

## HV FARMS PRIVATE LIMITED

February 19, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	72.00	CARE BBB-; Negative	Reaffirmed; Outlook revised from Stable

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Revision in the outlook for bank facilities of HV Farms Private Limited (HFPL) factors risk associated with delay in leasing of the warehouse and its impact on debt servicing, with no binding lease agreements or letters of intent (LOIs) executed as on date. The sanctioned terms of the project's term debt remain favourable, with a bullet repayment scheduled after a 42-month moratorium period from the date of first disbursement in October 2024, providing sufficient time for repayment of principal, while interest servicing has already commenced. Moreover, the company maintains mutual fund investments of ₹10.03 crore at cost as on January 2026, and adjusting for pending construction and operating cost it will be left with ₹4.26 crore, thus providing a liquidity buffer of six months for meeting interest servicing requirements.

The construction-related risks have moderated materially with substantial completion of the project. Moreover, in the absence of majority shareholding by a single joint-venture (JV) partner, with the project being the first project undertaken by Panattoni in India and the first warehouse project by WSB, the ability of the company to lease out the warehouse at an envisaged rate and within envisaged time and convert the construction debt into a lease rental discounting (LRD) facility remain critical from the credit perspective and a key monitorable.

The ratings continue to derive strength from the strong track record of the promoters in developing commercial and warehousing spaces, the strategic location of the project and the favourable demand outlook for Grade-A warehousing in the National Capital Region (NCR).

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Timely leasing of warehouse at envisaged rate with actual rental inflows

#### Negative factors

- Delay in leasing of project at envisaged rentals impacting conversion of the construction finance debt to long tenor debt LRD facility.
- Any regulatory action having an adverse impact on project stabilisation and thereby significantly impairing the credit profile of the company.

#### Analytical approach: Standalone

Previously the rating had factored in the sponsor support from Panattoni group and WSB Real Estate Partners Private Limited, however, with no single JV partner holding majority stake in the company, the analytical approach has been changed to standalone assuming no support from sponsors.

#### Outlook: Negative

Revision in the outlook from 'Stable' to 'Negative' for bank facilities of HV Farms Private Limited (HFPL) factors risk associated with delay in leasing of the warehouse and its impact on debt servicing, with no binding lease agreements or letters of intent (LOIs) executed as on date. The outlook may be revised to stable, up on leasing of warehouse as per the envisaged rate and timeline.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

## Detailed description of key rating drivers:

### Key strengths

#### Strong track record of sponsors

HV Farm is jointly owned by Panattoni Group, WSB Real Estate Partners Private Limited, which holds both holds about 15% (considering all class of equity/CCPS/CCD) stake each, while the balance shareholding is held by HNI individual family offices and trusts in their individual capacities. The ongoing warehousing project is executed by the Panattoni Group, which is a global real estate development firm that specializes in industrial properties, particularly logistics and warehouse facilities. To date, Panattoni has developed 53.6 million square meters of real estate and served approximately 2,600 international clients. This marks Panattoni's first project in India. WSB is a real estate investment and development firm that focuses on commercial and residential real estate opportunities, the said project is first JV entered by WSB in warehouse segment. CareEdge Ratings draws comfort from the sponsors' extensive track record in the real estate sector.

#### Favourable location of the project

HFPL warehousing park on a land parcel of ~16.47 acres located in Jhajjar district of NCR, situated along NH 352 (formerly NH-71). The warehousing cluster encompassing Luhari and Farruknagar is emerging as a key logistics hub in the NCR of India. Strategically located with easy access to major highways, rail links, and urban centres like Gurugram and Delhi, this area is attracting significant attention from businesses across various sectors including e-commerce, logistics and manufacturing companies.

#### Comfortable sanction terms

The sanctioned terms of the project's term debt remain favourable, with a bullet repayment scheduled after a 42-month moratorium period from the date of first disbursement in October 2024). This structure provides the company with sufficient flexibility to complete construction, achieve leasing and subsequently convert the project debt into a lease rental discounting (LRD) facility. The total project cost is estimated at ₹115.38 crore, comprising land cost of ₹18.46 crore, construction cost of ₹76.65 crore, management fees of ₹6.25 crore, interest during construction of ₹3.91 crore, change of land usage cost of ₹2.27 crore and other costs including contingencies of ₹7.84 crore. The project is funded through a bank term loan of ₹72 crore and promoter contribution of ₹43.38 crore. As on January 12, 2026, the company has incurred project expenditure of ₹97.37 crore, primarily towards land acquisition and construction activities. Against this, total funding of ₹109.25 crore has already been mobilised, including bank term debt of ₹65 crore and balance from promoter contribution, providing adequate financial cushion to meet balance project requirements and contingencies without strain on liquidity.

#### Substantial reduction in project execution risk with Occupancy certificate already received.

Project execution risk, which was a key monitorable last year, has now moderated materially. As against January 2025, when only ~35% of project cost had been incurred, total project expenditure has now increased to about ₹97.37 crore as on January 12, 2026, reflecting substantial completion with receipt of occupancy certificate on January 30, 2026. Furthermore, as per the signed CA certificate, the company had incurred a capex of Rs.93 crore out of the total cost of Rs.115.38 crore as on November 10, 2025, accounting for about accounting for 81%. Further as per the latest draft CA certificate shared, the company has incurred a capex of Rs.97.37 crore, as on January 12, 2026, indicating 84% completion. The company has also received an occupancy certificate dated January 30, 2026 for an estimated area of 3.52 lsf as against 3.96 lsf considered at the time of our initial review indicating substantial completion of the project.

### Key weaknesses

#### Exposure to leasing risk and stabilisation risk, with substantial moderation in construction risk

HFPL has not yet executed any binding lease agreements or Letters of Intent (LOIs) with tenants, which exposes the project to the risk of delayed leasing. However, as articulated by the management the leasing discussions are ongoing with large e-commerce, logistics and manufacturing players. Further, competition from mid- and large-sized warehouses in the surrounding area may exert pressure on rental rates and absorption timelines. Accordingly, HFPL's ability to lease out the space at sustaining market rentals and achieve stabilised occupancy within a reasonable timeframe remains a key monitorable from a credit perspective.

#### Liquidity: Adequate

HFPL's liquidity remain adequate, with promoter contribution has been fully infused as per the project funding plan and occupancy certificate already received as on January 30, 2026. Moreover, the company maintains mutual fund investments of ₹10.03 crore at cost as on January, 2026, and adjusting for pending construction and operating cost it will be left with ₹4.26 crore, thus providing a liquidity buffer of six months for meeting interest servicing requirements. However, the ability of the company to lease out the warehouse at an envisaged rate and within envisaged time and convert the construction debt into a lease rental discounting (LRD) facility remain critical from the credit perspective and a key monitorable

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Debt backed by lease rentals](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Incorporated in May 2011, HV Farms Private Limited (HFPL, CIN: U70100DL2011PTC219062) is jointly owned by WSB Real Estate Partners Private Limited, which holds both holds ~15% (considering all class of equity/CCPS/CCD) each, while the balance shareholding is held by HNI individual family offices and trusts in their individual capacities. HFPL is currently developing a Grade A warehouse park on a ~16.47 acre land parcel in Jhajjar district of NCR, encompassing a total area of 7.17 lakh square feet, with a leasable area of 3.96 lakh square feet. The estimated project cost is Rs.115.38 crore, which is being financed through a term loan of Rs.72.00 crore and promoter contribution of Rs.43.38 crore.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	0.00	0.00
PBILDT*	-1.58	-1.66
Profit after tax (PAT)	-1.46	-0.62
Overall gearing (x)	2.54	4.78
Interest coverage (x)	-92.15	-535.94

A: Audited UA: Unaudited; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	25/03/2028	72.00	CARE BBB-; Negative

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	72.00	CARE BBB-; Negative	-	1)CARE BBB-; Stable (20-Feb-25)	-	-

LT: Long term;

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not Applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

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

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