North End Foods Marketing Private Limited

July 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	20.00	CARE BBB; Stable	Reaffirmed
Long-term / Short-term bank facilities	195.00	CARE BBB; Stable / CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

List of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of North End Foods Marketing Private Limited (NEFM) continues to derive strength from promoter's long-standing experience in the agro commodity business, established position of the flagship parent company of the group in agri-commodity warehouse, and collateral management services. Ratings also take comfort from comfortable capital structure of the company characterised by satisfactory net worth base and comfortable overall gearing. Ratings take cognisance of improvement in its operational performance in FY26 (Provisional) (FY refers to April 01 to March 31), characterised by growth in total operating income (TOI) and profitability margins. Ratings further consider the presence of strong investor base in parent company, Sohan Lal Commodity Management Limited (SLCM). However, the company's ability to scale up its operations while maintaining adequate profitability margins will be a key rating monitorable. However, ratings continue to remain constrained by moderate operational performance, risks emanating from significant volatility in the agriculture commodity prices, performance of agriculture commodities being primarily depending on monsoon conditions, economic environment and changes in the government regulations, and intense competition in the warehousing business with presence of few established players.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in scale of operations and significant improvement in profitability of the company.
- Mobilise resources in the warehousing business and control the operational cost and sustained improvement in revenue.

Negative factors

- Inability to scale up the procurement business.
- Decline in cash surplus and liquidity buffers beyond a threshold which could impact the risk absorption ability and increase in gearing levels beyond 2.00x on a sustained basis.
- Any materialisation of contingent liability related to ongoing GST litigation leading to significant outflow of fund, resulting in the weakening of overall liquidity position of the company.

Analytical approach: Standalone, while factoring linkages with the parent considering strong operational and financial linkages and common management.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Outlook: Stable

The Stable outlook on NEFM reflects CareEdge Ratings' opinion that the SLCM group will continue to benefit from promoters' vast experience in agri-commodity business, established network of the group in warehousing, collateral management, and agri lending.

Detailed description of key rating drivers:

Key strengths

Strong promoter group with long track record of operations in agri-business and strong investor base

SLCM is one of the leading agri-logistics companies in India. SLCM is a professionally managed group with integrated operations, and NEFM is the wholly owned subsidiary of SLCM. The SLCM Group is backed by three private equity (PE) investors, namely, Creation Investments Capital Management LLC, Responsibility Participations Mauritius, and agRIF Cooperatief UA (managed by Incofin Investment Management). The company is headed by Sandeep Sabharwal, Group Chief Executive Officer, SLCM, who has experience of over three decades in the agro-commodity business. He is instrumental in setting up the professional warehousing business of the company and is supported by a management team with significant industry experience.

Comfortable capital structure

The capital structure of the company stands comfortable with an overall gearing of 1.06x in FY26 (Prov.), though moderated from 0.59x in FY25, largely due to increased debt level in FY26, owing to infusion of additional unsecured loans and higher utilisation in working capital limits. The company's total debt stood at ₹91.48 crore as on March 31, 2026, comprises warehouse receipt (WHR) finance from banks and from KAFSPL of ₹48.54 (PY: ₹19.72 crore) crore and unsecured loan from SLCM amounting to ₹42.80 crore (PY: ₹27.05 crore). NEFM also avails working capital from fellow subsidiary, KAFSPL. The company has satisfactory net worth base of ₹85.91 crore in FY26 (PY: ₹79.18 crore). The group's capital structure also stands comfortable with an overall gearing of ₹0.21x in FY26 (Prov.), and healthy net worth base of ₹373.23 crore in FY26 (PY: ₹348.46 crore).

Improvement in operational performance in FY26 (Prov.)

In FY26 (Prov.), at NEFM level, the TOI stood improved to ₹375.38 crore in FY26 (Prov.) against ₹320.71 crore in FY25, with improvement in profit before interest, lease rentals, depreciation and taxation (PBILDT) and profit after tax (PAT) margins to 4.02% (PY: 2.24%) and 1.79% (PY: 0.71%) in FY26, respectively. The growth was primarily driven by better churn of capital employed in the business during the year, resulting in higher business volumes and improved profitability, as capital remained deployed throughout the year. The consolidated gross revenue of the group increased to ₹522.12 crore in FY26 (Prov.) from ₹462.39 crore in FY25, registering a growth of ~12.92%. At the consolidated level, the group's TOI is primarily derived from NEFM and SLCM. The group's profitability also improved during the year, with the consolidated PBILDT margin increasing to 7.63% in FY26 (Prov.) from 6.02% in FY25. Under SLCM, the scale of operations witnessed a modest improvement, supported by higher warehouse utilisation levels and increase in assets under management (AUM) to ₹11,871 crore as on March 31, 2026, from ₹8,958.39 crore as on March 31, 2025. The higher AUM base, and improved warehousing activity, supported revenue growth during the year. The improvement was also considering expense rationalisation measures undertaken across the group, and better operating leverage arising from the increased scale of operations. Going forward, SLCM has increased its focus on professional warehousing services, where it provides value-added offerings such as supervision, security, fumigation (pest management), reporting, and insurance coverage to customers, including large corporates and retailers. The company expects this segment to contribute positively to revenue growth and profitability over the medium term. The warehousing business undertaken by SLCM typically operates at thin margins due to substantial investments in monitoring, technology, and risk management infrastructure. However, this business serves as the backbone for the group's procurement and lending operations, providing strategic support to its integrated business model.

Comprehensive business model of the group with strong IT and MIS set-up

SLCM, and its subsidiaries, NEFM and KAFSPL, provide entire supply chain solutions for agri commodities. The services provided by the group comprise agri-commodity warehouse and collateral management services and other allied services such as testing and certification (provided by SLCM), procurement of commodities (carried out by its wholly owned subsidiary NEFM), and working capital financing against Storage Receipts (SR) as collateral (carried out by its wholly owned subsidiary KAFSPL). The group has also introduced a microfinance segment, loans to farmers' producer organisations, and lending through business correspondents (BC) partners in KAFSPL, and existing capital financing against SR, to diversify its overall portfolio and reduce concentration risk. Thus, the SLCM group serves as a multi-modal single window supply chain solutions provider and is one of the leading players in the industry with a technology-enabled network to manage its operations. The group has also ventured into Myanmar through its subsidiary, SLCM Limited, where it carries out warehousing and allied activities. The SLCM group has created a robust technology-enabled system, namely Agri Reach and Agri Suraksha for collateral management, which is integrated with a SAP-based information technology system, electronic commodity-based funding (e-CBF), for complete business integration.

Strengthening of risk management practices

The group has devised specific risk management practices for each commodity to counter risk from volatile agri commodities prices. The main risk for SLCM lies in the storage and maintenance of the crops and seeds in the required quality and conditions. Therefore, SLCM has set up an internal quality control team for regular quality assessment and control of the commodities and 24/7 video surveillance of the warehouses, and the stocks are fully insured. For NEFM, the main risk arises from sharp fluctuation in commodity prices. To manage the risk of price volatility, all of NEFM's purchases are order backed, with the price fixed at the time of contract, and the price risk is borne by the beneficiary for whom NEFM undertakes procurement. In case of non-exchange traded commodities, NEFM seeks ~20-25% advance margin from the client, and margin calls are made if there is mark-to-market (MTM) loss of over 5% based on weekly price discovery in the physical market. The stocks are liquidated in case the margin falls below 10% and the client is unable to provide the top-up margin (additional stock or cash). The lending business under KAFSPL is safeguarded as loans are extended only against SLCM's warehousing receipts. KAFS operates on a loan to-stock hypothecated value (LTV) ratio of 70%-80%, with commodity prices MTM on an ongoing basis.

Key weaknesses

Susceptibility to volatility in agri-commodity prices

The group remains susceptible to sharp fluctuations in market prices. The variation in commodity prices at mandis, for different grades and at times a lack of consistency with commodity exchanges, could lead to disputes with customers and consequently to litigation risk. However, the group's adequate risk management systems and market intelligence enable tracking of prices daily for different grades of commodities and timely decision-making to liquidate the inventory in case of decline in prices mitigate the risk.

Intense competition in the warehousing and agri-lending business and high government regulations

Since SLCM is the main company of the group, SLCM faces competition in the warehousing industry which leads to increased warehouse lease rentals at strategic locations. The warehousing industry has other established players, and it is not always possible to pass on the rise in warehouse rentals completely. However, SLCM has worked on a revenue sharing model rather than fixed rental. It is also exposed to the risk of crop failure in a particular location, which may lead to sub-optimal utilisation of the warehousing space. Government regulations on essential food items also impact the occupancy of the warehouses leased by the company, impacting the income and profitability of SLCM. However, the company follows a lease-based model of hiring warehouses where warehouses can be de-hired with a one-month notice, which allows the company to manage the risks emanating from lower occupancy. KAFSPL also has to compete against banks and other non-banking finance companies (NBFCs) who can lend at cheaper rates compared to KAFSPL. Thereby, KAFSPL's ability to maintain its spread with increasing volume will be critical for its sustenance in the agri lending business. For NEFM, prompt liquidation of stocks upon stock limits on certain commodities imposed by the government from time to time or an increase in minimum support price (MSP) results in lower procurement or holding period, impacting the profitability.

Ongoing GST matter

NEFM had faced GST-related issues in FY20 pertaining to stock seizures and blockage of input tax credit (ITC). Subsequently, the company challenged the matter before the appellate authorities, which ruled in its favour and dismissed the demands raised by the department. Despite the favourable orders, the GST department initiated revisional proceedings and raised an additional demand of ~₹389 crore in July 2023. In response, NEFM filed a writ petition before the Allahabad High Court, which granted a stay on the demand. The department raised an additional demand of ₹67.50 crore for FY18–FY20 on a similar matter, taking the aggregate demand to ₹458.58 crore on a consolidated level. The company has continued to contest these demands, relying on the favourable orders received from the first appellate authority in the earlier proceedings. In February 2024, the department filed a writ petition challenging the order passed under Section 130. However, the court deferred adjudication pending the outcome of a related writ petition. Subsequently, on May 12, 2025, the court dismissed the department's writ petition and upheld the order of the appellate authority. While the developments to date have been favourable for the company, the outcome of the ongoing GST litigation and potential crystallisation of the contingent liability remain key monitorable.

Liquidity: Adequate

The liquidity position of the group is adequate marked with gross cash accruals (GCA) of ~₹29 crore in FY27 (including estimated GCA of ~₹7 crore under NEFM), against the nominal amount of lease obligation of ~₹0.81 crore, the company does not have term debt obligation. Liquidity position is also supported by a favourable capital structure for the group (Gearing of 0.21x as on March 31, 2026). SLCMPL (on a consolidated level) has liquidity (Free FDs, cash and bank balance) of ~₹39.15 crore as on March 31, 2026. Overall utilisation of working capital limits also remains comfortable with average utilisation stood at ~37% for 12 months ending on April 2026 (for the warehousing limits availed under NEFM). Given comfortable gearing levels, comfortable working capital utilisation, shorter tenure of lending and procurement business, the liquidity position of the company is expected to be adequate.

Applicable criteria

Policy on Default Recognition
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Assigning 'Outlook' or 'Rating Watch' to Credit Ratings
Rating of Short Term Instruments
Notching by Factoring Linkages in Ratings
Wholesale Trading

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast moving consumer goods	Fast moving consumer goods	Agricultural food & other products	Other agricultural products

Part of the Sohan Lal group headed by Sandeep Sabharwal, NEFM is engaged in procuring agricultural commodities, including wheat, chana, mentha, castor, guar, barley, oil seeds, pulses, cotton, sugar, paddy, rice and others for the clients, which are usually the agri-intermediaries. NEFM is a 100% subsidiary of SLCM, the flagship company of the group, which was incorporated in 2009 and is one of the largest agri-logistics companies in India. The Sohan Lal group is one of the leading agri-logistics groups providing supply chain solutions. SLCM deals in agri-commodity processing and warehousing for over two decades. The group's flagship company is SLCM, which was incorporated in 2009, and is engaged in dealing in agri-commodity warehouse and collateral management with AUM of close to ₹11,871 crore as on March 31, 2026, managed through a network of over 1,546 warehouses.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (Prov.)
Total operating income	344.18	320.71	375.38
PBILDT	9.96	7.20	15.09
Profit after tax (PAT)	2.05	2.28	6.73
Overall gearing (x)	1.07	0.59	1.06
Interest coverage (x)	1.04	0.93	1.89

A: Audited Prov.: Provisional; Note: these are latest available financial results

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	20.00	CARE BBB; Stable
Fund-based-LT/ST		-	-	-	195.00	CARE BBB; Stable / CARE A3+

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	20.00	CARE BBB; Stable	-	1)CARE BBB; Stable (04-Jul-25)	1)CARE BBB; Stable (07-Jun-24)	-

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	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
							2)CARE BBB; Stable (02-Apr-24)	
2	Fund-based-LT/ST	LT/ST	195.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable / CARE A3+ (04-Jul-25)	1)CARE BBB; Stable / CARE A3+ (07-Jun-24) 2)CARE BBB; Stable / CARE A3+ (02-Apr-24)	-

LT: Long term; LT/ST: Long term/Short 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-Cash Credit	Simple
2	Fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), list of activities or instruments falling under the purview of FSRs, and the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, Fis	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in	Puneet Kansal Director **CARE Ratings Limited** Phone: +91-12-0445 2018 E-mail: puneet.kansal@careedge.in Akhil Kumar Associate Director **CARE Ratings Limited** Phone: +91-12-0445 1986 E-mail: akhil.kumar@careedge.in Mohit Gupta Lead Analyst **CARE Ratings Limited** E-mail: mohit.gupta@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

**For detailed Rating Report and subscription information,
please visit www.careratings.com**