



Pajson Agro India Limited
H2 FY26 Earnings Conference Call”
May 08, 2026



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MODERATOR: **MS. SAKHI PANJIYARA – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to H2 FY26 Earnings Conference Call of Pajson Agro India Limited hosted by Kirin Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Sakhi Panjiyara from Kirin Advisors. Thank you and over to you, Ms. Panjiyara.

Sakhi Panjiyara: Good day, thank you. On behalf of Kirin Advisors, I welcome you all to the H2 FY26 conference call of Pajson Agro India Limited. From management team, we have Mr. Aayush Jain, Promoter, Chairman and Managing Director; Mr. Pulkit Jain, Promoter and Non-Executive Director; Mr. Nitan Garg, Chief Financial Officer and Ms. Roopal Saxena, Compliance Officer and Company Secretary.

Now I hand over the call to Mr. Aayush Jain for opening remarks. Over to you, sir.

Aayush Jain: Good afternoon, ladies and gentlemen. It is my privilege to address you all today. For those joining us for the first time, I would like to give a quick brief about Pajson Agro India Limited. Pajson Agro is engaged in processing raw cashew nuts into market-ready cashew kernels for both domestic and international markets.

The company also markets dry fruits under its consumer brand called Royal Mewa. while steadily building an integrated and value-driven cashew processing ecosystem. Pajson Agro is also part of a broader Pajson Group ecosystem which has established presence across agro-commodities, international trade and sourcing networks providing the company with strong institutional experience, global procurement linkages and operational depth.

This is our first earnings call since our listing last December and we are delighted to share our journey so far along with our performance for the financial year ended 31st March 2026. As we speak today, just a few moments after our successful listing on BSE SME platform in December, I am reminded of why we started Pajson Agro.

In the world of agriculture, many see only commodities. We saw a gap, a need for a sophisticated, integrated and a reliable bridge between massive cashew farms of West Africa and the rapidly evolving palate of the Indian consumer. Our successful IPO through which we raised INR74.45 crores is being primarily utilized towards setting up of our second processing facility in Vizianagaram, Andhra Pradesh.

Supporting the company's next phase of growth and capacity expansion. The fiscal year ending 31st March 2026 has been a period of profound testing and equally profound triumph. As many of you know, the cashew industry is historically fragmented and volatile. This year, we navigated a complex geopolitical landscape in West Africa, our primary sourcing hub.

Sourcing nearly 60% of our raw cashew nuts from countries like Cote d'Ivoire, Guinea-Bissau isn't about logistics. It's about managing a thousand moving parts. We faced fluctuating freight costs, shifting export policies in origin countries and unpredictable rhythms of nature. At the

same time, despite concerns around geopolitical tensions in the Middle East, our operations and supply chain remained largely unaffected.

While the group has an international sourcing and trading presence, Pajson Agro's core operations, leadership and strategic decision making continue to be anchored in India with our headquarters based in New Delhi. Our diversified sourcing model and operational structure helped us navigate global uncertainties with stability and continuity.

However, our response to these challenges defines our business moat. We don't just buy from the market. We source at the farm gate. By maintaining deep relationships with local buying agents across seven producing countries, we have built a supply chain that does not break when the wind changes.

This year, our 18,000 metric ton facility in Andhra Pradesh operated at a staggering 86% utilization capacity, a testament to our ability to keep the wheels turning when others faced supply crunch. Our strategy for the future is built on scale and sustainability. We have embarked on an ambitious Greenfield expansion to take our capacity to 70,000 metric tons by FY30.

This isn't just for growth for the sake of volumes. It's about achieving a near zero waste ecosystem. Furthermore, our brand Royal Mewa is no longer just a pilot project. It grew over 6.5 times this year. We are witnessing a demographic shift where Gen Z and millennials are looking for healthy, branded and transparently sourced snacks. By moving from a pure B2B model to a brand-led model, we are insulating Pajson from commodity price swings and building long-term equity with Indian households. We are operating in a perform or perish era and Pajson is firmly in the perform category. I will now hand over to Mr. Pulkit Jain to take you through the numbers that reflect this operational grit.

Pulkit Jain:

Thank you, Ayush. Good afternoon, ladies and gentlemen. Ayush described the soul of our operations and I will now present the engine that powers our business: our financial performance for the year and full year ended March 31, 2026. Transitioning into a publicly listed company mid-fiscal year was a transformative exercise for our finance team. It required us to align our internal cost controls with the transparency expected by the public markets.

I am pleased to report that we have emerged stronger. For the full year FY '26, our total income grew by INR37.19 percent year-on-year to INR256.92 croress. EBITDA registered a healthy growth of 24.98 percent, while PAT increased by 21.4 percent year-on-year.

What is particularly encouraging is that this growth has been achieved largely through operational efficiencies, market expansion, and disciplined execution, even before substantial benefits from the IPO proceeds started reflecting in the business. As the greenfield expansion progresses and the deployed capital begins contributing meaningfully to production and efficiencies, we believe the company is entering a much stronger growth phase ahead.

This revenue growth wasn't accidental. It was driven by a deliberate dual engine strategy. On one side, our institutional B2B business provided the high-volume foundation serving large confectionaries and snack manufacturers. On the other, our distribution-led model expanded to

over 170 distributors across 20 plus states, allowing us to capture better margins in the retail-facing segments. Let us now dive into the second half and full year FY '26 financial performance.

For H2 2026, our total income grew by 37.38% year-on-year to INR138.5 crores. EBITDA registered a healthy growth of 18.7%, while net profit increased by 8.97% year-on-year. While H2 saw some margins compression due to a spike in raw cashew nuts prices, forex, and global shipping disruptions, we maintained a double-digit EBITDA margin for the full year. As far as asset utilization is concerned, we have managed to sweat our assets efficiently with an 86% utilization rate, ensuring that our fixed costs are spread over larger volume of output.

One of the key financial developments during the year has been the planned deployment of our IPO proceeds. As of the end of this March, we have already committed INR39.53 crores via purchase orders of our greenfield expansion project.

This project will be a key growth driver from H2 FY27 onwards and into FY28. Here, I would like to emphasize that we are not just building a factory. We are building a high-margin automated processing hub that will significantly lower our per unit conversion costs. Talking about our balance sheet, it continues to remain healthy with a net worth of INR136.03 crores. Our prudent financial position and comfortable debt to equity levels provide us with the flexibility to support future growth initiatives and execute our long-term expansion plans.

In conclusion, the current business environment, bolstered by the Union Budget '26-'27 focus on domestic cashew processing, it is the most favorable we have seen in a decade. We have the capacity, we have the brand, and now we have the capital. We are moving into FY 2027 with a clear focus on margin expansion and brand penetration. With that, I conclude my remarks. Thank you all for your trust in Pajson Agro. We are now open for the Q&A session.

Some lines of moderator are missing

Moderator: Thank you very much. The first question is from the line of Aditya Mehta, an individual investor. Please go ahead.

Aditya Mehta: Hi, can you hear me now?

Moderator: Yes, we can. Go ahead.

Aditya Mehta: So, since it's your first call post-listing, can you help investors understand what differentiates Pajson from other cashew processors in India? And is it just beyond scale or some other parameters as well?

Ayush Jain: So, hi Aditya-ji, and thank you for your question. Our moat is our sourcing capabilities, which have been developed over the last 13 years. One of our group companies which is operated by Mr. Pulkit Jain has been sourcing raw cashew nuts from various African origins where we have developed farmer linkages, we have set up local cooperatives and local buying agents through which we are doing the procurement and then bringing the material to India in the most effective way.

- Aditya Mehta:** Also, sir, one more question. How much of the new capacity that you are talking about is already backed by customers or orders, or is there any volume visibility from our existing institutional clients?
- Ayush Jain:** So, actually we don't have any existing orders because these institutional customers, they give you visibility only for -- the visibility ranges from one month to sometimes three months, so we are still away from that period. However, I would like to share that our revenue is -- repeat revenue is coming nearly 78% from our existing customers, which highlights that there is a very high demand for our product in the market and we are not able to cater to new customers. So, with the new capacities coming in, it will help us in increasing our volumes with the current customers as well as increase our width of distribution.
- Aditya Mehta:** Okay sir, thank you. And one more question. Sorry, receivables have increased during the year, so any views on that? Like is it due to business cycle or are we offering credit terms to our institutional clients?
- Ayush Jain:** So, between last financial year and this financial year, actually in the March of last financial year, we had shut down our plant for increasing our capacity and due to which we were not processing and the entire material was sold off and the receivables were received. However, in FY '26, our focus is on increasing our revenue with the institutional customers, and with institutional customers there is more credit involved, hence we are seeing that our trade receivables have increased.
- Aditya Mehta:** Okay sir, thank you.
- Moderator:** Thank you. Next question is from the line of Vishvender Singh from Prudent Equity. Please go ahead.
- Vishvender Singh:** So, I saw on your RHP that almost 96% of your raw materials are received from a group company based in Dubai. So, what is your commentary in during this West Asia crisis and war-related issues?
- PulkitJain:** So, this war-related issues and the shipping line disruptions, definitely it has disrupted some shipping routes of the Middle East and all, and as you rightly said in the RHP, we've been importing from a company in UAE. But as we all know and understand that the shipments are directly arriving from Africa to India, so that is why there is no disruptions or no impact due to the crisis in Middle East.
- Vishvender Singh:** Okay, so can we assume the business as usual for us?
- Pulkit Jain:** Yes, it is as usual for us.
- Vishvender Singh:** Okay, got it. And can you also bifurcate the installed capacities for the last three years, for FY '23, '24, and '25?

- Ayush Jain:** So for FY '23, we had an installed capacity of 8,500 metric tons. For FY24, we had an installed capacity of 12,000 metric tons. And for FY '25, again we had a installed capacity of 12,000 metric tons. In FY '26, we expanded the capacity to 18,000 metric tons.
- Vishvender Singh:** Okay, so considering the capacity was only increased by roughly 40%, 50% between FY '24 and '25, so how does the revenue almost doubled in last two years, sir? And also margins have improved significantly?
- Ayush Jain:** Yes, so basically in November of 2023, we went under a major technological transformation wherein we upgraded our shelling machines and color sorters, and that helped us bring a lot of efficiencies into the system wherein it improved the Kernel recovery ratio, it improved our wholes recovery as compared to pieces grades recovery. There was a lot of Kernel contamination which was happening and which was stopped completely.
- So, these factors contributed to increase in our revenues which significantly impacted our bottom lines. Also, these machines were extremely high-end and very, very precise machines, therefore our cost at the cost level, our costs came down dramatically in terms of energy consumption and a lot of manual intervention was removed, therefore our profitability improved from thereon.
- Vishvender Singh:** Okay, just a last question, sir. On your EBITDA margins, it has declined from almost 18 percent in the first half and from 14% to what it is now. So, what can be the steady-state EBITDA margins for going ahead for the company?
- Ayush Jain:** So, we expect the margins to be steady. This dip in margin has also is primarily attributed towards movement of forex dollar price in the last fiscal wherein between the whole year, the currency moved nearly 10.5% from its base of April of 2025. So that is the reason there is a dip in the margins that you see.
- Pulkit Jain:** So going forward, if you say, we expect our EBITDA to be similar to around 15% to 16%.
- Vishvender Singh:** Was it for your raw material procurement or your selling --
- Moderator:** Vishweshwar, sorry, but we are unable to hear you. Can you repeat your question?
- Vishweshwar Singh:** Hi, is it clear now?
- Moderator:** Yes, go ahead.
- Vishweshwar Singh:** I wanted to confirm you mentioned that you faced currency fluctuation risk. So, is it on your raw material procurement side or your selling to your customer side?
- Pulkit Jain:** It is towards the procurement side because we are importing raw material, so all these currency FX risk definitely impacts us.
- Vishweshwar Singh:** Okay, just a last confirmation, what is your --
- Moderator:** Vishweshwar, sorry, but can you please come back for a follow-up question?

- Vishweshwar Singh:** Sure, thank you.
- Moderator:** Thank you. I request all the participants kindly limit yourself to two questions per participant and rejoin for a follow-up. Next question is from the line of Aryan Ajmera from Holani Ventures. Please go ahead.
- Aryan Ajmera:** Good evening, sir. First of all, congratulations on your current financial results for FY 2026. So first of all, my question is, sir, could you tell me the status of the capex that you introduced through IPO proceedings?
- Aayush Jain:** Yes, so the status of the capex is that -- so out of the funds that were raised, INR57 crores is going towards the setting up of the new facility. INR10.42 crores have gone towards general corporate purposes.
- Out of -- for the new facility, the POs that have already been issued to the vendors as of 31st March are around INR39.5 crores. Advances that have been issued against those POs is around INR10.5 crores and the POs that we plan to issue in the first quarter of FY27 is around INR20 to INR25 crores.
- Aryan Ajmera:** Could you also tell me the current capital utilization of capacity utilization of FY2026?
- Aayush Jain:** So FY26, our capacity utilization was 86%.
- Aryan Ajmera:** Okay sir, thank you.
- Moderator:** Thank you. Next question is from the line of Disha from Sapphire Capital Partners. Please go ahead.
- Disha:** Yes, thank you so much for this opportunity. So a couple of questions. Firstly, on this new capacity that is coming, this 35,000 metric tons, we are expecting commercial production from Q3. What would be the peak revenue potential of this new capacity at optimum utilization?
- Aayush Jain:** So, our peak would be about INR475 crores at a 85% utilization rate.
- Pulkit Jain:** From the extra capacity.
- Disha:** Right. And this current capacity that we have, how much revenue can we get from this at optimum?
- Aayush Jain:** So currently this year that we operated, so we expect another increment of about 20% to 22% -20% from the current levels.
- Disha:** Okay, so 20% growth from the existing facility. And how are you -- can you elaborate a bit more on how are we hoping to ramp up this new capacity? What sort of utilization will we look at for FY27?
- Because it's going to be only one quarter. So what will be the utilization there and what sort of utilization are you targeting for FY28?

- Aayush Jain:** So, for FY27, we look at commencing with trial productions in November or December. So considering that, we will only have one quarter of operations. So I think we should look at somewhere around 15% of capacity utilization in FY27. Then in FY28, we are looking at 65% to 70% of capacity utilization and then reaching at 85%-90% utilization rate by the next fiscal.
- Disha:** Okay. And then so because majority of the new capacity benefit will come in FY28, what sort of -- are we expecting some margin increase because of operating leverage? You guided for 15% to 16% for FY27. Going ahead in FY28, can we see improvement in the EBITDA?
- PulkitJain:** Yes, definitely we expect some improvements because of the scalability we are going to operate at.
- Disha:** Any sort of number, sir that you're looking at?
- Pulkit Jain:** I cannot give the exact numbers but definitely a couple of percent.
- Disha:** And sir, what will be the total capex for this new capacity that is coming?
- Aayush Jain:** So the total capex for the new capacity is about INR76 crores and this is without the land. The land was already acquired by the company in the last fiscal.
- Disha:** Okay, okay. That is it from my side. Thank you, sir.
- Moderator:** Thank you, Disha. Next question is from the line of Nishant Gupta from Minerva Capital. Please go ahead.
- Nishant Gupta:** Sir, you mentioned that the steady-state margins we expect to be 15%-16%. If we can deep-dive a bit more like what has been your sales realization if we can quantify FY25 versus FY26 in maybe rupees per kg, rupees per ton, and then let us try to draw out a scenario. Let's say the West Asia crisis probably extends to another maybe three to six months.
- What really happens to your margins then? And how do we see it going back to steady-state? Like do you do a price hike? Do you get the efficiency of scale? But I believe your new facility comes at the fag end of this year. So can you elaborate on this part, starting with the realization numbers?
- Aayush Jain:** Yes, so our average realization in terms of the RCN processed was about INR161.5 per kg
- Nishant Gupta:** For FY26?
- Aayush Jain:** And FY25 was about INR160.
- Pulkit Jain:** And as you said about this disruptions and if we take a scenario that this will continue, so as we see, there is no direct impact on our supply chain from this crisis as the shipping route from Africa to India is not impacted at all with these disruptions.

Yes, there could be only one possibility like which we saw and which we see that India could have a further forex currency devaluation. So that we have to consider this year and for which we are already placing our risk mitigation policies.

We are improvising them much better as we have already faced this problem last year. So we have learned from that problem and we are integrating policies to mitigate that risk further. So other than that we don't see any further disruptions coming in to our business.

Nishant Gupta: Got it. And sir any particular reason why not maybe pass on some increase on the realization front to offset the forex impact as you said has been material.

In first place, like why didn't there was a hedge in the first place because your raw material entirely is imported, so why not have that hedge in place because dollar has any which ways been appreciating over the past few years and is expected to even further appreciate. So can you give some thoughts around this also?

Pulkit Jain: Yes, so we have already started initiating some hedging processes also, so that is one of the best ways. And yes, we see because this problem is for the entire industry and we are seeing that some of this cost is being passed on to the customers also by increasing the sales price. So we think that that is how it's going to balance it out itself.

Nishant Gupta: Got it. So let's say from a March half year where we had operating margins of 11% and going back to let's say 15%-16%, so you think that the forex impact hedging the forex impact would account for the majority of it and some bit of it would be the price hike?

Pulkit Jain: Right. Exactly.

Nishant Gupta: Fine sir. I think I'll fall back in the queue. Thank you for answering my questions.

Moderator: Thank you. Next question is from the line of Aryan Bhatia from Invid Research Please go ahead.

Aryan Bhatia: Sir, my first question is on our kernel yield. What is the current kernel yield we are getting? And second, on the realization, as you said we have gone up to INR160, so two years back we were doing around INR120 per kg. And it has now increased to INR160 per kg. So I just wanted to know the reasons: what has led to this sharp increase in the revenue per kg?

Aayush Jain: So, our average yields for the last year stood at about 24.57% and our average realization was at about INR161.48. Why did it increase from INR120 to INR161? There are primarily two reasons: first being as I mentioned that our realization outputs increased once we did a technology upgradation. Second, it is also attributed towards the movement in prices of the commodity.

Aryan Bhatia: Got it. And second sir, if you can provide me the realization we are getting on our kernels, that 24% yield which we are getting on our kernels, so what is the realization we are getting there? And on the shell and husk as well, if you can provide that separately.

Aayush Jain: Sorry, on the kernel basis you asked.

- Management:** We did not get your question. Can you please clarify your question again?
- Aryan Bhatia:** I just wanted to know what is the realization we are getting on our kernels, not on whole RCN, but on the kernels.
- Aayush Jain:** Okay. On the kernel basis, it's about INR660.
- Aryan Bhatia:** Okay, got it. Thanks. And second question is on our working capital. So I've seen that our working capital, especially inventory has increased substantially in this financial year. So I just wanted to know what would be the normal working capital cycle considering we are importing our raw materials from Africa?
- Aayush Jain:** So, as I mentioned earlier, last year our inventory -- this year our inventory increased as compared to last year because last year our plant was shut when it -- it was shut for expansion, that is why deliberately we had planned less inventory to be there and also the finished goods were sold off. That is why the inventory was there. So this is something typically that you would see every year, this kind of an inventory. In terms of working capital requirement.
- Management:** So inventory was like around INR38 crores this year and the debtors is around INR18 crores as of now. And the increase you see that it is because of that last year the plant was shut down. So it's like basic level we are at the running at that now working capital, which is funded by like debtors, creditors as well.
- So we have creditors also INR20 crores for this year, which was earlier it was INR3 crores. So yes, we can see a jump in creditors also.
- Aayush Jain: So trade payable for us stood at about 40 days in the current fiscal, so that is what we assume at the moment.
- Aryan Bhatia:** Got it. And sir I just wanted to understand the key driver for the kernel prices. So what according to you is the key driver in increasing the realization for kernel price? Currently we are getting INR660 per kg. So can we increase that further and what leads to the increase or decrease in these prices?
- Pulkit Jain:** Yes, definitely it will be the movement in the commodity prices if you will see mostly primarily due to that. And then further if this forex is devaluing so the cost of imports is increasing, so that is further again going to pass on to that. So that is why you see mostly we try to maintain our GP margins.
- Moderator:** Aryan, I'll request you to come back for a follow-up question. Next question comes from the line of Darshil Jhaveri from Crown Capital Partners. Please go ahead.
- Darshil Jhaveri:** Hello. Good evening, sir. Thank you so much for taking my question, sir. Just wanted to harp a bit about our revenue for next year, sir. So currently you are at 86% utilization. You're saying that we can get 20% more from current capacity. So you mean that we can go up to nearly 100% utilization in current capacity or how do we do that, sir?

Aayush Jain: No, actually we have bought some additional machines during the year which were -- which have increased our capacity in terms of most of the machines had the capacity, they were bottlenecks in a few processes. So that has been sorted out which will help us increase our capacity this year.

Darshil Jhaveri: Okay, okay. Fair enough, sir. So for FY27 in terms of revenue, we can see additional 20% growth from our current capacity and Q4 we'll see some 10% to 15% revenue from the new capex, right? Is that the right way to understand, sir?

Aayush Jain: Yes, 20%.

Darshil Jhaveri: Okay, okay. Fair enough, sir. And just wanted to know like in terms of the war situation, do we see any kind of risk that there will be even more risk, like, we'll not be able to procure we'll not be able to procure stuff properly? How do we see that as sir?

Pulkit Jain: See, that is very clear. See the because of these war and all, this is happening in Middle East. Okay? And we are not concerned about anywhere in the Middle East other than the fuel prices rising up and the Indian forex affecting us.

Other than that, the when we come to the procurement of the raw material, so we are already procuring from West African countries so over there the situation there is a normal situation, so we are able to procure our goods in a normal way as we have been procuring over the past years.

And then at the time of shipment, yes definitely some cost has increased and that is the only impact which is coming in. And we are seeing that all these cost and all which have increased, it is somewhere or the other being passed on.

That some cost is being passed on to the customers by increase in the price and some is passed on to the suppliers by reducing the purchase price. So we are seeing it to be average, hence we don't see that our GP to be affected.

Darshil Jhaveri: Okay, okay. Fair enough. And just the last question from my end, so our brand Royal Mewa, we have seen tremendous increase in the first year, in this year sorry. So any kind of ad spends more that we are going to do in that like that can maybe impact our margins a bit? Because to grow this brand, we'll need to invest significantly in advertisement or how do you look at that sir in terms of growth of the brand sir?

Aayush Jain: Yes, so we are in the process of setting up a marketing initiative, a marketing budget for this year wherein our focus will revolve around social media marketing and online marketing because that is where we see our focus in terms of going ahead. We have been very, very focused in terms of selecting our channels so that we don't compromise on our bottom lines.

As the brands that are operating in this category today are heavily VC funded. So we're competing with the players like them, so we are being selective and we are carefully selecting the channels of positioning ourselves so that we don't compromise.

- Darshil Jhaveri:** Okay, fair enough. So basically the EBITDA margin guidance is accounted for by the ad spends that we are going to do, right sir?
- Pulkit Jain:** Yes, so it is a very clear approach for us that we are not going to compromise on our margins to increase our brand visibility. So it should not happen that if we are selling in our brand at a particular price but we are spending more on that to achieve those numbers. So, we are not going to enter into that. What we have to -- we are being very carefully, selecting our channels that where we can market our brand without compromising on our margins and leveraging our quality awareness and processing strength.
- Darshil Jhaveri:** Okay. Fair enough. And just the last question, so online I think we are in Amazon and Jio, but any kind of thing about getting into quick commerce like Blinkit, Zepto, because in terms of gifting that can also be a good measure of place where we can be or any kind of approach that we'll look at that also, sir?
- Aayush Jain:** Yes, we are already talking to these platforms and there were certain prerequisites that were need -- that were to be fulfilled which are already in the pipeline. So once those things are done, so definitely we are looking forward to getting listed on these platforms.
- Darshil Jhaveri:** Okay. Perfect. Yes, that's it from my side. Thank you so much. All the best.
- Moderator:** Next question is from the line of Varun, an Individual Investor. Please go ahead.
- Varun:** Good afternoon, sir. First of all, hearty congratulations for the maiden year post-IPO. Sir, my question is regarding the margin, sir. The margin fell down from 18% to 11%. Just wanted to understand is it purely because of currency forex thing or some supply chain issues as well?
- Aayush Jain:** So, 18% to 11%, it is related to two reasons. One is the movement of forex currency. Second, since we came up with an IPO, there were some IPO-related expenses which were which have entered into the P&L, so that was the second contributor.
- And third, generally what we have seen is that the prices in the RCN, the raw cashew nut, they moved in the later part of the year because of which we'll see H1 we had better margins as compared to H2. So, all these three factors put together contributed to that.
- Varun:** Okay, so sir going ahead if the things normalizes, like the geopolitical situation and the currency fluctuation things, what is the normalized margin for our business? Like the stable normalized margin that?
- Aayush Jain:** We expect 15% to 16% EBITDA.
- Varun:** Okay. And sir in future if such situation again persist, some geopolitical or forex thing, how are we going to mitigate ourselves like protect the margin against that?
- Pulkit Jain:** See as we mentioned, there is the one major risk which we see from this geopolitical tension is the more currency fluctuation and some increase in further increase in the shipping cost. So these are the two major things which we see and we are mitigating our risk.

We are already talking to the banks for the hedging mechanism so that we can hedge some currency risk. And then we are already talking to the shipping lines to do some longer-term contracts so that we can also hedge some of our shipping cost if we see it going to further increase. So these are two things that we are.

Varun: Sir, one last question from my side. Are we exporting the processed cashew as of now or is it sold completely in India?

Aayush Jain: No, so we exported some material, some cargoes in FY25. In FY26, we had no exports. In once the capacity the new facility is in place, then definitely we'll look at some export markets.

Varun: Sir, I was just reading about the cashew industry and I just got to come across like Vietnam, if I'm not wrong, is the biggest exporter of processed cashew nuts, right?

Aayush Jain: That's correct.

Varun: Okay. So, are we aiming to become like the global exporter from India in this industry? Like what are our major goals in the next five-ten years?

Pulkit Jain: See, it is very simple. India, we have to understand the cashew global dynamics. So India is the largest consumer of the cashew globally. And when we say largest, so single country consuming about 30% to 35% of the global cashew production.

So, India is a very strong consuming market for the cashew kernels, hence India becomes the major focus for us. And then as we move forward as you asked, what is our goal for the next five to ten years?

So, we definitely see ourselves not only being in Indian markets, but to cater to the international market which are Europe and US and Middle East and China, which is currently being done by Vietnam. And as we move forward, we have good plans to expand ourselves outside India.

Varun: Thank you so much, sir. That's it from my side. All the very best.

Moderator: Thank you. Next question is from the line of Rishabh, an individual investor. Please go ahead.

Rishabh: Hi, thanks for taking up my call. So, I have a question on Vizianagaram plant. So when it will be fully functional and when the realization will start? And along with that the machineries which we are procuring, so are those domestically procured or those are also imported?

Aayush Jain: So, we look at commencing with trial productions in November or December of FY27 and commercial production from Q4 of FY27. As far as the machinery procurement goes, some machineries are coming from Vietnam, some are coming from China, and balance around 40% to 45% is indigenous which are being brought from India itself.

Rishabh: Okay. And my second question is on the raw material which we procure from Africa. So do we also have the raw material from India also? But since considering that the African market is giving at the discounted price, so what is the price differential between the African market of that product per ton versus the Indian raw material price?

PulkitJain: No, it is actually not like that, that India is at a different price or Africa is at a discounted price. So overall India consumption, if we talk about for the cashew in terms of the raw cashew nut, it goes about to 2 to 2.2 million tons.

And India only produces about 400 to 500 thousand tons of raw cashew nut. So India has a deficit for its consumption demand, hence it has to import from West Africa. Now comparing the prices of the Indian crop and the West African crop, so Indian crop prices is dominated and influenced by what is happening in West African raw cashew nuts.

So, it is linked to that. And we also procure from India and we are exploring and expanding our capabilities to procure much larger portion also of our production from Indian markets as well.

Rishabh: Okay. Thank you.

Moderator: Thank you. Next question is from the line of Mr. Venkata from AVGO. Please go ahead.

Venkata: Yes, hi, sir. So, my question is regarding the new plant. So, in your introduction call, you clearly mentioned this plant is going to be the state-of-heart plant. How different from the existing plant to this plant?

There's going to be any different realizations with the new plant? That is my first question. The second question is, you mentioned with the new plant you will expand the margins as well, but you still stick with that 15% EBITDA margins only in future, especially for financial year 27. But it is contradicting with your introduction? These are my two questions.

Pulkit Jain: So, as we said that we are setting up a world-class automation plant over there and you asked about what is going to be the difference. So yes, definitely there is going to be a difference in our current plant and the new plant. So, the machines I would say would not be differentiated because the machines in our current plant is also an upgraded and latest technology—

Moderator: Participants, please stay connected. We have lost the line for Mr. Jain. Ladies and gentlemen, please stay connected. I'll be rejoining Mr. Jain back to the call. Ladies and gentlemen, thank you for your patience. We have the line from Mr. Jain reconnected. Sir, please go ahead.

Pulkit Jain: Yes, thank you. Sorry, my line got disconnected. So, I was saying so there would be a difference in the automation and the type of the processes we set up because the current plant we have expanded from the smaller capacity from 7,000 ton to 18,000 tons today.

And now this is a greenfield project in which one line we're setting up 100 tons. So, there's a lot of processes which we will be able to automize in this our new plant which is not currently happening at the current facility because of space issues and the progressive expansion over there. And definitely as we see because of all these reasons, we definitely see that we should have a better profitability and better efficiency and better synergies going forward.

Venkata: Okay. Thank you, sir.

Moderator: Thank you. Next question is from line of Purva Shah from Grobiz Fund. Please go ahead.

- Purva Shah:** Hi. Thank you for the opportunity and a very congratulations on the maiden conference call. A majority of my questions have been answered. I have three questions. First, are you pretty much confident on the timeline of completion of our new unit? Because a majority of our deployment is still pending?
- Pulkit Jain:** Yes, we are quite confident now on that because as we see, the construction is going on in a very good pace and our structure has also already been ordered and our people also visited that is being getting ready on time. So definitely we don't see any delays from the construction side. And we have already ordered the machines.
- There are a lot of machines which have the lead time, so we have placed orders of those machines who have the lead time. And a lot of machines don't have that much lead time, so that is why we have not placed order right now.
- But you will see in next two or three or four months maximum all the orders will be placed because some machines are only lead time with two months. So, we don't need to place the order for those machines right now.
- Purva Shah:** Understood. And for the timeline of deployment, you also mention about 25 crores to be deployed in the first half of next year, correct?
- Moderator:** Aayush? can I request you to unmute your line, please?
- Aayush Jain:** Hello?
- Moderator:** Yes, sir. Go ahead. You're audible now.
- Aayush Jain:** Yes. So, by that, we mentioned that we'll be issuing POs for 25 crores in the Q1. So payments will be done as per the PO terms for that.
- Purva Shah:** Okay. And the next question is on the borrowings. We have seen around INR20 crores of short-term borrowings increased. Could you give me some understanding on where have we sourced these funding from? Is it from the banks or any group companies?
- Aayush Jain:** No, so it is from our bankers. This is a straight working capital limit that we have with them.
- Purva Shah:** Okay. And what is the rate at which we have got this funding?
- Aayush Jain:** This funding is at, the last year it was at the rate of about 8.4%.
- Purva Shah:** Okay. And this year?
- Aayush Jain:** This year, I think it has come down by 25 points.
- Purva Shah:** Okay. And my last question is, the loans and advances have increased 5x. Could you give us some understanding on it?
- Aayush Jain:** Are you talking about long-term or short-term?

- Purva Shah:** Yes, long-term.
- Aayush Jain:** So these long-term loans and advances are the POs and advances that have been issued to the vendors for the new facility.
- Purva Shah:** Okay, so whatever we see for the deployment of the IPO proceeds for the capex is this INR10.62 crores?
- Aayush Jain:** Yes, POs have been given out for about INR39 crores. But out of that INR39 crores, INR10 crores is the advances that have been issued.
- Purva Shah:** Okay. And on the short-term that we see INR31.95 crores is about?
- Aayush Jain:** So, this is a advance that was issued that was given to our suppliers in the month of February.
- Purva Shah:** Okay. Understood. Thank you, sir, and all the best.
- Moderator:** Thank you. Next follow-up question is from the line of Aryan Bhatia from Invid Research. Please go ahead.
- Aryan Bhatia:** Thanks for the opportunity again.
- Moderator:** Your audio is not clear. Can you speak with the handset please?
- Aryan Bhatia:** My question is regarding our whole versus broken ratio because currently we are getting 660kg realization. So with the new capacity coming up, what will be our realization increase considering as you said it will be a better capacity in terms of what we currently have. And as we see, the new capacity will be around 35,000 metric ton.
- It will be double of what is our current capacity. But the realization, the revenue you said will be around INR470 crores. But from the current capacity, 1800 metric tons, we are doing almost around INR300 crores as you said we'll be having a 20% growth next year. So, from the upcoming capacity, why so much lower revenue as compared to the existing capacity?
- Aayush Jain:** No, so basically that was at a 70% utilization rate that I mentioned that revenue for FY28. Once we are at a 85% then the capacity, the revenue would definitely increase.
- Aryan Bhatia:** Got it. And sir our whole versus broken ratio. And second, when we source RCN from India as compared to Africa, what is the margin difference is? If you can give us that separately.
- Aayush Jain:** Yes, so our wholes recovery as compared to pieces recovery is now at about 70:30. 70 being wholes and 30 being pieces.
- Pulkit Jain:** And as you said that see there is I mentioned earlier also there is no clear like sourcing from India or Africa there would be directly impact in the margin. It is all about the pricing and all that you have to buy throughout the season and from each and every region to average out our pricing cost.

So that is why we buy from all the regions and at all the time so that we are averaging our purchase price throughout the season. So, it is not a clear any indication or clearly picked up and say we can say we are processing this so we are getting higher margin, we are processing this we are getting higher margins.

So, it is like that because whatever we procure now also it is not processed now, it is going to be processed after one month or two months or three months. So, it all depends on how the prices are.

Aryan Bhatia: And second, if you can provide the raw material import ratio versus domestic. If you can give that number. How much of the raw material we import?

Aayush Jain: For us last year around 6% to 8% was local domestic Indian crop and balance 93% to 94% was all imported.

Aryan Bhatia: Thank you. Thanks for the answer. And best of luck.

Moderator: Thank you. Next question is from line of Vishvender Singh from Prudent Equity. Please go ahead.

Vishvender Singh: Hi, sir. Just a follow-up on the debt part. What sort of maximum debt to equity are you comfortable with going ahead, like for working capital and all?

Aayush Jain: So, we look at about, we are at 0.25 as of now and we would like to be in this range.

Vishvender Singh: Okay. So, majority of the working capital would be from internal accrual? Is that correct?

Aayush Jain: Yes, Internal accruals and we will also, you know some of our borrowings are also going to increase as our net worth is also going to increase and then we enjoy a credit from our suppliers.

Vishvender Singh: Okay, got it. That's it from all. Thank you, sir.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Ms. Sakhi Panjiyara for closing comments.

Sakhi Panjiyara: Thank you everyone for joining the conference call of Pajson Agro India Limited. If you have any queries, you can write to us at research@kirinadvisors.com Once again, thank you everyone for joining the conference call. Thank you, Aayush sir. Thank you, Pulkit sir. Thank you, Nitin sir. Thank you, Roopal Thank you everyone.

Aayush Jain: Thank you everyone.

Pulkit Jain: Thank you everyone.

Moderator: Thank you. On behalf of Kiran Advisors, that concludes this conference. Thank you for joining us and you may now disconnect. Thank you.