



Press Release

March 03, 2025

HIREN WAHEN BUILDTECH PRIVATE LIMITED  
Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	60.00	ACUITE D   Downgraded	-
Non Convertible Debentures (NCD)	0.40	Provisional   ACUITE D   Downgraded	-
Total Outstanding	60.40	-	-
Total Withdrawn	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE D' (read as ACUITE D)** from '**ACUITE C' (read as ACUITE C)** on the Rs 60.00 Cr. Non-Convertible Debentures of Hiren Wahan Buildtech Private Limited (HWBPL).

Acuite has also downgraded its long-term rating to '**Provisional ACUITE D' (read as Provisional ACUITE D)** from '**Provisional ACUITE C' (read as Provisional ACUITE C)** on the Rs 0.40 Cr. proposed Non-Convertible Debentures of Hiren Wahan Buildtech Private limited (HWBPL). The rating will be converted from provisional to final post receipt of the following documents:

- Executed term deed
- Final term sheet

Rationale for Rating

The rating downgrade is on the account of delay in servicing of debt obligation due in February 2025 for the NCD's issued as confirmed by the management as well as debenture trustee.

About the Company

Hiren Wahan Buildtech Private Limited (HWBPL) was incorporated in 2011 is based in Bangalore. The company is engaged in construction of residential and commercial projects. Currently the company is managed by Mr. Narendra Babu Kalahasthi, Mr. Prakash Lakshmaiah and Mrs. Soujanya Reddy.

About the Group

Hiren Wahan Buildtech – Is a partnership firm incorporated in 2019 as a Special purpose vehicle (SPV) to construct a residential tower at Panathur main road, Bangalore named as 'High cliff'. Firm is managed by partners Mr.Narendra Babu Kalahasti and Mr.L.Prakash.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

•Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has consolidated the business and financial risk profile of Hiren Wahan Buildtech Private Limited (HWBPL) and Hiren Wahan buildtech (HWB) (partnership firm) as HWBPL holds 95 percent share in HWB and common line of business of both entities. Both the entities together referred as Hiren Wahan buildtech group (HWBG).

Key Rating Drivers

Strengths

Experienced Promotors and established track record of operations

Hiren Wahan group was founded in 2011 by Mr. Narendra Babu Kalahasti and group has an adequate experience in construction of projects in various segments including residential layout, apartments and premium villas in Bangalore city. Hiren Wahan Buildtech Private Limited (HWBPL) is incorporated in the year 2011. HWBPL has incorporated Hiren Wahan buildtech (HWB) as a partnership firm in the year 2019 as a Special purpose Vehicle (SPV) in partnership with landlord Mr. L. Prakash to construct a residential towers near Outer ring road (ORR), Marathahalli, Bangalore with a total area of 2,46,000 Sq ft comprising of 196 apartments.

Weaknesses

Instance of delays in servicing of obligations on NCDs

There has been an instance of delay in servicing of debt obligation by the company in February 2025 as confirmed by the management and debenture trustee of the company. The delay is in servicing of NCDs principal and interest due on 28<sup>th</sup> February 2025 on account of inadequate cash flows generated as against the matured NCD obligation of ~ Rs.14.00 Cr.

Rating Sensitivities

- Timely servicing of debt obligations

All Covenants

1. All cash flows generated from the Project shall be routed through the Escrow Mechanism only.
- 2 . Any cost or expense incurred towards liabilities arising out of income Tax dues, shall be met either through their own funds, or through infusion of funds in the Company in a manner as acceptable to the Debenture Holders and the Project Receivables shall not be utilized for the same.
3. (a) On and from the Execution Date, the market value of the Partnership Interest to secure the Debentures shall at all times be not less than 1.0X (One decimal point zero) of the Principal Amount (“Security Cover”); and (b) On and from the date of issuance of the Debentures, the value of the future Project Receivables (less Taxes, registration fees, any other amounts due to third parties and other statutory dues), shall at all times be not less than 1.0X (one time) the Debenture Outstandings on such relevant date (“Asset Cover”)
4. A Dest service reserve for servicing the Coupon, to be maintained for amounts not less than 3 (three) months of applicable Coupon on the Debentures immediately after the Commencement Date and until the Final Settlement Date. If any amounts are utilised to meet the Coupon payment obligations, then the Obligor 2 and Obligor 3 shall infuse such funds into the Company as are required to meet the DSRA obligation immediately and from time to time.

Liquidity Position

Poor

Liquidity position of the company is poor as there have been instances of delays in servicing of principal and interest on NCD's issued.

Outlook: Not Applicable

**Other Factors affecting Rating**  
None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	6.05	5.24
PAT	Rs. Cr.	0.73	0.50
PAT Margin	(%)	11.99	9.53
Total Debt/Tangible Net Worth	Times	1.07	5.81
PBDIT/Interest	Times	1.08	1.19

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any Other Information

Supplementary disclosures for Provisional Ratings

Risks associated with the provisional nature of the credit rating

In case there are material changes in the terms of the transaction after the initial assignment of the provisional rating and post the completion of the issuance (corresponding to the part that has been issued) Acuité will withdraw the existing provisional rating and concurrently assign a fresh final rating in the same press release, basis the revised terms of the transaction.

Rating that would have been assigned in absence of the pending steps/documentation

The structure would have become null and void for the instrument. The rating of the instrument would have been equated to the standalone rating of the issuer (ACUITE D).

Timeline for conversion to Final Rating for a debt instrument proposed to be issued

The provisional rating shall be converted into a final rating within 90 days from the date of issuance of the proposed debt instrument. Under no circumstance shall the provisional rating continue upon the expiry of 180 days from the date of issuance of the proposed debt instrument.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite’s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria “Complexity Level Of Financial Instruments” on [www.acuite.in](http://www.acuite.in).

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Mar 2024	Non-Convertible Debentures (NCD)	Long Term	49.00	ACUITE C (Assigned)
	Proposed Non Convertible Debentures	Long Term	10.10	ACUITE C (Assigned)
	Proposed Non Convertible Debentures	Long Term	0.90	ACUITE C (Assigned)
	Proposed Non Convertible Debentures	Long Term	0.40	ACUITE Provisional C (Reaffirmed)
10 Nov 2023	Proposed Non Convertible Debentures	Long Term	49.90	ACUITE Provisional C (Assigned)
	Proposed Non Convertible Debentures	Long Term	10.50	ACUITE Provisional C (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE0S1Q07019	Non-Convertible Debentures (NCD)	28 Dec 2023	19.00	30 Nov 2025	49.90	Simple	ACUITE D   Downgraded ( from ACUITE C )
Not Applicable	INE0S1Q07019	Non-Convertible Debentures (NCD)	28 Dec 2023	19.00	30 Nov 2025	5.10	Simple	ACUITE D   Downgraded ( from ACUITE C )
Not Applicable	INE0S1Q07019	Non-Convertible Debentures (NCD)	28 Dec 2023	19.00	30 Nov 2025	5.00	Simple	ACUITE D   Downgraded ( from ACUITE C )
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.40	Simple	Provisional   ACUITE D   Downgraded ( from ACUITE Provisional C )

\*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company Name
1.	HIREN WAHEN BUILDTECH PRIVATE LIMITED
2.	HIREN WAHEN BUILDTECH (Partership Firm)

Contacts

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About Acuité Ratings & Research

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