

December 18, 2025

Prolific Resolution Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Non-convertible debenture (NCD)	2,854.4	2,854.4	[ICRA]BB- (Stable); reaffirmed
Total	2,854.4	2,854.4	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation for Prolific Resolution Private Limited (PRPL) draws comfort from the long tenure of debt with repayment starting in September 2026, providing reasonable time for realisation of award proceeds before commencement of debt servicing obligations. On December 05, 2025, PRPL prepaid Rs. 282.6 crore (Principal - Rs. 198.6 crore and interest - Rs. 84 crore), i.e., 70% of the debt scheduled for repayment on September 30, 2026, i.e., 7% of the total outstanding debt (principal). Additionally, the rating factors in the cover of over 2.35 times provided through transfer of ~Rs. 6,695 crore of awards and claims against the debt of Rs. 2,854.4 crore (amount outstanding as on December 05, 2025 - Rs. 2,655.8 crore) to PRPL from Hindustan Construction Company Limited (HCC) as a part of the latter's debt restructuring plan. HCC has a track record for realisation of awards and claims, with an average claim to awards ratio of ~58% in the past. During FY2025 and 8M FY2026, PRPL has realised awards worth Rs. 71 crore and Rs. 67 crore, respectively. The same has been used towards award expenses and payment of old liabilities. The company has cash and bank balance of Rs. 47.8 crore as on March 31, 2025.

Earlier, HCC had provided a corporate guarantee for the entire debt (principal) at PRPL but recently HCC has received approvals from all the lenders, wherein its corporate guarantee (CG) for the debt at PRPL has been reduced from 100% of the debt at carveout, to 20% of that value, limiting HCC's exposure to PRPL debt to Rs. 571 crore on first loss basis. The condition stipulated by lenders against this approval was that HCC had to give Rs. 400 crore to PRPL over three years. Accordingly, HCC infused Rs. 200 crore in PRPL during Q1 FY2026 from part proceeds of the QIP and the rights issue in FY2025, which was then used in December 2025 to prepay a part of the debt repayment (including interest) scheduled in September 2026. Moreover, PRPL plans to prepay of the remainder (~Rs. 141 crore) of the scheduled debt due in September 2026, by the end of December 2025, after the receipt of another Rs. 200 crore from HCC (through the proceeds of the ongoing rights issue of HCC concluding in December 2025). The CG will remain valid at all times during the tenure of the loan.

The rating, however, is constrained by the uncertainty associated with realisations of awards and claims. As on September 30, 2025, the company had total claims worth Rs. 4,293 crore and awards worth Rs. 2,402 crore, which are at various stages. Of the total outstanding claims, about 55% of the claims are pending with clients, while the balance 45% are undergoing arbitration process. Similarly, out of the total outstanding awards, which have been contested by clients, about 5% are at the Supreme Court, 91% are at the High Courts, while the balance 4% are at various district courts. The realisation of awards and claims remains critical for timely debt servicing.

The Stable outlook reflects ICRA's belief that the balance two years' moratorium period provides reasonable time to PRPL to make progress and realise part of the awards commensurate with the debt servicing obligations over the medium term.

Key rating drivers and their description

Credit strengths

Long-tenured debt with adequate cover and Group’s track record of realisation of awards and claims – As per the resolution plan (RP) implemented for HCC, ~Rs. 6,695 crore of awards and claims were transferred to PRPL against a debt of ~Rs. 2,854 crore (amount outstanding as on December 05, 2025 - Rs. 2,655.8 crore), providing a cover of 2.35 times. HCC has an established track record in realisation of awards and claims with average claims to award ratio of ~58% in the past. Further, the long tenure of the debt with repayment starting in September 2026, provide reasonable time for realisation of award proceeds before commencement of debt servicing obligations.

Credit challenges

Significant dependence on realisation of awards and claims for timely debt servicing – The timelines as well as adequacy of claims and awards realisation would remain important for timely debt servicing. As on September 30, 2025, the company had total claims worth Rs. 4,293 crore and awards worth Rs. 2,402 crore, which are at various stages. Of the total outstanding claims, about 55% of the claims are pending with clients, while the balance 45% are undergoing arbitration process.

Liquidity position: Stretched

While PRPL does not have any debt repayment obligation in the near term, it will be incurring expenditure towards process for claim/award realisation. The company has cash and bank balance of Rs. 47.8 crore as on March 31, 2025. Timely realisation of claims will remain crucial to improve its liquidity profile.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company realises significant awards, which leads to material reduction in debt and improvement in liquidity.

Negative factors – Negative pressure on the rating could arise if there is a substantial delay in realisation of estimated awards, thereby weakening the coverage metrics and liquidity. Negative pressure on the rating of PRPL could arise if there is a change in the credit profile of the parent company, HCC, or weakening in linkages with HCC.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Parent Company: Hindustan Construction Company Ltd (HCC) ICRA expects HCC to extend timely financial support to PRPL, should there be a need, due to its contractual debt obligations
Consolidation/Standalone	Standalone

About the company

As Hindustan Construction Company Limited (HCC) was undergoing restructuring, an RP was proposed, wherein part awards and claims would be carved out in a new entity, along with part debt. This debt will be repaid from the realisation of aforementioned awards and claims. Accordingly, PRPL was incorporated with 100% shareholding by HCC. Post implementation of the RP in HCC, awards and claims worth Rs. 6,508 crore were transferred to PRPL with a debt of Rs. 2,854.4 crore. In September 2023, a new investor Jadeja Investment Management Private Limited acquired 51% equity stake in PRPL through an infusion of Rs. 25 crore.

Key financial indicators (audited)

Standalone	FY2024	FY2025
Operating income	547.3	331.6
PAT	54.9	-180.9
OPBDIT/OI	81.7%	82.8%
PAT/OI	10.0%	-54.5%
Total outside liabilities/Tangible net worth (times)	40.5	-41.6
Total debt/OPBDIT (times)	6.4	10.4
Interest coverage (times)	1.2	0.7

Source: Company, ICRA Research; Note: All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2026) Amount rated# (Rs. crore)	Dec 18, 2025	Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Non-convertible debenture	Long Term	2,854.4	[ICRA]BB-(Stable)	Dec 19, 2024	[ICRA]BB-(Stable)	Dec 20, 2023	[ICRA]BB-(Stable)	Dec 20, 2022	[ICRA]B (Stable)
						Aug 22, 2023	[ICRA]B (Stable)	Aug 12, 2022	Provisional [ICRA]B (Stable)
Non-convertible debenture*	Long Term	-	-	-	-	Aug 22, 2023	Provisional [ICRA]B (Stable); withdrawn	Dec 20, 2022	Provisional [ICRA]B (Stable)
								Aug 12, 2022	Provisional [ICRA]B (Stable)

*Withdrawn; #Amount outstanding as on December 05, 2025 is Rs. 2,655.8 crore

Complexity level of the rated instruments

Instrument	Complexity indicator
Non-convertible debenture	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated# (Rs. crore)	Current rating and outlook
INE08YT07019	Non-convertible debenture	20-Sep-2022	0.01%	30-Sep-2030	2303.0	[ICRA]BB- (Stable)
INE08YT07027	Non-convertible debenture	20-Sep-2022	0.01%	30-Sep-2030	551.4	[ICRA]BB- (Stable)

Source: Company; #Amount outstanding as on December 05, 2025 is Rs. 2655.8 crore

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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