

Prolific Resolution Private Limited



ANNUAL REPORT
2022-23

Contents

Company Information	2
Notice	3
Board’s Report	6
Report on Corporate Governance	16
Management Discussion & Analysis	29
Independent Auditors’ Report	31
Financial Statements	38

Prolific Resolution Private Limited

(previously known as Prolific Claims Management Private Limited)

CIN : U74999RJ2019PTC064522

BOARD OF DIRECTORS

Manish Khanna		Chairman & Independent Director
Dr. Mita Dixit		Independent Director
Rahul Rao		Non-Executive Non-Independent Director
Santosh Kumar Rai		Non-Executive Non-Independent Director
Rahul Shukla		Non-Executive Non-Independent Director

KEY MANAGERIAL PERSON

Shakur Shikalgar		Company Secretary
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STATUTORY AUDITORS

Natvarlal Vepari & Co., Chartered Accountants

SECRETARIAL AUDITOR

Amrita Nautiyal & Associates, Practising Company Secretary

BANKERS

ICICI Bank Limited

REGISTERED OFFICE

Second Floor, Shop No. 35, Sector-6,

Near Hotel Deep, Malviya Nagar,

Jaipur, Rajasthan - 302017

website: www.prolificresolution.com

CORPORATE OFFICE

Hincon House,

Lal Bahadur Shastri Marg,

Vikhroli (West), Mumbai 400 083

REGISTRAR & SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited

K-215, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri East, Mumbai - 400072

Notice

NOTICE is hereby given that the 4th Annual General Meeting (AGM) of Prolific Resolution Private Limited ("the Company") will be held on Monday, August 28, 2023 at 05:30 p.m. at Hincan House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083 to transact the following businesses:

ORDINARY BUSINESS

1. Adoption of the Audited Financial Statements of the Company

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 including the Audited Balance Sheet as at March 31, 2023 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

2. Appointment of Mr. Santosh Kumar Rai (DIN: 08766113), who retires by rotation and being eligible, offers himself for re-appointment as a Director of the Company

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any amendment(s) thereto or any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Santosh Kumar Rai (DIN: 08766113), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To appoint M/s. Natvarlal Vepari & Co., Chartered Accountants (ICAI Firm Registration No.: 106971W) as the Statutory Auditors of the Company

To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Audit Committee, M/s. Natvarlal Vepari & Co., Chartered Accountants (ICAI Firm Registration No.: 106971W), be and are hereby appointed as the Statutory Auditors of the Company for a period of five consecutive years commencing from the conclusion of 4th Annual General Meeting until the conclusion of 9th Annual General Meeting to be held in the year 2028, on such remuneration plus applicable taxes as may be fixed by the Board of Directors in consultation with them and reimbursement of out-of-pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board") (which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board), be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to this Resolution."

By order of the Board

For **Prolific Resolution Private Limited**

Shakur Shikalgar
Company Secretary

Registered Office:

Second Floor, Shop No. 35,
Sector-6, Near Hotel Deep,
Malviya Nagar, Jaipur,
Rajasthan-302017

Place: Mumbai

Date: August 01, 2023

NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more Proxies, to attend and vote instead of himself and the Proxy need not be a Member of the Company. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other Member. In order that the appointment of a Proxy is effective, the instrument appointing a Proxy must be received at the Registered Office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the Meeting.
2. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of their Board Resolution together with the respective specimen signature of the representative(s) authorised under the said Resolution to attend and vote on their behalf at the Meeting to the Company at the following email id: secretarial@hccindia.com.

3. All documents referred to in this Notice and other Statutory Registers are open for inspection by the Members on the date of the AGM at the venue of the Meeting and also at the Registered Office of the Company between 10:00 a.m. to 4:00 p.m. on all working days except Saturdays, Sundays and national holidays, from the date hereof up to the date of the AGM.
4. Members desiring any information relating to the Financial Statements of the Company are requested to write to the Company at the earliest at secretarial@hccindia.com, so as to enable the Board of Directors to keep the information ready at the AGM.
5. A Route Map showing the directions to reach the venue of the Annual General Meeting is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on General Meetings.
6. The relevant details of the Director seeking re-appointment at the AGM in pursuance of the provisions of Companies

Act, 2013 read with Secretarial Standards-2 on General Meetings, as applicable, is annexed to this Notice.

By order of the Board
For **Prolific Resolution Private Limited**

Shakur Shikalgar
Company Secretary

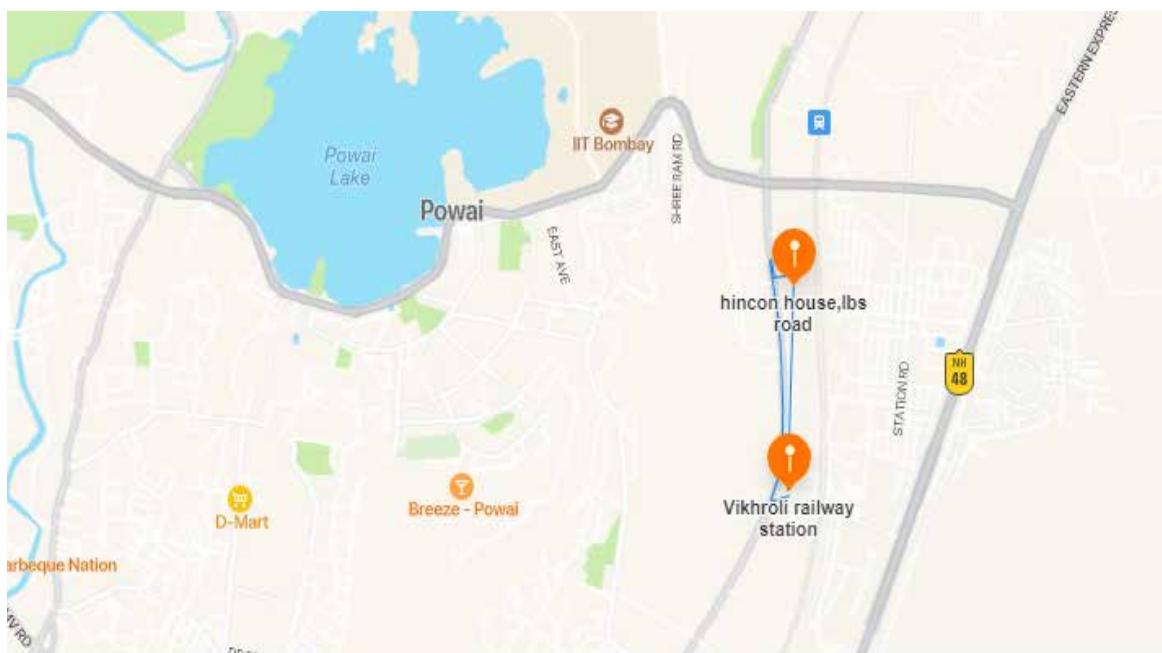
Registered Office:

Second Floor, Shop No. 35,
Sector - 6, Near Hotel Deep,
Malviya Nagar, Jaipur,
Rajasthan - 302017

Place: Mumbai

Date: August 01, 2023

ROUTE MAP TO REACH THE AGM VENUE



Venue:

Prolific Resolution Private Limited

Hincon House,
Lal Bahadur Shastri Marg,
Vikhroli (W),
Mumbai – 400083

(ANNEXURE FOR ITEM NUMBER 2)

Details of the Director seeking re-appointment at the 4th Annual General Meeting in pursuance of the Companies Act, 2013 read with Secretarial Standards-2 on General Meetings, as applicable.

Name of the Director	Mr. Santosh Kumar Rai
DIN No.	08766113
Date of Birth	January 11, 1977
Date of appointment on Board	December 17, 2021
Qualifications	Bachelor of Engineering (Civil) from Bapuji Institute of Engineering and Technology, Kuvempu University, Karnataka. Post Graduate Diploma in Advance Construction Management from the National Institute of Construction Management and Research (NICMAR), Pune.
Brief Resume and Expertise in specific functional areas	Mr. Santosh Kumar Rai has over 21 years of experience in the construction sector, with a core focus on business development, construction management, planning and execution of infrastructure projects. He was responsible for planning and constructing the cable-stayed bridges of the Bandra Worli Sea Link. He was awarded a Certificate of Appreciation by the Government of Maharashtra for his extraordinary contribution to building this engineering marvel.
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	a. HCC Infrastructure Company Limited b. HCC Operations & Maintenance Limited c. HCC Contract Solutions Limited d. Steiner India Limited e. Highbar Technologies Limited
Memberships/ Chairmanships of Committees across all Companies	Prolific Resolution Private Limited : a. Audit Committee (Member) b. Risk Management Committee (Member)
Number of Meetings of the Board attended during Financial Year 2022-23	10
Shareholding of Non-Executive Directors	Nil
Relationships between Directors inter-se	None

Board's Report

To,

The Members of

Prolific Resolution Private Limited

1. Report

Your Directors are pleased to present the 4th Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2023.

2. Financial and Operational Performance

(₹ in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Income	22,121.08	-
Less :		
a) Finance Costs	26,851.80	-
b) Other expenses	1,141.85	3.39
Total expenses	27,993.65	3.39
Profit/(Loss) before tax	(5,872.57)	(3.39)
Less: Tax Expense	-	-
Profit/(Loss) after tax	(5,872.57)	(3.39)
Add: Other Comprehensive Income/(Loss)	-	-
Total Comprehensive Income/(Loss), net of tax	(5,872.57)	(3.39)

Established in the year 2019, Prolific Resolution Private Limited ("Company" or "PRPL") is an SPV of Hindustan Construction Company Ltd. ("HCC"), Holding Company and is engaged in the business of recovering, assessing, and managing claims, actionable claims, awards (including arbitral awards), decrees, orders, and/or beneficial interest.

Pursuant to the Debt Resolution Plan with Lenders of HCC during the quarter ended September 30, 2022, the economic and beneficial interest of certain arbitration awards and claims, along with liabilities, represented by debt and accrued interest due to the Lenders of HCC, were transferred to the Company.

Against the debt novated, the Company issued on private placement basis, 28,540 Listed Secured Redeemable Non-Convertible Debentures ("NCDs") of ₹ 10 Lacs each fully paid up aggregating to ₹ 2,85,440 Lacs and having a coupon rate of 0.01% with an interest yield of 12% compounded on yearly basis and having maturity of 8 years. The NCD Holders have a charge on the receivable amounts from the arbitration claims and awards.

The NCDs issued by the Company were listed on BSE Limited on September 26, 2022.

With effect from the said date, the Company is classified as a High Value Debt Listed Entity in terms of Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

3. Dividend

In view of the loss incurred by the Company, your Directors have not recommended any dividend for the year under review.

4. Holding Company

Hindustan Construction Company Ltd. ("HCC") is Holding 100% Equity Shares Capital of the Company as on March 31, 2023.

5. Share Capital

During the year under review, the Company has allotted 49,900 fully paid up Equity Shares having face value of ₹ 10/- each at par aggregating to ₹ 4,99,000/- on a "Rights Basis" to HCC, Holding Company.

The issued, subscribed and paid-up Share Capital of the Company as on March 31, 2023 was ₹ 5,00,000/- divided into 50,000 Equity Shares of ₹ 10 each.

6. Transfer to Reserves

During the year under review, no amount is proposed to be transferred to the General Reserve of the Company.

7. Details of Subsidiary, Joint Ventures and Associate Companies

The Company has no Subsidiaries, Joint Ventures or Associate Companies.

Hence, disclosure on performance and financial position of each of the Subsidiaries, Joint Venture and Associate

Companies for inclusion in the Board's Report/Financial Statements is not applicable.

8. Public Deposits

The Company has not accepted any Deposit falling under Chapter V of the Companies Act, 2013 during the year under review. There were no such Deposits outstanding at the beginning and end of the Financial Year 2022-23.

9. Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013 read with SEBI Listing Regulations

Particulars of Loans, Guarantees and Investments made during the year as required under the provisions of Section 186 of the Companies Act, 2013 read with SEBI Listing Regulations are given in the Notes to the Financial Statements forming part of Annual Report.

10. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by the Securities and Exchange Board of India ('the SEBI').

The report on Corporate Governance as prescribed in the SEBI Listing Regulations, prepared on voluntary basis, forms an integral part of this Annual Report.

11. Directors

Mr. Aditya Jain has resigned from the post of Non-Executive-Non-Independent Director of the Company with effect from May 09, 2022 on account of his preoccupations. The Board places on record its appreciation towards exemplary services rendered by him during his tenure as Director of the Company.

Mr. Rahul Rao, who was appointed as an Additional (Non-Executive-Non-Independent) Director and Chairman of the Company with effect from May 09, 2022, by the Board, was regularized as Non-Executive-Non-Independent Director, liable to retire by rotation, in the 3rd Annual General Meeting of the Company held on September 22, 2022.

Mr. Santosh Kumar Rai, who was appointed as an Additional (Non-Executive-Non-Independent) Director with effect from December 17, 2021, by the Board, was regularized as Non-Executive-Non-Independent Director, liable to retire by rotation, in the 3rd Annual General Meeting of the Company held on September 22, 2022.

The Board at its Meeting held on March 17, 2023, has appointed Mr. Manish Khanna and Dr. Mita Dixit as Additional Independent Directors of the Company i.e., with effect from March 17, 2023 for a term of one year i.e., upto March 16, 2024, subject to approval of the Members of the Company as per the provisions of Regulation 17(1C) of the SEBI Listing Regulations.

The Board has also appointed Mr. Manish Khanna as Chairman of the Company with effect from March 17, 2023 in place of Mr. Rahul Rao.

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board at its Meeting held on May 15, 2023, altered the tenure of appointment of Mr. Manish Khanna and Dr. Mita Dixit as Independent Directors of the Company for a term of 5 consecutive years instead of one year, which was subsequently approved by the Members of the Company in their Extra Ordinary General Meeting held on June 08, 2023.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Santosh Kumar Rai, Non-Executive-Non-Independent Director of the Company, is due to retire by rotation at the ensuing 4th Annual General Meeting and, being eligible, has offered himself for re-appointment.

The Company has also received Form DIR-8 from all the Directors pursuant to Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

12. Key Managerial Personnel

Mr. Shakur Shikalgar was appointed as the Company Secretary and Key Managerial Personnel of the Company pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with Rules made thereunder with effect from August 01, 2022.

13. Board Committees

The Board had constituted various Committees in compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee.

All decisions pertaining to the constitution of Committees, appointment of Members and fixing of terms of reference/role of the Committees are taken by the Board.

The details of the role and composition of these Committees are provided in the Report on Corporate Governance forming an integral part of this Annual Report.

14. Meetings

A calendar of Board Meetings, Annual General Meetings and Committee Meetings is prepared and circulated in advance to the Directors of the Company. The Board of Directors of the Company met 10 times during the Financial Year 2022-23 on April 22, 2022, May 02, 2022, May 09, 2022, June 13, 2022, August 01, 2022, September 20, 2022, October 11, 2022, November 09, 2022, January 31, 2023 and March 17, 2023.

In accordance with the provisions of Section 173(1) of the Companies Act, 2013 read with Regulation 17(2) of the SEBI Listing Regulations, the maximum time gap between any two consecutive Meetings did not exceed one hundred and twenty days.

15. Familiarization Programme of Independent Directors

In compliance with the requirements of the SEBI Listing Regulations, the Company has put in place a familiarization

program for Independent Directors to familiarize them with their role, rights and responsibility as Directors, the operations of the Company, business overview etc. The details of the same are given in the Corporate Governance Report.

16. A Statement regarding opinion of the Board with regard to integrity, expertise, and experience (including the proficiency) of the Independent Directors appointed during the year

The Company has received declarations from the Independent Directors that they are meeting the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) read with Regulation 25(8) of the SEBI Listing Regulations. In the opinion of the Board, they fulfil the condition for appointment as Independent Directors on the Board and possess the attributes of integrity, expertise and experience and also, are independent of Management.

The Independent Directors of the Company have registered themselves with the Data Bank maintained by Indian Institute of Corporate Affairs (IICA).

17. Performance Evaluation

The Nomination and Remuneration Committee in its Nomination, Remuneration and Evaluation Policy has specified the criteria for performance evaluation as per the provisions of Section 178 of the Companies Act, 2013 read with SEBI Listing Regulations.

18. Nomination, Remuneration and Evaluation Policy

The Board, based on the recommendations of the Nomination and Remuneration Committee, has approved the Nomination, Remuneration and Evaluation Policy containing the following aspects:

- role of the Nomination and Remuneration Committee.
- the criteria for identification, appointment and retirement of Directors and Senior Management.
- the framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.
- the criteria for determining qualifications, positive attributes and independence of Director and the framework on Board diversity.
- the process and criteria for annual evaluation of the Board, its Committees and Directors based on evaluating each individual in the context of the Board as a whole.

The said Policy is available on the Company website and can be accessed by weblink https://www.prolificresolution.com/admin/uploads/codes_and_policies/6/931684403077Nomination,%20Remuneration%20&%20Evaluation%20Policy.pdf.

19. Corporate Social Responsibility

The provisions pertaining to Corporate Social Responsibility as envisaged under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 were not applicable to the Company for the Financial Year 2022-23.

20. Related Party Transactions

Particulars of material contracts or arrangements entered with Hindustan Construction Company Ltd., Holding Company, Related Party at arm's length basis are provided in Form AOC-2 as "**Annexure A**", forming integral part of this Report.

The Company has adopted a Policy on Related Party Transactions ("RPTs") for the purpose of identification, monitoring and approving such transactions in line with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations.

The said Policy is available on the Company website and can be accessed by weblink https://www.prolificresolution.com/admin/uploads/codes_and_policies/7/211684403097Policy%20on%20Related%20Party%20Transactions.pdf.

21. Directors' Responsibility Statement

In accordance with the provisions of Section 134 of the Companies Act, 2013 your Directors confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- b. the selected accounting policies were applied consistently, and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the loss of the Company for the year ended on that date.
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. the annual accounts have been prepared on a going concern basis.
- e. the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are generally operated effectively during the year.
- f. proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating effectively.

The Statutory Auditors have opined that the Company has in, all material respects, maintained adequate internal financial controls over financial reporting and that they were operating effectively.

22. Particulars of Employees and other additional information

The Company has no employees requiring disclosure pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

23. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 requiring captioned information are not applicable to the Company. During the year under review, there was no expenditure or income in foreign currency.

24. Secretarial Standards

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

25. Statutory Auditors

Consequent upon resignation of M/s. Sehdev Rawat and Associates, Statutory Auditors, the casual vacancy was filled by appointment of M/s. Natvarlal Vepari & Co., Chartered Accountants (ICAI Firm Registration No.: 106971W) as the Statutory Auditors of the Company by the Members in their Extra Ordinary General Meeting held on October 12, 2022 to hold office till the conclusion of the ensuing 4th AGM to be held in the year 2023.

Based on the recommendation of the Audit Committee, the Board has approved and recommended to the Members appointment of M/s. Natvarlal Vepari & Co., Chartered Accountants as the Statutory Auditors of the Company, to hold office for a period of five consecutive years, from the conclusion of the 4th AGM till the conclusion of the 9th AGM of the Company to be held in the year 2028.

The Company is in receipt of Consent Letter and Eligibility certificate from M/s. Natvarlal Vepari & Co., to act as the Statutory Auditors of the Company as required under Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

26. Board's Comment on Auditors' Qualifications

There are no qualifications/observations/matter of emphasis given by the Statutory Auditors in their Audit Report on the Financial Statements for the Financial Year ended March 31, 2023.

27. Secretarial Audit

Secretarial Audit for the Financial Year 2022-23 was conducted by M/s. Amrita Nautiyal and Associates, Practicing Company Secretaries, Secretarial Auditor, in

accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached to this Annual Report as **"Annexure B"**.

The observations/remarks/comments made by the Secretarial Auditor in its Report are self-explanatory.

28. Maintenance of Cost Records

The Company is not required to maintain the accounts and cost records as specified by the Central Government under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014. Accordingly, Cost Audit is not applicable to the Company.

29. Risk Management

The Board in its Meeting held on March 17, 2023 has constituted the Risk Management Committee and has assigned to it the roles and responsibilities as specified in Schedule II of the SEBI Listing Regulations for ensuring implementation of Risk Management and Mitigation Systems in the Company.

30. Internal Control Systems and their adequacy

The Company has an adequate system of internal control to ensure that the resources are used efficiently and effectively so that:

- assets are safeguarded and protected against loss from unauthorized use or disposition.
- all significant transactions are authorised, recorded and reported correctly.
- financial and other data are reliable for preparing financial information.
- other data are appropriate for maintaining accountability of assets.

31. Internal Financial Controls and their adequacy

The Management had reviewed the design, adequacy and operating effectiveness of the Internal Financial Controls of the Company within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013, to ensure timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. The Board is of the opinion that the Company has efficient controls in place and operating effectively.

32. Whistle Blower Policy/Vigil Mechanism

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of Employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee. It is affirmed that no person has been denied access to the Audit Committee.

The said Policy is available on the Company website and can be accessed by weblink https://www.prolificresolution.com/admin/uploads/codes_and_policies/8/781684403117Whistle%20Blower%20Policy.pdf.

33. Sexual Harassment

During the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The provisions with respect to constitution of Internal Complaints Committee under the abovementioned Act are not applicable.

34. Reporting of Frauds

There have been no instances of fraud reported by the Statutory Auditors under Section 143 of the Companies Act, 2013 read with relevant Rules framed thereunder, either to the Company or to the Central Government.

35. Significant and material Orders passed by the Regulators/Courts, if any

There are no significant or material Orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

36. Details of Applications made or Proceedings pending under the Insolvency and Bankruptcy Code, 2016 (IBC, 2016)

No Applications have been made or proceedings instituted against the Company under the provisions of the IBC, 2016 and Regulations made thereunder.

37. Material changes and commitments, if any, affecting financial position of the Company from the end of financial year till the date of the Report

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year to which the Financial Statements relate and the date of this Report.

38. Annual Return

The Company has uploaded Annual Return on the website of the Company i.e., www.prolificresolution.com.

39. Acknowledgement

Your Directors wish to place on record their appreciation for the co-operation and assistance received from the Members, Stakeholders and concerned authorities during the year under review.

For and on behalf of Board of Directors

Manish Khanna
Chairman

Registered Office:

Second Floor, Shop No. 35,
Sector - 6, Near Hotel Deep,
Malviya Nagar, Jaipur,
Rajasthan - 302017

Place: Mumbai

Date: August 01, 2023

ANNEXURE "A"

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

All contracts or arrangements or transactions are at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

a. Name(s) of the related party and nature of relationship

Hindustan Construction Company Ltd. (HCC), Holding Company

b. Nature of Contracts / arrangements / transactions

Receipt of awards, claims and liabilities pursuant to debt resolution plan.

c. Duration of the contracts / arrangements / transactions

One time

d. Salient terms of the contracts or arrangements or transactions including the value, if any:

Pursuant to the approved Resolution Plan with lenders of Hindustan Construction Company Limited (HCC), Holding Company, during the year, the economic and beneficial interest of certain arbitration awards and claims (Assets) amounting to ₹ 2,894.11 Crores (fair valued on initial recognition at ₹ 2,921.65 Crores), along with liabilities amounting to ₹ 2,855.69 Crores represented by debt and accrued interest due to the lenders (Liabilities) of HCC, has been transferred to the Company by way of Deed of Assignment dated 10 August 2022 between HCC, lenders of HCC and the Company.

Along with the assignment of the debt the lenders have also novated debt to the extent of ₹ 2,855.69 Crores in favour of the Company. The company has issued and allotted 28,544 non-convertible debentures ('NCD') having a face value of ₹ 10,00,000 each at par aggregating ₹ 2,854.40 Crores, for consideration other than cash representing the debt and the balance amounting to ₹ 1.29 Crores has been paid upfront to the lenders by HCC, Holding Company.

e. Date(s) of approval by the Board, if any

June 13, 2022

f. Amount paid as advances, if any - Nil

For and on behalf of Board of Directors

Manish Khanna
Chairman

Registered Office:

Second Floor, Shop No. 35,
Sector - 6, Near Hotel Deep,
Malviya Nagar, Jaipur,
Rajasthan - 302017

Place: Mumbai

Date: August 01, 2023

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Prolific Resolution Private Limited
Second Floor, Shop No. 35, Sector-6,
Near Hotel Deep, Malviya Nagar,
Jaipur, Rajasthan- 302017.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Prolific Resolution Private Limited (hereinafter called "the Company") (CIN: U74999RJ2019PTC064522) for the period ended 31 March 2023 ("Audit Period"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit Period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

- a) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations);
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

- (vi) The Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

During the period under review, provisions of the following regulations were not applicable to the Company:

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
- d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above (hereinafter together referred to as "Applicable Laws") to Company except for following:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guide- lines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response
1	The listed entity is required to adopt Whistle Blower Policy	Regulation 4(2)(d)(iv) of SEBI LODR Regulations, 2015	Whistle Blower Policy adopted after FY 2022-23	None	NA	Whistle Blower Policy adopted after FY 2022-23	NA	Please refer note 1	The Policy has been adopted on 15th May 2023
2	High value debt listed entity required to adopt Policy on Related Party Transaction	Regulation 23(1) of SEBI LODR Regulations, 2015	Policy on Related Party adopted after FY 2022-23	None	NA	Policy on Related Party adopted after FY 2022-23	NA	Please refer note 1	The Policy has been adopted on 15th May 2023
3	High value debt listed entity required to adopt Policy on Material Subsidiary	Regulation 16(1) (c) SEBI LODR Regulations, 2015	Policy on Material Subsidiary adopted after FY 2022-23	None	NA	Policy on Material Subsidiary adopted after FY 2022-23	NA	Please refer note 1	The Policy has been adopted on 15th May 2023
4	The listed entity is required to conduct annual evaluation of the Board.	Regulation 4(2)(f)(ii) of SEBI LODR Regulation	Annual Evaluation of the Board not carried out.	None	NA	Annual Evaluation of the Board not carried out.	NA	Please refer note 3	Optimum Board composition was achieved on March 17, 2023. Since the debt securities of the Company were listed in the middle of the year, annual evaluation shall be conducted for 2023-24 on a whole year basis
5	If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter;	SEBI Circular number CIR/CFD/ CMD1/114/2019 dated October 18, 2019	M/s. Natvarlal Vepari & Co issued the limited review report for quarter ended September 30, 2022 instead of M/s. Sehdev Rawat & Associates (Firm Registration No.: 029064N), the auditor who resigned on 11th October 2022	None	NA	M/s. Natvarlal Vepari & Co issued the limited review report for quarter ended September 30, 2022 instead of M/s. Sehdev Rawat & Associates (Firm Registration No.: 029064N), the auditor who resigned on 11th October 2022	NA	Please refer note 4	The Debt Securities were listed on September 26, 2022, therefore, the limited review report was submitted by M/s Natvaelal Vepari & Co.

Notes:

1. Prolific, as a High Value Debt listed entity, had to adhere to the provisions of Regulation 15-27 of SEBI LODR Regulation 2015 within six months from its listing date, which was March 26, 2023. Further, as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023, the provisions relating to corporate governance provided under regulation 15 to regulation 27 of SEBI LODR are applicable to High Value Debt listed entities on a comply or explain basis until 31 March 2024. To meet these compliance requirements, Prolific reconstituted its Board on March 17, 2023, and also established all the necessary Committees on the same date. Since certain responsibilities were to be delegated to these Committees, Prolific adopted the Whistle Blower Policy, Policy on Material Subsidiary, and Policy on Related Party Transactions on May 15, 2023. The other policies were adopted by Prolific within six months of being listed.
2. As per format of quarterly corporate governance report provider under SEBI circular no SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/000000 dated July 29, 2022 as amended from time to time, there is no requirement to provide weblinks of disclosure on the website of the Company. Therefore, the requirement to provide weblink in quarterly corporate governance report is not applicable.
3. The Board of Directors was reconstituted on March 17, 2023 and the Nomination and Remuneration Committee (NRC) was established on the same date, the NRC approved the criteria for evaluating directors on May 15, 2023. Additionally, since the Company's debt securities were listed in the middle of the financial year on September 26, 2022, the annual evaluation of directors, including independent directors, will be conducted in the year 2023-24.
4. M/s. Sehdev Rawat & Associates (Firm Registration No.: 029064N) resigned as statutory auditor of Prolific on October 11, 2022 and M/s. Natvarlal Vepari & Co (Firm Registration No.: 106971W) was appointed as Statutory Auditor of the Company w.e.f October 12, 2022. Since the debt securities were listed on September 26, 2022, the M/s. Natvarlal Vepari & Co issued the limited review report for quarter ended September 30, 2022.

I further report that:

Composition

- (i) The Board of Directors of the Company is duly constituted with proper balance of directors including Non-Executive Directors, Independent Directors, Nominee Director and a Woman Director as the case may be. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Applicable Laws;

Business in compliance with Memorandum of Association

- (ii) All the business activities undertaken by the Company were authorised under Clause III (i.e. Objects Clause) of the Memorandum of Association of the Company;

Board Function

- (iii) Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days (or with consent of directors at shorter notice) in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- (iv) All the decisions at Board meetings and Board committee meetings were unanimously consented and that there was no instance of dissent in any of the business matters at the Board or Board committee meetings.
- (v) I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the following specific event / action has occurred:

1. The Company allotted 49,900 equity shares of Rs 10/ (Rupees Ten) each on rights issue basis for overall consideration of Rs 4,99,000 (Rupees Four Lakh Ninety-Nine Thousand).
2. The Company allotted and listed on BSE Limited, 28,544, Secured, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹ 10,00,000/(Rupees Ten Lakh) each, aggregating to ₹ 2,854.40 Crore (Rupees Two Thousand Eight Hundred Fifty Four Crore Forty Lakh) (comprising of 23,030 Series -1 NCDs and 5,514 Series - 2 NCDs).
3. M/s. Sehdev Rawat & Associates (Firm Registration No.: 029064N) resigned as statutory auditor of Prolific on October 11, 2022 and M/s. Natvarlal Vepari & Co (Firm Registration No.: 106971W) was appointed as Statutory Auditor of the Company w.e.f October 12, 2022.

No other notable specific events/actions which took place in the Company which are required to be reported in this report.

For **Amrita Nautiyal & Associates**
PR. No: 1332/2021

CS Amrita Nautiyal
Proprietor

FCS No. 5079/CP No. 7989
UDIN: F005079E000719254

Date: 1st August 2023
Place: Mumbai

This report shall be read with Annexure I enclosed along with this report.

Annexure I

To,
The Members
Prolific Resolution Private Limited

The Secretarial Audit Report of even date is to be read along with this letter.

Auditor's Responsibility

1. My objective is to obtain reasonable assurance about the compliance under applicable laws, maintenance of records and issue a report that includes my opinion. While reasonable assurance in high level assurance, due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the standards.
2. I have followed the audit practices and processes in accordance with CSAS-1 to CSAS-4 i.e. the Auditing Standards issued by ICSI, which were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct.

Management Responsibility

3. The compliance of provisions of all laws, rules, regulations, standards applicable to the Company is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures maintained by the Company and required for the purpose of issue of the Secretarial Audit Report.
4. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished by the Company, along with explanations where so required.

Others

5. The verification of compliance and records was done on test check basis to ensure that correct facts are reflected in secretarial and other records produced. I believe that the processes and practices I follow, provides a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
6. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company and relied on the report presented by the Statutory Auditors of the Company.
7. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
8. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Amrita Nautiyal & Associates**
PR. No: 1332/2021

CS Amrita Nautiyal
Proprietor
FCS No. 5079/CP No. 7989
UDIN: F005079E000719254

Date :1st August 2023
Place : Mumbai

Report on Corporate Governance

COMPANY'S PHILOSOPHY

Prolific Resolution Private Limited ("the Company" or "PRPL") is classified as a High Value Debt Listed Entity with effect from September 26, 2022 in terms of Regulations 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and the provisions pertaining to Corporate Governance are applicable to it on a "comply or explain basis" until March 31, 2024 and on mandatory basis thereafter.

The Company is committed to develop sustainable value for all its Stakeholders. In this pursuit, the Company believes in managing and conducting business by adopting strong value systems. This involves institutionalizing the highest standards of corporate governance across business activities, which is based on the principles of accountability, transparency, responsibility and fairness in all aspects of its operations. This is the corner stone of Company's business philosophy. The Company has an active Board that provide supervisory & strategic advice and direction. The entire governance system is supported by well-structured systems and procedures that ensure well informed decision making across different levels of management.

This Chapter reports the Company's compliance with Regulation 53 read with Schedule V of SEBI Listing Regulations as given below:

I. BOARD OF DIRECTORS

a. Composition of the Board

The Board of Directors ("The Board") has an optimum combination of Directors including a Woman Director in conformity with the provisions of the Companies Act, 2013 ('the Act') and Regulation 17 of the SEBI Listing Regulations.

Composition of the Board as on March 31, 2023

Category	No. of Directors
Independent Director	2
Non-Executive Non-Independent Director	3

Chairman of the Company is an Independent Director

None of the Directors of the Company are related inter-se.

b. Number of Board Meetings

The Board met 10 times during the Financial Year 2022-23 on April 22, 2022, May 02, 2022, May 09, 2022, June 13,

2022, August 01, 2022, September 20, 2022, October 11, 2022, November 09, 2022, January 31, 2023 and March 17, 2023.

The maximum time gap between any two consecutive Meetings did not exceed one hundred and twenty days.

c. Directors' attendance record and details of Directorships/ Committee Positions held

None of the Directors on the Board is a Member of more than ten Board-level Committees or Chairman of more than five such Committees and none of the Directors serves as an Independent Director in more than seven listed companies.

Table 1 below gives the names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also, the number of Directorships and Board-level Committee positions held by them.

d. Information to the Board

The Company provides information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board and its Committees to the extent applicable.

A detailed Agenda folder is sent to each Director within the timeline prescribed under the Companies Act, 2013 and the SEBI Listing Regulations. All the Agenda items are appended with necessary supporting information and documents (except for price sensitive information, which are circulated separately before the Meeting) to enable the Board to take informed decisions.

e. Directors with pecuniary relationship or business transaction with the Company

During the Financial Year 2022-23, none of the Directors had any pecuniary relationship or business transaction with the Company.

f. Independent Directors

The Company has received declarations from all the Independent Directors of the confirming that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and the SEBI Listing Regulations. Based on the same, the Board has confirmed that in its opinion, the Independent Directors are meeting with the criteria of Independence and are Independent of the Management.

Table 1: Details of the Directors as on March 31, 2023

Name of the Director(s)	Category	Skills/ Expertise/ Competencies	No. of Board Meetings held during Financial Year 2022-23	No. of Board Meetings attended during Financial Year 2022-23	Whether attended last AGM held on September 22, 2022	No. of Directorships of other Public Companies*	Committee positions#		Whether having any pecuniary or business relation with the Company
							Chairman	Member	
Manish Khanna	Chairman (Independent Director) [§]	Leadership, Strategy, Finance, Risk, Governance, Regulatory Affairs, Compliance, Accounts and Audit	10	NA [§]	NA [§]	2	1	-	None
Dr. Mita Dixit	Woman Independent Director	Leadership, Strategy, Finance, Risk, Governance, Regulatory Affairs, Compliance, Accounts and Audit	10	NA [§]	NA [§]	2	-	1	None
Rahul Rao	Non-Executive-Non-Independent Director	Banking, Fund Management, Treasury, Accounting & Audit, Mergers, Amalgamations, Risk Management	10	8	Yes	1	-	-	None
Santosh Kumar Rai	Non-Executive-Non-Independent Director	Strategy, Leadership, Business Operations, & Development, Risk Management	10	10	Yes	5	-	-	None
Rahul Shukla	Non-Executive-Non-Independent Director	Banking, Fund Management, Treasury, Accounting & Audit, Mergers, Amalgamations, Risk Management	10	10	Yes	6	-	-	None

Notes:

Chairmanship/Membership of Audit Committee and Stakeholders Relationship Committee in Public Companies excluding Private Limited Companies, High Value Debt Listed Companies, Foreign Companies, and Companies under Section 8 of the Companies Act, 2013, has been considered.

* Excludes Private Limited companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

§ Mr. Manish Khanna and Dr. Mita Dixit were appointed as Independent Directors, not liable to retire by rotation, by the Board in its Meeting held on March 17, 2023 and subsequently by the Members of the Company at their Extra Ordinary General Meeting held on June 08, 2023 as per Regulation 17(1C) of the SEBI Listing Regulations. Mr. Manish Khanna was also appointed as the Chairman of the Company with effect from March 17, 2023.

The Board believes that the skills/competencies/expertise as mentioned in the above Table are required for the business of the Company and the Directors of the Company possess these skills/competencies/expertise for the Company to function effectively.

Additional Information related to Directorship in other Listed Entities as on March 31, 2023 as per the SEBI Listing Regulations

Name of the Director(s)	Name of other Listed entities	Category of Directorship
Manish Khanna	-	-
Dr. Mita Dixit	Hindustan Construction Company Limited	Independent Director
	Anuh Pharma Limited	Independent Director
Rahul Rao	-	-
Santosh Kumar Rai	-	-
Rahul Shukla	-	-

g. Remuneration to Directors

The Company did not pay any remuneration to the Directors for the Financial Year ended March 31, 2023. The Company did not advance loans to any of its Directors during Financial Year 2022-23.

The Board has approved payment of sitting fees of ₹ 50,000/- each for attending the Meetings of the Board and its Committees, which are within the limits laid down under Section 197(5) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

h. Details of Equity Shares and Convertible Instruments held by the Non-Executive Directors

There were no Equity Shares and convertible instruments held by Non-Executive Directors as on March 31, 2023.

i. Code of Conduct

The Board has laid down the Code of Conduct for Board of Directors and Senior Management. This Code has been placed on the Company's website and can be accessed by weblink- https://www.prolificresolution.com/admin/uploads/codes_and_policies/3/431680606874Code_of_Conduct_for_Board_of_Directors_and_Senior_Management.pdf.

The Code lays down the standard of conduct which is expected to be followed by the Directors and Senior Management in their business dealings and in particular, on matters relating to integrity at the workplace in business practices and in dealing with Stakeholders. A declaration that the Members of the Board and Senior Management have affirmed compliance under the Code during the Financial Year 2022-23 has been signed by Mr. Rahul Rao, Director of the Company and is annexed to this Report.

j. Familiarization Programme for Independent Directors

In compliance with the requirements of the SEBI Listing Regulations, the Company has developed robust processes for imparting familiarization programs for Independent Directors to familiarize them with their role, rights and responsibility as Directors, the operations of the Company, business overview etc and the Company had briefed the Independent Directors about their role, rights and responsibility as Directors etc. at the time of their appointment. The details of familiarization programs are available on Company's website www.prolificresolution.com.

k. Nomination and Remuneration Policy

The Nomination and Remuneration Policy containing, inter-alia, criteria for making payment to Non-Executive Directors is available on the website of the Company and can be accessed by weblink: https://www.prolificresolution.com/admin/uploads/codes_and_policies/6/931684403077Nomination,%20Remuneration%20&%20Evaluation%20Policy.pdf.

l. Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such Director that there are no other material reasons other than those provided

Not Applicable

II. BOARD COMMITTEES

The Board has constituted the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee with effect from March 17, 2023.

Details of respective Committees of the Board have been furnished as below:

1. Audit Committee

The Board has constituted the Audit Committee with effect from March 17, 2023.

The composition of the Audit Committee in terms of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI Listing Regulations as on March 31, 2023 is given below:

Name of Director(s)	Category	Position
Manish Khanna	Independent Director	Chairman
Dr. Mita Dixit	Independent Director	Member
Santosh Kumar Rai	Non-Executive-Non-Independent Director	Member

All Members of the Audit Committee possess accounting and financial management knowledge.

The representative of the Statutory Auditors are invited for the Meetings of the Audit Committee. The Company Secretary is the Secretary to the Committee.

No Meeting was held during the year under review.

The terms of reference of the Audit Committee are reproduced below:

- Overseeing of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of subsection 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by the Management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to Financial Statements.
 - f. Disclosure of any Related Party Transactions.
 - g. Modified opinion(s) in the draft Audit Report.
- Reviewing with the Management, Quarterly Financial Statements before submission to the Board for approval.
- Reviewing with the Management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with Related Parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the Management, performance of the Statutory and Internal Auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with the Internal Auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with the Statutory Auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism/ Vigil mechanism.
- Approval for appointment of CFO after assessing the qualifications, experience, and background, etc. of the candidate.
- Carrying out any other functions as specified in the terms of reference, as amended from time to time.

Review of Information by Audit Committee

- Review of the utilization of loans and/or advances from/ investment by the holding Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances/investments.
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

Besides the above, the role of the Audit Committee includes mandatory review of the following information:

- Management Discussion and Analysis of financial condition and results of operations.
- Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by Management.
- Management letters/letters of internal control weaknesses issued by the statutory auditors, if any.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal, and terms of remuneration of the Chief Internal Auditor.
- Quarterly statements of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

2. Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee with effect from March 17, 2023.

The composition of the Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations as on March 31, 2023 is given below:

Name of Director(s)	Category	Position
Dr. Mita Dixit	Independent Director	Chairperson
Manish Khanna	Independent Director	Member
Rahul Shukla	Non-Executive-Non-Independent Director	Member

The terms of reference of the Nomination and Remuneration Committee are reproduced below:

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a Policy, relating to the remuneration of the Directors, Key Managerial Personnel, and other employees.
- Devising a Policy on Board Diversity.

- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommendation for appointment of Senior Management and remuneration payable to them.

No Meeting was held during the year under review.

3. Stakeholders Relationship Committee

The Board has constituted the Stakeholders Relationship Committee with effect from March 17, 2023.

The composition of the Stakeholders Relationship Committee in terms of Regulation 20 of the SEBI Listing Regulations as on March 31, 2023 is given below:

Name of Director(s)	Category	Position
Dr. Mita Dixit	Independent Director	Chairperson
Manish Khanna	Independent Director	Member
Rahul Shukla	Non-Executive-Non-Independent Director	Member

Mr. Shakur Shikalgar, Company Secretary is the Compliance Officer of the Company.

There were no complaints pending at the beginning or end of the Financial Year ended March 31, 2023 and no queries were received during the year.

The terms of reference of the Stakeholders Relationship Committee are reproduced below:

- Noting transfer/transmission of shares.
- Review of dematerialized/rematerialized shares and all other related matters.
- Monitoring expeditious redressal of investor grievance matters received from Stock Exchanges, SEBI, ROC, etc.
- Monitoring redressal of queries/complaints received from Members/Debtors Holders relating to transfers, non-receipt of Annual Report, dividend etc.
- Resolving grievances of Security Holders.
- Review of measures taken for effective exercise of voting rights.
- Review of adherence to service standards of listed entity by Registrar and Share Transfer Agent.
- Review of measures taken for reducing quantum of unclaimed dividend and timely receipt of dividend/reports/notices by Shareholders.
- All other matters related to shares/debentures.

No Meeting was held during the year under review.

4. Risk Management Committee

The Board has constituted the Risk Management Committee with effect from March 17, 2023.

The composition of the Risk Management Committee in terms of Regulation 21 of the SEBI Listing Regulations as on March 31, 2023 is given below:

Name of Director(s)	Category	Position
Manish Khanna	Independent Director	Chairman
Dr. Mita Dixit	Independent Director	Member
Santosh Kumar Rai	Non-Executive-Non-Independent Director	Member
Rahul Rao	Non-Executive-Non-Independent Director	Member
Rahul Shukla	Non-Executive-Non-Independent Director	Member

The terms of reference of the Risk Management Committee are reproduced below:

- To assist the Board in its oversight of various risks.
- To review and analyze risk exposure related to specific issues and provide oversight of risk across the organization.
- To formulate a detailed Risk Management Policy and oversee implementation of the same, including evaluating the adequacy of risk management systems.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To periodically review the Risk Management Policy, at least once in two years, considering the changing industry dynamics and evolving complexity.
- To review the appointment, removal and terms of remuneration of the Chief Risk Officer.

No Meeting was held during the year under review.

III. SENIOR MANAGEMENT

In terms of Regulation 16(1)(d) of the SEBI Listing Regulations, Senior Management of the Company comprises of Mr. Shakur Shikalgar, who was appointed as the Company Secretary and Key Managerial Personnel of the Company with effect from August 01, 2022.

IV. DETAILS OF GENERAL MEETINGS HELD IN THE LAST 3 YEARS ALONG WITH SPECIAL RESOLUTIONS PASSED THEREAT

Day, Date, Time and Location	Particulars of Special Resolutions passed
Annual General Meeting Thursday, December 31, 2020, at 11.30 a.m. at 192, Gangasagar Colony, Sirasi Road, Jaipur-302021, Rajasthan	Nil
Extra Ordinary General Meeting Monday, March 08 2021, at 11.00 a.m. at Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083	Nil
Extra Ordinary General Meeting Thursday, March 18 2021, at 10.00 a.m. at Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083	Conversion of the Company from Private Limited Company to Public Limited Company (Not acted upon)
Extra Ordinary General Meeting Monday, April 05, 2021, at 10.00 a.m. at Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083	Change in the name of the Company from "Prolific Claims Management Private Limited" to "Prolific Resolution Private Limited" and consequential change in Memorandum and Articles of Association of the Company.
Annual General Meeting Wednesday, September 15, 2021, at 05.30 p.m. at Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083	Nil
Extra Ordinary General Meeting Monday, November 01, 2021, at 5.30 p.m. at Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083	Nil
Extra Ordinary General Meeting Friday, January 07, 2022, at 5.30 p.m. at Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083	Increase in the borrowing powers of the Company. Alteration in the Articles of Association of the Company.

Day, Date, Time and Location	Particulars of Special Resolutions passed
Extra Ordinary General Meeting Wednesday, July 06, 2022, at 5.30 p.m. at Hincan House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083	Authorization to the Board of Directors under Section 180(1)(a) of the Companies Act, 2013 for creation of mortgage or charge on the assets, properties or undertaking(s) of the Company. Issuance of Non-Convertible Debentures ("the NCDs") through private placement as a part of the Debt Resolution Plan of Hindustan Construction Company Ltd., H Holding Company (HCC).
Annual General Meeting Thursday, September 22, 2022 at 05.30 p.m. at Hincan House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083	Nil
Extra Ordinary General Meeting Wednesday, October 12, 2022, at 5.00 p.m. at Hincan House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083	Nil
Extra Ordinary General Meeting Thursday, June 08, 2023, at 11.00 a.m. at Hincan House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083	Appointment of Mr. Manish Khanna (DIN:00703416) as an Independent Director of the Company for a term of 5 years commencing from March 17, 2023 and ending on March 16, 2028. Appointment of Dr. Mita Dixit (DIN:08198165) as an Independent Director of the Company for a term of 5 years commencing from March 17, 2023 and ending on March 16, 2028.

Notes:

- No Special Resolutions have been passed through Postal Ballot in the last year.
- No persons conducted the Postal Ballot exercise.
- No Resolution is proposed to be passed through Postal Ballot
- Procedure to be followed for Postal Ballot is not applicable.

V. MEANS OF COMMUNICATION

In accordance with the SEBI Listing Regulations, the Company has maintained a functional website www.prolificresolution.com containing information about the Company and the same is updated from time to time. The quarterly and annual results are published in Business Standard (English) which is National daily Newspaper and also displayed on the Company's website.

The Company also disseminates to the Stock Exchange (i.e., BSE Limited), all mandatory information and price sensitive/ such other information, which in its opinion, are material and/ or have a bearing on its performance/operations and issues press releases, wherever necessary, for the information of the public at large.

VI. GENERAL INFORMATION FOR SHAREHOLDERS AND DEBENTURE HOLDERS

The Company is registered with the Registrar of Companies, Jaipur, Rajasthan. The Corporate Identity Number ("CIN") allotted to the Company by Ministry of Corporate Affairs is U74999RJ2019PTC064522.

Members may contact the Compliance Officer and/or the Investor Relations Officer at the following address:

Mr. Shakur Shikalgar, Company Secretary
Prolific Resolution Private Limited
Hincan House, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai - 400083, India.
Tel: +91-22-2575 1000

Website: www.prolificresolution.com

Email: secretarial@hccindia.com

Members and Debenture Holders may also take note of the following information:

An email id has been created for Member's correspondence viz., secretarial@hccindia.com and the same has been displayed on the Company's website: www.prolificresolution.com.

a. Details of Debenture Trustee and Registrar and Share Transfer Agent:

Debenture Trustee

Axis Trustee Services Limited
Contact Officer: Mr. Anil Grover
Axis House, Bombay Dyeing Mill Compound,
Pandurang Budhkar Marg, Worli, Mumbai-400025
Telephone: +91 22 62300451
E-mail: debenturetrustee@axistrustee.in
Website: www.axistrustee.in

Registrar and Share Transfer Agent

MCS Share Transfer Agent Limited
 Contact Officer: Mr. Subodh Vichare
 Industrial Estate, Saki Vihar Road, Saki Naka,
 Andheri East, Mumbai – 400072
 Telephone: +91 22 28476021/22
 E-mail: subodh@mcsregistrars.com
 Website: www.mcsregistrars.com

b. Annual General Meeting for Financial Year 2022-23:

Date	August 28, 2023
Day	Monday
Time	05.30 p.m.
Venue	Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai -400083

c. Financial Year:

The Financial Year of the Company covers the financial period from April 01, 2022 to March 31, 2023.

During the Financial Year under review, the Board Meetings for approval of quarterly and annual Financial Results were held on the following dates:

1st Quarter Results	Not Applicable*
2nd Quarter Results	November 09, 2022
3rd Quarter Results	January 31, 2023
4th Quarter and Annual Results	May 15, 2023

*Non-Convertible Debentures were listed at BSE Limited with effect from September 26, 2022.

d. Dividend Payment Date: Not Applicable**e. Listing on Stock Exchange and Listing Fees:**

Name and Address of the Stock Exchange	BSE Limited P. J. Towers, Dalal Street, Mumbai 400 001
Type of Securities Listed	Non-Convertible Debentures issued on Private Placement basis.

The Company has paid the Annual Listing Fees for the Financial Year 2023-24 to BSE Limited.

f. Stock Code: 974217 (NCDs) and 974218 (NCDs)**g. Market Price data-high, low during each month in last Financial Year: Not Applicable[§]****h. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc : Not Applicable[§]**

[§] The Equity Shares of the Company are not listed on the Stock Exchange and hence, certain details are not applicable to the Company.

i. Securities of the Company i.e., Non-Convertible Debentures are available for trade at BSE Limited.**j. Share Transfer System:**

In terms of Regulation 61(4) read with Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form. In compliance with the provisions of SEBI Circular SEBI/HO/MIRSD / MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, all Securities of the Company are in dematerialized form.

k. Distribution of Shareholding:

The Company is a Wholly Owned Subsidiary of Hindustan Construction Company Ltd ("HCC"). The entire Equity Shareholding of the Company is held by HCC and its Nominees.

l. Dematerialization of shares and liquidity:

As on March 31, 2023, 50,000 Equity shares representing 100 % of the total Equity Share Capital of the Company, were held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

m. There are no outstanding Global Depository Receipts or American Depository Receipts, Warrants or any Convertible Instruments.**n. Commodity price risk or foreign exchange risk and hedging activities:**

The Company is not dealing in commodities and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable.

The Company is not exposed to foreign currency exchange rate fluctuation risk.

o. Plant Locations:

Not applicable.

p. Address for correspondence:

Prolific Resolution Private Limited
 Hincon House, Lal Bahadur Shastri Marg,
 Vikhroli (West), Mumbai – 400083

q. Credit Ratings:

During the year under review, ICRA Limited (issued/ reaffirmed) ratings for Non-Convertible Debentures issued by the Company as below:

Date of Rating	Rating
September 09, 2022	Provisional [ICRA] B
December 21, 2022	[ICRA] B Stable

r. Transfer of Unclaimed/Unpaid Amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund Rules), 2016 ('the IEPF Rules'), during the year under review, no amount was due for transfer to the IEPF.

VIII. OTHER DISCLOSURES:

Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of listed entity at large.

There are no material Related Party Transactions during the year under review that have potential conflict with the interest of the Company.

Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by Stock Exchange(s) or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years.

Nil

Details of establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Whistle Blower Policy under which employees are free to report violations of applicable laws and regulations. None of the personnel has been denied access to the Audit Committee. The said Policy is available on the website of the Company and can be accessed by weblink: https://www.prolificresolution.com/admin/uploads/codes_and_policies/8/781684403117Whistle%20Blower%20Policy.pdf.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

Details of compliance with non-mandatory and mandatory requirements are mentioned in point no. X and XI of this report, respectively.

Web link where Policy for Determining 'Material' Subsidiaries is disclosed.

The Company has a Policy for Determining "Material" Subsidiary. The said Policy is available on the website of the Company and can be accessed by weblink: https://www.prolificresolution.com/admin/uploads/codes_and_policies/9/881684403142Policy%20for%20Determining%20Material%20Subsidiary.pdf.

Web link where Policy on dealing with related party transactions is disclosed.

The Company has a Policy on dealing with related party transactions. The said Policy is available on the website of the Company and can be accessed by weblink: https://www.prolificresolution.com/admin/uploads/codes_and_policies/7/211684403097Policy%20on%20Related%20Party%20Transactions.pdf.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations.

Not Applicable

A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority.

A Certificate from M/s. Amrita Nautiyal and Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority, is annexed to this Report.

Where the board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year, the same to be disclosed along with reasons thereof.

There were no instances during the year where Board has not accepted recommendations given by the Committees.

Total fees for all services paid by the Listed Entity to the Statutory Auditor and all entities in the network firm/ network entity of which the Statutory Auditor is a part.

The particulars of payment of fees to the Statutory Auditors for Financial Year 2022-23 is given below:

Particulars	Amount in ₹
Statutory Audit Fees	5,75,000
Certification Fees	11,000
Total	5,86,000

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of complaints filed during the Financial Year	Number of complaints disposed of during the Financial Year	Number of complaints pending as on end of the Financial Year
Nil	Nil	Nil

Disclosure by the listed entity of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.

Nil

Details of material subsidiaries of the listed entity including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

The Company does not have any material subsidiary.

IX. Non-Compliance of any requirement of corporate governance report of sub paras above, with reasons thereof.

Not Applicable

X. Adoption of discretionary requirements.

Adoption of discretionary requirements of the SEBI Listing Regulations is being reviewed by the Company from time to time.

XI. The disclosures of the compliance with Corporate Governance requirements.

Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (a) to (i) of Regulation 62(1A) of SEBI Listing Regulations have been made in this section of Annual Report and also, in the Quarterly Compliance Reports submitted to Stock Exchange.

XII. Declaration signed by the Managing Director stating that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management.

Declaration from Mr. Rahul Rao, Director of the Company, is annexed to this Report.

XIII. Compliance Certificate from either the Auditors or Practicing Company Secretaries regarding compliance of conditions of Corporate Governance shall be annexed with the Directors' Report.

Compliance Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed to this Report.

XIV. Disclosures with respect to demat suspense account/ unclaimed suspense account.

Not Applicable

XV. Disclosure of certain types of agreements binding listed entities.

No agreements have been entered into by the Shareholders, Promoters, Promoter Group Entities, Related Parties, Directors, Key Managerial Personnel, Employees of the Company, among themselves, with the Company or with a third party, which, either directly or indirectly or potentially impact the Management or control of the Company or impose any restriction or create any liability upon it.

CERTIFICATION BY DIRECTOR UNDER REGULATION 17(8) OF THE SEBI LISTING REGULATIONS

The Board of Directors of Prolific Resolution Private Limited

We have reviewed the financial statements and the cash flow statement of Prolific Resolution Private Limited for the year ended March 31, 2023 and that to the best of our knowledge and belief:

- a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i. significant changes in internal control over financial reporting during the year.
 - ii. significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rahul Rao
Director

Place: Mumbai

Date: August 01, 2023

DECLARATION BY THE DIRECTOR UNDER REGULATION 52 READ WITH PART D OF SCHEDULE V OF THE SEBI LISTING REGULATIONS'

To,

The Members,

Prolific Resolution Private Limited

I hereby declare that all the Directors and the Senior Management of the Company have affirmed compliance with their respective Code for the Financial Year ended March 31, 2023.

For **Prolific Resolution Private Limited**

Rahul Rao
Director

Place : Mumbai

Date : August 01, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and 53(f) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,

Prolific Resolution Private Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Prolific Resolution Private Limited having CIN U74999RJ2019PTC064522 and registered office at Second Floor, Shop No. 35, Sector-6, Near Hotel Deep, Malviya Nagar, Jaipur, Rajasthan-302017. (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) and 53(f) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ("DIN") status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below, for the financial year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or by any other statutory regulatory authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company (DD/MM/YYYY)
1	Mr. Manish Khanna	00703416	17/03/2023
2	Mr. Rahul Shukla	07835056	08/03/2021
3	Dr. Mita Dixit	08198165	17/03/2023
4	Mr. Rahul Rao	08681198	09/05/2022
5	Mr. Santosh Kumar Rai	08766113	17/12/2021
6	Mr. Aditya Pratap Jain ¹	08115375	08/03/2021

¹ Resigned with effect from 9th May 2022

Ensuring the eligibility of every director for appointment / continuity on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management of the Company has conducted the affairs of the Company.

For **Amrita Nautiyal & Associates**

PR. No: 1332/2021

CS Amrita Nautiyal

Proprietor

FCS No. 5079/CP No. 7989

UDIN: F005079E000718990

Date :1st August 2023

Place : Mumbai

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members,

Prolific Resolution Private Limited

I have examined all relevant records of Prolific Resolution Private Limited (hereinafter referred to as "the Company") for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the listed companies under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March, 2023. I have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

I state that the compliance of conditions of corporate governance is the responsibility of the management, my examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as specified for a listed company except for ones stated in the Secretarial Audit Report dated 1st August 2023.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Amrita Nautiyal & Associates**

PR. No: 1332/2021

CS Amrita Nautiyal

Proprietor

FCS No. 5079/CP No. 7989

UDIN: F005079E000718981

Date: 1st August 2023

Place: Mumbai

Management Discussion & Analysis Report

Introduction

Established in the year 2019, Prolific Resolution Private Limited ("PRPL" or "the Company") is engaged in the business of recovering, assessing and managing claims, actionable claims, awards (including arbitral awards), decrees, orders and/or beneficial interest.

PRPL was acquired in the year 2021 by Hindustan Construction Company Ltd. ("HCC") as its wholly owned subsidiary to act as an SPV as per Resolution Plan (RP) approved by the lenders of HCC. Under the Debt Resolution Plan of HCC ("RP"), part awards and claims have been carved out along with part debt in PRPL. Accordingly, awards and claims worth ₹ 6,508 crore of HCC have been transferred to PRPL with debt of ~₹ 2,852 crore. Under the RP, eventually 51% of shareholding will be acquired by an Investor. Investor apart from equity holding, will also bring priority debt in the tune of ₹ 75 crore. Both investments will have pre agreed return on investment as follows:

- Priority Debt:
 - o Amount: ₹ 75 cr, Return: ~32.5% p.a.,
- Repayment Schedule: priority payment (through escrow mechanism) from surplus cash generated by SPV after meeting SPV expenses (but prior to SPV lender debt repayment)
- Nature: Unsecured Non-Convertible Debenture
- Over-collateralized structure, virtually risk-free investment with 2.24x cover

HCC has provided a Corporate Guarantee (CG) for the entire debt transferred to PRPL, valid at all times during the tenure of the loan.

PRPL will be involved in recovering, assessing and managing claims, actionable claims, awards (including arbitral awards), decrees, orders and/or beneficial interests. The legal expenses for the arbitration and litigation for the awards and claims will be incurred by HCC till the material realization of cash flows. Post realization of awards, PRPL will have funds available to carry out further expenses after repaying the debt. The long moratorium of around four years provides reasonable time for PRPL to make

progress and realize part of the claims/awards commensurate to the debt servicing obligations over the medium term.

Against the debt novated, the Company issued on private placement basis, 28,540 Listed Secured Redeemable Non-Convertible Debentures ("NCDs") of ₹ 10 Lacs each fully paid up aggregating to ₹ 2,85,440 Lacs and having a coupon rate of 0.01% with an interest yield of 12% compounded on yearly basis and having maturity of 8 years. The NCD Holders have a charge on the receivable amounts from the arbitration claims and awards.

Lender Repayment Schedule: Back-ended repayment (can be prepaid if cash is available)

Year	Sep'26	Sep'27	Sep'28	Sep'29	Sep'30
Repayment %	10%	15%	20%	25%	30%

Back ended lender repayment schedule ensures,

- a. minimal risk to priority debt repayment and
- b. adequate time to realize money from awards and claims without facing any risk of default .

Industry Structure and developments

New Arbitration Act has enabled time-bound disposal of awards and claims and mechanical challenging of awards by the clients in the Courts is also, restricted as they will require legal opinion before challenging.

Opportunities and Threats/ Risks and concerns

Since HCC awards and claims have high credibility and the ability to withhold any challenge, which has been analyzed and verified by Independent third parties, the Company does not foresee any major threat to its operations.

Priority debt is virtually risk free, considering over 7,000 cr security cover of awards and claims with high realization track record and accruing interest.

The Company's main concern is the outcome of the arbitral and judicial orders because they are beyond of its control.

Financial Performance

Abridged Profit and Loss account

(₹ in Lacs)

Particulars

Total Income

Less:

- a) Finance Cost
- b) Other expenses

Total expenses

Profit / (Loss) before tax

Less: Tax Expense

Profit / (Loss) after tax

Add: Other Comprehensive Income / (Loss)

Total Comprehensive Income / (Loss), net of tax

**Year ended
March 31, 2023**
22,121.08

Year ended
March 31, 2022

26,851.80

1,141.85

27,993.65

27,993.65

(5,872.57)

-

(5,872.57)

-

(5,872.57)

-

3.39

3.39

(3.39)

-

(3.39)

-

(3.39)

Operational performance

The Company shall continue to benefit from the best-in-class experience of HCC in realizing money from awards and claims as the interests are completely aligned:

- a) HCC continues to hold 49% stake in SPV.
- b) HCC corporate guarantees to continue for the SPV debt as well.
- c) Several claims are commonly held by HCC and SPV.
- d) Realization of money and repayment of SPV loan helps in HCC promoter guarantee.

HCC has an excellent track record of realizing money from its claims:

- **Conversion of Claims to Award: Principal ~56% of claim amount + pre-award interest (totalling around 89%)**
- **Award to Cash: ~94%**

These awards and claims carry interest rates higher than interest on the debt. Thus, any potential delay in realizing money increases the surplus instead of depleting it.

Material developments in Human Resources/Industrial Relations front, including number of people employed

Presently, the operations of the Company are managed by the Board of Directors. The Company aims to attract and retain the best employees to commensurate with its future growth plan.

Internal control system and their adequacy

The Company has an adequate system of internal control to ensure that the resources are used efficiently and effectively so that:

- assets are safeguarded and protected against loss from unauthorized use or disposition.
- all significant transactions are authorised, recorded and reported correctly.
- financial and other data are reliable for preparing financial information.
- other data are appropriate for maintaining accountability of assets.

Outlook

Considering there is no risk of default for the next 5 years and back-ended repayments thereafter, the Company expects profitable operations in the coming years.

Cautionary Statement

Statements in this Management Discussion & Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied.

Independent Auditor's Report

To
The Members of
Prolific Resolution Private Limited

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the Standalone Financial Statements of Prolific Resolution Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our Independent Auditor's Report thereon. Our opinion on the Standalone Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information

identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. The Other Information as aforesaid is expected to be made available to us after the date of this Auditor's Report.

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

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

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

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

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

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

Independent Auditor's Report

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

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

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

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

Other Matters

The comparative financial information of the company for the year ending March 31, 2022, included in this standalone financial statements were audited by M/s Sehdev Rawat & Associates Chartered Accountants. They had issued an unmodified report dated May 02, 2022. Our report is not modified in this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the attached Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditor's Report

- f. With respect to the adequacy of the internal financial with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: Since Company has not paid any managerial remuneration the provisions of section 197 are not applicable to the company.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There are no pending litigations as on the date of Balance sheet.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses,
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. a. The management has represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity(ies), including foreign entities ("intermediaries") with the understanding whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.
 - b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies) including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
 - c. Based on such audit procedures considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) & (iv) (b) above contain any material misstatement.
 - v. No Dividend has been declared or paid during the year by the company.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No- 106971W

Nuzhat Khan
Partner
Membership No : 124960
UDIN: 23124960BGVGDF1762

Place: Mumbai
Date : 15 May 2023

Annexure to the Independent Auditor's Report

ANNEXURE A

(Referred to in para 1 under 'Report on Other Legal and Regulatory requirement' section of our report to the Members of Prolific Resolution Private Limited of even date).

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we state that

- i. a. The company does not have any property, plant and equipment or Intangible assets as at the end of the year and therefore clauses 3(i)(a)(A), 3(i)(a)(B), 3(i)(b), 3(i)(c), 3(i)(d) of the Companies (Auditors Report) Order 2020 are not applicable to the Company. are not applicable to the Company.
- b. no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. a. The company does not have any inventory during the year and hence clause 3(ii)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable to the company
- b. In our opinion and on the basis of examination of books and records and on the basis of information and explanation given to us the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets which requires filing of Quarterly Statement of stock and book debts with the lender hence Clause 3(ii)(b) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.
- iii. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence Clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) & 3(iii)(f) of the Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has not given any loan to directors and not made any loan/investment to which provisions of section 185 and section 186 of the Companies Act 2013 applies.
- v. The Company has not accepted deposits from the public or amounts that are deemed to be deposits pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal in respect of the said sections.
- vi. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act. And therefore clause 3(vi) of the Companies (Auditors Report) Order 2020 is not applicable to the company.
- vii. a. The Company has been generally regular in depositing undisputed statutory dues including Goods and Services Act, Income Tax, and other statutory dues to the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2023 for a period of more than six months from the date they became payable
- b. There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. There are no transactions that were not recorded in the books of account, and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a. We are of the opinion that the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion and according to the information and explanations given to us, the company has not raised any term loans during the year and hence clause 3(ix)(c) of the Companies (Auditors Report) Order 2020 is not applicable to the company
- d. According to the information and explanations given to us, and the audit procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- f. According to the information and explanations given to us and audit procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary company.

Annexure to the Independent Auditor's Report

- x. a. The company has not raised any money by way of initial public offer / further public offer (including debt instruments) during the year.
- b. We report that the Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year under review.
- xi. a. No fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government and hence clause 3(xi)(b) of the Companies (Auditors Report) Order 2020 is not applicable to the company.
- c. No whistle-blower complaints have been received during the year by the company.
- xii. The Company is not a Nidhi Company and hence clauses 3(xii)(a), 3(xii) (b) and 3(xii)(c) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.
- xiii. Provision of section 177 are applicable to the Company. All transactions with the related parties are in compliance with sections 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Board of Directors are concerned. The details of related party transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv. a. The Company does not have a separate Internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act , 2013 .
- b. In the absence of any internal audit system no reports have been considered by us.
- xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors.
- xvi. The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934 and hence sub-clause 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.
- d. According to the information and explanations given to us, in our opinion during the year, the Group does not have any CICs as part of the Group.
- xvii. On an examination of the Statement of Profit and Loss account, we are of the opinion that the Company has incurred cash losses of ₹ 5,872.57 Lacs in current financial year and ₹ 3.39 Lacs in the immediate preceding financial year.
- xviii. There has been a resignation of the statutory auditors during the year. There were no objections raised by the resigning Statutory auditor which was required to be considered by us.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. The Company is not required to spend towards Corporate Social Responsibility (CSR) for the year under audit and hence sub-clauses (3)(xx)(a) and 3(xx)(b) of The Companies (Auditors Report) Order 2020 is not applicable to the Company.

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No- 106971W

Nuzhat Khan
Partner
Membership No : 124960
UDIN: 23124960BGVGDF1762

Place: Mumbai
Date : 15 May 2023

Annexure to the Independent Auditor's Report

ANNEXURE - B

(Referred to in para 2(f) under 'Report on Other Legal and Regulatory requirement' section of our report to the Members of Prolific Resolution Private Limited of even date).

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of Prolific Resolution Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure to the Independent Auditor's Report

Inherent Limitations of Internal Financial Controls with reference to Financial Statements.

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone Financial Statements and such internal financial controls with reference to financial statements were operating

effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Natvarlal Vepari & Co.**
Chartered Accountants
Firm Registration No- 106971W

Nuzhat Khan
Partner
Membership No : 124960
UDIN: 23124960BGVGDF1762

Place: Mumbai
Date : 15 May 2023

PROLIFIC RESOLUTION PRIVATE LIMITED

(previously known as Prolific Claims Management Private Limited)

Balance Sheet as at 31st March, 2023

		(₹ in Lacs)	
Particulars	Note No.	As at 31 st March 2023	As at 31 st March 2022
ASSETS			
Non Current assets			
Financial assets			
Awards & Claims (Carried at Fair Value through P&L)	3	313,734.00	-
Others	3	25.00	-
Total Non Current assets		313,759.00	-
Current assets			
Cash and cash equivalents	4	979.94	0.01
Other financial assets	5	1,207.22	0.14
Other current assets	6	12.59	0.10
Total Current assets		2,199.75	0.25
TOTAL ASSETS		315,958.75	0.25
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	5.00	0.01
Other equity	8	719.59	(3.41)
Total equity		724.59	(3.40)
Liabilities			
Non current liabilities			
Borrowings	9	311,131.62	-
Other financial liabilities		-	-
Other liabilities		-	-
Total Non Current liabilities		311,131.62	-
Current liabilities			
Financial liabilities			
Trade payables			
Dues of micro and small enterprises	10	-	-
Dues of creditors other than micro and small enterprises	10	2,190.35	0.07
Other financial liabilities	11	975.00	3.56
Other current liabilities	12	937.19	0.02
Total current liabilities		4,102.54	3.65
TOTAL EQUITY AND LIABILITIES		315,958.75	0.25

Notes 1 to 26 form an integral part of the financial statements

This is the Balance Sheet referred to in our audit report of even date

As per our report of even date attached.

For M/s. Natvarlal Vepari & Co.Chartered Accountants
Firm's Registration No : 106971W**For and on behalf of the Board of Directors****Rahul Shukla**
Director
DIN : 07835056**Rahul Rao**
Director
DIN : 08681198**Nuzhat Khan**Partner
Membership No.124960

Place : Mumbai

Date : 15 May 2023

Shakur ShikalgarCompany Secretary
ACS : 68398

Place : Mumbai

Date : 15 May 2023

Statement of Profit and Loss Account for the year ended 31st March, 2023

(₹ in Lacs)

	Note No.	Year ended 31 st March 2023	Year ended 31 st March 2022
Income			
Revenue from operations	13	22,121.08	-
Other Income		-	-
Total income		22,121.08	-
Expenses			
Finance Cost	15	26,851.80	-
Other expenses	14	1,141.85	3.39
Total expenses		27,993.65	3.39
Profit / (Loss) before tax		(5,872.57)	(3.39)
Tax expense			
- Current tax		-	-
- Deferred tax		-	-
Loss after tax (A)		(5,872.57)	(3.39)
Other comprehensive income/ (loss) for the year, net of tax (B)		-	-
Total comprehensive loss for the year, net of tax (A+B)		(5,872.57)	(3.39)
Loss per equity share having face value of ₹10 each			
Basic and diluted (in ₹) (not annualised)	18	(13,147.09)	(3,387.46)

Notes 1 to 26 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

As per our report of even date attached.

For M/s. Natvarlal Vepari & Co.

 Chartered Accountants
 Firm's Registration No: 106971W

For and on behalf of the Board of Directors
Rahul Shukla
 Director
 DIN :07835056

Rahul Rao
 Director
 DIN :08681198

Nuzhat Khan

 Partner
 Membership No.124960

Place : Mumbai

Date : 15 May 2023

Shakur Shikalgar

 Company Secretary
 ACS: 68398

Place : Mumbai

Date : 15 May 2023

Cash Flow Statement for the year ended 31st March, 2023

(₹ in Lacs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Profit / (Loss) before tax	(5,872.57)	(3.39)
Adjustments:		
Finance Cost	25,716.10	-
Fair Valuation Gain	(22,101.00)	-
Gain on Settlement of Financial Asset	(20.08)	-
Operating loss before working capital changes	(2,277.55)	(3.39)
Changes in working capital:		
Increase / (decrease) in trade payables	2,060.86	0.05
Increase / (decrease) in other current financial liabilities	971.43	3.58
Increase / (decrease) in other current liabilities	937.17	(0.01)
Decrease / (increase) in financial Assets	527.08	(0.14)
Decrease / (increase) in other current assets	(1,219.57)	(0.10)
Operating loss after working capital changes	999.42	(0.01)
Taxes paid (net of refund)	-	-
Net cash used in operating activities	(A) 999.42	(0.01)
Cash flow from investing activities		
Interest Paid	(24.47)	-
Net cash generated from/(used in) investing activities	(B) (24.47)	-
Cash Flow From Financing Activities		
Proceeds from equity shares	4.99	-
Net cash generated from financing activities	(C) 4.99	-
Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	979.93	(0.01)
Cash and cash equivalents at the beginning of the year	0.01	0.02
Cash and cash equivalents at the end of the year	979.94	0.01
Component of Cash and Cash Equivalent		
Bank Balance in current account	979.94	0.01
Cash and cash equivalents at the end of the year	979.94	0.01

Note:

The cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows"

Notes 1 to 26 form an integral part of the financial statements

This is the Cash Flow Statement referred to in our audit report of even date

As per our report of even date attached.

For M/s. Natvarlal Vepari & Co.

Chartered Accountants
Firm's Registration No : 106971W

Nuzhat Khan

Partner
Membership No.124960

Place : Mumbai

Date : 15 May 2023

For and on behalf of the Board of Directors
Rahul Shukla

Director
DIN : 07835056

Rahul Rao

Director
DIN : 08681198

Shakur Shikalgar

Company Secretary
ACS : 68398

Place : Mumbai

Date : 15 May 2023

Statement of Changes in Equity for the year ended 31st March, 2023

A. Equity Share Capital

Particulars	Number	Amount
Equity shares of ₹10 each, issued, subscribed and paid up		
As at 31 March 2021	100	0.01
Changes in equity share capital during the year	-	-
As at 31 March 2022	100	0.01
Changes in equity share capital during the year	49,900	4.99
As at 31 March 2023	50,000	5.00

B. Other equity

Particulars	Retained earnings	Capital Contribution by Holding Company	Total (₹ In Lacs)
As at 31 March 2021	(0.02)	-	(0.02)
Total comprehensive loss for the year	(3.39)	-	(3.39)
As at 31 March 2022	(3.41)	-	(3.41)
Total comprehensive loss for the year	(5,872.57)	-	(5,872.57)
Addition during the year	-	6,595.57	6,595.57
As at 31 March 2023	(5,875.98)	6,595.57	719.59

Nature and purpose of reserves

i) Capital Contribution by holding company

Capital Contribution represents excess of the fair value of the awards and claims initially recognised over the liability of the lenders novated.

ii) Retained earnings

Retained earnings represents the profits/ losses that the Company has earned/ incurred till date as reduced by dividends or other distributions paid to the shareholders.

Notes 1 to 26 form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date

As per our report of even date attached.

For M/s. Natvarlal Vepari & Co.

Chartered Accountants
Firm's Registration No : 106971W

Nuzhat Khan

Partner
Membership No.124960

Place : Mumbai

Date : 15 May 2023

For and on behalf of the Board of Directors

Rahul Shukla

Director
DIN : 07835056

Rahul Rao

Director
DIN : 08681198

Shakur Shikalgar

Company Secretary
ACS : 68398

Place : Mumbai

Date : 15 May 2023

Notes to Accounts

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

1. Corporate information

Prolific Resolution Private Limited (Previously known as Prolific Claims Management Private Limited) ('the Company') is a private limited company domiciled in India. The Company was incorporated on April 04, 2019 (CIN : U74999RJ2019PTC064522). The company is in business of, *inter-alia*, recovering, assessing and managing claims, actionable claims, awards (including arbitral awards), decrees, orders and/or the beneficial interest in or the receivables pertaining to or the beneficial interest to the receivables in relation thereto. The registered office of the Company is located at 192, Gangasagar Colony, Sirasi Road, Jaipur-302021, India. " During the year 2022-23, the Company was assigned the claims and awards from its Holding Company – M/s Hindustan Construction Company along with novation of Debt of its lenders.

These Financial statements are authorized for issue in accordance with resolution of the directors on May 15, 2023.

These Financial statements can be amended by the board of directors till they are placed before the share holders and also by the shareholders before their approval for adoption.

2. Significant Accounting Policies

i. Basis of preparation of financial statements

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified by the Companies (Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities and contingent consideration that are measured at fair values, on an accrual basis of accounting.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The classification of assets and liabilities of the company is done into current and non-current based on the operating cycle of the business of the company. The operating cycle of the business of the company is less than 12 months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of 12 months from the reporting date as required by Schedule III to the Companies Act, 2013.

These financial statements are reported in Indian Rupees, which is also the Company's functional

currency, and all values are rounded to the nearest Lacs (00,000), except when otherwise indicated.

ii. Recent pronouncements

Ministry of corporate affairs (MCA) notifies new standard or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued and amended from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

a. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

b. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

iii. Accounting estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure

Notes to Accounts

of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Deferred tax assets

In assessing the realisability of deferred income tax assets including Minimum Alternate Tax, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term, if estimates of future taxable income during the carry forward period are reduced.

iv. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition:

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade

date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets measured at amortised cost :

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

Financial assets measured at fair value through other comprehensive income (FVTOCI) :

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial assets measured at fair value through profit or loss (FVTPL) :

Financial assets are measured at fair value through profit and loss if these do not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the Statement of Profit and Loss.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

Notes to Accounts

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

Equity instruments and financial liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which

are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below :

Financial liabilities at amortised cost

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

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

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

Financial liabilities at fair value through profit or loss (FVPL)

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

De-recognition of financial liabilities

Financial liabilities are de-recognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party

Notes to Accounts

and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/ (losses).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis; to realise the assets and settle the liabilities simultaneously.

v. Fair value measurement:

The company measures financial instruments such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible to the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

vi. Income tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

Current income tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right

Notes to Accounts

to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

vii. Revenue recognition

Revenue from operations

The Company recognizes the changes in the fair value of the financial assets held through profit and loss account in the statement of profit and loss. At each reporting date the entity carries out fair value assessment of the financial assets in accordance with the principles laid down in INDAS 113 – Fair Value Measurement through a registered valuer and on the basis of the fair valuation report recognizes the accretion to the carrying value of the Financial Assets held through profit and loss account in its other operating Income.

Interest and other income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Other income is accounted for on accrual basis. Where the receipt of income is uncertain it is accounted for on receipt basis.

viii. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. When appropriate, the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These, are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent asset is recognised where the economic benefits are probable.

ix. Earnings Per Share

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

x. Foreign exchange translation and accounting of foreign exchange transactions

Initial recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Treatment of Exchange Difference

Exchange differences arising on settlement/restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

xi. Impairment of non-financial assets

As at each Balance Sheet date, the company assesses whether there is any indication that a non-financial asset may be impaired and also whether there is any indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for any asset is required, the company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of assets' fair value less cost to sell and value in use; and

Notes to Accounts

- in case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction is taken account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment of inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the company considers there is no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xii. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xiii. Segment Reporting

The Company's operation is considered under one segment "recovering, assessing and managing claims, actionable claims, awards etc" for internal reporting provided to the chief operating decision maker. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.

xiv. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

Notes to Accounts

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

Particulars	(₹ in Lacs)	
	As at 31 March 2023	As at 31 March 2022
Non Current Assets		
3 Other Financial Assets		
Awards & Claims (Carried at Fair Value through P&L)	313,734.00	-
Deposit to BSE (Recovery of Expense Fund)	25.00	-
Total Other Financial Assets	313,759.00	-

(a) Resolution Plan and Assignment :

Pursuant to the approved resolution plan with lenders of Hindustan Construction Company Limited (HCC)(Holding Company), during the quarter ended 30 September 2022, the economic and beneficial interest of certain arbitration awards and claims (Assets), along with liabilities, represented by debt and accrued interest due to the lenders (Liabilities) of HCC, has been transferred to the Company by way of Deed of Assignment dated 10 August 2022 between HCC , lenders of HCC and the Company.

Along with the assignment of the debt the lenders have also novated debt to the extent of ₹ 2,85,569.43 Lacs in favour of the Company. Against the debt novated the Company issued Non- Convertible Debentures aggregating to ₹ 2,85,440 Lacs of ₹ 10 lacs each fully paid up. These NCDs have a coupon rate of 0.01 % with an interest yield of 12% compounded on yearly basis. The NCDs have a maturity of 8 years. The NCD holders have a charge on the receivable amounts from the arbitration claims and awards.

The Company fair valued the awards and claims based on valuation report from a registered valuer on initial recognition at an Aggregate value of ₹ 2,92,165.00 Lacs.

As part of subsequent measurement of these financial assets held through fair value through Profit and Loss, the Company has accrued a further sum of ₹ 22,101.00 Lacs for the period upto March 31, 2023 as the changes in fair value of these assigned arbitration awards and claims on the basis of valuation report from a registered valuer. The fair value changes are accounted in the Statement of Profit and Loss under operating income. The awards and claims of the Company are being accounted on fair value basis following Accounting Standard Ind AS 113 - Fair Valuation Measurement and Ind AS 109 - Financial Instruments.

The awards and claims i.e. financial assets are accounted on fair value basis following Accounting Standard Ind AS 113 - Fair Valuation Measurement and Ind AS 109 - Financial Instruments, through profit and loss and the changes in fair value are recognized in the Statement of Profit and Loss under 'Operating Income'

Particulars	(₹ in Lacs)	
	As at 31 March 2023	As at 31 March 2022
4 Cash and cash equivalents		
Balances with banks		
On current accounts	979.94	0.01
Total cash and cash equivalents	979.94	0.01
5 Other Financials Assets (unsecured considered good)		
Due from related party (Hindustan Construction Company Limited)	1,207.08	-
Rent Deposits	0.14	0.14
Total Other Financial Assets	1,207.22	0.14
6 Other Current Assets (unsecured considered good)		
Balance with Tax Authorities	4.55	0.10
Other Receivable*	8.04	-
Total Other Current Assets	12.59	0.10

* Represents GST input credits which are taken subsequently in the Returns

Notes to Accounts

Particulars	(₹ in Lacs)	
	As at 31 March 2023	As at 31 March 2022
7 Equity share capital		
A) Authorised share capital		
1,000,000 (Previous Year: 100,000) equity shares of ₹10 each	100.00	10.00
Total	100.00	10.00
Issued, subscribed and paid-Up		
50000 (Previous Year: 100) equity shares of ₹10 each fully paid up	5.00	0.01
Total	5.00	0.01

B) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	100	0.01	100	0.01
Issued during the year	49,900	4.99	-	-
At the end of the year	50,000	5.00	100	0.01

C) Details of Shareholders holding more than 5% shares of the Company and shares held by Holding Company

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares of ₹10 each fully paid				
Hindustan Construction Company Limited	49,994	99.99%	100	100%

D) Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having par value of ₹ 2/- each. Holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

E) Shareholding of Promoters

Name of the Promoter	No of Shares	% of Total Shares	% Change
Shares held by promoters at March 31, 2023			
Hindustan Construction Company Limited	49,994	99.99%	100%
Total No of Shares issued and Subscribed	50,000		
Shares held by promoters at March 31, 2022			
Hindustan Construction Company Limited	100	100.00%	-
Total No of Shares issued and Subscribed	100		

Particulars	(₹ in Lacs)	
	As at 31 March 2023	As at 31 March 2022
8 Other Equity		
Attributable to the equity holders		
Capital Contribution by Holding Company*	6,595.57	-
Retained earning	(5,875.98)	(3.41)
Total - Other Equity (a + b)	719.59	(3.41)

* Capital Contribution represents excess of the fair value of the awards and claims initially recognised over the liability of the lenders novated.

Notes to Accounts

Particulars	(₹ in Lacs)	
	As at 31 March 2023	As at 31 March 2022
9 Non Current Liabilities		
Borrowings (at amortised Cost)		
Secured		
12% Non-Convertible Debentures	285,440.00	-
Interest accrued on NCD's	25,691.62	-
	311,131.62	-
Breakup of 12% Non-Convertible Debentures (excluding interest accrued)		
Series I	230,300.00	-
Series II	55,140.00	-
Total	285,440.00	-

A Assignment of Liabilities

During the year, the Holding Company novated specified debt of lenders aggregating ₹ 2,85,569.43 lacs to the Company, with the consideration being the assignment of beneficial interest in the specified arbitration awards and claims by way of Deed of Assignment dated 10 August 2022 between Holding Company, lenders of Holding Company and the Company.

The debts transferred from Holding Company had restructured and new fresh debt in the form of non-convertible debenture (NCD) of ₹ 2,85,440 lacs have issued by the Company.

The fractional amount of Debts ₹ 129 lacs (Out of total debts ₹ 2,85,569.43 lacs) paid off by Holding Company on behalf of the Company before issue of NCD.

B Interest on NCD's

NCD's carries Coupon @ 0.01% Compounded quarterly and payable annually

NCD's carries accrued premium @ 12% which are payable along with repayment of face value of NCD's as per its repayment schedule of Debenture Trust Deed

12% Non-Convertible Debentures carries accrued premium @ 12% which are payable along with repayment of face value of NCD's as per the repayment schedule of Debenture Trust Deed, Accrued premium accounted as at March 31, 2023 is ₹ 25,691.62 lacs which is added to the carrying value of debentures and the same is payable with redemption of NCD's

C Details of security and terms of repayment

NCDs have been issued to the lenders as part of the Resolution Plan with a tenure of 8 years and a coupon of 0.01% with an interest yield of 12.00% p.a. in yield equalization compounded and payable on a yearly basis. These NCDs are issued in 2 Series namely Series I and Series II having different security structure as given in Security Details. These NCDs are listed NCDs in BSE. Repayment Schedule is as stated below:

Date of Repayment	(₹ in Lacs)	
	Series I	Series II
30 Sept 2030	69,090.00	16,542.00
30 Sept 2029	57,575.00	13,785.00
30 Sept 2028	46,060.00	11,028.00
30 Sept 2027	34,545.00	8,271.00
30 Sept 2026	23,030.00	5,514.00
Total	230,300.00	55,140.00

Maturity Profile

Particulars	(₹ in Lacs)	
	As at 31 March 2023	As at 31 March 2022
Installment payable within one year	-	-
Installment payable between 1 to 2 years	-	-
Installment payable between 2 to 5 years	71,360.00	-
Installment payable beyond 5 years	214,080.00	-
Total	285,440.00	-

Notes to Accounts

D Security:

Series I - First Ranking *Pari passu* Charge over Specifics Awards and Claims

Series II - Second Ranking *Pari passu* Charge over Specifics Awards and Claims

E Registration of charges or satisfaction with Registrar of Companies

During the year all the charges as per the Hypothecation Deed are duly registered with Registrar of Companies as at March 31, 2023 in favour of the lenders for NCD issued by the Company for which the Company has filed Form "CHG-9" on August 12, 2022 for creation of charges with ROC, However the charge is not reflected on MCA portal as on date.

(₹ in Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
10 Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 22)	-	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
- Related parties	2,186.06	-
- Others	4.29	0.07
Total trade payables	2,190.35	0.07

Trade payables are non interest bearing and are normally settled as per the payment terms attached in the contract.

Vendor Ageing (Ageing from Bill date)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	> 3 Years	
As at March 31, 2022						
(i) MSME						
(ii) Others	0.07	-	-	-	-	0.07
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total trade payables	0.07	-	-	-	-	0.07
As at March 31, 2023						
(i) MSME	-	-	-	-	-	-
(ii) Others	2,190.35	-	-	-	-	2,190.35
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total trade payables	2,190.35	-	-	-	-	2,190.35

(₹ in Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
11 Other current financial liabilities		
Refundable Bid Bond Deposit*	975.00	-
Due to related party	-	3.56
	975.00	3.56

* The Company has received Bid Bond deposit money as per Expression of Interest (EOI) on winning of Bid by Jadeja Investments Management Private Limited (JIMPL). This deposit which includes 5% of the resolution amount i.e. aggregate of proposed equity and Priority Debt amount of ₹100 crores along with Voluntary deposit made by JIMPL is repayable by the Company as on March 31, 2023.

Notes to Accounts

Particulars	(₹ in Lacs)	
	As at 31 March 2023	As at 31 March 2022
12 Other Current Liabilities		
Current		
Provision for Tax	0.01	0.01
Statutory Liabilities	0.08	0.01
Advance Received against Award (disputed by the Company)*	937.10	-
	937.19	0.02

*The Company has received some payments against the awards and claims which are lower than the claim and accordingly is not accepted by the Company. Such amounts are not adjusted against the claims and disclosed separately as current financial liabilities. The Company contends that only on the final acceptance of the award, the Company will adjust the receipt against the accrual of the financial assets.

Particulars	(₹ in Lacs)	
	Year ended 31 March 2023	Year ended 31 March 2022
13 Revenue from Operation		
Fair Valuation Gain on Financial Assets	22,101.00	-
Gain on Settlement of Award	20.08	-
	22,121.08	-
14 Other expenses		
Bank Charges	0.06	-
Service Charges for Financial Assets (Refer Note (a) below)	1,050.36	-
Advertising & Publicity	1.12	-
Software Expenses	1.02	-
Rates and taxes	15.50	1.93
Rent Expenses	0.92	0.70
Payment to auditors		
Statutory audit fees	5.75	0.08
Certification fees	0.11	-
Legal and professional fees	67.01	0.68
Total other expenses	1,141.85	3.39

(a) The Company has during the year accounted for the service charges payable to Holding Company on a provisional basis since the Service Charge are still to be approved and notified in Joint lender forum (JLF).

15 Finance Cost		
Interest on Non Convertible Debenture	25,713.06	-
Finance Guarantee Expenses**	1,135.69	-
Interest on Loan	3.05	-
Total other expenses	26,851.80	-

** The Company has accounted for Guarantee expenses which is payable to Holding Company @ 0.5% on NCD Value along with interest accrued thereon.

16 Contingencies and commitments

There are no contingencies and commitments as at 31 March 2023 (Previous Year: Nil).

Notes to Accounts

17 Disclosure in accordance with IND AS 24 Related party transactions

A) Name of related parties and nature of transaction:

i) Holding company

Hindustan Construction Company Limited

ii) Key managerial personnel

Mr. Rahul Rao	Director
Mr. Santosh Rai	Director
Mr. Rahul Shukla	Director
Mr. Manish Kumar Khanna	Chairman with effect from 17 March 2023
Dr. Mita Dixit	Independent Director with effect from 17 March 2023
Mr. Aditya Jain	Director (up to 9 May 2022)

B) Transactions and balances with related parties

Particulars	Year ended 2022-23	(₹ in Lacs) Year ended 2021-22
Transactions during the year		
Reimbursement of Expenses & Liabilities		
Hindustan Construction Company Limited	278.53	3.57
Advance Received against Awards		
Hindustan Construction Company Limited (Advance against Awards receivable)	1,489.18	-
Transfer of Assets and Liabilities as per Assignment Deed (Resolution Plan)		
Hindustan Construction Company Limited (Financial Assets Taken Over)	292,165.00	-
Hindustan Construction Company Limited (Liabilities Taken Over)	285,569.43	-
Capital Contribution by Holding Company	6,595.57	-
Finance Guarantee Expenses charged by Holding Company		
Hindustan Construction Company Limited	1,135.69	-
Service Charges for awards & claims charged by Holding Company		
Hindustan Construction Company Limited	1,050.36	-
Guarantee given on our behalf by Holding Company		
Hindustan Construction Company Limited (for NCD Balance outstanding along with Interest)	311,131.62	-
Balances at the year end		
Outstanding Receivable		
Hindustan Construction Company Limited	1,207.08	(3.57)
Outstanding Trade payable		
Hindustan Construction Company Limited (Payable against provision)	2,186.06	-

Notes to Accounts

18 Disclosure as required by Accounting Standard – IND AS 33 “Earning Per Share” of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	Year ended 2022-23	(₹ in Lacs) Year ended 2021-22
Net Profit / (Loss) as per Statement of Profit and Loss	(5,872.57)	(3.39)
Outstanding equity shares at period end (face value of ₹ 10/-)	50,000	100
Weighted average Number of Shares outstanding during the period – Basic	44,668	100
Weighted average Number of Shares outstanding during the period - Diluted	44,668	100
Earnings per Share - Basic (₹)	(13,147.09)	(3,387.46)
Earnings per Share - Diluted (₹)	(13,147.09)	(3,387.46)

Reconciliation of weighted number of outstanding during the period:

Opening No of Shares	100	100
Issued during the year	49,900	-
Closing balance of Shares	50,000	100
Weighted average number of equity shares	44,568.22	100.00

19 Financial instruments by category

The carrying value and the fair value of financial instruments by each category as at 31 March 2023

	Financial assets / liabilities at amortized costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
Assets					
Cash and cash equivalents	979.94	-	-	979.94	979.94
Other Non Current Financial Assets	25.00	313,734.00	-	313,759.00	313,759.00
Other financial assets	1,207.22	-	-	1,207.22	1,207.22
Total	2,212.16	313,734.00	-	315,946.16	315,946.16
Liabilities					
Trade payables	2,190.35	-	-	2,190.35	2,190.35
Other financial liabilities	311,131.62	-	-	311,131.62	311,131.62
Total	313,321.97	-	-	313,321.97	313,321.97

The carrying value and the fair value of financial instruments by each category as at 31 March 2022

	Financial assets / liabilities at amortized costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
Assets					
Cash and cash equivalents	0.01	-	-	0.01	0.01
Total	0.01	-	-	0.01	0.01
Liabilities					
Trade payables	0.07	-	-	0.07	0.07
Total	0.07	-	-	0.07	0.07

Notes to Accounts

20 Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022.

Particulars	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets measured at fair value				
Awards and Claims	March 31, 2023			313,734.00

21 Valuation Details of Awards and Claims as per IND AS 113 " Fair Value Measurements"

Valuation Approach & Methodology:

For arriving at the fair value of awards and claims as of the Valuation Date, the registered valuer has considered following valuation approach & methodologies:

Approach Methodologies

Approach

Income Approach

Cost Approach

Methodologies

Discounted Cash Flow Method ("DCF")

Summation Method

In order to assess the Fair Value of Specified awards and Claims of Identical Business, the registered valuer has considered present value of such future awards and claims receivable as on Valuation date:

Inputs Used

Date

March 31, 2023

Key Inputs

Discounting Rate

WACC

19.00%

Summary of Valuation

The fair value of specified awards and Claims of Identical Business as at different Valuation Date are as under:

Valuation Date

31-Mar-23

NPV of Awards and Claims

313,734

22 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk. There are no such instruments in the Company which will be affected by market risk.

Notes to Accounts

a Interest rate risk

Interest rate risk is a risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company.

The Company has fixed interest rate bearing financial instruments in the form of Non Convertible Instrument. Therefore the same do not carry any interest rate risk

b Foreign currency risk

The Company has no outstanding balance in foreign currency and thus the Company is not exposed to foreign exchange risk.

(ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by cash and cash equivalents. Bank balances are held with only high rated banks.

(iii) Liquidity Risks

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's Management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(iv) Maturity analysis of financial instruments:

The table below analyse the Company's financial liabilities into relevant maturity based on their contractual maturities:

As at 31 March 2023

Particulars	Carrying amount	Contractual Cash flow			
		Within 1 year	1 to 2 years	2 to 5 years	> 5 years
Borrowings					
Non Convertible Debentures (NCD's)	285,440.00	-	-	71,360.00	214,080.00
Interest accrued on NCD's	25,691.62			6,422.91	19,268.71
Trade payables	2,190.35	-	2,190.35	-	-
Other financial liabilities	975.00	-	-	975.00	-
Total	314,296.97	-	2,190.35	78,757.91	233,348.71

As at 31 March 2022

Particulars	Carrying amount	Contractual Cash flow			
		Within 1 year	1 to 2 years	2 to 5 years	> 5 years
Trade payables	0.07	0.07	-	-	-
Total	0.07	0.07	-	-	-

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted).

23 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

There are no micro and small enterprises to whom the company owes dues and which are outstanding as at 31 March 2023. This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act (MSMED) Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and the same is relied upon by the auditors. There is no interest paid or payable during and at the end the year.

Notes to Accounts

24 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted).

(₹ in Lacs)

Particulars	As at 31 March 2023	As at 31 March 2022
Total borrowings*	311,131.62	-
Total equity	724.59	(3.40)
Total debt to equity ratio (Gearing ratio)	429.39	-

* including Interest accrued on NCD's of ₹ 25,691.62 lacs

25 Analysis of Financial Ratios

Nature of Ratio	Parameters	2022-23	2021-22	% of Change in Ratio	Reason for Change
(a) Current Ratio (Times)	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.54	0.07	668.34%	Refer Note 1
(b) Debt-Equity Ratio (Times)	$\frac{\text{Total Debt}}{\text{Shareholders Equity}}$	429.39	0.00	100.00%	Refer Note 1
(c) Debt Service Coverage Ratio (1) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. (2) Debt service = Interest & Lease Payments + Principal Repayments. Net Profit after tax" means reported amount of "Profit / (loss) for the year" and it does not include items of other comprehensive income.	$\frac{\text{Earnings available for Debt services(1)}}{\text{Debt Service cost (2)}}$	0.78	-	100.00%	Refer Note 1
(d) Return on Equity Ratio (Average shareholders equity is derived from opening & closing equity shares)	$\frac{\text{PAT- Dividend to Pref. shareholders}}{\text{Average Shareholders Equity}}$	(407.14%)	0.00%	100.00%	Refer Note 1
(e) Inventory turnover ratio	$\frac{\text{Cost of goods sold}}{\text{Average Inventory}}$	NA	NA	NA	-
(f) Trade Receivables turnover ratio	$\frac{\text{Net Credit Sales}}{\text{Average Trade Receivables}}$	NA	NA	NA	-
(g) Trade payables turnover ratio	$\frac{\text{Net Credit Purchases}}{\text{Average Trade Payables}}$	NA	NA	NA	-
(h) Net capital turnover ratio	$\frac{\text{Net Sales}}{\text{Working Capital}}$	(11.63)	0.00%	100.00%	Refer Note 1
(i) Net profit ratio	$\frac{\text{Net Profit}}{\text{Net Sales}}$	(26.55%)	0.00%	100.00%	Refer Note 1
(j) Return on Capital employed	$\frac{\text{EBIT}}{\text{Capital Employed}}$	6.76%	(99.60%)	(106.79%)	Refer Note 1
(k) Return on investment	$\frac{\text{Net Income}}{\text{Investment}}$	NA	NA	NA	-

Notes to Accounts

Notes

- i) Debt = Non-current borrowings + Interest accrued on Non Current Borrowings + Current borrowings
- ii) Net worth = Equity Share Capital + other equity
- iii) EBITDA = Earnings before interest, depreciation and amortisation, exceptional items and tax
- vi) Working Capital = Current assets - Current liabilities
- v) EBIT = Earnings before interest and tax and exceptional items
- vi) Capital employed = Total equity + Non-current borrowings

Note 1: Being the first year of operation, the ratios for previous year are not comparable.

- 26** The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Group for the year ended March 31, 2023.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date.

As per our report of even date attached.

For M/s. Natvarlal Vepari & Co.

Chartered Accountants
Firm's Registration No : 106971W

For and on behalf of the Board of Directors

Rahul Shukla

Director
DIN : 07835056

Rahul Rao

Director
DIN : 08681198

Nuzhat Khan

Partner
Membership No.124960

Place : Mumbai
Date : 15 May 2023

Shakur Shikalgar

Company Secretary
ACS : 68398

Place : Mumbai
Date : 15 May 2023

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Prolific Resolution Private Limited

Registered Office

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Near Hotel Deep, Malviya Nagar,
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website: www.prolificresolution.com

Corporate Office

Hincon House,
Lal Bahadur Shastri Marg,
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