) (C) of the Companies Act, 2013 Creation of Charge on the movable and immovable properties of the Company in favour of Lenders
19 th Mar 2021	The Issuer successfully received sanction of Rs. 2,800 Crores from Punjab National Bank towards Year I
20 th Mar 2021	The Issuer successfully received sanction of Rs. 1,000 Crores from Bank of Maharashtra towards Year I
23 rd Mar 2021	The Issuer successfully received sanction of Rs. 5,000 Crores availed from State Bank of India towards Year I
23 rd Mar 2021	The Issuer successfully received sanction of Rs. 1,000 Crores availed from Axis Bank towards Year I
24 th Mar 2021	Board has approved Letter of Comfort to be provided to all the lending banks
29 th May 2021	The Issuer successfully received sanction of Rs. 700 Crores from Bank of Maharashtra
21 st Jun 2021	The Issuer successfully received sanction of Rs. 5,000 Crores from Bank of Baroda
28 th June 2021	Infusion of additional funds of Rs. 2,051 Crores by NHAI, towards meeting equity requirement
22 nd Jul 2021	The Issuer successfully received sanction of Rs. 5,000 Crores availed from Bank of India


Date	Event
21 st Aug 2021	The Issuer successfully received sanction of Rs. 2,500 Crores availed from Central Bank of India
14 th Sep 2021	Board meeting held to approve the Annual Accounts for FY2021
7 th Dec 2021	Board meeting held to approve issuance of Series-I Bonds and other related items
15 th Dec 2021	India Ratings reaffirmed credit rating of DME to IND AAA / Stable
22 nd Dec 2021	The Issuer successfully received sanction of Rs. 1,000 Crores from UCO Bank
3 rd Feb 2022	CARE ratings reaffirmed credit rating of DME to CARE AAA / Stable
14 th Feb 2022	The Issuer successfully received sanction of Rs. 4,000 Crores from State Bank of India
16 th Feb 2022	Appointment of Mr. Neti Ravi Vijay Venkat Murali Krishna Rajendrakumar as Directors of DME
21 st Feb 2022	CRISIL ratings reaffirmed credit rating of DME to CRISIL AAA / Stable
2 nd March 2022	CARE ratings revalidated credit rating of DME to CARE AAA / Stable
7 th March 2022	India Ratings revalidated credit rating of DME to IND AAA / Stable
16 th March 2022	Rs. 5,000 Crores received from QIB investors through issuance of Bonds Series-I
21 st March 2022	Listing of Series-I Bonds on NSE
29 th April 2022	Infusion of additional funds of Rs. 50 Crores by NHAI, towards meeting equity requirement
31 st May 2022	Infusion of additional funds of Rs. 181 Crores by NHAI, towards meeting equity requirement
1 st June 2022	Mrs. Prachi Mittal appointed as Compliance Officer
23 rd June 2022	Mr. Anant Manohar appointed as Chief Financial Officer and Ms. Prachi Mittal as KMP of the Issuer
30 th June 2022	Infusion of additional funds of Rs. 100 Crores by NHAI, towards meeting equity requirement
30 th July 2022	Infusion of additional funds of Rs. 90 Crores by NHAI, towards meeting equity requirement
30 th August 2022	Infusion of additional funds of Rs. 125 Crores by NHAI, towards meeting equity requirement
14 th September 2022	Board meeting held to approve the Annual Accounts for FY2022
16 th September 2022	Infusion of additional funds of Rs. 100 Crores by NHAI, towards meeting equity requirement
31 st October 2022	Infusion of additional funds of Rs. 125 Crores by NHAI, towards meeting equity requirement
30 th November 2022	Infusion of additional funds of Rs. 150 Crores by NHAI, towards meeting equity requirement
16 th December 2022	Infusion of additional funds of Rs. 90 Crores by NHAI, towards meeting equity requirement
23 rd December 2022	Board Meeting held to approve approve 1) issuance of Bonds/Other Instruments as part of total approved borrowing for DME

Date	Event
	Development Ltd in FY2022-23 to FY 2023-24 2) appointment of Sh. Ananta Manohar as Additional Director and resignation of Sh. S.Q.Ahmad from directorship of the Company 3) approve appointment of Sh. Shashibhushan Dipnarayan Mandal as Chief Executive Officer (KMP) of the Company 4) approve appointment of Smt. Sudha Damodar as Independent & Woman Director and 5) allotment of equity shares to NHAI and to issue share certificates of Rs. 240 Crore totaling to Rs. 4144 Crore
30 th December 2022	Infusion of additional funds of Rs. 130 Crores by NHAI, towards meeting equity requirement
14 th February 2023	Board meeting held to approve issuance of Series-II Bonds and other items including approval of Audited Balance Sheet for 9 months ending, 31 st December 2022

6. HOLDING COMPANY

The Holding entity of the Issuer is NHAI. It is an autonomous Authority of the Government of India under the Ministry of Road, Transport & Highways (MoRTH) and was constituted on 15 June 1989 by the NHAI Act, 1988. The NHAI Act governs the functions of the Promoter and frames the rules and regulations pursuant to which it operates. It commenced operations in February 1995.

7. THE PROMOTER, PROMOTER GROUP AND GROUP COMPANIES

Name of the Promoter	National Highway Authority of India
Logo	
Date of Incorporation	Constituted on 15 th June 1989 by an Act of Parliament - The National Highways Authority of India Act, 1988
Corporate Office	G - 5 & 6, Sector 10, Dwarka, New Delhi – 110075
PAN	AAATN1963H

a) HISTORY AND OTHER DETAILS

NHAI was established by the Government of India for the provision and maintenance of a national highway network consistent with global standards, to meet road users' expectations in the most efficient and cost-effective manner and to provide a national infrastructure system capable of supporting a sustainable economic growth. The objectives of NHAI are provided in the NHAI Act pursuant to which it is responsible for the development, maintenance and management of the national highways entrusted to it by the Government and for matters connected or incidental thereto. The functions include the survey, development, maintenance, and management of the national highways and, *inter alia*, to construct offices or workshops, to establish and maintain hotels, restaurants and rest rooms on or near the highways entrusted to

it, to regulate and control regular traffic volume, to develop and provide consultancy and construction services and to collect service and usage fees in accordance with the NHAI Act.

The NHAI's original mandate was limited to a number of pilot projects, undertaken with the assistance of the Asian Development Bank (ADB) and Japan Bank of International Cooperation (JBIC). Subsequently, in 1998, the Government, in conjunction with NHAI, announced the National Highways Development Programme (NHDP) comprising two initial major phases. The First Phase comprised the Golden Quadrilateral project, which established modern road transportation links between a number of major Indian cities including New Delhi, Chennai, Kolkata, Mumbai, Bangalore and Jaipur. The Golden Quadrilateral project was split into four sections totalling 5,846 km of road network. The Second Phase involved development of the North South corridor and the East West corridor ("**NS-EW Corridors**"), which established highways through central India connecting Srinagar (North), Kanyakumari (South), Porbandar (West) and Silchar (East), totalling approximately 7,142 km.

NHAI's mandate was further expanded by entrustment of National Highway Development Project spanning over 7 phases whereby upgradation of existing highways of over 54,000 km to primarily 4/6 lane was envisaged. Further, in 2017, Government has announced, India's largest ever highway development program, Bharatmala Pariyojna, under which 34,800 km National Highways are to be upgraded in phase 1 at an estimated cost of Rs. 5,35,000 Crores. Bharatmala Pariyojna promises to optimise the efficiency of road traffic movement across the country by bridging critical infrastructure gaps. Since its inception, the Authority has constructed 43,127 kms and awarded 56,436 kms of National Highways for development, maintenance, and management (Source: Annual Report FY21).

Since the inception of the NHDP programme, the approach to implement the NHDP has changed significantly. Initially NHDP projects were implemented through EPC contracts. Since 2005, as a policy, the Government has been implementing NHDP projects through PPP models. The various PPP models followed include BOT models, being the BOT (Toll), BOT (Annuity) and BOT (Hybrid Annuity) models.

The Authority has adopted a business model that relies on outsourcing several activities including design, construction, supervision, operation and maintenance of national highways, rather than undertaking such activities through its own employees. This has allowed the Issuer to maintain an efficient organisational structure which focuses on operational decision-making.

The Authority is also involved in the implementation of the Special Accelerated Road Development Programme for Development –North East (SARDP-NE) to provide connectivity to all the State Capitals and district headquarters in the north-east region of India. The proposal would include upgrading other stretches of national highways and state highways considered critical for the economic development of the north-east region.

In December 2000, a mandate was given by the Central Government to the NHAI under NHDP Phase-I to upgrade the road connectivity to the Major Ports in the Country. Port-road connectivity projects are being implemented by setting up SPVs where the Issuer contributes to the project cost by way of an equity investment or equity participation.

On 9 October 2017, the NHAI was assigned a rating of Baa3 with positive outlook from Moody's Investor Service ("**Moody's**"), the same rating as the Government of India. Moody's also highlighted the strong link between the Issuer and the Indian Government, adding that the Issuer's baseline risk is the same as the default risk of India and indicating a strong correlation of the Issuer's credit rating with the credit rating of the Government of India. Subsequently, on 17 November 2017, Moody's upgraded India's rating from Baa3 to Baa2, also changing the outlook from Stable to Positive. However, following the Sovereign Rating downgrade of India, Moody's has in June 2020 downgraded rating of NHAI by one notch to Baa3 with negative outlook. The same is in line with rating downgrade of Government of India. Further in October'21, Moody has revised the rating outlook from negative to stable. On 24th August 2022, Moody has withdrawn its issuer rating and senior unsecured medium-term note program rating for business reasons. CRISIL, CareEdge and India ratings has assigned "AAA/Stable" credit rating on the bonds and long-term borrowing program on 27th May 2022, 5th April 2022 and 31st May 2022, respectively.

b) **BOARD OF DIRECTORS**

The NHAI was constituted by the NHAI Act to develop, maintain and manage the national highways vested in or entrusted to it by the Central Government. As per the NHAI Act, the Issuer is managed by members of the Authority, which consists of:

- i) a chairman;
- ii) not more than six full-time Members; and
- iii) not more than six part-time Members.

Each Member is appointed by the Central Government by notification in the official gazette. Presently, the Issuer has five full time Members (excluding the Chairman) and four part time Members.

Every meeting of the Issuer must be attended by at least two-thirds of total members and three-quarters of the part-time Members. The NHAI Act provides that for the purpose of discharging its functions, the Issuer shall appoint such number of officers and other employees as it may consider necessary.

c) **DETAILS OF THE CHAIRMAN AND FULL-TIME MEMBERS OF THE AUTHORITY:**

S. No.	Description	
1.	Name	Shri Santosh Kumar Yadav, IAS
	Designation	Chairman, NHAI
	Date of Appointment	2 nd January 2023
	Other Directorships	-
	Age	52 years
3.	Name	Shri R. K. Pandey
	Designation	Member (Project)
	Date of Appointment	4 th November 2015
	Other Directorships	-
	Age	61 years
4.	Name	Shri Manoj Kumar

S. No.	Description	
	Designation	Member (Project)
	Date of Appointment	13 th July 2020
	Other Directorships	-
	Age	50 years
5.	Name	Shri Mahabir Singh
	Designation	Member (Technical)
	Date of Appointment	22 nd July 2020
	Other Directorships	-
	Age	59 years
6.	Name	Shri NRVVMK Rajendra Kumar
	Designation	Member (Finance)
	Date of Appointment	16 th February 2022
	Other Directorships	-
	Age	53 years
7.	Name	Shri K. Venkata Ramana
	Designation	Member (Public Private Partnership)
	Date of Appointment	1 st September 2022
	Other Directorships	-
	Age	

d) DETAILS OF PART-TIME MEMBERS OF THE AUTHORITY:

SI. No.	Description	
1.	Name	Ms. Alka Upadhyaya, IAS
	Designation	Secretary, Ministry of Road Transport & Highways, Government of India
	Date of Appointment	29 th October 2022
	Other Directorships	-
	Age	56 years
2.	Name	Sh. Parameswaran Iyer, IAS (Retd)
	Designation	CEO, NITI Aayog
	Date of Appointment	24 th June 2022
	Other Directorships	-
	Age	63 years
3.	Name	Shri T.V. Somanathan, IAS
	Designation	Secretary, Department of Expenditure
	Date of Appointment	28 th December 2019
	Other Directorships	-
	Age	57 years
4.	Name	Shri P.V.V.S.S. Ravi Prasad
	Designation	DG (RD) & SS
	Date of Appointment	-
	Other Directorships	-
	Age	-

None of the current members of the Issuer appear in the RBI's defaulter list or ECGC's default list.

e) SHAREHOLDING PATTERN

NHAI is an autonomous body constituted by an act of Parliament - The National Highways Authority of India Act, 1988, under the Ministry of Road Transport & Highways, Government of India. NHAI has not issued any shares against capital and capital grants invested by Government of India (in pursuance of NHAI Act). The entire capital base of NHAI is contributed by the Ministry of Road Transport & Highways, Government of India and as such, 100% owner's capital in NHAI is held by the Government of India. The promoters have not pledged or encumbered their shareholding in the Issuer.

f) FINANCIAL PERFORMANCE OF THE AUTHORITY:

(Rs. Crores)

Particulars	FY2020-21 (Audited)	FY 2019-20 (Audited)	FY 2018-19 (Audited)
Capital	2,61,113	2,19,027	1,92,854
Reserves & Surplus	-	-	-
Capital Grants	14,082	13,982	13,825
Borrowings	3,07,162	2,48,832	1,79,438
Total Fixed Assets	5,70,821	4,63,004	3,71,383
Investments (at cost)	2,045	952	936
Current Assets, Loans & Advance	51,863	52,249	69,797
Current Liabilities & Provisions	42,372	34,284	55,999
Net Current Assets	9,491	17,885	13,798
Total Income	27	13	11
Total Expenditure	495	456	469
Profit / (Loss) for the Year	(467)	(443)	(458)
Surplus brought forward	-	-	-
Surplus carried to Balance Sheet	-	-	-

g) SHARE PRICE INFORMATION

NHAI is an autonomous Authority of the Government of India under the Ministry of Road, Transport & Highways (MoRTH) and is not a listed entity. Hence, share price information is not applicable to NHAI.

h) NATURE AND EXTENT OF INTEREST OF THE PROMOTER IN THE ISSUER INCLUDING INTEREST IN PROPERTY, LAND, CONSTRUCTION, SUPPLY OF MACHINERY

The Issuer is 100% owned entity of the NHAI, with financing, development, operation, maintenance, and management of the Project in accordance with terms and conditions set forth in the Concession Agreement and Implementation Agreement.

i) RELATED PARTY TRANSACTIONS

Following are the Related Party Transactions undertaken with the Issuer for FY2021, FY2022 and 9M FY2023:

(Rs. Crores)

Particulars		9 months ending December 31, 2022	Year Ending March 31, 2022	Year Ending March 31, 2021
A	Enterprises having substantial interest in Company	NHAI	NHAI	NHAI
	Equity share issued	1,011.00	2,051.00	1,081.99
	Pending Share application money	130.00	-	-
	Loan taken from NHAI	-	-	-
	Interest accrued on loan	-	-	-
	Reimbursement of expenses (Paid to NHAI)	-	-	9,731.01
	Expenditure Incurred by NHAI on behalf of DME	4,270.30	12,082.11	9,871.44
B	Loan outstanding from NHAI	-	-	-
	Interest accrued (NHAI)	-	-	-
	Amount Deposited to NHAI for expenses	-	1,786.20	-
	Amount payable to NHAI for Expenses	4,270.30	-	140.43
C	Independent Director's Sitting Fees / Salary to Company Secretary	-	-	-

j) OTHER VENTURES

Brief information of SPVs and Associate Companies as on 31st January 2023 is as follows:

Name	<i>Ahmedabad Vadodara Expressway Company Limited</i>
Date of Incorporation	April 05, 2000
Registered Office	NHAI Corporate Office, Plot G - 5 & 6, Sector -10, Dwarka, New Delhi-110075

Name	<i>Calcutta-Haldia Port Road Company limited</i>
Date of Incorporation	December 26, 2000
Registered Office	G 5 & 6, Sector -10, Dwarka, New Delhi-110 075

Name	<i>National Highway Logistics Management Ltd. (erstwhile Cochin Port Road Company Limited)</i>
Date of Incorporation	January 19, 2004
Registered Office	G 5 & 6 Sector 10, Dwarka, New Delhi-110075

Name	<i>Moradabad Toll Road Company Limited*</i>
Date of Incorporation	August 13, 1998

Registered Office	1 Eastern Avenue Maharani Bagh, Sector 10, Dwarka, New Delhi – 110075, India
--------------------------	--

* Wound-up as per order of Hon'ble NCLT dated 21st May 2019

Name	<i>Mormugao Port Road Company Limited</i>
Date of Incorporation	December 26, 2000
Registered Office	G 5 & 6, Sector -10, Dwarka, New Delhi-110 075

Name	<i>Mumbai-JNPT Port Road Company Limited</i>
Date of Incorporation	December 26, 2000
Registered Office	G 5 & 6, Sector -10, Dwarka, New Delhi-110 075

Name	<i>Tuticorin Port Road Company Limited</i>
Date of Incorporation	January 19, 2004
Registered Office	G 5 & 6 Sector 10, Dwarka, New Delhi-110075

Name	<i>Paradip Port Road Company Limited</i>
Date of Incorporation	January 19, 2004
Registered Office	G 5 & 6 Sector 10, Dwarka, New Delhi-110075

Name	<i>Vishakhapatnam Port Road Company Limited</i>
Date of Incorporation	December 26, 2000
Registered Office	G 5 & 6, Sector -10, Dwarka, New Delhi-110 075

Name	<i>New Mangalore Port Road Company Limited</i>
Date of Incorporation	January 19, 2004
Registered Office	G 5 & 6 Sector 10, Dwarka, New Delhi-110075

Name	<i>Chennai-Ennore Port Road Company Limited</i>
Date of Incorporation	December 26, 2000
Registered Office	G 5 & 6, Sector -10, Dwarka, New Delhi-110 075

Name	<i>Indian Highways Management Company Limited</i>
Date of Incorporation	December 26, 2012
Registered Office	Plot G-5 & 6, Sector -10, Dwarka, New Delhi-110075

Name	<i>DME Development Limited</i>
Date of Incorporation	August 29, 2020
Registered Office	Plot G-5 & 6, Sector -10, Dwarka, New Delhi-110075

Name	<i>National Highways InvIT Project Managers Private Limited</i>
Date of Incorporation	March 09, 2021
Registered Office	Plot G-5 & 6, Sector -10, Dwarka, New Delhi-110075

VIII. FINANCIAL INFORMATION

1. FINANCIAL STATEMENTS OF THE ISSUER SINCE INCEPTION

a) BALANCE SHEET ON STANDALONE BASIS

(Rs. Crores)

Particulars	For 9MFY23 (Standalone) (Audited)	For Financial Year (Standalone) (Audited)	For Financial Year (Standalone) (Audited)
	December 2022	March 2022	March 2021
Equity and Liabilities			
Equity share capital	4,144.00	3,133.00	1,082.00
Other Equity	(2.27)	(2.16)	(2.03)
Share application pending	130.00	-	-
Borrowings	21,590.60	21,580.99	9,730.99
Trade payables	1132.98	1.11	140.82
Other current liabilities	1.18	3.35	1.15
Total	31,011.79	24,759.47	10,952.93
Assets			
Capital work in progress – Intangible Assets	30,990.99	22,874.00	9,890.74
Deferred tax assets	0.79	0.76	0.71
Cash and Cash Equivalents	15.71	91.99	1,061.48
Other current assets	4.29	1,792.73	
Total	31,011.79	24,759.47	10,952.93

b) PROFIT AND LOSS STATEMENT ON STANDALONE BASIS

(Rs. Crores)

Particulars	For 9MFY23 (Standalone) (Audited)	For Financial Year (Standalone) (Audited)	For Financial Year (Standalone) (Audited)
	December 2022	March 2022	March 2021
Revenue	0.10	-	-
Other expenses	0.25	0.16	2.75
Profit before tax	(0.15)	(0.16)	(2.75)
Deferred tax	0.03	0.04	0.71
Profit / (loss) for the period	(0.11)	(0.12)	(2.03)

c) CASH FLOW STATEMENT ON STANDALONE BASIS

(Rs. Crores)

Particulars	For 9MFY23 (Standalone) (Audited)	For Financial Year (Standalone) (Audited)	For Financial Year (Standalone) (Audited)
	December 2022	March 2022	March 2021
Cash flow from operating activities			
Profit before income tax	(0.25)	(0.16)	(2.75)
(Increase)/decrease in other current assets	1,786.07	(1,792.73)	-
Increase / (decrease) in other current liabilities	(2.96)	2.19	1.15
Increase / (decrease) in trade payables and financial liabilities	498.33	(96.53)	140.82

Particulars	For 9MFY23 (Standalone) (Audited)	For Financial Year (Standalone) (Audited)	For Financial Year (Standalone) (Audited)
	December 2022	March 2022	March 2021
Net Cash flow from operating activities	2,895.61	(1,887.23)	139.22
Cash flow from investing activities			
Addition in CWIP	(8,116.99)	(12,983.25)	(9,890.74)
Net Cash flow used in investing activities	(8,116.99)	(12,983.25)	(9,890.74)
Cash flow from financing activities			
Borrowings during the period	4,004.10	11,849.99	9,730.99
Change in share capital	1011.00	2,051.00	1,082.00
Change in Share Application money	130.00		
Net Cash flow from financing activities	5,145.10	13,900.99	10,812.99
Net increase / (decrease) in cash and cash equivalents	(76.27)	(969.49)	1,061.48
Opening cash	91.99	1,061.48	-
Closing cash	15.71	91.99	1,061.48

2. KEY OPERATIONAL AND FINANCIAL PARAMETERS ON STANDALONE BASIS:

(Rs. Crores)

Particulars	For 9 months ended (Standalone) (Audited)	For Financial Year (Standalone) (Audited)	For Financial Year (Standalone) (Audited)
	December 2022	March 2022	March 2021
Balance Sheet Items			
Capital work in progress – Intangible Assets	25,560.85	22,874.00	9,890.74
Current assets	33.77	1,884.71	1,061.48
Non-current assets	0.77	0.76	0.71
Total assets	25,595.40	24,759.47	10,952.93
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities	21,590.60	21,580.99	9,730.99
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) Other current liabilities	543.01	47.64	141.97
Total liabilities	22,133.61	21,628.63	9,872.96
Equity (equity and other equity)	3,461.79	3,130.84	1,079.96
Total equity and liabilities	25,595.40	24,759.47	10,952.93
Profit and Loss Items			

Particulars	For 9 months ended (Standalone) (Audited) December 2022	For Financial Year (Standalone) (Audited) March 2022	For Financial Year (Standalone) (Audited) March 2021
Total revenue from operations	-	-	-
Other income	0.10	-	-
Total Expenses	0.25	0.16	2.75
Total comprehensive income	(0.11)	(0.12)	(2.03)
Profit/ loss			
Other comprehensive income			
Profit / loss after tax	(0.11)	(0.12)	(2.03)
Earnings per equity share:			
(a) basic; and	-	-	-
(b) diluted	-	-	-
Continuing operations			
(a) basic; and	-	-	-
(b) diluted	-	-	-
Discontinued operations			
(a) basic; and	-	-	-
(b) diluted	-	-	-
Total Continuing and discontinued operations			
(a) basic; and	-	-	-
(b) diluted	-	-	-
Cash Flow Items			
Net cash generated from operating activities	2,895.61	(1,887.23)	139.22
Net cash used in / generated from investing activities	(8,116.99)	(12,983.25)	(9,890.74)
Net cash from financing activities	5,145.10	13,900.99	10,812.99
Cash and cash equivalents	15.71	91.99	1,061.48
Balance as per statement of cash flows	15.71	91.99	1,061.48
Additional information			
Net worth	3,461.79	3,130.84	1,079.96
Cash and Cash Equivalents	15.71	91.99	1,061.48
Current Investments	-	-	-
Net Sales	-	-	-
EBIDTA	(0.15)	(0.16)	(2.75)
EBIT	(0.15)	(0.16)	(2.75)
Dividend amounts	-	-	-
Long term debt to working capital	-	-	-
Current Liability ratio – Current liabilities / non-current liabilities	0.03	0.002	0.01
Total Debts to Total assets	0.86	0.87	0.89
Debt Service Coverage Ratios	-	-	-
Interest service coverage ratio	-	-	-

Note: Issuer doesn't have any subsidiaries as on the date of this IM and hence, consolidated result is not applicable for the Issuer

3. DEBT TO EQUITY RATIO AS ON 31st JANUARY 2023

Before the issue	5.02:1
After the issue	7.19:1

Note: - Debt equity shall be maintained at a maximum of 9:1 till the Commercial Operation Date of the Project

4. DETAILS OF ANY OTHER CONTINGENT LIABILITIES OF THE ISSUER BASED ON THE LAST AUDITED FINANCIAL STATEMENTS

<i>Nil</i>

IX. CAPITAL STRUCTURE

1. BRIEF HISTORY OF THE ISSUER SINCE ITS INCORPORATION

For brief history and activities of the Company, please refer page 41.

2. DETAILS OF SHARE CAPITAL AS ON 31st JANUARY 2023

The Issuer has issued shares against equity capital invested by NHAI and its nominees as follows:

Particulars	No of shares	Amount (Rs. Crore)
Authorized share capital		
Equity shares of Rs 100/- each	300,00,00,000	30,000
Subscribed share capital		
Equity shares of Rs.100/- each	4,144,00,000*	4,144

*Excludes the share application money of Rs. 130 Crore as on 31st January 2023

3. CAPITAL HISTORY OF THE ISSUER

Details of equity capital contribution by NHAI up to 31st January 2023:

(Rs. Crores)

S. No	Date of Change	Amount	Cumulative Capital
1	19th October 2020	1	1
2	12th March 2021	1,081	1,082
3	28th June 2021	2,051	3,133
4	29th April 2022	50	3,183
5	31st May 2022	181	3,364
6	30th June 2022	100	3,464
7	30th July 2022	90	3,554
8	30th August 2022	125	3,679
9	16th September 2022	100	3,779
10	31 st October 2022	125	3,904
11	30 th November 2022	150	4,054
12	16 th December 2022	90	4,144
13	30 th December 2022	130*	4,274

*To be allotted as on 31st January 2023

a. Details of Any Acquisition or Amalgamation in The Last 1 Year

Nil

b. Details of Any Reorganization or Reconstruction in The Last 1 Year

Nil

c. Shareholding Pattern of The Issuer

As on 31st January 2023, the Shareholding Pattern of the Issuer is as follows:

Name of the Share Holder	No. of Shares	% Share
National Highways Authority of India (NHAI)	41,43,99,994	100%
Alok (Nominee of NHAI)	1	
Amit Kumar Ghosh (Nominee of NHAI)	1	
Manoj Kumar (Nominee of NHAI)	1	
Amarendra Kumar (Nominee of NHAI)	1	
Rohin Kumar Gupta (Nominee of NHAI)	1	
Ravinder (Nominee of NHAI)	1	
Total	41,44,00,000	100.00%

f. List of top 10 holders of equity shares of the Company as at the latest quarter end

As mentioned above

4. DETAILS REGARDING THE DIRECTORS OF THE ISSUER

a. Details of the current directors of the Issuer

As on 31st January 2023, the details of the Directors are as under:

Name, Designation and DIN	Age	Address	Date of appointment	Whether willful defaulter (Yes/No)
Shri Amit Kumar Ghosh, Nominee Director & Additional Secretary (Highways), MoRTH - 01092172	56	37 Rajbhawan Colony, Rajbhawan, Lucknow, Bakshi Ka Talab Lucknow, UP - 226001	22 nd September 2020	No
Shri. Neti Ravi Vijay Venkat Murali Krishna Rajendrakumar Chairman & Member (Finance), NHAI – 09494456	53	Dhanastra RBI Officers Quarters, 122 N.P. Marg, Near Colaba Post Office, Colaba, Mumbai, Maharashtra 400005	16 th February 2022	No
Shri Manoj Kumar, Director & Member (Project), NHAI – 08854382	50	House No. 11/27 G/F, West Patel Nagar, New Delhi – 110008	29 th August 2020	No
Shri Ananta Manohar Meduri Chakravartalu, Director & DGM (Finance), NHAI - 09822685	54	RZ-D-3/73, Gali No.9, Mahavir Enclave, Part-1, PALAM Plam Village S.O, South West Delhi, Delhi - 110045	23 rd December 2022	No
Shri Shashibhushan Dipnarayan Mandal Director & GM (Technical), NHAI - 09428273	42	A2/802. Samarth Enclave, Near GAIL Colony, VIP Road, VESU Surat City, Surat, SVR College, Gujarat 395007	07 th December 2021	No

Name, Designation and DIN	Age	Address	Date of appointment	Whether willful defaulter (Yes/No)
Smt. Sudha Damodar Director	67	4G, Nainital Block, Bachupally, Hill County, Hyderabad, Telangana - 500090	23 rd December 2022	No

Neither the Issuer nor any of its Promoters or Directors have been declared as Wilful Defaulter by any Bank or RBI.

Permanent Account Number and Bank Account Number of the Promoter and Permanent Account Numbers of directors will be submitted to the NSE at the time of filing of this IM.

b. Details of other directorships

Name	Directorship details
Shri Amit Kumar Ghosh	1. UPSIDC Power Company Ltd. 2. National Highways Infra Investment Managers Pvt. Ltd
Shri Manoj Kumar	1. Vishakhapatnam Port Road Company Ltd. 2. Mumbai JNPT Port Road Company Ltd. 3. Mormugao Port Road Company Ltd. 4. Chennai Ennore Port Road Company Ltd. 5. National Highways Logistics Management Ltd.
Shri Ananta Manohar Meduri Chakravartula	No other directorship
Shri Shashibhushan Dipnarayan Mandal	No other directorship
Shri. Neti Ravi Vijay Venkat Murali Krishna Rajendrakumar	1. National Highways Infra Investment Managers Private Limited 2. National Highways Infra Projects Private Limited
Smt. Sudha Damodar	No other directorship

c. Details of changes in directors since last three years

Issuer was incorporated on 29th August 2020 in Delhi, and since then, following changes have occurred to the directors of the Issuer preceding the date of this IM:

Name	Date of Appointment	Date of retirement / relinquishing charge
Shri. Alok, IAS	8 th October 2020	Relinquished the Charge on 16 th February 2022
Shri. AK Ghosh, IAS	22 nd September 2020	Continuing as director
Shri. Rajesh Kumar Pandey	7 th December 2021	Relinquished the Charge on 16 th February 2022
Shri. Asheesh Sharma, IAS	29 th August 2020	Relinquished the Charge on 9 th October 2020
Shri Manoj Kumar	29 th August 2020	Continuing as director

Name	Date of Appointment	Date of retirement / relinquishing charge
Shri Syed Qamar Ahmad	29 th August 2020	Relinquished on 1 st December 2022
Shri Ananta Manohar Meduri Chakravartula	3 rd December 2022	Continuing as Director
Shri Rohin Kumar Gupta	29 th August 2020	Relinquished the Charge on 7 th December 2021
Shri Shashibhushan Dipnarayan Mandal	7 th December 2021	Continuing as director
Shri. Neti Ravi Vijay Venkat Murali Krishna Rajendrakumar	16 th February 2022	Continuing as director
Smt. Sudha Damodar	23 rd December 2022	Continuing as director

d. Following details regarding the auditors of the Issuer

i) Details of the auditor of the Issuer

Name of the Auditor / Supplementary Auditor	Address	Auditor since
Singh Harbeer & Associates (Statutory Auditor)	7, LGF, Shrestha Vihar, Delhi, New Delhi - 110092	Appointed by Comptroller & Auditor General of India vide letter dated 29 th August 2022 for FY 2023
Comptroller and Auditor General of India, Indian Audit & Accounts Department, Office of the Principal Director of Commercial Audit & Ex-Officio Member, Audit Board – 1 (Supplementary Auditor)	3 rd Floor, A-Wing Indraprastha Bhawan New Delhi - 110002	Since establishment i.e., 29 th August 2020

ii) Details of change in auditor for last three years

Name of the Auditor	Address	Date of Appointment	Date of Cessation, if applicable	Date of Resignation on, if applicable
<i>Nil</i>				

5. DETAILS OF BORROWINGS OF THE ISSUER, AS ON 31st JANUARY 2023

a) Details of Sanctioned Secured Loan Facilities:

Principal terms of loan in brief		Details of assets charged as security
Type of Facility	Term Loan	<ul style="list-style-type: none"> First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assets First pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims and demands whatsoever of the borrower
Amount Sanctioned	Rs. 5,000 Crores	
Name of the Lender	State Bank of India	
Principal Outstanding	Rs. 5,000 Crores	
Interest rate as on 31 st January 2023	8.20% p.a. (linked to 6-month MCLR)	
Repayment Schedule	Semi-Annual. The Term loan to be repaid in 28	

Principal terms of loan in brief		Details of assets charged as security
	structured semi-annual instalments ending on 30 th Sep 2038	<ul style="list-style-type: none"> First pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrower First pari-passu charge on escrow assignment to meet debt serviceability Any additional security offered to any long-term Lender (as pari-passu), will be available to the Lender
Type of Facility	Term Loan	<ul style="list-style-type: none"> First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assets First pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims and demands whatsoever of the borrower First pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrower First pari-passu charge on escrow assignment to meet debt serviceability Any additional security offered to any long-term Lender (as pari-passu), will be available to the Lender
Amount Sanctioned	Rs. 1,000 Crores	
Name of the Lender	Bank of Maharashtra	
Principal Outstanding	Rs. 1,000 Crores	
Interest rate on 31 st January 2023	7.80% p.a. (linked to 1-month MCLR)	
Repayment Date	Semi-Annual. The Term loan to be repaid in 28 structured semi-annual instalments ending on 30 th September 2039	
Type of Facility	Term Loan	<ul style="list-style-type: none"> First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assets First pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims and demands whatsoever of the borrower First pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrower First pari-passu charge on escrow assignment to meet debt serviceability Any additional security offered to any long-term Lender (as pari-passu), will be available to the Lender
Amount Sanctioned	Rs. 1,000 Crores	
Name of the Lender	Axis Bank Limited	
Principal Outstanding	Rs. 931 Crores	
Interest rate as on 31 st January 2023	8.55% p.a. (linked to external benchmark / MCLR of Bank)	
Repayment Date	Semi-Annual. The Term loan to be repaid in 28 structured semi-annual instalments ending on 31 st March 2038	
Type of Facility	Term Loan	<ul style="list-style-type: none"> First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assets First pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims and demands whatsoever of the borrower
Amount Sanctioned	Rs. 2,800 Crores	
Name of the Lender	Punjab National Bank	
Principal Outstanding	Rs. 2,800 Crores	
Interest rate as on 31 st January 2023	7.70% p.a. (linked to 3-month MCLR)	

Principal terms of loan in brief		Details of assets charged as security
Repayment	Semi-Annual. The Term loan to be repaid in 13.5 years starting from 31 st March 2025	<div>claims and demands whatsoever of the borrower</div> <ul style="list-style-type: none">• First pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrower• First pari-passu charge on escrow assignment to meet debt serviceability• Any additional security offered to any long-term Lender (as pari-passu), will be available to the Lender
Type of Facility	Term Loan	<ul style="list-style-type: none">• First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assets• First pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims, and demands whatsoever of the borrower• First pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrower• First pari-passu charge on escrow assignment to meet debt serviceability• Any additional security offered to any long-term Lender (as pari-passu), will be available to the Lender
Amount Sanctioned	Rs. 700 Crores	
Name of the Lender	Bank of Maharashtra	
Principal Outstanding	Rs. 700 Crores	
Interest rate on 31 st January 2023	7.75% p.a. (linked to 1-month MCLR)	
Repayment	Semi-Annual. The Term loan to be repaid in 28 structured semi-annual instalments ending on 30 th September 2039	
Type of Facility	Term Loan	<ul style="list-style-type: none">• First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assets• First pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims, and demands whatsoever of the borrower• First pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrower• First pari-passu charge on escrow assignment to meet debt serviceability• Any additional security offered to any long-term Lender (as pari-passu), will be available to the Lender
Amount Sanctioned	Rs. 5,000 Crores	
Name of the Lender	Bank of Baroda	
Principal Outstanding	Rs. 2,850 Crores	
Interest rate as on 31 st January 2023	8.20% p.a. (linked to 1-month MCLR)	
Repayment	Semi-Annual. The Term loan be repaid in 28 structured semi-annual instalments ending on 30 th Sep 2038sgl	
Type of Facility	Term Loan	<ul style="list-style-type: none">• First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assets
Amount Sanctioned	Rs. 5,000 Crores	
Name of the Lender	Bank of India	

Principal terms of loan in brief		Details of assets charged as security
Principal Outstanding	Rs. 2,200 Crores	<ul style="list-style-type: none">First pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims, and demands whatsoever of the borrowerFirst pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrowerFirst pari-passu charge on escrow assignment to meet debt serviceabilityAny additional security offered to any long-term Lender (as pari-passu), will be available to the Lender
Interest rate as on 31 st January 2023	7.70% p.a. (linked to overnight MCLR).	
Repayment	Semi-Annual. The Term loan be repaid in 28 structured semi-annual instalments ending on 30 th September 2038	
Type of Facility	Term Loan	<ul style="list-style-type: none">First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assetsFirst pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims, and demands whatsoever of the borrowerFirst pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrowerFirst pari-passu charge on escrow assignment to meet debt serviceabilityAny additional security offered to any long-term Lender (as pari-passu), will be available to the Lender
Amount Sanctioned	Rs. 2,500 Crores	
Name of the Lender	Central Bank of India	
Principal Outstanding	Rs. 1,450 Crores	
Interest rate as on 31 st January 2023	7.60% p.a. (linked to 3-month MCLR)	
Repayment	Semi-Annual. The Term loan be repaid in 28 structured semi-annual instalments ending on 31 st July 2038	
Type of Facility	Term Loan	<ul style="list-style-type: none">First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assetsFirst pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims, and demands whatsoever of the borrowerFirst pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrowerFirst pari-passu charge on escrow assignment to meet debt serviceabilityAny additional security offered to any long-term Lender (as pari-passu), will be available to the Lender
Amount Sanctioned	Rs. 1,000 Crores	
Name of the Lender	UCO Bank	
Principal Outstanding	Rs. 400 Crores	
Interest rate as on 31 st January 2023	7.70% p.a. (linked to 1-month MCLR)	
Repayment	Semi-Annual. The Term loan be repaid in 28 structured semi-annual instalments ending on 30 th September 2038	
Type of Facility	Term Loan	

Principal terms of loan in brief		Details of assets charged as security
Amount Sanctioned	Rs. 4,000 Crores	<ul style="list-style-type: none">First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assetsFirst pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims, and demands whatsoever of the borrowerFirst pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrowerFirst pari-passu charge on escrow assignment to meet debt serviceability Any additional security offered to any long-term Lender (as pari-passu), will be available to the Lender
Name of the Lender	State Bank of India	
Principal Outstanding	Rs. 2,500 Crores	
Interest rate as on 31 st January 2023	8.20% p.a. (linked to 3-month MCLR)	
Repayment	Semi-Annual. The Term loan to be repaid in 28 structured semi-annual instalments ending on 30 th Sep 2038	
Type of Facility	Term Loan	<ul style="list-style-type: none">First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assetsFirst pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims, and demands whatsoever of the borrowerFirst pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrowerFirst pari-passu charge on escrow assignment to meet debt serviceability Any additional security offered to any long-term Lender (as pari-passu), will be available to the Lender
Amount Sanctioned	Rs. 500 Crores	
Name of the Lender	Indian Overseas Bank	
Principal Outstanding	Rs. 400 Crores	
Interest rate as on 31 st January 2023	7.75% p.a. (linked to 1-month MCLR)	
Repayment	Semi Annual. The Term loan to be repaid in 28 structured semi-annual instalments ending on 30 th Sep 2038	
Type of Facility	Term Loan	<ul style="list-style-type: none">First pari-passu charge over all the borrowers movable and immovable asset, Present And future, save project assetsFirst pari-passu charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims, and demands whatsoever of the borrowerFirst pari-passu charge/assignment of all the receivables/ revenue/ annuity of the borrowerFirst pari-passu charge on escrow assignment to meet debt serviceability
Amount Sanctioned	Rs, 500 Crores	
Name of the Lender	Karnataka Bank Ltd.	
Principal Outstanding	Rs. 500 Crores	
Interest rate as on 31 st January 2023	6.85% p.a. (linked to 3-month T-bill rate)	
Repayment	Semi Annual. Term loan to be repaid in 28 structured semi-annual installments ending on 30 th September 2038	<ul style="list-style-type: none">First pari-passu charge on escrow assignment to meet debt serviceability

Principal terms of loan in brief		Details of assets charged as security
		Any additional security offered to any long-term Lender (as pari-passu), will be available to the Lender

b) Details of outstanding Unsecured Loan Facilities

Name of Lender	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date / Schedule	Security
Nil					

c) Details of Outstanding Non-Convertible Securities as on 16th December 2022

Name of Investor as on 16 th September 2022	Type of Facility	Principal Amount Outstanding (Rs. Crore)	Repayment Schedule	Security
A K Capital Finance Limited	Listed, Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds in the nature of Debentures (Series-I)	10	Please refer Note 1 below	Please refer Note 2 below
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Corporate Bond Fund		515		
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Credit Risk Fund		40		
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Floating Rate Fund		375		
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Low Duration Fund		195		
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Medium Term Plan		40		
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Short Term Fund		175		
Axis Treasury Advantage Fund		4		
Icici Prudential All Seasons Bond Fund		175		
Icici Prudential Balanced		136		

Name of Investor as on 16 th September 2022	Type of Facility	Principal Amount Outstanding (Rs. Crore)	Repayment Schedule	Security
Advantage Fund				
Icici Prudential Banking & Psu Debt Fund		308		
Icici Prudential Bond Fund		81		
Icici Prudential Corporate Bond Fund		481		
Icici Prudential Credit Risk Fund		208.5		
Icici Prudential Floating Interest Fund		420		
Icici Prudential Medium Term Bond Fund		165		
Icici Prudential Regular Savings Fund		59.5		
Icici Prudential Savings Fund		410		
Icici Prudential Short Term Fund		527		
Kotak Mahindra Trustee Co. Ltd. A/C Kotak Banking And Psu Debt Fund		300		
Kotak Mahindra Trustee Co. Ltd. A/C Kotak Corporate Bond Fund		100		
Kotak Mahindra Trustee Co. Ltd. A/C Kotak Medium Term Fund		75		
Kotak Mahindra Trustee Company Ltd. A/C. Kotak Mahindra Bond Short Term Plan		100		
Navi General Insurance Limited		25		
The Master Trust Bank Of Japan, Ltd. As Trustee For Eastspring Investments India Utility And Infrastructure Bond Mf		75		
Grand Total		5,000		

Note 1:

- First pari-passu charge over all the Issuer's movable and immovable assets*, if any, both present and future, save and except Project Assets.

- First pari-passu charge by way of assignment or creation of Security Interest on all the rights, title, interest, benefits, claims, and demands whatsoever of the Issuer under the Concession Agreement, implementation agreement and the Project Agreements.
- First pari-passu charge/assignment of all the receivables/ revenues/Annuity of the Issuer from the Project.
- First pari-passu charge on escrow arrangement to meet debt serviceability.

Any additional security other than those mentioned herein above offered by Issuer to the long-term lenders of the project (in case of pari-passu charge) shall also be available to the Bondholder(s).

*First pari passu charge on all the immovable property/ies of the Issuer shall be offered as security in future for securing the debentures. The Issuer on obtaining the title of immovable property/ies shall immediately inform the Trustee regarding initiation of the procedure for creation of charge and execution of the required documents. The Issuer undertakes that while creating charge on immovable properties in future, the Issuer shall submit all the requisite documents as demanded by the Trustee for undertaking the due-diligence procedure as per the extant laws/regulations. The charge proposed to be created on the immovable property/ies in future shall not be created beyond 90 days from the date the Issuer owns the title of the immovable property/ies.

d) Details of the Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares):

Name of Party (in case of facility)/ Name of Instrument	Type of Facility/ Instrument	Amount Sanctioned/ Issued	Principal Amount Outstanding	Date of Repayment/ schedule	Credit Rating	Secured/ Unsecured	Security
Nil							

e) Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 5 years

Nil

f) Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option

Nil

g) Any material event/ development or change having implications on the financials/credit quality (e.g., any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities

Nil

- h) Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company:**

Nil

- i) Details of default and non-payment of statutory dues**

Nil

- j) The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the Debenture Trustee.**

SBICAP Trustee Company Ltd. has given its consent for appointment along with the copy of consent letter for the Issue - Enclosed

- k) If the security is backed by a guarantee or Letter of Comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document**

The security is backed by Letter of Comfort from NHAI – Enclosed

- l) Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention**

Please refer page no. 99 of this IM

- m) Disclosures pertaining to willful defaulter**

Neither the Issuer nor any of its Promoters or Directors have been declared as Wilful Defaulter by RBI.

X. MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE

The Issuer hereby confirms that, except for any information disclosed in this Series-II IM, there has been no material event, development or change having implications on the financial condition or credit quality of the Issuer at the time of issue of the Bonds which may affect the issue of the Bonds or an investor's decision to invest or continue to invest in the debt securities of the Issuer.

XI. SUMMARY TERM SHEET

Issuer	DME Development Ltd (“the “Issuer”)					
Security Name	7.82 DME 2033					
Promoter / Sponsor / Authority	National Highway Authority of India (NHAI) (“Promoter” / “Sponsor”)					
Issue Size	Rs. 1,000 Crore with Green Shoe Option up to Rs. 4,000 Crore aggregating to Rs. 5,000 Crore					
Base Issue Size	Rs. 1,000 Crore					
Green Shoe Option	Rs. 4,000 Crore					
Issue Subscribed	Rs. 3,684 Crore					
Minimum Subscription	Not applicable as the Issue is being made on private placement basis.					
Security name	Listed, Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds Series-II					
Project	Construction of greenfield Delhi – Mumbai Expressway (access-controlled 8-lane greenfield expressway) of approx. 1276.70 KM passing through the States of Delhi, Rajasthan, Madhya Pradesh, Gujarat and Maharashtra on HAM and EPC mode. <i>[Note: The number of packages and accordingly length is subjected to revision, updation and shall be supplemented with the contracts that shall be awarded by the Authority from time to time]</i>					
Concession Period	Concession Period of 20 years commencing from 5 th February 2021 (date of execution of Concession Agreement executed between the Issuer and the Authority)					
Project Cost / Capex and Means of Finance	(Rs. Crore)					
	Project Cost	Amount	Means Finance	of	Amount	
	Civil Cost	47,871	Equity		5,385	
	Interest during Construction	5,978	Debt		48,464	
	Total	53,849	Total		53,849	
	(Rs. Crore)					
	Particular	FY2021	FY2022	FY2023	FY2024	Total
	Capex Phasing	10,812	13,901	10,314	18,822	53,849
	NHAI Equity	1,081	2,051	1,141	1,112	5,385
	Debt (term loan from lenders /bond NSE)	9,731	11,850	9,173	17,710	48,464

	<p>The proposed Bonds are for part funding the capex required in FY2023 and FY2024.</p> <p>At any point of time during the construction period of the project, DME SPV shall maintain maximum Debt: Equity of 90:10.</p> <p>Responsibility of land acquisition, approvals and clearances will be of NHAI and related cost (approx. Rs. 20,589 Crore) will be paid by NHAI directly. Cost on account of payment of annuity for HAM Contracts will also be paid directly by NHAI to various concessionaires</p>
Objects of the Issue	100% of the Issue proceeds to be used to part finance the Capex requirement for the Project
Instrument	Listed, Senior, Taxable Secured Redeemable Non-Convertible Bonds in the nature of Debentures (“ Bonds ”)
Bondholder(s)	Any person holding Bonds and whose name appears on the beneficial owners list provided by the Depositories
Sponsor’s equity	Sponsor has already infused total capital of Rs. 4,273 Crores (Rs. 1,082 Crores in FY2021, Rs. 2,051 Crores in FY2022 and Rs. 1,141 Crore in FY2023 till 31 st December 2022) and shall infuse commensurate equity from their own sources so as to ensure compliance with approved Debt Equity ratio of 9:1 at all times during the construction period.
SCOD	31 March 2024 hereinafter “SCOD”
Commercial Operation Date (COD)	Shall mean the date on which the first Completion Certificate or the first Provisional Certificate, as the case may be, is issued under the provisions of Article 14 of the Concession Agreement in relation to the Project.
Issuance Mode	In Demat mode only
Trading Mode	In Demat mode only
Credit Rating	“CRISIL AAA/Stable” by CRISIL, “IND AAA/Stable” by IRRPL, and “CARE AAA; Stable” by CARE
Escrow Arrangement	An undertaking will be made available by NHAI that there shall be no breach of escrow arrangement, as defined under Concession Agreement. Cash flows will be shared by all lenders on pari-passu basis.
Seniority	Secured, Senior and Unsubordinated
Mode of Issue	Private Placement under electronic book mechanism of NSE in accordance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, dated August 9, 2021 read with “Operational Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism” issued by NSE, as may be amended from time to time.
Tenor	<p>10 Years from Deemed Date of Allotment.</p> <p>The tenor of the Bonds will not extend beyond Concession Period.</p>
Voluntary redemption or Buy-back	The Issuer shall be entitled to redeem (in whole or in part) or buy back all (or less than all) of the Bonds held by one or more Bondholders provided that: (i) the Issuer issues a written notice of voluntary redemption / buy-back to all Bondholders and the Debenture Trustee in the manner as more particularly set out in sub clause (b) and (c) below, (ii) the Bondholder

	<p>from whom the bonds are proposed to be redeemed/ bought-back by the Issuer consents to such redemption/ buyback in writing subject to sub-clause (c) below (each such Bondholder, an “Accepting Bondholder”), (iii) no Event of Default has occurred and is continuing or shall occur pursuant to such buy-back or redemption, and (iv) in relation to a buy back, the purchase price paid to the Bondholder pursuant to such buyback is agreed between the Issuer and such Bondholders who have given their consent for such buy-back.</p> <p>(A) The Issuer shall issue a prior written notice of voluntary redemption / buy-back to all Bondholders and the Debenture Trustee (any such notice an “Issuer Notice” and the period of such notice hereinafter the “Notice Period”) specifying: (i) the aggregate value or number of the Bonds proposed to be redeemed/ bought-back; (ii) the date on which the Issuer proposes to redeem/ buy-back the Bonds (“Voluntary Redemption Date” or “Buy-Back Date”, as the case may be), and (iii) in respect of each Bonds proposed to be redeemed or bought back on the Voluntary Redemption Date or the Buy-Back Date (as the case may be), the Voluntary Redemption Amount to be paid by the Issuer towards such voluntary redemption / buy-back (as the case may be). For the avoidance of doubt, the price proposed to be paid by the Issuer as the Voluntary Redemption Amount and as set out in the Issuer Notice shall be final and non-negotiable.</p> <p>(B) Provided that: (i) each Bondholder shall no later than 7 (seven) Business Days from the date of the Issuer Notice, notify the Issuer in writing its consent or rejection (as the case may be) to such redemption/ buy-back (“Response Period”) and, in respect of a buy-back, the number of Bonds it proposes to accept to be bought back by the Issuer pursuant to the relevant Issuer Notice, (ii) the Issuer shall have to redeem/buy back the relevant Bonds held by the Accepting Bondholders on the Voluntary Redemption Date or Buy-Back Date (as the case may be) as specified in such Issuer Notice, notwithstanding that all the then Bondholders may not have consented to and/or may not have responded to the relevant Issuer Notice within the Response Period, and (iii) for the avoidance of doubt, it is hereby expressly clarified that, the Voluntary Redemption Date or the Buy-Back Date as specified in the Issuer Notice shall be any date falling immediately after the expiry of the Response Period.</p> <p>(C) Where the Issuer proposes to redeem or buy-back some and not all of the Bonds held by the Accepting Bondholders, the Issuer shall buy-back the tendered Bonds from such Accepting Bondholders in proportion to the number of Bonds tendered by the Accepting Bondholders in aggregate, provided that, the Issuer shall always redeem or buy-back any Bonds in whole and not in part.</p> <p>(D) Any notice of redemption or buy-back of the relevant Bonds given by the Issuer under this Clause (Voluntary Redemption or Buy Back) shall be for such period as required under Applicable Law and</p>
--	---

	<p>irrevocable in respect of the relevant Accepting Bondholder so long as such Accepting Bondholder has consented to such redemption or buy-back (as the case may be) and notified its consent to the Issuer in writing prior to expiry of the Response Period in accordance with this Clause (Voluntary Redemption or Buy Back).</p> <p>(E) No Issuer Notice shall be issued prior to expiry of any prescribed lock-in under Applicable Law.</p> <p>(F) The Issuer shall comply with all requirements under the Debt Listing Regulations in relation to exercise of the right of voluntary redemption or buy-back.</p> <p>(G) No prepayment premium to be applicable in case of voluntary redemption</p>
Project documents	<p>The Project Documents/ Agreements shall include, inter alia not limited to, the following:</p> <ol style="list-style-type: none"> Concession Agreement; Implementation Agreement; Any other documents, as stipulated by Bondholder(s)/Trustee
Project Assets	<p>means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of license, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road over bridges, drainage works, traffic signals, sign boards, kilometer-stones, toll plaza(s), electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (c) Project Facilities situated on the Site; (d) all rights of the Concessionaire under the Project Agreements; (e) financial assets, such as receivables, security deposits etc.; (f) insurance proceeds; and (g) Applicable Permits and authorizations relating to or in respect of the Project</p>
Interest Period	<p>The period beginning on and including an interest payment date and ending on but excluding the next interest payment date</p>
Final Settlement Date	<p>The date on which all of the Bonds have been redeemed in full in accordance with the terms of the Transaction Documents and the Debenture Trustee has provided a written confirmation of the same to the Issuer (with a copy marked to the Bondholders)</p>
Interest during construction	<p>The Issuer will make available sufficient funds at least one day in advance to pay interest accrued and applied during the construction period to be payable on the respective Coupon Payment Dates.</p>
Restricted Payment Clause	<p>The Issuer shall make Restricted Payment (as defined below) only when the following conditions are compiled and/or fulfilled with</p> <ul style="list-style-type: none"> ▪ Availability of cash for distribution. ▪ There being no Event of Default which has occurred and is continuing. ▪ All financial covenants are adhered to strictly in terms of this Term sheet. ▪ No dividend payment is permissible during construction, moratorium period of the Bonds.

	<p>Restricted Payments means all dividends, and other distributions of the Issuer (in cash, property or obligations) on, or other payments or distributions on account of the purchase, redemption, retirement or other acquisition of, any share capital of the Issuer or any warrants or options thereof or any payment by the Issuer of interest, principal or other sum in relation to any unsecured loan, Shareholders' Loan etc.</p> <p>Restricted Payment shall exclude any payment out of bonus received along with first Annuity for early completion of Project under the Concession Agreement.</p>
Financial Covenants	<p>DSCR shall not be less than 1.0 time, to be tested for the first time at the end of the first full financial year from COD and annually thereafter, based on audited results of the previous financial year of the Issuer</p> <p>DSCR means ratio of (a) is to (b) below:</p> <p>(a) the aggregate of (i) profit after tax, (ii) depreciation, amortization and any other non-cash expenditure, and (iii) interest and financing costs payable in respect of any indebtedness of the Borrower, each during the relevant Financial Year, and</p> <p>(b) the aggregate of (i) interest and other financing costs, and (ii) principal repayment in respect of any indebtedness of the Issuer, each during the said Financial Year.</p> <p>For the purpose of calculating the DSCR over any period, actual figures would be taken for such relevant past period.</p>
Monitoring Mechanism	<p>NHAI as the implementing agency will set up a reporting system for the benefit of lenders/Bondholder(s) and arrange to compile information on the progress of the projects, land acquisition status, status regarding permits/ licenses etc, on a calendar quarterly basis, based on the reports submitted by the Independent Engineers appointed by NHAI. Such reporting will also include information on the liabilities on financing obtained for the project from various lenders.</p> <p>NHAI will certify on a quarterly basis the adequacy and availability of insurance procured by Concessionaires' and EPC contractors as prescribed under the respective contracts/ agreements even though the policies may not be assigned to lenders.</p>
<p>Description regarding Security</p> <p>[Including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security /likely date of creation of</p>	<p>The Security shall include:</p> <ul style="list-style-type: none"> • First pari-passu charge over all the Issuer's movable and immovable assets*, if any, both present and future, save and except Project Assets. • First pari-passu charge by way of assignment or creation of Security Interest on all the rights, title, interest, benefits, claims, and demands whatsoever of the Issuer under the Concession Agreement, implementation agreement and the Project Agreements. • First pari-passu charge/assignment of all the receivables/ revenues/Annuity of the Issuer from the Project. • First pari-passu charge on escrow arrangement to meet debt serviceability.

<p>security, minimum security cover, revaluation, replacement of security, interest to the Bondholder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/Information Memorandum) *</p>	<p>Any additional security other than those mentioned herein above offered by Issuer to other long-term lenders of the project (in case of pari-passu charge) shall also be available to the Bondholder(s).</p> <p>The share of the Issuer held by NHAI is / shall not be encumbered for any financial indebtedness availed / to be availed by the Issuer unless the same are also encumbered to Bondholders on pari-passu basis.</p> <p>The Issuer states that it will execute the necessary Bond / Debenture Trust Deed within the timelines prescribed under the SEBI Debt Regulations and will be submit the same to with NSE within the stipulated timeline for uploading on its website. The creation of such security shall be sufficient compliance of the Issuer's obligation to create security.</p> <p>As per Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Second Amendment) Regulations, 2019, and Issue and Listing of Non-Convertible securities, Regulations, 2021, where an Issuer fails to execute the trust deed within the period specified in the sub-regulation (1), without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the Issuer shall also pay interest of at least 2.00% per annum to the Bondholders, over and above the agreed coupon rate, till the execution of the Trust deed.</p>
<p>Letter of Comfort</p>	<p>Letter of comfort to be provided by NHAI before disbursement along with requisite corporate authorization of NHAI for execution of LOC in favour of the Trustee/ Bondholder(s).</p> <p>The Letter of Comfort shall be irrevocable & unconditional and shall remain operative till the maturity of the Bonds.</p>
<p>Undertaking from Promoter</p>	<p>The Letter of Comfort should be having the approval of the Government of India/MORTH, and read in conjunction with the Implementation agreement, inter-alia confirming in substance to the following:</p> <p>(a) that, as on date of the NHAI Letter of Comfort, NHAI holds 100% (one hundred percent) of the shareholding of the Issuer with voting rights and that NHAI shall not dilute its shareholding in the Issuer below 51% (fifty one percent) of the voting rights, till the Bonds to be issued are fully redeemed, without the prior written consent from the Bondholder(s);</p> <p>(b) NHAI shall aim to maintain the debt-to-equity ratio of the Issuer at a maximum of 9:1 till the Commercial Operation Date by infusing further equity in the Issuer in the subsequent years. The balance fund requirement is proposed to be raised through mix of debt from banks, and other sources outside banking system (including LIC, pension funds, corporate bonds, multilateral funding agencies, foreign lenders, etc.). In case of any shortfall in the funding plan for any corresponding year, the same shall be arranged</p>

	<p>by NHAI through equity infusion by NHAI and/or loan facility(ies) from within or outside the banking system;</p> <p>(c) that it is in the interest of NHAI to ensure that the Issuer meets its payment obligations in respect of the interest and repayment of instalments of the borrowed funds; NHAI shall continue to extend its support by making periodic Annuity Payments to the Issuer for meeting the debt servicing obligations of the Issuer.</p> <p>(d) In respect of the above, NHAI to undertake all reasonable actions for maintaining the Escrow Account held with any scheduled commercial bank (which is created exclusively for the benefit of the Bondholder(s)) and shall also fund the Escrow Account at least 1 (one) Business Day prior to the due date for the repayment of respective instalment/ coupon in accordance with the provisions of the Debenture Trust Deed;</p> <p>(e) Notwithstanding the termination of the Concession Agreement, the debt servicing obligations of NHAI towards the Bondholder(s) shall remain in full force and effect so long as any sum remains to be advanced or is outstanding from the DME SPV in respect of the Bonds received by it from the Bondholder(s).</p>
Undertaking from the Issuer	<p>The Issuer undertakes and confirms to the Bondholder(s) to give effect to, inter alia, the following:</p> <ul style="list-style-type: none"> a) The Issuer shall neither sell / dispose any Project Assets, other than in normal course of business, unless permitted by the Bondholder(s), b) If the Project Documents of Project are proposed to be materially modified during the currency of the Bonds, the said amendments shall be mutually decided between the Bondholder(s) and the Issuer; c) The Issuer's hedging policy shall remain in full force and effect and updated from time to time, till all the monies due and payable under the Transaction Documents are fully paid to the satisfaction of the Debenture Trustee / Bondholder (s); d) The Issuer shall maintain adequate books of accounts, as per applicable accounting practices and standards, which should correctly reflect its financial position and scale of operations and should not radically change its accounting system without notice to the Bondholder(s) unless required as per law / regulations; e) The Issuer shall submit to the Bondholder(s) such financial statements as may be reasonably required by them from time to time in addition to the set of such statements to be furnished by the Issuer to the Bondholder(s) as on the date of publication of the Issuer's annual accounts; f) The Issuer shall comply with waterfall mechanism in the Escrow Account, as per the provisions of the Concession Agreement and Escrow Agreement; g) The Issuer shall ensure that there is no change in its management control during the currency of the Bonds without prior approval of

	<p>the Bondholder(s);</p> <p>h) None of the directors, is a director or specified near relation to a director of any of the Bondholder(s);</p> <p>i) To furnish performance security as required under provisions of Concession Agreement to the Authority, however, the same is without any recourse to cash flow / assets of the Issuer, if provided by the lenders outside consortium;</p> <p>j) The names of directors / Promoter(s) and the name of the Issuer do not appear in defaulters / wilful defaulters list of RBI / CIBIL / SEBI and other Credit Information Companies;</p>
Eligible Investor(s)	<p>All QIBs (as entailed in the EBP guidelines issued by SEBI), are eligible to bid / invest / apply for this Issue.</p> <p>All Bondholder(s) are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.</p>
Face Value	Rs 1 lakh per Bond
Minimum bid size / Application and in multiples thereafter	Rs. 1,00,000 (Rupees One lakh only) and in multiple of 1 Bond of Rs. 1,00,000 (Rupees One lakh only) each thereafter
Issue Price	At par
Redemption Amount	At par (Rs. 1 Lakh) per Bond
Put/ Call Option	Not applicable
Redemption/ Maturity Date	10 years from Deemed Date of Allotment
Coupon Rate	<p>7.82 % p.a.</p> <p>Note: Coupon Rate is to be rounded off to 2 (Two) decimal points.</p>
Coupon Payment Frequency	Half-yearly
Coupon Payment Dates	First interest payment on 24 th August 2023 (assuming Deemed Date of Allotment of 24 th February 2023) and thereafter half-yearly
Coupon Type	Fixed and payable Half-Yearly
Day Count Basis	<p>Actual/ Actual</p> <p>Interest shall be computed on an “actual/actual basis”. In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one-year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times.</p>
Service Account	<p>The Issuer shall continue with the no lien service account and no set off service account opened for servicing the coupon payments till the redemption of the entire/ whole of the Bonds, corresponding to the outstanding Bonds held by the Bondholder(s).</p> <p>Interest Payment Mechanism:</p>

	<ul style="list-style-type: none"> ▪ 1 (one) Business Day prior to each Coupon Payment Date, the Issuer shall fund service account equal to the requisite amount of coupon payment and/or principal repayment due ▪ 1(one) business day prior to each Coupon Payment Date, the Debenture Trustee shall issue a notice to the Issuer with a request to get the service account funded either by the Sponsor or itself with the requisite amount on or before Coupon Payment Date. Failure by Debenture Trustee for giving the notice does not impact Sponsor's obligation to pay on the due date. Sponsor shall still and continue to pay the amount on the due date. <p>The Sponsor shall get the service account funded with the requisite amount on or before the relevant Coupon Payment Date at such notice from the Debenture Trustee.</p>
Interest on Application Money	As the pay-in date and the Deemed Date of Allotment fall on the same date, interest on Application money shall not be applicable.
Listing	Proposed on the National Stock Exchange of India Limited ("NSE")
Cross Default	NA
Debenture Trustee or Trustee	SBICAP Trustee Company Limited
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Registrar	Bigshare Services Pvt. Ltd.
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism
Business Day/ Working Day Convention	Working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks are open for business in the city of Delhi and Mumbai
Record Date	15 days prior to each Coupon Payment Date and Principal Redemption Date
All Covenants of the issue	All covenants to the Issue shall be mentioned in the Debenture Trust Deed which will be executed within time frame prescribed under applicable law.
Effect of holidays	<p>If the Coupon Payment Date falls on a holiday, the payment shall be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.</p> <p>If the Principal Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p>

	In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record date.
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Bondholders/ Investor(s); 2. Bond/ Debenture Trust Deed; 3. Rating letter from CRISIL; 4. Rating letter from IRRPL; 5. Rating letter from CARE; 6. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 7. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; 8. Letter appointing Registrar; 9. Application made to NSE for seeking its in-principle approval for listing of Bonds; 10. Listing Agreement with NSE. 11. Trustee Consent Letter; and 12. Board Resolution authorizing issue of Bonds. 13. Due Diligence Certificate from Debenture Trustee 14. Letter of Comfort by Sponsor 15. Project Agreements
Security Documents	<p>Security Documents shall mean:</p> <ol style="list-style-type: none"> 1. Deed of Hypothecation 2. Letter of Comfort by Sponsor 3. Any other document required for the creation or perfection of the Security; 4. Any other document designated as such by the Security Trustee
Conditions precedent to subscription of Bonds	<p>The subscription from Bondholder(s) shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> 1. Rating letters from the aforesaid rating agencies not being more than one year old from the Issue Opening Date; 2. Letter from the Trustee conveying their consent to act as Trustee for the Bondholder(s)/ Investor(s); 3. Application to NSE for seeking its in-principle approval for listing of Bonds; 4. Due diligence certificate from debenture trustee as per Annexure A as per SEBI NCS (Amendment) Regulation, 2022. 5. Memorandum of Association and Articles of Association of the Issuer; 6. Certificate of Incorporation / Registration Certificate under the Act, Rules, Regulations or charter under which the issuer has been established or incorporated or notified; 7. Enhance borrowing power as per the envisaged financing plan, in compliance with the Concession Agreement of the Project; 8. Letter of comfort from NHAI 9. Requisite board and shareholders' approval for such issuance 10. Certification by NHAI for the following: <ol style="list-style-type: none"> a. That requisite upfront equity (corresponding to the debt amount)

	<p>has been brought in by the Sponsor/Promoter;</p> <p>b. That sources and end-use of funds proposed to be subscribed by Bonds is ensuring the Debt equity ratio at envisaged level</p>
Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this IM:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from Bid Closing date; 2. Making listing application and seeking Listing permission to NSE within 3 days from the Issue/Bid Closing Date of the Issue. In case of delay in listing of the Bonds beyond 3 days from the Issue/Bid Closing Date of the Issue, the Issuer shall pay penal interest at the rate of 1.00% p.a. over the respective Coupon Rates for the period of delay to the Bondholder(s) (i.e., from the date of allotment to the date of listing). Also, shall be permitted to utilize the issue proceeds of its subsequent to privately place issuances of securities only after receiving final listing approval from stock exchanges. Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this IM. 3. Execution of Debenture Trust Deed within the timelines prescribed under the SEBI Debt Regulations.
Future Borrowings	<p>As long as the Issuer maintains the stipulated security cover in respect of Bonds and upto the working days total debt requirement of Rs. 48,464 Cr required for financing the Project, the Issuer shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form and also issue Bonds / Notes / other securities in any manner and to change its capital structure with the consent of the Debenture Trustee but without the consent of Bondholders, provided no Event of Default has occurred or is continuing.</p> <p>Further, the Issuer shall not be required to obtain Bondholder's consent for creating pari-passu charge on the assets given as a security for further borrowings till the time the stipulated security cover is maintained. In case, pari-passu letter for any charge creation is requested by the Issuer, Debenture Trustee shall be empowered to issue the same without seeking consent from the Bondholders, as long as the Issuer satisfies the above requirement of minimum-security cover maintenance and maximum debt amount envisaged.</p>
Conditions for breach of covenants	Shall be mentioned in the Debenture Trust Deed which will be executed within time frame prescribed under applicable law.
Events of Default	<p>The Debenture Trustee, if so, directed by the Majority Resolution reserve the right to call up the Bonds upon the occurrence and continuance of any of the following event of Default (each an "Event of Default"), subject to cure periods of 90 days wherever not mentioned (excluding point (a) and (b) and (c) which shall be subject to no cure period) and remedies mentioned below, but not limited to the following:</p> <ol style="list-style-type: none"> a) Any instalment of principal amount or coupon on the Bonds remaining unpaid on their respective due dates unless such default

	<p>has occurred due to technical reasons;</p> <ul style="list-style-type: none"> b) Failure by Issuer to make timely payment of monies or arrange the monies as required as per the Transaction Documents; c) The Issuer has failed to make payment when due (after the applicable cure period is over, if any) in respect of any other indebtedness of the Issuer due to creditor including a bank, non-banking financial company or any other financial institution under a consortium or any event of default by the Issuer has occurred and is continuing under any agreement to which the Issuer is a party after occurrence thereof or any other creditor has accelerated repayment of its financial assistance; Event of Default under project agreements which has material adverse impact; d) Breach of other material obligations or default in performance for 1 (one) year under Transaction Documents; e) Material adverse impact; f) Misrepresentation; g) Insolvency; h) Execution or distress being enforced or levied against the whole or any part of the Issuer's property; i) The Issuer ceasing or threatening to cease to carry on its business; j) A Receiver being appointed in respect of the whole or any part of the property of the Issuer; k) Revocation of consents and environmental matters; l) Breach of Shareholder/Sponsor Undertakings; m) Event of Default or any material breach under any of the Project Documents; n) The occurrence of any event or circumstance, which would or is likely to prejudicially or adversely affect in any manner the capacity of the Issuer to repay the loan. o) Change of control. p) Termination of Concession Agreement q) Occurrence of any Force majeure events (as per Clause 8 in Other Conditions) r) Security in jeopardy s) Any Transaction Document (other than a Security Document) or any of its provision becomes unlawful or is declared void <p>On occurrence (and continuance beyond the stipulated cure period), of an Event of Default, Debenture Trustee/ Bondholder(s) by Special Majority Resolution are entitled to accelerate the redemption of Bonds, whereupon they shall become immediately due and payable.</p> <p>“Special Majority” shall at any time mean such number of Debenture Holder(s)/Beneficial Owner(s) holding more than 75% of the then outstanding Debentures and 60% of the Debenture Holder(s) / Beneficial Owner(s). For sake of clarity, it is clarified that the Special Majority shall be determined under each respective ISIN.</p>
Remedies	<p>Upon occurrence (and continuance beyond the stipulated cure period) of an Event of Default, the Debenture Trustee/ Bondholder(s) may exercise, inter-alia, any one or more of the following rights:</p> <ul style="list-style-type: none"> a) Accelerate redemption of Bonds, whereupon they shall become immediately due and payable;

	<ul style="list-style-type: none"> b) Right to appoint the nominee director on the board of the Issuer c) Enforce Security; d) Declare the commitments to be cancelled; e) Stipulate all such additional conditions as Bondholder(s) may deem fit. f) Exercise any other right that the Bondholder(s) may have under the Transaction and security documents or under Indian law, including and not limited to demand the Authority for enforcing substitution / termination clause. g) Exercise all other rights available under the law against the Issuer, Sponsor, Promoter and secured assets. h) Any other action as deemed fit by the Bondholder(s) i) After provision for Tax and other statutory liability and meeting the cash flow application as set out in Escrow agreement, the lenders will have a first right on the profits of the Issuer for repayment of amount due to the lenders
Creation of Recovery Expense fund (REF)	In terms of SEBI Circular No. SEBI / HO / MIRSD / CRADT / CIR / P / 2020 / 207 dated October 22, 2020, the issuer proposing to list debt securities shall deposit an amount equal to 0.01% of the issue size subject to maximum of Rs. 25 lakhs per issuer towards REF with NSE.
Penal Interest	Non-compliance of any terms and conditions to attract penal interest of minimum 2% p.a.
Other Conditions	<p>Additional conditions applicable are as under:</p> <ol style="list-style-type: none"> 1. The Issuer shall agree that the Board of Directors or a Committee of Directors shall be responsible for audit related matters for monitoring the Issuer's operations. 2. Debenture Trustee will have the right to examine at all times the Issuer's books of accounts and to have the Issuer's site inspected, from time to time, by qualified auditors and/or technical experts and or management consultants of the Bondholder's choice. Cost of such inspection shall be borne by the Issuer upon giving a 15 (Fifteen) calendar days' prior notice in writing to the Issuer, to the extent such inspection is necessary for exercising any of the powers or discharging any of the duties of the Debenture Trustee under the Debenture Trust Deed. 4. To provide the Debenture Trustee from time to time the satisfactory evidence that all material clearances, authorizations, permits, approvals as required for implementation of the Project have been obtained by the Issuer. 5. The Issuer shall pay on demand to the Debenture Trustee, the cost incurred by Solicitors / Advocates / Company Secretaries used by Debenture Trustee in connection with creation and registration of security, certification of registration of charge thereof with the Registrar of Companies, compilation of Search / Status Reports or other similar matters. 6. After provision for tax and other statutory liabilities and meeting the cash flow application as per the priority set forth in the Escrow Agreement, the Bondholder(s) will have a first right on the profits of the Issuer for repayment of amounts due to the Bondholder(s). 7. The Sponsor will ensure that the Issuer is provided with the requisite technical, financial and managerial expertise to perform/

	<p>discharge its obligations under the Project Documents, as applicable, and that the Sponsor will exercise their rights as the shareholders to ensure that the Project is not abandoned till entire outstanding amount under the Bonds is paid in full.</p> <p>8. The Issuer will report any incidence of Force Majeure eventuality within 15 days of such event. Reporting after the 15th day will be treated as delay. Any delay in this regard can be treated as an Event of Default.</p> <p>9. The Issuer should finalize O&M arrangement, acceptable to the Bondholders at least 6 months ahead of the project COD.</p>
Other Special conditions	<p>The Issuer shall, to the satisfaction of the Bondholder(s):</p> <ol style="list-style-type: none"> 1. Shall not make any amendments/modifications or initiate termination proceedings or grant any waiver under any of the Project Agreements. 2. Agree and undertake to furnish to the Bondholder(s) such information and data as may be required by the Bondholder(s) to ensure that the physical progress as well as expenditure incurred on the Project is as per the schedule. 3. Agree that it will not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ events. In case such a person is already on the Board of the Issuer, it would take expeditious and effective steps for removal of that person from its Board. Nominee directors are excluded for this purpose.
General terms & conditions:	<ol style="list-style-type: none"> 1. The Issuer shall maintain adequate books of accounts, which should correctly reflect its financial position and scale of operations and should not radically change its accounting system without notice to the Bondholder(s). 2. The Issuer should submit to the Bondholder(s) such financial statements as may be required by the Bondholder(s) from time to time in addition to the set of such statements to be furnished by the Issuer to the Bondholder(s) as on the date of publication of the Issuer's annual accounts. 3. Agree that during currency of the loan, any loans to Project Sponsors from funds of the Issuer shall be made only after fulfilment of Restricted Payment Covenants. 4. The Issuer shall advise the Bondholder(s) of any changes, proposed in the share holding pattern. 5. The Issuer will keep the Bondholder(s) informed of the happening of any event likely to have a substantial effect on their revenues, profits etc. along with remedial steps proposed to be taken by the Issuer. 6. The Issuer is required: <ol style="list-style-type: none"> a. to furnish to the Bondholder(s) every year three copies of Audited Annual Accounts along with auditors report immediately (within maximum period of 15 days) on these being published/ signed by the auditors. b. to submit to the Bondholder(s) a Quarterly progress report on implementation of the Project or whenever desired by the Bondholder(s). <p>The Issuer shall also have to comply with customary covenants such as Representations & Warranties of the Issuer, Conditions Precedent to effectiveness of the loan, conditions precedent to each disbursement,</p>

	Affirmative Covenants by the Issuer, Negative Covenants, Additional Covenants, Information Covenants, Events of Default by the Issuer and the Consequences of Events of Default, SEBI disclosure norms etc., as applicable.
Role and Responsibilities of Trustee	<p>The Trustee shall protect the interest of the Bondholders in the event of default by the Issuer in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Issuer. No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become so bound to proceed, fail to do so.</p> <p>The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Bond/ Debenture Trusteeship Agreement, the Bond/ Debenture Trust Deed, Offer Letter Document and all other related Transaction Documents, with due care, diligence and loyalty.</p> <p>The Trustee shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Bonds.</p> <p>The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review, half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, and any other circular as may be amended from time to time. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) and other existing Bondholder(s) within two working days of their specific request.</p>
Risk factors pertaining to the issue	Mentioned at Chapter – VII of the IM i.e., “Management perception to Risks Factors”.
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of the competent court of New Delhi, India
Cost and Expenses	All costs and expenses (including legal fees) incurred by the Bondholder(s), the Debenture Trustee, the consultants appointed by the Bondholder(s) and other finance parties and all GST or similar tax thereon, shall be paid by the Issuer promptly on demand whether or not the Transaction Documents is signed. The Issuer shall also be responsible for its own legal costs.

Mandatory Covenants	Negative	<p>The Issuer shall give 60 day's prior notice to the Trustee for undertaking any of the following activities to enable the Trustee to take a view. If, in the opinion of the Trustee, the move contemplated by the Issuer is not in the interest of the Trustee, the Trustee will have the right of veto for the activity. Should the Issuer still go ahead, despite the veto, the Trustee shall have the right to call up the Bonds.</p> <p>MN1. Formulation of any scheme of amalgamation or reconstruction or merger or de- merger.</p> <p>MN2. Any New project or Scheme of expansion or Acquisition of fixed assets if such investment results in diversion of working capital funds for financing long-term assets.</p> <p>MN3. Investment by way of share capital or Loan or Advance funds to or Place deposits with any other concern (including group companies).</p> <p>MN4. Entering into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits which increases indebtedness beyond permitted limits, stipulated as per the envisaged financing plan.</p> <p>MN5. Issuing any guarantee or Letter of Comfort in the nature of guarantee on behalf of any other company (including group companies).</p> <p>MN6. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default is subsisting in any repayment obligations to the Bondholder(s).</p> <p>MN7. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons beyond permitted limits, stipulated as per the envisaged financing plan.</p> <p>MN8. Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the Bondholder(s). However, fixed assets to the extent of 5% of Gross Block may be sold in any financial year.</p> <p>MN9. Transfer of controlling interest or making any drastic change in the management set-up including resignation of promoter directors (includes key managerial personnel).</p>
Other Conditions		<p>a) All the required statutory/permission/license/other approvals etc for implementation of the project are in place and keep on record which shall be vetted by NHAI;</p> <p>b) The Issuer agrees to indemnify the Debenture Trustee against all</p>

	actions, proceedings, costs, charges, expenses, claims and demands whatsoever which may be brought or made against or incurred by them in respect of any matter or thing done or omitted to be done without their wilful default in respect of or in relation to the Secured Assets and the Transaction Documents.
Additional Covenants	<p>1. Security Creation: The Issuer states that it will execute the necessary documents for creation of the charge, including the Debenture/ Bond Trust Deed and will be submitting the same with NSE within stipulated time for uploading on its website. In case of delay in execution of the Debenture Trust Deed and creation of security under the transaction period, the Issuer shall pay an additional interest at the rate of 2.00% p.a. over the respective Coupon Rate of the Bonds for the defaulting period.</p> <p>2. Default in Payment: In case of default in payment of interest and/or principal redemption on the due dates, the Issuer shall pay an additional interest at the rate of 2.00% p.a. over the respective Coupon Rates of the Bonds for the defaulting period on the defaulted amount</p> <p>3. Listing: The Issuer shall be making listing application and seeking Listing permission to NSE within 3 days from the Issue/Bid Closing Date of the Issue. In case of delay in listing of the Bonds beyond 3 days from the Issue/Bid Closing Date of the Issue, the Issuer shall pay penal interest at the rate of 1.00% p.a. over the respective Coupon Rates for the period of delay to the Bondholder(s) (i.e., from the date of allotment to the date of listing). Also, shall be permitted to utilize the issue proceeds of its subsequent two privately place securities only after receiving final listing approval from NSE.</p>
Representation and Warranties	<p>The Issuer shall make representations and warranties customary for a Bonds of this nature. The obligations of the Bondholder(s) in relation to the drawing will be subject to those representations and warranties remaining true and accurate as at the date of the utilization request/date of disbursement and on the first day of each financial quarter. Such representations and warranties will include, without limitation, the following:</p> <ol style="list-style-type: none"> 1. Status and due authorization; 2. Binding obligations; 3. Non-conflict with other obligations; 4. Power and authority to enter into such Transaction Documents; 5. Governing Law and enforcement; 6. No misleading information; 7. No default; 8. No breach of any material license; 9. Ownership and right to use intellectual property; 10. Payment of taxes; 11. Financial statements prepared in accordance with Indian GAAP/ IndAs as applicable; 12. Latest audited accounts fairly represent the financial condition of

	<p>the Issuer as at the end of the relevant financial period and there has been no adverse change in the financial condition of the Issuer</p> <p>13. No filing or stamp duties except expressly stated;</p> <p>14. No immunity from suit or other legal proceedings;</p> <p>15. Completeness and accuracy of financial statements</p> <p>16. No winding up action against the Issuer</p> <p>17. Other representations which are customary to these kinds of transactions and to be captured in the Transaction Documents</p>
Mode of Subscription	As per SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and operational guidelines of NSE, as amended from time to time.
Tax Indemnity	Any tax / deduction / levies, imposts, charges on any amounts payable under the Transaction Documents shall be grossed up and payable by the issuer unless the Issuer is required to make a tax deduction under any applicable law
Issue/Bid Opening Date	22 nd February 2023
Issue/Bid Closing Date	22 nd February 2023
Pay-in Date	24 th February 2023
Deemed Date of Allotment	The “Deemed Date of Allotment” is the Pay-in-Date i.e., 24 th February 2023
Manner of Bidding	Closed Book
Mode of Allotment/Allocation option	Uniform Yield
Mode of Settlement	Through clearing corporation of NSE

* First pari passu charge on all the immovable property/ies of the Issuer shall be offered as security in future for securing the debentures. The Issuer on obtaining the title of immovable property/ies shall immediately inform the Trustee regarding initiation of the procedure for creation of charge and execution of the required documents. The Issuer undertakes that while creating charge on immovable properties in future, the Issuer shall submit all the requisite documents as demanded by the Trustee for undertaking the due-diligence procedure as per the extant laws/regulations. The charge proposed to be created on the immovable property/ies in future shall not be created beyond 90 days from the date the Issuer owns the title of the immovable property/ies.

XII. TERMS OF OFFER

SERIES-II IM FOR PRIVATE PLACEMENT OF LISTED, SENIOR, SECURED, NON-CONVERTIBLE, NON-CUMULATIVE, REDEEMABLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS 1 LAKH EACH AT PAR AGGREGATING TO TOTAL ISSUE SIZE NOT EXCEEDING RS. 5,000 CRORES WITH A BASE ISSUE SIZE OF RS. 1,000 CRORES AND GREEN SHOE OPTION TO RETAIN OVERSUBSCRIPTION UPTO RS. 4,000 CRORES BY DME DEVELOPMENT LTD. (“DME” OR THE “ISSUER”) BY WAY OF PRIVATE PLACEMENT (“THE ISSUE”)

1. AUTHORITY FOR THE ISSUE

This Issue is being made pursuant to the Resolution of the Board of Directors of the Company passed at its Board Meeting held on 14th February 2023, special resolution passed in annual general meeting held on 26th December 2022 and under appropriate provisions of the Income Tax Act, 1961.

2. OBJECTS OF THE ISSUE AND UTILIZATION OF THE PROCEEDS

The Issue is for part financing the Project for the purpose of carrying out its functions authorised under the object clause of the Memorandum of Association of the Issuer.

The funds raised through this private placement are meant for the Project and therefore the proceeds of this issue shall be utilized for the said Project. Therefore, the management shall ensure that the funds raised via this private placement shall be utilized only towards satisfactory fulfilment of the Objects of the Issue.

3. ISSUE SIZE

The Issuer to raise Rs. 5,000 Crores (Base issue of Rs. 1,000 Crores with green shoe option of Rs. 4,000 Crores) through issue of Taxable secured Redeemable Non-Convertible Bonds in the nature of Debentures (“Bonds”) of face value of Rs. 1 Lakh each under this Series-II IM.

All other provisions as per SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/05 dated 5th January 2018, SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated 10th August 2021 and SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/122 dated 16th August 2018 shall be applicable and as amended from time to time.

5. ELIGIBILITY TO COME OUT WITH THE ISSUE

The Issuer or the person in control of the Issuer, or its promoter, has not been restrained or prohibited or debarred by SEBI/any other Government authority from accessing the securities market or dealing in securities and such direction or order is in force.

6. REGISTRATION AND GOVERNMENT APPROVALS

The Issuer can undertake the activities proposed by it in view of the present approvals and no further approval from any government authority(ies) is required by the Issuer to undertake the proposed activities save and except those approvals which may be required to be taken in the normal course of business from time to time.

7. OBJECTS OF THE ISSUE

100% of the Issue proceeds to be used to part finance the Capex requirement for the Project

Further, in accordance with the SEBI Debt Regulations, Issuer shall not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person who is part of the same group or who is under the same management.

8. UTILISATION OF ISSUE PROCEEDS

The funds being raised by the Issuer through present issue of Bonds are meant for part financing the Project. In terms of the SEBI Debt Regulations, there is no requirement for appointment of a monitoring agency in relation to the use of proceeds of the Issue. Members of the Issuer shall monitor the utilisation of the proceeds of the Issue. The Issuer shall utilize the proceeds of the Issue only upon the execution of the documents as stated in this Series-II IM and upon the listing of the Bonds.

The Issuer undertakes that proceeds of the present Issue shall not be used for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the RBI/ SEBI/ RoC/ Stock Exchange(s).

9. BOND/ DEBENTURE REDEMPTION RESERVE

As per Ministry of Corporate Affairs notification dated 16th August 2019, the Issuer shall on or before the 30th day of April in each year, in respect of debentures issued by the Issuer invest or deposit, as the case may be, a sum which shall not be less than fifteen per cent, of the amount of its debentures maturing during the year, ending on the 31st day of March of the next year in any one or more methods of investments or deposits as provided in sub-clause (vi) of Ministry of Corporate Affairs notification dated 16th August 2019.

Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on 31st day of March of that year.

10. MINIMUM SUBSCRIPTION

In terms of the SEBI Debt Regulations, the Issuer may decide the amount of minimum subscription which it seeks to raise by issue of Bonds and disclose the same in the Series-II IM. The Issuer has decided not to stipulate any minimum subscription for the present Issue and

therefore the Issuer shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

11. UNDERWRITING

The present Issue of Bonds is not underwritten.

12. NATURE OF BONDS

The Bonds are to be issued in the form of Listed, Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds in the nature of Debentures.

13. FACE VALUE

Each Bond has a face value of Rs. 1 lakh.

14. DEEMED DATE OF ALLOTMENT/BOND CERTIFICATE

All benefits under the Bonds including payment of interest will accrue to the Bondholders from and including date of allotment being 24th February 2023 which shall be the Deemed Date of Allotment. All benefits relating to the Bonds will be available to the Investors from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. The Issuer reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any notice. In case if the issue closing date/ pay in dates is/are changed (preponed/ postponed), the Deemed Date of Allotment may also be changed (preponed/ postponed) by the Issuer at its sole and absolute discretion.

15. LETTER(S) OF ALLOTMENT/ BOND CERTIFICATE(S)/ REFUND ORDER(S)/ ISSUE OF LETTER(S) OF ALLOTMENT

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ Depository Participant will be given initial credit within 2 working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of all statutory formalities, such credit in the account will be akin to a Bond Certificate.

16. ISSUE OF BOND CERTIFICATE(S)

The initial credit in the account will be akin to the Letter of Allotment. On completion of all statutory formalities, such credit in the account will be akin to a Bond Certificate. However, in case, if all formalities are not completed the same will be akin to letter of allotment, which on completion of all statutory formalities, such credit will be akin to a Bond Certificate. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/ Depository Participant from time to time

and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

17. DEPOSITORY ARRANGEMENTS

The Issuer has appointed NSE for dematerialization of the Bonds offered under the present Issue, in accordance with the Depositories Act, 1996 and regulations made thereunder. In this context, the Issuer has signed two agreements as under:

- (i) Listing Agreement entered into between NSE and Issuer
- (ii) Agreement for Participation in the Electronic Bidding Platform of NSE LTD. for Private Placement of Debt Securities entered into between the Issuer and NSE

The Eligible Investors can hold the bonds only in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

18. PROCEDURE FOR APPLYING FOR DEMAT FACILITY

- a. Applicant(s) should have/ open a Beneficiary Account with any Depository Participant of NSDL or CDSL.
- b. The applicant(s) must specify their beneficiary account number and depository participants ID in the relevant columns of the Application Form.
- c. If incomplete/incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, the allotment of Bonds shall be held in abeyance till such time satisfactory demat account details are provided by the applicant.
- d. The Bonds shall be directly credited to the Beneficiary Account as given in the Application Form and after due verification, allotment advice/refund order, if any, would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the Bonds to the applicant's Depository Account will be provided to the applicant by the Depository Participant of the applicant.
- e. Interest or other benefits with respect to the Bonds would be paid to those bondholders whose names appear on the list of beneficial owners given by the depositories to the Issuer as on the Record Date. In case, the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Issuer shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to the Issuer. On receiving such intimation, the Issuer shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation.
- f. Applicants may please note that the Bonds shall be allotted and traded on the stock exchange(s) only in dematerialized form.

19. FICTITIOUS APPLICATIONS

Any person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the Bonds, or otherwise induced a body corporate to allot, register any transfer of Bonds therein to them or any other person in a fictitious name, shall be punishable as per provisions of extant laws.

20. MARKET LOT

The market lot will be one Bond (“Market Lot”) of face value of Rs. 1 lakh each. Since the Bonds are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.

21. TRADING OF BONDS

The marketable lot for the purpose of trading of Bonds shall be 1 (one) Bond of face value of Rs. 1 Lakh each. Trading of Bonds would be permitted in demat mode only in standard denomination of Rs. 1 Lakh and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

22. MODE OF TRANSFER OF BONDS

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSE of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Issuer.

23. BASIS OF ALLOCATION / ALLOTMENT

Allotment to the bidders shall be done on yield priority basis in the following manner as per SEBI circular dated 5th January 2018, 16th August 2018 and 5th October 2020 and operational guidelines of NSE as amended from time to time:

- a) Allotment would be done first on “yield priority” basis;
- b) Where two or more bids are at the same yield, then the allotment shall be done on “time-priority” basis;
- c) Where two or more bids have the same yield and time, then allotment shall be done on “pro-rata” basis.

24. COMMON FORM OF TRANSFER

The Issuer undertakes that it shall use a common form/ procedure for transfer of Bonds issued under terms of this Series-II IM.

25. INTEREST ON APPLICATION MONEY

As the pay-in date and the Deemed Date of Allotment fall on the same date, interest on Application money shall not be applicable.

26. INTEREST ON THE BONDS

The face value of the Bonds outstanding shall carry interest at the coupon rate from Deemed Date of Allotment and the coupon rate & frequency of payment (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) are mentioned at summary term sheet.

The interest payment shall be made through electronic mode to the bondholders whose names appear on the list of beneficial owners given by the depository participant to R&TA as on the record date fixed by Issuer in the bank account which is linked to the demat of the bondholder. However, in absence of complete bank details i.e. correct/ updated bank account number, IFSC/ RTGS code/ NEFT code etc., Issuer shall be required to make payment through cheques/ DDs on the due date at the sole risk of the bondholders. Interest or other benefits with respect to the Bonds would be paid to those Bondholders whose names appear on the list of beneficial owners given by the depository participant to R&TA as on the Record Date.

The Issuer will not be liable to pay any interest after the redemption/ maturity date of the bonds.

27. COMPUTATION OF INTEREST

Interest for each of the interest periods shall be computed as per Actual/ Actual day count convention on the face value amount of Bonds outstanding at the respective Coupon Rate rounded off to the nearest Rupee. Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis, on the face value amount of Bonds outstanding.

28. RECORD DATE

The 'Record Date' for the Bonds shall be 15 days prior to each Coupon Payment Date and Redemption Date. In case of redemption of Bonds, the trading in the Bonds shall remain suspended between the Record Date and the Redemption Date. Interest payment and principal repayment shall be made to the person whose name appears as beneficiary with the Depositories as on Record Date. In the event of the Issuer not receiving any notice of transfer at least 15 days before the respective Coupon Payment Date and Redemption Date, the transferees for the Bonds shall not have any claim against the Issuer in respect of amount so paid to the registered Bondholders.

29. DEDUCTION OF TAX AT SOURCE

Tax as applicable under the provisions of Income Tax Act, 1961, or any other applicable statutory modification or re-enactments thereof will be deducted at source at the time of payment of interest.

The investor(s) desirous of claiming exemption from deduction of income tax at source on the interest on application money are required to submit the necessary certificate(s) as applicable thereof, in duplicate, along with the Application Form in terms of Income Tax rules. Interest payable subsequent to the Date of Allotment of Bonds will be treated as "Interest on Securities" in accordance with the provisions of Income Tax Rules.

Debenture holders desirous of claiming exemption from deduction of income tax at source on the interest payable on Debentures should submit tax exemption certificate/ document, as per Section 193 of the Income Tax Act, 1961, if any, at the Registered Office of the Company, at least 45 days before the due date of payment. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s). Failure to comply with the above shall entitle the Company to deduct tax at source as may be advised to it.

30. PUT & CALL OPTION

There is no Put and Call option.

31. REDEMPTION

The face value of the Bonds shall be redeemed at par, on the Redemption Date. The Bonds will not carry any obligation, for interest or otherwise, after the Final Settlement Date. The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer on the Final Settlement Date to the registered Bondholders whose name appear in the Register of Bondholders on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Bondholders.

In case any Redemption Date falls on a day which is not a Working Day, the payment due shall be made on the immediately preceding Working Day along with interest accrued on the Bonds until but excluding the date of such payment.

Physical bond certificate need not to be surrendered for redemption. The redemption proceeds would be paid to the Registered Bondholders.

In case of transmission applications pending on the Record Date, the redemption proceeds will be issued to the legal heirs after the confirmation of the adequacy and correctness of the documentation submitted with such application till such time, the redemption proceeds will be kept in abeyance.

The Issuer will not be responsible for any payment made to a deceased bondholder, in case the information about the death of the bondholder is not provided to the Issuer at least 15 days prior to maturity payment date.

32. ADDITIONAL COVENANTS

Security Creation: The Issuer submits that it will execute the necessary documents for creation of the charge, including the Debenture/ Bond Trust Deed within the time prescribed under the SEBI Debt Regulations and shall submit to NSE within stipulated time for uploading on its website. In case of delay in execution of the Debenture Trust Deed and in creation of security under the transaction period, the Issuer shall pay an additional interest at the rate of 2.00% p.a. over the respective Coupon Rate of the Bonds for the defaulting period.

The Issuer undertakes that no objection certificate has been obtained from the existing lenders in respect of the assets provided as security under this IM.

Default in Payment: In case of default in payment of interest and/or principal redemption on the due dates, the Issuer shall pay an additional interest at the rate of 2.00% p.a. over the respective Coupon Rates of the Bonds for the defaulting period on the defaulted amount.

Listing: The Issuer shall be making listing application and seek listing permission to NSE within 3 days from the Issue/Bid Closing Date of the Issue. In case of delay in listing of the Bonds beyond 3 days from the Issue/Bid Closing Date of the Issue, the Issuer shall pay penal interest at the rate of 1.00% p.a. over the respective Coupon Rates for the period of delay to the Investor(s) (i.e., from the date of allotment to the date of listing). Also, shall be permitted to utilize the issue proceeds of its subsequent to privately place issuances of securities only after receiving final listing approval from stock exchanges.

33. SETTLEMENT/ PAYMENT ON REDEMPTION

Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism in the name of the Bondholders whose name appear on the List of Beneficial Owners given by Depository to the Issuer as on the Record Date.

The Bonds shall be taken as discharged on payment of the redemption amount by the Issuer on the Final Settlement Date to the list of Beneficial Owners as provided by NSDL/ CDSL/ Depository Participant as on Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Bondholders. On such payment being made, the Issuer shall inform NSDL / CDSL/ Depository Participant and accordingly the account of the Bondholders with NSDL / CDSL/ Depository Participant shall be adjusted.

The Issuer's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the final date of redemption in all events. Further the Issuer will not be liable to pay any interest or compensation from the Final Settlement Date. On the Issuer's dispatching/ crediting the amount to the Beneficiary(ies) as specified above in respect of the Bonds, the liability of the Issuer shall stand extinguished.

34. EFFECT OF HOLIDAYS ON PAYMENTS

If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.

If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. 'Business Day' shall be a day on which commercial banks are open for business in the city of Delhi and the days when the money market is functioning in Mumbai. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record date. The interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments. Investors should note that this example is solely for illustrative purposes. We have not considered the effect of public holidays as it is difficult to ascertain for future dates.

Face Value of the Bond (in Rs) – 1,00,000/-
Deemed Date of Allotment – 24th February 2023
Redemption Date – 24th February 2033
Coupon rate – 7.82% p.a.
Issue Opening date: 22nd February 2023
Issue Closing date: 22nd February 2023
Tenure - 10 years
Frequency of the Interest Payment with specified dates - Half Yearly
Date Count Convention - Actual/ Actual

(Values in Rs.)

Particulars	Day	Coupon Payment Date	No. of Days	Cash outflow	Principal repayment	Total
Allotment	Friday	24 February 2023	-	-	-	-
1st Coupon	Thursday	24 August 2023	181	3,878	-	3,878
2nd Coupon	Monday	26 February 2024	184	3,942	-	7,820
3rd Coupon	Monday	26 August 2024	182	3,889	-	11,709
4th Coupon	Monday	24 February 2025	184	3,931	-	15,640
5th Coupon	Monday	25 August 2025	181	3,878	-	19,518
6th Coupon	Tuesday	24 February 2026	184	3,942	-	23,460
7th Coupon	Monday	24 August 2026	181	3,878	-	27,338
8th Coupon	Wednesday	24 February 2027	184	3,942	-	31,280
9th Coupon	Tuesday	24 August 2027	181	3,878	-	35,158
10th Coupon	Thursday	24 February 2028	184	3,942	-	39,100
11th Coupon	Thursday	24 August 2028	182	3,889	-	42,967
12th Coupon	Monday	26 February 2029	184	3,931	-	46,920
13th Coupon	Friday	24 August 2029	181	3,878	-	50,798
14th Coupon	Monday	25 February 2030	184	3,942	-	54,740

Particulars	Day	Coupon Payment Date	No. of Days	Cash outflow	Principal repayment	Total
15th Coupon	Monday	26 August 2030	181	3,878	-	58,618
16th Coupon	Monday	24 February 2031	184	3,942	-	62,560
17th Coupon	Monday	25 August 2031	181	3,878	-	66,438
18th Coupon	Tuesday	24 February 2032	184	3,942	-	70,380
19th Coupon	Tuesday	24 August 2032	182	3,889	-	74,269
20th Coupon	Thursday	24 February 2033	184	3,931	-	78,200
Principal	Thursday	24 February 2033		-	1,00,000	178,200
Total				78,200	1,00,000	178,200

Note: The above cash flow is solely for illustrative purpose

Assumptions and Notes:

The aggregate coupon payable to each Bondholder shall be rounded off to the nearest rupee as per the Fixed Income Money Market and Derivatives Association handbook on market practices.

The actual dates and maturity amount will be in accordance to and in compliance with the provisions of SEBI circular CIR/IMD/DF-1/122/2016 dated November 11, 2016 giving effect to actual holidays and dates of maturity which qualifies the SEBI requirement.

For the purposes of the above illustration, non-business days i.e., Saturdays and Sundays have not been considered. Actual Interest/Maturity payment will be decided in accordance with SEBI regulation.

35. LIST OF BENEFICIAL OWNERS

The Issuer shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

36. DOCUMENTS TO BE PROVIDED BY SUCCESSFUL BIDDER(S)

Successful bidder(s) need to submit the following documents, along with the Application Form, as applicable:

- (i) Certified true copy of the Memorandum and Articles of Association
- (ii) Certified true copy of the Board Resolution / letter authorizing the investment
- (iii) Certified true copy of the Power of Attorney
- (iv) Form 15G / 15H for investors seeking exemption from TDS on interest payments
- (v) Relevant certificate(s)/ order(s)/ declaration(s)/ document(s) including order under Section 195/ 197 of the Income-tax Act, 1961 on which the Investor(s) wishes to place reliance for non-deduction of tax at source
- (vi) SEBI registration certificate
- (vii) IRDA registration certificate

- (viii) Specimen signature of the authorised signatories, duly certified by an appropriate authority
- (ix) Certified true copy of PAN

37. HOW TO APPLY

This Series-II IM is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds issued by the Issuer. The document is for the exclusive use of the institution(s) to whom it is delivered, and it should not be circulated/ distributed to third parties. This being a private placement Issue, the eligible investors who have been addressed through this communication directly, only are eligible to apply. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

38. APPLICATION PROCESS

- (a) Who can bid / invest / apply?

All QIBs specifically mapped by the Issuer on the NSE BOND – EBP Platform, are eligible to bid / invest / apply for this Issue.

All Eligible Investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.

Eligible participants bidding on proprietary basis, for an amount equal to or more than Rs. Rs. 100 Crore or 5% of the Base Issue size, whichever is lower, shall bid directly i.e., shall enter the bids directly on EBP platform.

Provided that the foreign institutional investors registered with SEBI may bid through their custodians.

- (b) How to bid?

All Eligible Investors will have to register themselves as a one-time exercise (if not already registered) under the NSE BOND – EBP Platform offered by NSE for participating in the electronic book mechanism. Eligible Investors will also have to complete the mandatory KYC verification process. Eligible Investors should refer to the Operational Guidelines.

The details of the Issue shall be entered on the NSE BOND – EBP Platform by the Issuer at least 2 (two) working days prior to the Issue / Bid Opening Date, in accordance with the Operational Guidelines.

The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the NSE BOND – EBP Platform, at least 1 (one) working day before the start of the Issue / Bid Opening Date.

A bidder will be able to enter the amount and coupon rate (in %) while placing their bids in the NSE BOND-EBP Platform. Some of the key guidelines in terms of the current Operational Guidelines on issuance of securities on private placement basis through an electronic book mechanism, are as follows:

(c) Modification of Bid:

Eligible Investors may note that modification of bid is allowed during the bidding period / window.

However, in the last 10 minutes of the bidding period / window, revision of bid is only allowed for improvement of coupon rate and upward revision of the bid amount placed by the Investor.

(d) Cancellation of Bid

Eligible Investors may note that cancellation of bid is allowed during the bidding period / window. However, in the last 10 minutes of the bidding period / window, no cancellation of bids is permitted.

(e) Multiple Bids

Eligible Investors may note that multiple bids are not permitted. If multiple bids are entered by the same Investor, only the first bid will be considered as valid.

(f) Withdrawal of Issue

The Issuer may, at its discretion, withdraw the issue process on the following conditions:

- i. non-receipt of bids up to the Issue Size;
- ii. bidder has defaulted on payment towards the allotment, within the stipulated timeframe, due to which the Issuer is unable to fulfil the Issue Size.

Provided that the Issuer shall accept or withdraw the Issue on the NSE BOND – EBP Platform within 1 (one) hour of the closing of the bidding window, and not later than 6 pm on the Issue/Bidding Closing Date.

However, Eligible Investors should refer to the Operational Guidelines as prevailing on the date of the bid.

Provisional/ Final Allocation

Allocation shall be made on a pro rata basis in the multiples of the bidding lot size, i.e., in multiples of Rs. 1,00,000 (Rupees One Lakh).

Post completion of bidding process, the Issuer will upload the provisional allocation on the NSE BOND – EBP Platform. Post receipt of investor details, the Issuer will upload the final allocation file on the NSE BOND – EBP Platform.

Payment Mechanism

Subscription should be as per the final allocation made to the successful bidder(s) as notified by the Issuer by 10:30 am next date of Closing Date.

Successful bidders should do the funds pay-in in the bank account of as appearing on EBP Platform of NSE.

Successful bidders must do the funds pay-in to the Designated Bank Account in accordance with operational guidelines of NSE EBP PLATFORM. Successful bidders should ensure to do the funds pay-in from their same bank account which is updated by them in the NSE BOND - EBP Platform while placing the bids. In case of mismatch in the bank account details between NSE BOND – EBP Platform and the bank account from which payment is done by the successful bidder, the payment would be returned back.

Note: In case of failure of any successful bidder to complete the funds pay-in by the Pay-in Time or the funds are not received in the Designated Bank Account of clearing corporation of NSE by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to the successful bidder.

Funds pay-out would be made to the bank account as appearing on the EBP Platform of NSE.

Application by Successful Bidder(s):

All Application Forms, duly completed, must be delivered by the Pay-in Time to the Issuer by the successful bidder(s), to the attention of Mr. Anant Manohar, Director at G-5 & 6, Sector 10, Dwarka, Delhi, India. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

39. FORCE MAJEURE

The Issuer reserves the right to withdraw the issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment.

40. APPLICATIONS UNDER POWER OF ATTORNEY

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Issuer or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

41. APPLICATION BY MUTUAL FUNDS

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

42. ACKNOWLEDGEMENTS

No separate receipts will be issued for the application money.

43. PAN

Every applicant should mention its Permanent Account Number (“PAN”) allotted under the Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application Forms without PAN will be considered as incomplete and are liable to be rejected.

44. SIGNATURES

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

45. NOMINATION FACILITY

As per extant provisions of law, only individuals holding the Bonds as Sole/Joint holder of Bonds can nominate, in the prescribed manner, a person to whom his/ their Bonds shall vest in the event of his/ their death. Non-individuals including holders of Power of Attorney cannot nominate.

46. RIGHT OF BONDHOLDER(S)

Bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint holders, to the one whose name stands first. Besides, the Bonds shall be subject to, the terms of this Series-II IM and other terms and conditions as may be incorporated in the Bond/ Debenture Trusteeship Agreement and other documents that may be executed in respect of these Bonds.

47. MODIFICATION OF RIGHTS

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Issuer.

48. FUTURE BORROWINGS

The Issuer shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Bonds/ Debentures/ Notes/ other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Issuer may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustee in this connection as mentioned in the clause “Future Borrowings” of the Summary Term Sheet.

49. NOTICES

All notices required to be given by the Issuer or by the Trustees to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first allottees of the Bonds and/ or if published in one All India English daily newspaper and one regional language newspaper.

All notices required to be given by the Bondholder(s), including notices referred to under “Payment of Interest” and “Payment of Principal Redemption” shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

50. DISPUTES & GOVERNING LAW

The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of the competent court of New Delhi, India.

51. INVESTOR RELATIONS AND GRIEVANCE REDRESSAL

Arrangements have been made to redress investor grievances expeditiously as far as possible, the Issuer endeavours to resolve the investors grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of bonds applied for, amount paid on application and Bank and Branch collection center where the Application was submitted, may be addressed to the ‘Resource Mobilization Unit – 54EC Bonds’ at the Head office. All investors are hereby informed that the company has appointed a Compliance Officer who may be contacted in case of any problem related to this issue.

Details of the Compliance Officer

The investors can contact the Compliance Officer in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the Demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc.

52. UNDERTAKING BY THE ISSUER

- i) "Eligible Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Management perception of Risk factors' given on page number 13."
- ii) "The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the Issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."
- iii) "The Issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document / placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

53. ATTESTMENT BY DIRECTOR

-
- i. The Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder.
 - ii. The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by Central Government
 - iii. The monies received under the offer shall be used only for the purposes and objects indicated in the offer document
 - iv. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

Signed pursuant to the authority granted by 14th Meeting of the Board of Directors held on 14th February 2023.

For DME Development Limited,


(Ananta Manohar)
Director – 09822685

54. LETTER OF COMFORT FROM NHAI

Letter of Comfort provided by the Promoter is attached as part of Annexures.

Following are the key salient terms of Letter of Comfort:

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

Particulars	Year 1	Year 2	Year 3	Year 4	Total
Capex Phasing	10,812	13,901	10,314	18,822	53,848

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

- iii. NHAI shall aim to maintain the debt equity ratio of **DMEL** 9:1 by infusing further equity in the subsequent years. The corresponding fund requirements for year 2, year 3 and year 4, is proposed to be raised through mix of debt from banks, and other sources outside banking system (including LIC, pension funds, corporate bonds, multilateral funding agencies, foreign lenders etc.). In case of any shortfall in the funding plan for any corresponding year, the same shall be arranged by NHAI through equity infusion by NHAI and/or term loan facility(ies) from within or outside the banking system.

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

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

55. MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCE

Arrangements have been made to redress investor grievances expeditiously as far as possible, the Issuer endeavours to resolve the investor's grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Bonds applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at head office of the Issuer. All the Eligible Investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contracted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the Demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Series-II IM.

XIII. STOCK EXCHANGE WHERE BONDS ARE PROPOSED TO BE LISTED

The Bonds are proposed to be listed on the Debt Market segment of NSE. The Issuer has received in-principle approval for listing of Bonds offered under the terms of this Series-II IM.

The Issuer shall make listing application and seeking Listing permission to NSE within 3 days from the Issue/Bid Closing Date of the Issue. In case of delay in listing of the Bonds beyond 3 days from the Issue/Bid Closing Date of the Issue, the Issuer shall pay penal interest at the rate of 1.00% p.a. over the respective Coupon Rates for the period of delay to the Investor (s) (i.e., from the date of allotment to the date of listing).

XIV. MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER

By very nature of its business, the Issuer is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Issuer. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Issuer) which are or may be deemed to be material have been entered into by the Issuer. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the head office of the Issuer between 10.00 a.m. and 2.00 p.m. on any working day until the Issue closing date.

A. MATERIAL CONTRACTS

- i. Copy of letter appointing Registrar dated 14th December 2021
- ii. Copy of letter appointing Trustees to the Bondholders dated 8th November 2021
- iii. Concession Agreement dated 5th February 2021
- iv. Implementation Agreement dated 5th February 2021

B. DOCUMENTS

- i. Certificate of Incorporation / Memorandum of Association / Article of Association of the Issuer
- ii. Letter of consent from the Trustee for acting as trustee for and on behalf of the holder(s) of the Bonds dated 8th November 2021
- iii. Application made to the NSE for grant of in-principal approval for listing of Bonds dated 15th Feb 2023
- iv. Rating rationale / Letter from CRISIL dated 10th October 2022, CareEdge dated 1st February 2023, and IRRPL dated 14th December 2022, conveying the credit rating for the Bonds.
- v. Board Resolution authorising issue of bonds under the terms of this IM
- vi. Audited financial results for the year ended 31st March 2021, 31st March 2022 and Nine months ended 31st December 2022
- vii. The National Highways Authority of India Act, 1988, as amended.

XV. DECLARATION

The Issuer undertakes that this Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ISSUED VIDE CIRCULAR NO. SEBI/LAD-NRO/GN/2021/39 DATED AUGUST 09,2021 and SEBI (Issue and Listing of Debt Securities) 9Ammendment) Regulations dated March 6,2017 and as amended from time to time.

The Issuer also confirms that to best of its knowledge and beliefs this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made misleading. The Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

Signed pursuant to internal authority granted:

For DME Development Limited


(Ananta Manohar)
Director – 09822685

Place: New Delhi
Date: 16/02/2023

XVI. OTHER INFORMATION AND APPLICATION PROCESS

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

The main provisions of the Articles of Association of our Company are detailed below:

Share Capital and Variation of Rights:

Article: 6. Share Capital

The Authorised Share Capital of the Company shall be such as given in Clause V of the Memorandum of Association, as altered from time to time, payable in the manner as may be determined by the Board, with power to increase, reduce, sub-divide or to repay the same or to divide the same into several classes and to attach thereto any rights and to consolidate or sub-divide or re-organize the shares and to vary such rights subject to the provisions of the Act.

Article: 10. Preferential Issue of shares

Subject to applicable provisions of the Act, the Company shall have power to make preferential issue of securities at such time and in such manner as the Board may deem appropriate.

Increase, Reduction and Alteration of Capital:

Article: 11. Reduction of capital

Subject to provisions of section 66 and other applicable provisions of the Act, the Company may from time to time reduce its Capital by paying off capital which is in excess of wants of the Company or cancelling share capital which has been lost or is unrepresented by available assets or by reducing the liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may be called upon again, or otherwise; and the Board may, subject to the provisions of the Act, accept surrender of shares.

Article: 52. Power to sub divide and consolidate

The Company may, in accordance with the provisions of the Act, from time to time, by a resolution alter the conditions of the Memorandum of Association as follows:

- a. Increase the Share Capital by such amount to be divided into shares of such amount as may be specified in the resolution.
- b. Consolidate and divide all or any part of its share capital into shares of larger amount than its existing shares.
- c. Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the share from which the reduced share is derived, and

d. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Article: 53. Power to modify rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be modified in accordance with the provisions of the Act.

XVII. ANNEXURES

1. CREDIT RATING LETTERS and RATING RATIONALE

A. CRISIL



Rating Rationale
February 21, 2023 | Mumbai
DME Development Limited
Rating Reaffirmed

Rating Action	
Long-Term Borrowing Programme Aggregating Rs.49000 Crore	CRISIL AAA/Stable (Reaffirmed)

*Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities*

Detailed Rationale
CRISIL Ratings has reaffirmed its 'CRISIL AAA/Stable' rating on the long-term borrowing programme and bank loan facility of DME Development Limited (DME).

The rating continues to reflect strategic and economic importance of DME in augmenting India's infrastructure requirement for enhancing economic growth in the country. The rating also factors in technical, managerial, and financial support expected from the parent, National Highways Authority of India (NHAI), 'rated 'CRISIL AAA/Stable'', for implementing and funding the project. These rating strengths are partially offset by the exposure to project implementation risk, including time and cost overruns.

Analytical Approach
CRISIL Ratings has notched up DME's standalone rating, based on the expectation of strong and timely support from the parent, NHAI, both on an ongoing basis and in the event of distress. This is mainly as DME functions as an extended arm of NHAI, enhancing its strategic role and importance in augmenting India's infrastructure requirement.

Key Rating Drivers & Detailed Description

Strengths:
Strategic and economic importance of the project in augmenting India's infrastructure requirement
Delhi Mumbai Expressway is a project floated by NHAI to construct an 8 lane 1386 kilometer (km) high-speed corridor connecting north India with west and south India. DME Development Limited (DMEDL), a wholly owned SPV of NHAI, was incorporated on 29th August 2020. NHAI and DMEDL entered in to a Concession Agreement to undertake the financing, development, operation, maintenance and management of 1277 km of the project. DMEDL subsequently entered into an Implementation Agreement with NHAI to transfer the rights to NHAI for procurement, construction, operation, maintenance and monitoring 1277 km of the project. The project will connect the country's prominent economic and social hubs such as Mumbai, Delhi, Vadodara, Kota and Jaipur. The stretch is being constructed through engineering, procurement and construction (EPC) and hybrid annuity model (HAM), wherein the Delhi to Vadodara section is being constructed through EPC mode and the Vadodara to Mumbai section through HAM. It is one of the largest infrastructure projects in India with 8-lane configuration and provision to expand to 12 lanes. The project will reduce travel time between Delhi and Mumbai by around 50%. Successful implementation of the project is expected to reduce distance and travel time, which will enable cost saving. The project is critical and of high strategic importance to NHAI.

Technical, managerial, and financial support from NHAI
Given the criticality of DME, NHAI has provided complete support for the implementation of the project. NHAI and DME have entered into a concession agreement (CA) wherein DME has rights related to financing, development, operation, maintenance and management of the project in accordance with the terms and conditions as set forth in the CA. DME has subsequently entered into an implementation agreement (IA) with NHAI wherein rights related to development, operation, maintenance and management of the project have been transferred to NHAI. DME will only be responsible for raising funds for the project. The project is being monitored at the highest level of Government of India, and NHAI has nominated its senior and experienced personnel to DME's board including representation of one senior official from Ministry of Road Transport and Highways (MoRTH). Governance planning through the CA and IA between NHAI and DME will ensure that no ambiguity arises regarding the scope and implementation of the project. A project of such magnitude is likely to pose new implementation challenges, which is partly mitigated given expertise of NHAI in executing road projects.

The project is being funded through debt and equity mix of 9:1. Out of the estimated project cost of Rs 53,849 crore, NHAI will infuse Rs 5,385 crore in the project as equity and balance Rs 48,464 crore will be funded by debt. The project is expected to be completed by September 2023 and debt will be raised in a phased manner. As of December 2022, debt of Rs 25,581 crore has been availed by DME and balance will be availed as and when required from total debt of Rs. 3400 crore which includes term loan of Rs. 29000 crore and bonds of Rs. 5000 crore. The company is also in the process of raising another ~Rs 5,000 crore from qualified institutional buyers (QIBs) in the form of listed bonds by Feb 2023. Once the project becomes operational, DME will receive fixed annuities from NHAI which will cover its debt obligation and maintenance cost. Annuities to DME shall be due and payable in accordance with the terms agreed with the lenders under the financing agreements. As per the termination clause in the CA, on termination of project, NHAI will make the termination payment to the extent of the debt due.

The rating centrally factors in strong explicit NHAI support for the entire debt being raised under DME. NHAI has provided LOC for achieving financial closure to existing lenders. As per the terms of the LOC, NHAI will ensure that DME meet its payment obligations in respect of interest and repayment obligation. NHAI will fund loan accounts of DME at least one day prior to the due date. NHAI will continue to extend its support by making periodic payments to DME as annuity for meeting its debt servicing obligation. The letter further states that debt service obligations of DME shall remain an obligation of NHAI, notwithstanding the termination of the CA. In case of any shortfall in the funding plan for any corresponding year, the same shall be arranged by NHAI. Besides, NHAI has also undertaken to maintain stake of at least 51% until debt is outstanding- if there is any dilution of stake it will be with prior approval from the lenders. NHAI has brought in equity of Rs 4,273 crore till December 31, 2022 and has also been funding the interest obligations of DME.

Weakness:

Exposure to project implementation risk, including time and cost overruns

The project is one of the largest undertaken by NHAI. Although NHAI has a track record in implementing large projects, it remains exposed to implementation challenges due to the large scope of project.

While the entire project length has been awarded till December 31, 2022 and construction is underway, the authority is still in the process of procuring requisite right of way. Possession of about 95% of the required length has been completed and for about 91.8% of the land, compensation has been decided as on December 31, 2022. The project expected to be completed by 2024. Any escalation in project cost due to delay in completion will be funded by NHAI.

Liquidity: Superior

DME's liquidity is underpinned by support from NHAI. Out of the estimated project cost of Rs 53,849 crore (excluding annuity for HAM projects), NHAI will infuse Rs 5,385 crore in the project as equity, of which NHAI has already infused Rs 4273 crore till December 2022. Annuity for HAM will be paid directly by NHAI. The project is expected to be completed by 2024. Debt has a moratorium of one year post completion. Once the project becomes operational, DME will receive annuities from NHAI which will cover its debt obligation and maintenance cost.

As per the terms of the LOC, NHAI will ensure that DME meet its payment obligations in respect of interest and repayment obligation. NHAI will fund loan accounts of DME at least one day prior to the due date. Further, LOC also covers that in case of any shortfall in the funding plan for any year, the same shall be arranged by NHAI. Also, NHAI will undertake to continue servicing entire debt obligations outstanding, even in the event of termination of the project, if any.

Outlook: Stable

DME will be exposed to project implementation risks which are expected to be overcome through business and financial support from NHAI, given the criticality of the project to India's infrastructure development.

Rating Sensitivity Factors

Downward factors

- Any change in road sector policy leading to dilution in DME's strategic importance to NHAI
- Reduction in shareholding by NHAI to below 51%, leading to diminution in expected support to DME
- Decline in credit profile of NHAI

Unsupported ratings - CRISIL AAA

Unsupported rating disclosure for ratings without 'CE' suffix, where the instruments are backed by specified support considerations, is in compliance with SEBI's Operational Circular dated January 06, 2023.

About the Company

DME, incorporated on August 29, 2020, is a SPV of NHAI. It is formed to undertake the development of 1277 km of Delhi-Mumbai expressway. The estimated project cost of Rs 53,849 crore (excluding land cost and annuity for HAM projects of Rs 39,582 crore) will be funded in debt-to-equity ratio of 9:1. Land cost is borne by NHAI and annuity for HAM projects will be paid directly by NHAI. The concession period of the project is 20 years including construction period of 3 years.

Proposed year wise funding requirement for the project is given below: -

https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/DMEDevelopmentLimited_February 21, 2023_RR_311097.html

2/7

2/21/23, 9:29 PM

Rating Rationale

Particular	FY2021	FY2022	FY2023*	FY2024	Total
Capex Phasing	10,812	20,506	10,314	18,822	53,849
NHAI Equity	1,081	2,051	1,141	1,112	5,385
Debt (term loan from lenders /bond NSE)	9,731	18,456	9,173	17,710	48,464
Actual for the year					
NHAI equity/instruments	1,081	2,051	1,141	NA	
Debt	9,731	18,456	5813	NA	

*up to December 31, 2022

Key Financial Indicators

As on /for the year ended March 31	Unit	2022	2021
Revenue	Rs crore	NA	NA
Profit after tax (PAT)	Rs crore	NA	NA
PAT margin	%	NA	NA
Adjusted debt/adjusted network	Times	NA	NA
Interest coverage	Times	NA	NA

Note: The project is under construction and hence, financials are not relevant

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Complexity level	Rating with outlook
NA	Long-term borrowing programme*	NA	NA	NA	15,000	Simple	CRISIL AAA/Stable
INE0J7Q07017	Taxable Bonds	16-Mar-22	6.85	16-Mar-37	500	Simple	CRISIL AAA/Stable
INE0J7Q07025	Taxable Bonds	16-Mar-22	6.85	16-Mar-28	500	Simple	CRISIL AAA/Stable
INE0J7Q07033	Taxable Bonds	16-Mar-22	6.85	16-Mar-29	500	Simple	CRISIL AAA/Stable
INE0J7Q07041	Taxable Bonds	16-Mar-22	6.85	18-Mar-30	500	Simple	CRISIL AAA/Stable
INE0J7Q07058	Taxable Bonds	16-Mar-22	6.85	17-Mar-31	500	Simple	CRISIL AAA/Stable
INE0J7Q07066	Taxable Bonds	16-Mar-22	6.85	16-Mar-32	500	Simple	CRISIL AAA/Stable
INE0J7Q07074	Taxable Bonds	16-Mar-22	6.85	16-Mar-33	500	Simple	CRISIL AAA/Stable

INE0J7Q07082	Taxable Bonds	16-Mar-22	6.85	16-Mar-34	500	Simple	CRISIL AAA/Stable
INE0J7Q07090	Taxable Bonds	16-Mar-22	6.85	16-Mar-35	500	Simple	CRISIL AAA/Stable
INE0J7Q07108	Taxable Bonds	16-Mar-22	6.85	17-Mar-36	500	Simple	CRISIL AAA/Stable
NA	Long term bank loan [^]	NA	NA	Sep 2039	1,000	NA	CRISIL AAA/Stable
NA	Long term bank loan [^]	NA	NA	Sep 2038	5,000	NA	CRISIL AAA/Stable
NA	Long term bank loan [^]	NA	NA	Sep 2038	2,800	NA	CRISIL AAA/Stable

https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/DMEDevelopmentLimited_February 21, 2023_RR_311097.html

3/7

2/21/23, 9:29 PM

Rating Rationale

NA	Long term bank loan [^]	NA	NA	Mar 2038	1,000	NA	CRISIL AAA/Stable
NA	Long term bank loan [^]	NA	NA	Sep 2039	700	NA	CRISIL AAA/Stable
NA	Long term bank loan [^]	NA	NA	Sep 2038	5,000	NA	CRISIL AAA/Stable
NA	Long term bank loan [^]	NA	NA	Mar 2039	5,000	NA	CRISIL AAA/Stable
NA	Long term bank loan [^]	NA	NA	Jun 2038	2,500	NA	CRISIL AAA/Stable
NA	Long term bank loan [^]	NA	NA	Sep 2038	1,000	NA	CRISIL AAA/Stable
NA	Long term bank loan [^]	NA	NA	Sep 2038	500	NA	CRISIL AAA/Stable
NA	Long term bank loan [^]	NA	NA	Sep 2038	500	NA	CRISIL AAA/Stable

[^]Long-term borrowing programme includes proposed issuance of Series-II bonds of Rs 5,000 crores.

[^]Long term bank loan is part of long-term borrowing programme.

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2023 (History)		2022		2021		2020		Start of 2020
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Long-Term Borrowing Programme	LT	49000.0	CRISIL AAA/Stable		--	21-02-22	CRISIL AAA/Stable	26-02-21	CRISIL AAA/Stable		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
CRISILs Bank Loan Ratings - process, scale and default recognition
Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support

Media Relations	Analytical Contacts	Customer Service Helpdesk
Aveek Datta Media Relations CRISIL Limited M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com Prakruti Jani Media Relations CRISIL Limited M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com Rutuja Gaikwad Media Relations CRISIL Limited B: +91 22 3342 3000 Rutuja.Gaikwad@ext-crisil.com	Mohit Makhija Senior Director CRISIL Ratings Limited B: +91 124 672 2000 mohit.makhija@crisil.com Gautam Shahi Director CRISIL Ratings Limited B: +91 124 672 2000 gautam.shahi@crisil.com Himanshu Seth Senior Rating Analyst CRISIL Ratings Limited B: +91 124 672 2000 Himanshu.Seth@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

CONFIDENTIAL

RL/DMDLI/311097/LTBP/0223/53049/91338612
February 21, 2023

CRISIL
Ratings



Mr. Anant Manohar
Director
DME Development Limited
Plot No. G- 5 & 6
Sector - 10, Dwarka
South West Delhi - 110075
9458348837

Dear Mr. Anant Manohar,

Re: Review of CRISIL Rating on the Long-Term Borrowing Programme Aggregating Rs.49000 Crore of DME Development Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AAA/Stable (pronounced as CRISIL triple A rating with Stable outlook) rating on the captioned debt instrument. Securities with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such securities carry lowest credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis

of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Sushant Sarode
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings



Ratings

CONFIDENTIAL

RL/DMDELI/287943/LTBP/0222/26399/91338612/1
October 10, 2022

Mr. S Q Ahmad
Director
DME Development Limited
Plot No. G- 5 & 6
Sector - 10, Dwarka
South West Delhi - 110075
9458348837

Dear Mr. S Q Ahmad,

Re: CRISIL Rating on the Long-Term Borrowing Programme* Aggregating Rs.49000 Crore of DME Development Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated February 22, 2022 bearing Ref. no.: RL/DMDELI/287943/LTBP/0222/26399/91338612

Please find in the table below the ratings outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Long-Term Borrowing Programme	49000	CRISIL AAA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/MD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crsil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crsil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Sushant Sarode
Associate Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings

***Long-term borrowing programme includes bank loan facilities of Rs. 24,000 crores and proposed bond of Rs. 5,000 crores**

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site: www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/instrument. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILRatingdesk@crsil.com or at 1800-267-1301.

CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67102MH2018PLC326247

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400075. Phone: +91 22 3342 3000 | Fax: +91 22 3342 3001
www.crisilratings.com

Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



Rating Rationale

February 21, 2022 | Mumbai

DME Development Limited

Rating reaffirmed at 'CRISIL AAA / Stable'

Rating Action

Long-Term Borrowing Programme Aggregating Rs.49000 Crore ¹	CRISIL AAA/Stable (Reaffirmed)
--	--------------------------------

¹ Long-term borrowing programme includes bank loan facilities of Rs.24,000 crores and proposed bond of Rs.5,000 crores.
(1 crore = 10 million)

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has reaffirmed its 'CRISIL AAA/Stable' rating on the long-term borrowing programme and bank loan facility of DME Development Limited (DME).

The rating continues to reflect strategic and economic importance of DME in augmenting India's infrastructure requirement for enhancing economic growth in the country. The rating also factors in technical, managerial, and financial support expected from the parent, National Highways Authority of India (NHAI, 'rated CRISIL AAA/Stable'), for implementing and funding the project. The financial support from NHAI is reflected in the letter of comfort (LOC) for the entire debt being raised under DME until maturity. These rating strengths are partially offset by the exposure to project implementation risk, including time and cost overruns.

Analytical Approach

CRISIL Ratings has notched up DME's standalone rating, based on the expectation of strong and timely support from the parent, NHAI, both on an ongoing basis and in the event of distress. This is mainly as DME functions as an extended arm of NHAI, enhancing its strategic role and importance in augmenting India's infrastructure requirement.

Key Rating Drivers & Detailed Description

Strengths:

- Strategic and economic importance of the project in augmenting India's infrastructure requirement:**
 DME, a special purpose vehicle (SPV) floated by NHAI to construct an 8 lane 1277 kilometer (km) high-speed corridor connecting north India with west and south India. The project will connect the country's prominent economic and social hubs such as Mumbai, Delhi, Vadodara, Kota and Jaipur. The stretch is being constructed through engineering, procurement and construction (EPC) and hybrid annuity model (HAM), wherein the Delhi to Vadodara section is being constructed through EPC mode and the Vadodara to Mumbai section through HAM. It is one of the largest infrastructure projects in India with 8-lane configuration and provision to expand to 12 lanes. The project will reduce travel time between Delhi and Mumbai by around 50%. Successful implementation of the project is expected to reduce distance and travel time, which will enable cost saving. The project is critical and of high strategic importance to NHAI.
- Technical, managerial, and financial support from NHAI:**
 Given the criticality of DME, NHAI has provided complete support for the implementation of the project. NHAI and DME have entered into a concession agreement (CA) wherein DME has rights related to financing, development, operation, maintenance and management of the project in accordance with the terms and conditions as set forth in the CA. DME has subsequently entered into an implementation agreement (IA) with NHAI wherein rights related to development, operation, maintenance and management of the project have been transferred to NHAI. DME will only be responsible for raising funds for the project. The project is being monitored at the highest level of Government of India, and NHAI has nominated its senior and experienced personnel to DME's board including representation of one senior official from Ministry of Road Transport and Highways (MoRTH). Governance planning through the CA and IA between NHAI and DME will ensure that no ambiguity arises regarding the scope and implementation of the project. A project of such magnitude is likely to pose new implementation challenges, which is partly mitigated given expertise of NHAI in executing road projects.

The project is being funded through debt and equity mix of 9:1. Out of the estimated project cost of Rs.53,849 crore, NHAI will infuse Rs.5,385 crore in the project as equity and balance Rs.48,464 crore will be funded by debt. The project is expected to be completed by September 2023 and debt will be raised in a phased manner. As of December 2021, debt of Rs.14,500 crore has been availed by DME and balance will be availed as and when required from sanctioned debt of Rs.24,000 crore. The company is also in the process of raising ~Rs.5,000 crore from qualified institutional buyers (QIBs) in the form of listed bonds. Once the project becomes operational, DME will receive fixed annuities from NHAI which will cover its debt obligation and maintenance cost. Annuities to DME shall be due and payable in accordance with the terms agreed with the lenders under the financing agreements. As

per the termination clause in the CA, on termination of project, NHAI will make the termination payment to the extent of the debt due.

The rating centrally factors in strong explicit NHAI support in the form of LOC for the entire debt being raised under DME. NHAI has provided LOC for achieving financial closure to existing lenders and shall provide LOC to new lenders as well. As per the terms of the LOC, NHAI will ensure that DME meet its payment obligations in respect of interest and repayment obligation. NHAI will fund loan accounts of DME at least one day prior to the due date. NHAI will continue to extend its support by making periodic payments to DME as annuity for meeting its debt servicing obligation. The letter further states that debt service obligations of DME shall remain an obligation of NHAI, notwithstanding the termination of the CA. In case of any shortfall in the funding plan for any corresponding year, the same shall be arranged by NHAI. Besides, NHAI has also undertaken to maintain stake of at least 51% until debt is outstanding- if there is any dilution of stake it will be with prior approval from the lenders. NHAI has brought in equity of Rs 3,133 crore till December 31, 2021 and has also been funding the interest obligations of DME.

Weakness:

- Exposure to project implementation risk, including time and cost overruns:**

The project is one of the largest undertaken by NHAI. Although NHAI has a track record in implementing large projects, it remains exposed to implementation challenges due to the large scope of project.

While the entire project length has been awarded till December 31, 2021 and construction is underway, the authority is still in the process of procuring requisite right of way. Possession of about 85% of the required land has been completed and for about 93% of the land, compensation has been decided as on December 31, 2021. The project is expected to be completed by September 2023.

Liquidity: Superior

DME's liquidity is underpinned by support from NHAI. Out of the estimated project cost of Rs 53,849 crore (excluding annuity for HAM projects), NHAI will infuse Rs 5,385 crore in the project as equity, of which NHAI has already infused Rs 3,132 crore till December 2021. Annuity for HAM will be paid directly by NHAI. The project is expected to be completed by September 2023. Debt has a moratorium of one year post completion. Once the project becomes operational, DME will receive annuities from NHAI which will cover its debt obligation and maintenance cost.

NHAI has provided LOC to the lenders for sanctioned debt of Rs 24,000 crore and shall provide LOC to future lenders as well. As per the terms of the LOC, NHAI will ensure that DME meet its payment obligations in respect of interest and repayment obligation. NHAI will fund loan accounts of DME at least one day prior to the due date. Further, LOC also covers that in case of any shortfall in the funding plan for any year, the same shall be arranged by NHAI. Also, NHAI will undertake to continue servicing entire debt obligations outstanding, even in the event of termination of the project, if any.

Outlook: Stable

DME will be exposed to project implementation risks which are expected to be overcome through business and financial support from NHAI, given the criticality of the project to India's infrastructure development.

Rating Sensitivity factors

Downward factors:

- Any change in road sector policy leading to dilution in DME's strategic importance to NHAI
- Reduction in shareholding by NHAI to below 51%, leading to diminution in expected support to DME
- Decline in credit profile of NHAI

About the Company

DME, incorporated on August 29, 2020, is a SPV of NHAI. It is formed to undertake the development of Delhi-Mumbai expressway. The estimated project cost of Rs 53,849 crore (excluding land cost and annuity for HAM projects of Rs 39,582 crore) will be funded in debt-to-equity ratio of 9:1. Land cost is borne by NHAI and annuity for HAM projects will be paid directly by NHAI. The concession period of the project is 20 years including construction period of 3 years.

The project is expected to be completed by September 2023 and debt will be raised in a phased manner.

Proposed year wise funding requirement for the project is given below: -

In Rs Crore	Year 1	Year 2	Year 3	Year 4	Total
Capex phasing	10,812	20,506	19,646	2,884	53,849
NHAI equity/instruments	1,081	2,051	1,965	288	5,385
Debt	9,731	18,456	17,682	2,596	48,464
Actual for the year					
NHAI equity/instruments	1,081	2,052*	NA	NA	3,133
Debt	9,731	4,850*	NA	NA	14,581

*Up to December 31, 2021

Key Financial Indicators

As on /for the year ended March 31	Unit	2021	2020
Revenue	Rs crore	NA	NA
Profit after tax (PAT)	Rs crore	NA	NA
PAT margin	%	NA	NA
Adjusted debt/adjusted net worth	Times	NA	NA
Interest coverage	Times	NA	NA

Note: The project is under construction and hence, financials are not relevant

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity level	Rating assigned with outlook
NA	Long-term borrowing programme*	NA	NA	NA	25000	NA	CRISIL AAA/Stable
NA	Long term bank loan*	NA	NA	Sep-2039	1000	NA	CRISIL AAA/Stable
NA	Long term bank loan*	NA	NA	Sep-2038	5000	NA	CRISIL AAA/Stable
NA	Long term bank loan*	NA	NA	Sep-2038	2800	NA	CRISIL AAA/Stable
NA	Long term bank loan*	NA	NA	Mar-2038	1000	NA	CRISIL AAA/Stable
NA	Long term bank loan*	NA	NA	Sep-2039	700	NA	CRISIL AAA/Stable
NA	Long term bank loan*	NA	NA	Sep-2038	5000	NA	CRISIL AAA/Stable
NA	Long term bank loan*	NA	NA	Mar-2039	5000	NA	CRISIL AAA/Stable
NA	Long term bank loan*	NA	NA	Jun-2038	2500	NA	CRISIL AAA/Stable
NA	Long term bank loan*	NA	NA	Sep-2038	1000	NA	CRISIL AAA/Stable

*Long-term borrowing programme includes proposed bond of Rs 3,000 crores.

*Long term bank loan is part of long-term borrowing programme.

Annexure - Rating History for last 3 Years

Instrument	Current			2022 (History)		2021		2020		2019		Start of 2019
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Long-Term Borrowing Programme	LT	49000.0	CRISIL AAA/Stable		-	26-02-21	CRISIL AAA/Stable		-		-	-

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
CRISILs Bank Loan Ratings - process, scale and default recognition
Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support

Media Relations	Analytical Contacts	Customer Service Helpdesk
Pankaj Rawat Media Relations CRISIL Limited B: +91 22 3342 3000 pankaj.rawat@crisil.com	Anuj Sethi Senior Director CRISIL Ratings Limited B: +91 44 6656 3100 anuj.sethi@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301 For a copy of Rationales / Rating Reports: CRISIL.ratingdesk@crisil.com For Analytical queries: ratinginvestor@crisil.com
Naireen Ahmed Media Relations CRISIL Limited D: +91 22 3342 1818 B: +91 22 3342 3000 naireen.ahmed@crisil.com	Anand Kulkarni Director CRISIL Ratings Limited B: +91 22 3342 3000 Anand.Kulkarni@crisil.com	
	ANISH SALUJA Manager CRISIL Ratings Limited B: +91 124 672 2000 ANISH.SALUJA@crisil.com	

b. CareEdge Ratings



No. CARE/ARO/RL/2022-23/7053

Shri Manoj Kumar
Director
DME Development Limited
G-5, 6,
Sector 10, Dwarka, South West Delhi,
New Delhi
Delhi 110075

February 01, 2023

Confidential

Dear Sir,

Credit rating for bank facilities and Non-Convertible Debenture

On the basis of recent developments including operational and financial performance of your Company and project progress till December 31, 2022, our Rating Committee has reviewed the following ratings:

Sr. No.	Instrument	Amount (Rs. crore)	Rating	Rating Action
1.	Long Term Instruments	20,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
2.	Long Term Instruments	29,000.00	CARE AAA; Stable (Triple A; Outlook: Stable)	Reaffirmed
	Total Instruments	49,000.00 (Rs. Forty-Nine Thousand Crore Only)		

- Please refer **Annexure - 1** and **Annexure - 2** for the rated facilities and instruments.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
-----------------	------	--------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

- The press release and rationale for the rating will be communicated to you separately.
- CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
- CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.
CARE Ratings Limited

32, Titanium, Prabhadevi Corporate Road,
Satellite, Ahmedabad - 380 015
Phone: +91-79-4026 5656

CIN: L67190MH1993PLC071691

4th Floor, Godrej Coliseum, Sion Hospital Road, Off
Eastern Express Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456
Email: care@careedge.in • www.careedge.in

the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
8. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
9. CARE Ratings Ltd. ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Millin Sheth

Millin Sheth
Lead Analyst
millin.sheth@careedge.in

Setu Gajjar

Setu Gajjar
Assistant Director
setu.gajjar@careedge.in

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

CARE Ratings Limited

32, Titankum, Prahaladnagar Corporate Road,
Satellite, Ahmedabad - 380 015
Phone: +91-79-4025 5656

CIN:U67190MH2003PL0071691

4th Floor, Godrej Coliseum, Somania Hospital Road, Off
Eastern Express Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456
Email: care@careedge.in • www.careedge.in

DME Development Limited

February 02, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term instruments	20,000.00	CARE AAA; Stable	Reaffirmed
Long-term instruments	29,000.00	CARE AAA; Stable	Reaffirmed

Details of Instruments/Facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the rating assigned to the long-term debt of DME Development Limited (DMEDL or Delhi-Mumbai Expressway Project) continues to factor-in its status as a wholly-owned subsidiary of the National Highways Authority of India (NHAI; rated 'CARE AAA; Stable'), which derives its strength from its constitutional status as an Authority incorporated under the National Highways Authority of India Act, 1988, and consequently, its strategic importance as the Government of India's (GoI)'s nodal agency for implementing various road projects including the earlier phases of the National Highways Development Programme (NHDP) and currently the Bharatmala Project (BMP).

The rating continues to derive comfort from the legal framework afforded to DMEDL by way of the Concession Agreement (CA) and the Implementation Agreement (IA) executed between NHAI and DMEDL. While the CA entrusts DMEDL as the concessionaire with financing, development, operation, maintenance and management of the project, the IA in turn appoints NHAI as the implementing agency for development, operation, maintenance and management of the project, thereby transferring the construction and operational risks back to NHAI.

Furthermore, the rating derives comfort from the contractual annuity payments by NHAI to DMEDL in lieu of the development and financing of the project. The annuity payments payable to DMEDL will be structured in a manner as to sufficiently cover DMEDL's periodic debt servicing commitments, besides other incidental costs, the periodicity and quantum of such payments being aligned with the repayment terms of the lenders under the financing agreements.

The rating is additionally supported by the Letter of Comfort (LoC) provided by NHAI in favour of the lenders financing the project, wherein, NHAI undertakes, inter alia, to retain at least 51% stake in DMEDL, to infuse additional equity or arrange for term facilities in case of any shortfall in funding plan towards construction of the project and to honour the annuity payments, in a timely manner, as long as there are outstanding debt obligations of DMEDL, notwithstanding the termination of the CA.

The above rating strengths are, however, tempered to some extent by inherent construction risk associated with the project and risks related to delays in achieving financial closure in a timely manner.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Not applicable

Negative factors

- Any deterioration in the credit profile of the sponsor / counterparty i.e. NHAI.
- Inadequacy or delay in receipt of annuities from NHAI.

Analytical approach:

Standalone factoring strong linkages with the sponsor- NHAI.

Key strengths

Strong parentage

DMEDL is a 100% owned entity of NHAI. NHAI is the nodal agency responsible for the development and maintenance of national highways. NHAI is vested with executive powers for developing national highways in India by the Ministry of Road Transport & Highways (MoRTH). The charter of NHAI is set out in the National Highways Act, 1956 and National Highways Authority of India Act, 1988. Furthermore, with the Government of India (GoI) having a 100% stake in NHAI, it receives continuous support from

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications.

the GoI in the form of capital grants, allocation of cess funds, additional budgetary support, etc. NHAI, through the LoC, undertakes to retain at least 51% of the stake in DMEDL till the debt availed by DMEDL is fully repaid.

Structured legal framework through execution of CA and IA between DMEDL and NHAI with minimum obligations on DMEDL

NHAI and DMEDL have entered into a CA, wherein DMEDL has been vested with rights related to financing, development, operation, maintenance and management of the project. The project will be fully financed by DMEDL, which will raise funds from the market by means of debt and equity, and will recover the investment by way of periodic annuities from NHAI. DMEDL's obligations in respect of contracts executed by NHAI with third-party concessionaires for existing sections of DMEDL on either EPC or HAM basis will be limited to performing and fulfilling the authority's obligations under the existing contracts. Pursuant to execution of the CA between NHAI and DMEDL for development of the Delhi-Mumbai expressway, DMEDL has further entered into an IA with NHAI, whereby NHAI takes back the rights and responsibilities related to development, operation, maintenance and management of the project. The contractual terms of the IA are co-terminus with those of the CA. The responsibilities of land acquisition, approvals and clearances is with NHAI, and related costs will be incurred by NHAI directly.

Committed annuity payments from NHAI, flexibly structured in line with debt servicing schedule

NHAI would make annuity payments to DMEDL, the periodicity and quantum of which will be aligned with the debt servicing schedule of the debt as agreed with the lenders, under the financing agreements, along with other incidental expenses of DMEDL. While NHAI will also form an escrow account to ring-fence the toll revenues from the Delhi Mumbai Expressway, which will provide a secure stream of revenues to NHAI to make periodic payments to DMEDL and annuity payments to HAM concessionaires, there would be no revenue risks to DMEDL, as NHAI has committed annuity payments obligations, which will remain in force till the entire debt obligations of DMEDL are fully repaid. As such, the ability of DMEDL to service debt obligations in a timely manner would be dependent on NHAI's timely and adequate annuity payments.

Strategic location and economic significance of the Delhi-Mumbai Expressway

The Delhi-Mumbai Expressway project is a part of the government and NHAI's overarching initiative to improve the road transport network in the country. The proposed stretch – of around 1,290 km – is one of the flagship highway projects currently being executed by NHAI, and is being planned as an access-controlled, high-speed corridor, providing quick connectivity between the states of north India and those of west and south India, more importantly, giving a reliable access to the country's prominent economic and social hubs like Mumbai, Delhi, Vadodara, Kota and Jaipur, while reducing the distance and travel time significantly. The project would connect production centres in north India for international trade by providing seamless connectivity to the ports in Gujarat and Maharashtra. The strong regional connectivity proposed through the project is expected to aid in increased regional trade and economic growth. The project road also serves as an important corridor for various industries like agriculture and processed food, automotive and auto ancillaries, textiles, chemicals, stone polishing, engineering and cement across Delhi, Kota and Vadodara.

Support in the form of LoC provided by NHAI

NHAI undertakes to support the project by way of a Letter of Comfort (LoC) to the lenders for raising funding for the project and servicing thereof. NHAI has issued an LoC to the lenders of DMEDL for the debt raised till date. As per the LoC, NHAI will aim to maintain debt:equity ratio of 9:1 for the project. Furthermore, in case of any shortfall in the funding plan during the construction stage, the same will be arranged by NHAI through equity infusion by NHAI and/or debt from within or outside the banking system. NHAI, through the LoC, also proposes to undertake all reasonable actions for maintaining the designated rupee term-loan escrow account held with the lender and funding the same at least one business day prior to the due date for repayment of the respective instalments in accordance with the provisions of the financing agreement. The obligations of NHAI to render such support to DMEDL for its debt-servicing commitment towards its lenders will remain effective in toto, so long as any sum remains outstanding from DMEDL in respect of any debt availed by it, notwithstanding events like termination of the CA or a concessionaire event of default.

Key weaknesses

Inherent project execution risk, albeit partly offset by majority of the risks being transferred to NHAI by way of CA and IA

The projects under DMEDL are under the execution stage. The Delhi-Mumbai greenfield expressway is being developed by NHAI, requiring significant investments. The total funding requirement for DMEDL is estimated to be around Rs.54,000 crore, to be funded year-wise, and maintain a debt:equity ratio of 9:1. Until December 31, 2022, DMEDL has raised a total bank debt of Rs.29,000 crore and Bond issuances of Rs. 5000 crore. Moreover, notwithstanding the availability of possession of more than

80% of land and the demonstrated track record of NHAI in aiding to execute large-sized road projects, DMEDL will be exposed to inherent construction risk attached with road projects. However, the risk of delay in land acquisition along with construction timelines has been mitigated through the existing arrangement of CA and IA, wherein the responsibility of land acquisition, managing the construction and completing the project on time has been transferred to NHAI. The responsibility of completing the project within the estimated budget has also been vested in the interests of NHAI. Furthermore, annuity payments will commence in accordance with the debt obligations of DMEDL, irrespective of any delay in the COD of the project. As per the CA and IA, the risks which may hamper the project have been assigned to NHAI, which has been achieved mainly through commercial and legal framework afforded to the project. Until December 31, 2022, DMEDL has incurred a total expenditure of Rs.28,770 crore (excluding land cost). As on December 31, 2022, for the Delhi-Vadodara Section, 97.18% of the required land is in possession, while for the Vadodara-Mumbai Section, 84.28% of the required land is in possession. The overall physical project progress stood at around 59% till December 31, 2022.

Liquidity: Strong

The project is in under-construction stage, wherein the necessary equity will be infused by NHAI and debt would be tied up. In the operational phase, NHAI would make periodic payments to DMEDL as annuity, which will be aligned with the repayment schedule of the debt as agreed with the lenders under the Financing Agreements along with other incidental expenses of DMEDL.

Applicable criteria

[Policy on default recognition](#)

[Factoring Linkages Parent Sub JV Group](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Construction](#)

[Infrastructure Sector Ratings](#)

[Policy on Withdrawal of Ratings](#)

About the company

DME Development Limited (DMEDL), a 100% owned entity of the National Highways Authority of India (NHA), rated 'CARE AAA; Stable', has been incorporated on August 29, 2020, to undertake the development of the Delhi Mumbai Expressway Project. The proposed Delhi Mumbai Expressway project is one of the flagship highway projects currently being executed by NHAI, and the same was underscored in the Union Budget 2020. The Delhi-Mumbai stretch is targeted to be completed by March 2023, while the last section of the highway, i.e., Spur to Jawaharlal Nehru Port Trust (JNPT) is envisaged to be completed by September 2023. The total estimated project cost for Delhi Mumbai Expressway (excluding IDC) is envisaged at about ₹87,453 crore (including the land acquisition cost proposed to be borne by NHAI).

DMEDL will raise the finance required for the development of the Delhi-Vadodara section under engineering, procurement, and construction (EPC) contract and upfront commitment required for development of Vadodara-Mumbai section under hybrid annuity model (HAM) contract.

Brief Financials (₹ crore)	FY21 (A)	FY22 (A)	9MFY23 (UA)
Total operating income	NA	NA	NA
PBILDT	NA	NA	NA
PAT	NA	NA	NA
Overall gearing	NA	NA	NA
Interest coverage	NA	NA	NA

A: Audited; UA: Unaudited; NA: Not applicable as DMEDL is a project stage entity.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debt-Term loan	-	-	-	March 31, 2038	29,000.00	CARE AAA; Stable
Debt	INE0J7Q07025	March 16, 2022	3-month T-Bill + 311 basis points	March 16, 2028	500.00	CARE AAA; Stable
	INE0J7Q07033	March 16, 2022		March 16, 2029	500.00	
	INE0J7Q07041	March 16, 2022		March 16, 2030	500.00	
	INE0J7Q07058	March 16, 2022		March 16, 2031	500.00	
	INE0J7Q07066	March 16, 2022		March 16, 2032	500.00	
	INE0J7Q07074	March 16, 2022		March 16, 2033	500.00	
	INE0J7Q07082	March 16, 2022		March 16, 2034	500.00	
	INE0J7Q07090	March 16, 2022		March 16, 2035	500.00	
	INE0J7Q07108	March 16, 2022		March 16, 2036	500.00	
	INE0J7Q07017	March 16, 2022		March 16, 2037	500.00	
	Proposed	-	-	-	15,000.00	

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Debt	LT	20,000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (03-Feb-22)	1)CARE AAA; Stable (01-Mar-21)	-
2	Debt-Term loan	LT	29,000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (03-Feb-22)	-	-

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Debt-Term Loan	Simple
2	Debt	Simple

Annexure-5: Lender detailsTo view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

c. India Ratings & Research



Mr. Anant Manohar
Director and Chief Financial Officer
DME Development Limited
G-5 & 6, Sector 10,
Dwarka, New Delhi - 110075

February 21, 2023

Dear Sir,

Re: Rating Letter for BLR and Bonds of DME Development Limited

Please refer to the rating letter dated 14-12-2022.

India Ratings and Research (Ind-Ra) is pleased to communicate the following ratings of DME Development Limited.

Instrument Type	Size of Issue(INRbillion)	Rating/Outlook
Long Term Bank Loan	INR290	IND AAA/Stable
Proposed Term Loan	INR150	IND AAA/Stable
Bonds	INR50	IND AAA/Stable

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have

India Ratings & Research Private Limited A Fitch Group Company
Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai - 400051
Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN/LLPIN: U67100MH1995FTC140049 | www.indiaratings.co.in

shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Rakesh Valecha
Senior Director

Mr. SQ Ahmad
Director
DME Development Limited
G-5 & 6, Sector 30,
Dwarka, New Delhi - 110075

March 07, 2022

Dear Sir,

Re: Rating Letter for non-convertible debentures (NCD) of DME Development Limited

This is in reference to the rating action commentary released on 15th December 2021.

India Ratings and Research (Ind-Ra) is pleased to communicate the following rating:

Instrument Type	Size of Issue (billion)	Rating/Outlook
Proposed Bonds	INR50	IND AAA/Stable

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

India Ratings & Research Private Limited A Fitch Group Company

Level 16, Tower B Epitome, Building No. 3, DLF Cyber City, Phase III, Gurgaon - 122 002, Haryana, India

Tel: +91 124 6587200 | Fax: +91 124 6637231 | CIN/LLPIN: U 67300MH 1995PTC 140049 | www.indiaratings.co.in



Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.


Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at info@indiaratings.co.in.

Sincerely,

India Ratings



Devendra Pant
Senior Director

India Ratings Affirms DME Development's Debt at 'IND AAA'; Outlook Stable

Dec 14, 2022 | Road Assets-Toll | Annuity | Hybrid-Annuity

India Ratings and Research (Ind-Ra) has affirmed DME Development Limited's (DME) instruments as follows:

Instrument Type	Date of issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Long-term bank loan	-	-	September 2038	INR290 (increased from INR230)	IND AAA/Stable	Affirmed
Proposed term loan	-	-	-	INR150 (reduced from INR210)	IND AAA/Stable	Affirmed
Bonds*	-	-	-	INR50	IND AAA/Stable	Affirmed

*Details in Annexure

Key Rating Drivers

Ownership and Control: The ratings continue to be principally driven by the credit profile of the National Highways Authority of India (NHAI: IND AAA/Stable) since DME is wholly-owned by the NHAI. DME was incorporated on 29 August 2020 to undertake development of approximate 1,312km-long expressway between Delhi and Mumbai on a greenfield alignment. This would be an eight-lane expressway with a provision to expand to 12 lanes. The NHAI and DME have entered into a concession agreement, wherein DME would be responsible to raise funds and undertake the design, engineering, and operations and maintenance (O&M) of the project. Since the NHAI has the relevant experience and expertise in executing large infrastructure projects, DME subsequently entered into an implementation agreement with the former, as part of which, the NHAI, as the implementation agency, would be responsible for the development, O&M and management of the project. The terms of the implementation agreement are coterminous with the concession agreement.

The NHAI exercises significant control over the working of DME through its board of directors. The key management personnel and the board of directors of DME comprise members drawn from the senior management of the NHAI. Ind-Ra believes the composition of the board and management reflects a substantial control of the NHAI on DME's policy design, strategy and operational performance.

<https://www.indiaratings.co.in/pressrelease/60257>

1/5

Furthermore, the NHAI has provided letters of comfort to DME's lenders, thereby demonstrating its legal ties with DME. Ind-Ra believes the NHAI will provide adequate support to DME, when needed, given the strong linkages between the entities.

Debt Structural Features: According to the concession agreement, the NHAI would be the concessioning authority and the sponsor, while DME would be the concessionaire. The concessionaire would have the right to finance, develop, operate and maintain the project during the construction period of 1,095 days and the operation period of 17 years, commencing from the commercial operations date. Furthermore, the NHAI will pay DME an amount corresponding to the repayment (interest plus principal) due plus other incidentals in the form of annuity over a period of 17 years, in line with the proposed financing agreements.

Project's Strategic Importance: DME is one of the flagship projects of the NHAI. The proposed expressway will support the logistic needs for production centres in north India for international trade by providing connectivity to the ports in Gujarat and Maharashtra. The expressway will reduce the distance between Delhi and Mumbai by 130km, and cut down the expected travel time to 12 hours from 23 hours. The NHAI expects the expressway to unlock new economic opportunities in the hinterland districts. Other than generating employment opportunities, the project will yield significant ecological benefits such as reduced carbon emission due to lower fuel consumption on the reduced distance. Furthermore, the NHAI plans to plant more than one million trees along the corridor, which would bolster the environmental well-being along the expressway.

Ind-Ra considers the project to hold a high strategic importance in terms of DME's credit quality. The project special purpose vehicle has been established to fulfil the NHAI's key public policy objective in the road sector.

Significant Implementation Risk: Given the greenfield nature of the project, it is exposed to various risks including cost and time overruns. However, the implementation agreement transfers all the responsibilities related to land acquisition, and construction and maintenance of the project to the NHAI. All the agreements with the contractors have been executed/would be executed by the NHAI directly and DME would not be a party to those contracts. Furthermore, under the current implementation structure, any risk relating to time and cost overruns would be arranged by the NHAI either through debt or equity. The project is split into multiple packages and awarded to several contractors, which mitigates the risk of failure of any individual contractor. Furthermore, the delinking of the annuity payments from the achievement of the commercial operations date provides comfort over the debt serviceability of DME. As on 30 August 2022, all the packages have already been awarded. In terms of land acquisition, as on 30 August 2022, possession has been received for about 97% of the total land required on the Delhi-Vadodara section of the expressway while close to 79% possession has been received on the Vadodara-Mumbai section.

Low Revenue Risk: DME would not be exposed to any traffic risk as the toll collection risk would be borne by the NHAI. The annuity payment structure for DME is unique, unlike other annuity projects where payments are fixed or have a defined mechanism to determine the quantum in the proposed structure. The same remains variable and would be linked to the debt obligations, which would be finalised later under the financing documents. The timeliness and the determination of adequate quantum of annuity would remain a key monitorable.

Financial Support from NHAI: Ind-Ra considers DME as a dependent public sector entity of the NHAI. Ind-Ra believes that NHAI's willingness and ability to support the project special purpose vehicle is high. The total project funding requirement of INR538.49 billion (excluding the land acquisition cost and 60% of construction cost paid by hybrid annuity model contractors), is likely to be funded in debt equity ratio of 9:1. The land acquisition cost of INR205.89 billion would be directly funded by the NHAI. As of 30 August 2022, a total capital cost of INR442.5 billion has been incurred on the project, of which INR252.8 billion has been spent for civil construction works and INR189.7 billion towards land acquisition and pre-construction activities. Although the NHAI has not provided an explicit debt guarantee, Ind-Ra opines that the NHAI will provide timely support to DME in the event of distress, given the developmental objective of the project is envisaged to fulfil. The NHAI has provided letters of comfort to all the individual banks which have sanctioned term loans to DME. As per the letter, the NHAI would arrange for any shortfall in the funding plan for any particular year either through debt or equity, and ensure that the repayment obligations of DME are comfortably met. The NHAI would also fund the term loan servicing account of DME at least one business day prior to the repayment due date. A similar letter of comfort also has been put in place for the issued bonds.

Key Public Policy Institution: Given the NHAI is a premier nodal agency responsible for the development of national highways in India, it is strategically important to the government of India (GoI). The NHAI's fundamental purpose is to improve the national road transit infrastructure, better serve the national economy and improve the country's standard of living. Its mandate highlights the GoI's priority on economic development, while retaining an underlying social welfare function. Its tax exemption status and privilege to raise funds through Section 54EC capital gains bonds and tax-free bonds reiterate its importance to the GoI.

Robust Sovereign Control over NHAI: The NHAI has significant financial, operational and managerial linkages with the GoI. Strong federal control by way of continuous support from the GoI in the form of capital grants, allocation of cess funds, additional budgetary support and guarantees for its market borrowing programmes through union budget allocation and operational performance, support the NHAI's credit profile. Furthermore, the ratings draw comfort from the National Highways Authority of India Act, 1988, which states: i) the GoI will provide capital to the NHAI for the discharge of its functions, as may be required; ii) the NHAI can borrow money from any source as it may deem fit, and iii) the GoI has the power to supersede the NHAI in case of a default in complying with its functions. Moreover, a substantial budgetary allocation of INR1,340 billion for the NHAI in FY23 (budget estimates (BE)) underscores the importance of the NHAI to the GoI for building roads and highway infrastructure in India.

NHAI's Healthy Liquidity Position: Despite the substantial build-up of debt, NHAI's liquidity remains strong, mainly on account of the substantial budgetary receipts every year. NHAI's annual budgetary receipts (in the form of cess, toll plough back and asset monetisation proceeds) have always been higher than its yearly repayment obligations which have also shown a steep rise in recent years, on account of the burgeoning debt. In FY23, with a massive 133% increase in the budgetary allocations (excluding internal and extra budgetary resources), the headroom available between repayment obligations and budgetary receipts has significantly increased, thereby further improving the liquidity position of the NHAI. The repayment obligations for FY23 and FY24 stand at approximately INR317 billion and INR324 billion, respectively.

In view of the NHAI's strong linkages with the GoI, Ind-Ra believes timely support from the GoI is likely to flow in case of any liquidity challenge.

Rating Sensitivities

Negative: An absence of the NHAI's support to fund any cost overrun and/or any delay/shortfall in equity infusion during the construction period and/or any weakening of DME's linkages with the NHAI and/or deterioration in the NHAI's credit profile would result in a negative rating action.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on DME, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

Company Profile

DME is a special purpose vehicle incorporated on 29 August 2020 to develop approximately 1,312km eight-lane expressway between Delhi and Mumbai.

FINANCIAL SUMMARY

Particulars	FY21	FY22
Total income (INR million)	-	-
EBITDA (INR million)	-27.50	-1.66
EBITDA margin (%)	-	-
Leverage (x)	NM	NM
Interest coverage (x)	-	-
Source: DME; Ind-Ra NM: Not meaningful		

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (billion)	Rating	15 December 2021	2 March 2021
Long-term bank loan	Long-term	INR290	IND AAA/Stable	IND AAA/Stable	-
Bonds	Long-term	INR50	IND AAA/Stable	IND AAA/Stable	-
Proposed term loan	Long-term	INR150	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable

Annexure

Bonds

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
Taxable Bonds	INE0J7Q07017	16 March 2022	6.85	16 March 2037	INR5	IND AAA/Stable
Taxable Bonds	INE0J7Q07025	16 March 2022	6.85	16 March 2028	INR5	IND AAA/Stable
Taxable Bonds	INE0J7Q07033	16 March 2022	6.85	16 March 2029	INR5	IND AAA/Stable
Taxable Bonds	INE0J7Q07041	16 March 2022	6.85	16 March 2030	INR5	IND AAA/Stable
Taxable Bonds	INE0J7Q07058	16 March 2022	6.85	16 March 2031	INR5	IND AAA/Stable
Taxable Bonds	INE0J7Q07066	16 March 2022	6.85	16 March 2032	INR5	IND AAA/Stable
Taxable Bonds	INE0J7Q07074	16 March 2022	6.85	16 March 2033	INR5	IND AAA/Stable
Taxable Bonds	INE0J7Q07082	16 March 2022	6.85	16 March 2034	INR5	IND AAA/Stable
Taxable Bonds	INE0J7Q07090	16 March 2022	6.85	16 March 2035	INR5	IND AAA/Stable
Taxable Bonds	INE0J7Q07108	16 March 2022	6.85	16 March 2036	INR5	IND AAA/Stable

Bank Wise Facilities Details

[Click here to see the details](#)

Complexity Level of Instruments

Long-term bank loan	Low
Bonds	Low
Proposed term loan	Low

2. CONSENT LETTER OF THE TRUSTEE



SBICAP Trustee Company Ltd.

Annexure A

Ref No. 10167/2022-2023 /CL-3601

Date:06-02-2023

DME Development Limited
G-5 and 6, Sector 10,
Dwarka, South West Delhi,
New Delhi - 110075

Dear Sir,

Sub: - Non-Commercial Consent to act as Debenture Trustee for Secured, Listed, Non-Convertible Debentures (NCDs) up to Rs.5,000 crores.

This is with reference to your email dated 06th February, 2023 and our subsequent discussion in the matter for the appointment of SBICAP Trustee Company Limited as Debenture Trustee for your proposed Secured, Listed, Non-Convertible Debentures (NCDs) up to Rs.5,000 crores. In this connection, we hereby give our consent to act as Debenture / Bond Trustee and confirm our acceptance to the assignment.

We are aggregable for inclusion of our name as Trustee in the Private Placement Memorandum / Information Memorandum to be issued by the Company on private placement basis to the certain identified person in terms of the Companies Act, 2013, as required subject to following conditions: -

1. The Company shall enter into the written Debenture Trustee Agreement (DTA) for the said issue before the opening of subscription list for issue debentures. The Debenture Trust Deed shall be executed by the Company within a period of 3 days from the date of closure of issue. Further, Company shall also list the debentures on the Stock Exchange within a period of 3 working days from the date of closure of debenture issue.
2. The Company agrees and undertakes that it shall comply with the provisions of the SEBI regulations /Companies Act, 2013 read with the rules and regulations framed thereunder and the applicable provisions of the rules and regulations framed under the Reserve Bank of India Act, till the final redemption of the NCD being issued by the Company.
3. The Company agrees and undertakes to pay to the debenture trustee so long as they hold the office of the debenture trustee, remuneration as stated in the fee consent letter dated 08th November, 2021 in addition to all the legal, travelling and other cost, charges and expenses which the debenture trustee or their officers, employees or agents may incur in relation to execution of the debenture trust deed and all other documents affecting the securities till the monies in respect of the debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respect, have been complied.
4. Any payment in respect of debentures required to be made by the debenture trustee to debenture holder (who is FI Entity) at the time / post enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorized

www.sbicaptrustee.com

+91 22 4302 6566

+91 22 4302 6565

+91 22 2204 0465

corporate@sbicaptrustee.com

Corporate Office :

4th Floor, Mistry Bhavan,
122, Dinshaw Vachha Road,
Churchgate, Mumbai,
Pin - 400 020.

Registered Office :

202, Maker Tower E,
Cuffe Parade, Mumbai - 400 006.
CIN : UB59B1MH2006PLC158306

A Group Company of SBI

Dealer only. The Company / Investor / Debenture Holders shall obtain all such approvals from RBI, if required, to ensure prompt and timely payments to the said debenture holders. Such remittance shall not exceed total investment (and interest provided herein) made by the debenture holder (who is FPI).

5. The Company confirms that all necessary disclosures shall be made in the Private Placement Memorandum / Information Memorandum including but not limited to statutory and other regulatory disclosures. Investor should carefully read and note the contents of the Private Placement Memorandum / Information Memorandum. Each prospective investor should make its own independent assessment of the merits of the investment in NCDs and the Issuer Company. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt market and are able to bear the economic risk of investing in such instruments.
6. The Trustee, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid / invested by the investors for the debentures being issued by the Issuer Company.

Looking forward to a fruitful association with you and assuring you of our best professional services at all times.

With warm regards,
Yours faithfully,

For SBICAP Trustee Company Limited



Authorised Signatory
(Signature with stamp)

We accept the above terms
For DME Development Limited

Authorised Signatory
(Signature with stamp)

3. COMMERCIAL CONSENT LETTER OF THE TRUSTEE

Corporate Office : 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road
Churchgate, Mumbai - 400020
Phone : 022-4302 5555 Fax : 022-2204 0465
Email : helpdesk@sbicaptrustee.com



No.0288/2021-2022/CL - 3601

Date : 08th November, 2021.

To,

Name of the Company : DME Development Limited

Correspondence Address :

G-5 and 6, Sector 10, Dwarka, South West Delhi
New Delhi* - 110075

GST Billing Address :

G-5 and 6, Sector 10, Dwarka, South West Delhi
New Delhi* - 110075

Email ID : gsuresh@nhai.org

Sub.: Offer to act as Trustee for issue of Rs. 24,500 Crores by DME Development Limited

Dear Sirs,

This has reference to the telecon, and the discussions had on the captioned subject. Pursuant thereto, We SBICAP Trustee Company Limited are pleased to offer our services to act as the Debenture Trustee for the captioned issue on the following terms and conditions (this letter shall hereinafter be referred to as the "Offer Letter").

A. Fee Structure :

i) Base Charges :

Description of the Fees and Charges	Amount Payable (Rs.)	Remarks
Acceptance Fees	1,100,000.00	i. The Acceptance Charges is payable on one time basis immediately on the acceptance of this Offer Letter
Annual Charges	1,500,000.00	i. For the 1st year, the Annual Charges are payable in advance from the date of acceptance of offer ii. Annual Charges for subsequent years, shall be payable in advance immediately upon raising of Invoice iii. These Annual Charges are payable by the Company till the satisfaction of charges or release of all security/ documents, which ever is later
CERSAI Fees	5,000.00	To be paid immediately upon acceptance of this Offer Letter and in case the actual CERSAI fees are more than this amount differential/ additional reimbursement shall be required to be made immediately upon raising of Invoice for the same.
Trust Settlement Amount	1,000.00	i. The Trust Settlement Fee is payable immediately on the acceptance of this Offer Letter

ii) Other Charges :

a) All Out of Pocket expenses including but not limited to documentation expenses, legal counsel expenses, audit expenses, expenses incurred in the execution/ custody of documents, digitisation of documents, legal audit expenses etc. shall be borne by the Company and reimbursed within a period of 10 (ten) days from the date of invoice.

b) All applicable charges and expenses with respect to the filing of security interest created in favour of STCL with the Registrar of Companies (RoC), CERSAI etc. shall be chargeable separately as applicable and reimbursed immediately upon the receipt of invoice.

c) As stipulated by SEBI, STCL shall conduct Independent Due Diligence ("IDA") if applicable and periodical assessment of the compliances with the covenants/terms of the issue/security created ("PAC") through external agencies i.e. Professional Advisors/ Experts/ Chartered Accountants/ Valuers/ Legal Counsel etc. in such manner as may be prescribed from time to time.

ii) Other Charges :

- a) All Out of Pocket expenses including but not limited to documentation expenses, legal counsel expenses, audit expenses, expenses incurred in the execution/ custody of documents, digitisation of documents, legal audit expenses etc. shall be borne by the Company and reimbursed within a period of 10 (ten) days from the date of invoice.
- b) All applicable charges and expenses with respect to the filing of security interest created in favour of STCL with the Registrar of Companies (RoC), CERSAI etc. shall be chargeable separately as applicable and reimbursed immediately upon the receipt of invoice.
- c) As stipulated by SEBI, STCL shall conduct Independent Due Diligence ("IDA") if applicable and periodical assessment of the compliances with the covenants/terms of the issue/security created ("PAC") through external agencies i.e. Professional Advisors/ Experts/ Chartered Accountants/ Valuers/ Legal Counsel etc. in such manner as may be prescribed from time to time.

Registered Office : 202, Maker Tower E, Cuffe Parade, Mumbai 400 005
Website : www.sbicaptrustee.com Corporate Identity Number : U65991MH2005PLC158386
A wholly owned Subsidiary of SBI Capital Markets Ltd.

Corporate Office : 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road
Churchgate, Mumbai - 400020
Phone : 022-4302 5555 Fax : 022-2204 0465
Email : helpdesk@sbicaptrustee.com



The external agencies for the IDA and PAC would be appointed by STCL from its panel or from a panel maintained by the Trustee Association of India, and the charges/professional fees payable to the external agencies shall be predetermined based upon the nature of the transaction/manhours involved/ location of the property and mutually agreed to in writing by such external agencies and the Company. STCL shall not be liable either to the Company or the external agency in any manner whatsoever with regard to payment of the fees and/or reimbursement of expenses etc.

- d) The external agencies will raise the invoice directly in the name of the Company, and the payment shall be made directly by the Company in advance with intimation to STCL based on the confirmation email issued by STCL.
- e) The Company will engage only STCL empaneled agencies for issuances of reports/ certificates/ Asset cover certificates etc in adherence to SEBI Circulars and in the manner prescribed by SEBI from time to time.
- f) The Company shall be liable to provide/ furnish relevant documents/ information, as applicable, to enable the external agencies to conduct IDA if applicable and PAC.
- g) In case any subsequent SEBI Guidelines become applicable to the aforesaid issue of Debentures/Bonds, the Company shall forthwith take steps to comply with the same.

B. Invoicing and Billing :

- i. The Goods and Service Tax (GST) details as provided by the Company are as follows:

GST No :
GST Address:
G-5 and 6, Sector 10, Dwarka, South West Delhi
New Delhi* - 110075
All the invoices and Bills raised on the Company will mention the above GST No.

- ii. The Invoices and Bills Generated by STCL, pursuant to this Offer letter shall be sent to the following address:

Address:
G-5 and 6, Sector 10, Dwarka, South West Delhi
New Delhi* - 110075
Attention of : Suresh G.,
Email id: gsuresh@nhai.org

In case of any change in the above details, the Company shall immediately inform STCL.
Whilst making the payment of the above Base Charges and Other Charges, kindly mention the invoice No. against which the payment is being made.

C. Bank Details :

Given below are the Bank details into which payments of all fees and expenses are required to be made, under as stated in this Offer Letter:

RTGS Details:-

Beneficiary Name : SBICAP Trustee Company Limited;
Account No. : 34075964557;
Beneficiary Bank & Code: State Bank of India (8586);
IFSC Code : SBIN008586
SWIFT Code : SBININBB521
Branch Address : Madame Cama Road Branch, Post Bag No. 11588, Madame Cama Road, Mumbai - 400021.

D. The fees mentioned above are exclusive of all applicable taxes viz. GST, education cess and applicable taxes and other charges as may be applicable as per the law for the time being in force, which will be charged separately.

E. In the case of declaration of an event of default by any one or more of the Debenture Holders/ Bondholders/ Lenders/ Lead Bank/ Monitoring Institution of the Company, and STCL is instructed to take any action on behalf of any such Lenders/ Lead Bank/ Monitoring Institution/ Debenture Holder, STCL may charge, at our sole discretion, such additional fees, charges, expenses, costs etc. for providing such services.

Registered Office : 202, Maker Tower E, Cuffe Parade, Mumbai 400 005
Website : www.sbicaptrustee.com Corporate Identity Number : U65991MH2005PLC158386
A wholly owned Subsidiary of SBI Capital Markets Ltd.

Corporate Office : 4th Floor, Mistry Bhavan, 122, Dinshaw Vachha Road
Churchgate, Mumbai - 400020
Phone : 022-4302 5555 Fax : 022-2204 0465
Email : helpdesk@sbicaptrustee.com



It is further stated that, STCL are not required, to incur/ expend any costs out of their own pocket in providing such services, as referred above, including enforcement/ litigation/ recovery. In case if, STCL is required to make any payment in the course of providing such services, the amount of such payments shall be deposited in advance or recovered/ claimed from the Recovery Expense Fund.

F. The Acceptance Charges which are payable by the Company in advance and immediately upon the acceptance of this Offer Letter are non-refundable and shall not be dependent upon initiation/ completion of the transaction for which these fees are being charged.

Annual Charges being levied by STCL are non-refundable and exclusive of any other amount which may be payable/ reimbursed to STCL under Debenture Trustee Agreement/ Transaction documents /Finance/ Security Documents.

G. In case of failure to make payment of all the fees, charges and expenses payable under this Offer Letter within a period of 30 days from the date of Invoice, penal interest at the rate of 18% p.a. shall be charged from the date of the invoice till the date of actual payment.

H. The liability of STCL shall be limited to the extent of the fees received by it under this Offer Letter.

I. The terms of this Offer Letter shall be applicable and be limited only to the captioned debenture issue, and any documentation executed related to and with respect to it. Any extension of security to any other lender/ debenture holder, further issuance of debentures/ schemes and any other additional documentation required to be executed in respect thereof, STCL shall charge such additional fees as may be agreed upon.

J. This Offer Letter shall form and integral part of the finance and security / transaction documents and the terms & conditions hereunder shall be constructed to form a part and parcel of the transaction documents to be executed. In the event of any conflict or contradicting terms & conditions, the terms of this Offer Letter shall prevail.

K. This Offer Letter may be amended, revised, modified (and the provisions hereof may be waived) only by a written agreement between the parties.

L. Also please arrange to provide the compliance documents as per the attached standard compliance check list prior to signing of documents. Upon examination of sanction letter/ term sheet/ information memorandum/ title investigation report additional compliance will be required to be submitted, if any.

In case any clarifications are required, please feel free to contact Dipendra Abasaheb Jagdale at 8879150032 or email at dipendra.jagdale@sbicaptrustee.com.

Please note that the terms and conditions as contained in this Offer Letter, unless accepted earlier, are valid for a period of one month from the date of issuance.

Assuring you of our best services, as always.

For SBICAP Trustee Company Limited

Shah



Authorised Signatory

Agree and Accepted by
For DME Development Limited

4. DUE DILIGENCE CERTIFICATE FROM DEBENTURE TRUSTEE



Ref No: 10464/STCL/DT/2022-23

Date: 17th February, 2023

To,
National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza, C-1, Block G,
Bandra, Kurla Complex,
Bandra (E), Mumbai – 400051.

Dear Sir / Madam,

Sub: Series-II IM For Private Placement Of Listed, Senior, Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds In The Nature Of Debentures Of Face Value Of Rs 1 Lakh Each At Par aggregating to total issue size not exceeding Rs. 5,000 Crores with a base issue size of Rs. 1,000 Crores and green shoe option to retain oversubscription upto Rs. 4,000 Crores by DME Development Ltd. ("DME" Or The "Issuer") By Way Of Private Placement ("The Issue").

We, SBICAP Trustee Company Limited ("STCL") the debenture trustee to the above- mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and of independent verification of the various relevant documents,

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
- b) The Issuer has obtained the permissions / consents necessary for creating security on the

said property(ies).

- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.
- d) All disclosures made in the offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

For: SBICAP Trustee Company Ltd

Authorised Signatory
Place: Mumbai

L. D. Sharma
17/02/2023



www.sbicaptrustee.com
+91 22 4302 5566
+91 22 4302 5555
+91 22 2204 0465
corporate@sbicaptrustee.com

Corporate Office :
4th Floor, Mistry Bhavan,
122, Dinshaw Vachha Road,
Churchgate, Mumbai,
Pin - 400 020.

Registered Office :
202, Maker Tower E,
Cuffe Parade, Mumbai - 400 005.
CIN : U65991MH2005PLC158386

A Group Company of SBI

5. AUDITED FINANCIALS FOR 31st DECEMBER 2022 AND FY 2022

a. Audited Standalone Financials for year ending 31st March 2021

URL: [AR_2020-21.pdf \(dmedl.in\)](#)

b. Audited Standalone Financials for year ending 31st March 2022

URL: [AR_2021_22.pdf \(dmedl.in\)](#)

c. Audited Standalone Financials for 9 months ending 31st December 2022

URL: <https://dmedl.in/images/BS31.12.2022.pdf>

6. LETTER OF COMFORT

a. Authorisation Letter



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण
(सड़क परिवहन और राजमार्ग मंत्रालय)
National Highways Authority of India
(Ministry of Road Transport and Highways)
जी-5 एवं 6, सेक्टर-10, द्वारका, नई दिल्ली-110075
G-5 & 6, Sector-10, Dwarka, New Delhi-110075

दूरभाष / Phone : 91-11-25074100/25074200
फैक्स / Fax : 91-11-25093507 / 25093514

Dated: 04.03.2022

To,
All Lenders

Sub: Letter of Authorization

The Board of NHAI has approved the issuance of Letter of Comfort, to be provided in respect of the borrowing up to Rs. 48,464 crore to be raised by the DME Development Ltd. (a 100% SPV of the NHAI) for the FY 2021, FY 2022, FY 2023 and FY 2024 as per the year wise financial requirements for maintaining the debt equity ratio of 9:1, to meet the total capex requirement of up to Rs. 54,000 crore, till the completion of the project.

For the mentioned purpose, Shri. B.M.Rao, CGM (Finance)/Shri. S.Q.Ahamed, GM (Finance) be and are hereby authorised to sign the above Letter of Comfort, and also sponsor undertaking/other information/documents, as may be required, on behalf of NHAI for raising debt through various sources including term loan, bonds etc.

For National Highways Authority of India


(NRVVMK Rajendra Kumar)
Member (Finance)

b. Letter of Comfort



सत्यमेव जयते

भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय, भारत सरकार)

National Highways Authority of India

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

जी-5 एवं 6, सेक्टर-10, द्वारका, नई दिल्ली - 110 075 • G-5 & 6, Sector-10, Dwarka, New Delhi-110075

दूरभाष/Phone : 91-11-25074100 / 25074200



Letter of Comfort

Date: 17-02-2023

To,

All the Bondholders

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

Dear Sir/Ma'am,

The Delhi – Mumbai Expressway ("DME" or "Project") is one of the flagship highway projects currently being executed by National Highways Authority of India ("NHAI"). DME Development Limited ("Borrower" or "DME SPV"), is a Special Purpose Vehicle (SPV) which has been incorporated as a 100% owned entity of NHAI to undertake the financing and development of DME. The DME SPV shall undertake the financing and development of DME in accordance with the provisions of the Concession Agreement executed between the DME SPV and NHAI ("Concession Agreement"). The total funding requirement for the Project is estimated to be ~INR 54,000 Crores out of which DME SPV has raised ~INR 29,000 Crores through Rupee Term Loan Facility from banks and INR 5,000 Crores through Bonds as on 31st January 2023. The DME SPV is in the process of tying up balance fund requirement and is proposing to raise part fund requirement through issuance of Bonds of INR 5,000 Crores

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

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

Particulars	Year 1	Year 2	Year 3	Year 4	Total (INR Crores)
Capex Phasing	10,812	13,901	10,314	18,822	53,848

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

3. NHAI shall aim to maintain the debt equity ratio of DMEL 9:1 by infusing further equity in the subsequent years. The corresponding fund requirements for year 3 and year 4, is proposed to be raised through mix of debt from banks, and other sources outside banking system (including LIC, pension funds, corporate bonds, multilateral funding

✓

agencies, foreign lenders etc.). In case of any shortfall in the funding plan for any corresponding year, the same shall be arranged by NHAI through equity infusion by NHAI and/or term loan facility(ies) from within or outside the banking system.

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

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

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

This letter may be treated as "Letter of Comfort " from NHAI to facilitate the issuance of Bonds of INR 5,000 Crores through private placement of Bonds under the trusteeship of SBI CAP Trustee Company Ltd. for the DME SPV. The Letter of Comfort is irrevocable & unconditional and shall remain operative till the Bonds issued by DME SPV is fully repaid.

Thanking you,

Yours faithfully,



B.M.Rao

Chief General Manager (Finance)
National Highways Authority of India (NHAI)

G-5 & 6, Sector-10,

Dwarka, New Delhi,
India, 110075

CC to: Compliance Officer, SBICAP Trustee Company Ltd., Mumbai

7. COPY OF BOARD RESOLUTION FOR ISSUANCE OF DEBENTURES



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

CONFIDENTIAL

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE 14th MEETING OF THE BOARD OF DIRECTORS OF DME DEVELOPMENT LIMITED HELD ON TUESDAY THE 14th DAY OF FEBRUARY, 2023 AT 05.30 P.M. THROUGH VIDEO CONFERENCING

ITEM NO. & SUBJECT

- 14.7 To approve issue of 2nd Tranche of NCDs/Bonds for Rs. 5000 Cr for a Tenor of 10 years**

The Board approved the proposal and passed the following resolutions:

"RESOLVED THAT pursuant to the provisions of Section 179, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under including any statutory modifications or re-enactments thereof for the time being in force and pursuant to SEBI NCS Regulations, 2021 other applicable SEBI Rules and Regulations, as amended from time to time, including applicable Reserve Bank of India Directions, Guidelines, Circulars etc. and in accordance with Memorandum and Articles of Association of the Company and subject to other applicable laws, rules and regulations, pursuant to approval by way of special resolution of the Shareholders, consent of the Board be and is hereby accorded to offer, invite for subscription, issue and allot Secured, Non-Convertible, Non-Cumulative, Redeemable, Taxable Bonds Series-II for approx. amount of Rs.5,000 Crore (Rupees Five Thousand Crore only) on private placement basis, on such terms and conditions as the Board may deem fit and depending on the prevailing market conditions and wherever necessary in consultation with lead manager(s), financial advisor(s), underwriter(s), legal advisor(s) and/or any other agency as the Board may in its absolute discretion deem fit and appropriate, however at any given point of time the aggregate limit of funds raised/to be raised by the Company including issue of NCDs shall not exceed the overall borrowing limits of the Company as approved by the Shareholders of the Company from time to time.

RESOLVED FURTHER THAT the draft Information memorandum and term sheet as placed before the Board be and is hereby approved.

RESOLVED FURTHER THAT any Director/Chairman of the Company be and is hereby authorized and to delegate on behalf of the Company, all or any of the aforesaid powers to any Committee, officers, employees of the Company, as it may deem necessary as may be required, desirable or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto and to settle any issues, questions, difficulties or doubts that may arise.

RESOLVED FURTHER THAT the Chairperson of the Company is to be given authority to do acts, deeds and things and to take all necessary steps, as may be required, for and on behalf of the Company including but not limited to alterations/amendments in the Information Memorandum and Term Sheet if required.

RESOLVED FURTHER THAT Mr. Ananta Manohar, Director & CFO of the Company be and is hereby authorised to settle, execute and sign all such documents, deeds, writings, papers or agreements as may be required and do all such acts, deeds and things as it may in its absolute discretion deem necessary, proper and desirable for the issuance of Bonds and for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary be and are hereby severally authorised to certify a copy of the above resolution and issue the same to all concerned parties."

**Certified True Copy
For DME DEVELOPMENT LIMITED**


**(Prachi Mittal)
Company Secretary & Compliance Officer**

