Pajson Agro India Limited

November 17, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	55.00	CARE BBB- / CARE A3 (RWD)	Placed on Rating Watch with Developing Implications
Long-term bank facilities	RBI	20.00	CARE BBB- (RWD)	Placed on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Pajson Agro India Limited (Pajson) are placed under 'Rating Watch with Developing Implications' following the recent announcement by the company on the Bombay Stock Exchange pertaining to the acquisition of Pacific Global FZCO, for a total purchase consideration of ₹354.52 crore. The transaction is subject to approval from existing shareholders of Pajson and is proposed to be funded by way of a share swap arrangement through issuance of up to 1,20,58,397 fully paid-up equity shares of Pajson, on a preferential basis, at an issue price of ₹294/- per equity share to existing shareholders of the Pacific Global FZCO. CARE Ratings Limited (CareEdge Ratings) will continue to monitor developments in this regard and will take a view on ratings once more clarity emerges on implications of acquisition on the company's credit risk profile.

Ratings assigned to bank facilities of Pajson factor in the company's improving operational performance marked by growing scale of operations and stable profitability margins in FY25 (refer to April 01, 2024 to March 31, 2025) and FY26. Ratings also draw strength from the company's comfortable financial risk profile, resulting from the equity raise from initial public offer (IPO) in Q3FY26 (refers to October 01, 2025, to December 31, 2025), which resulted in improved capital structure. Ratings also draw comfort from the company's established supplier base, driven by its promoters' experience in similar line of business. However, rating strengths are offset by the company's working capital intensive operations and exposure to fragmented and competitive industry structure. Ratings are further restrained by forex fluctuation risk faced by the company since majority its raw materials are sourced from West Africa. Ratings are also constrained by the upcoming project, whose timely execution and stabilisation remains critical for achieving the projected growth and will be a key credit monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in operational performance of the company resulting in total operating income (TOI) of more than ₹250.00 crore while maintaining its profitability margins at current levels.
- Improvement in the operating cycle of less than 60 days on a sustained basis.

Negative factors

- Significant decline in scale of operations and profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of less than 12% on a sustained basis.
- Sustained deterioration in capital structure as reflected by an overall gearing of over 1.00x.
- Delay in commencement of construction of the upcoming plant, attracting cost overrun leading to stretch in the liquidity of the company.

Analytical approach: Standalone

Detailed description of key rating drivers

Key strengths

Growing scale of operations with healthy profitability margins

Pajson has demonstrated a sharp scale-up in operations over a short track record, with revenue increasing from ₹187.27 crore in FY25 to ₹255.72 crore in FY26, and expected to further improve in FY27, with the increased capacity. However, PBILDT margin

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

moderated slightly from 16.17% in FY25 to 14.34% in FY26, and however, remains healthy, supported by operating leverage, and better product mix.

The company expects its operational profile to be supported by proposed acquisition of Pacific Global FZCO, which has a plant in Cote d'ivoire, the major cashew producing hub of West Africa. The total purchase consideration for this acquisition is ₹354.52 crore and is proposed to be funded by way of a share swap arrangement through issuance of up to 1,20,58,397 fully paid-up equity shares of Pajson, on a preferential basis, at an issue price of ₹294/- per equity share to the existing shareholders of the Pacific Global FZCO. The transaction is also subject to approval from existing shareholders of Pajson.

The company's ability to maintain growth momentum for its scale of operations while maintaining its healthy profitability margins, will remain a key monitorable.

Multi-channel distribution network

The company benefits from a diversified distribution network, catering to wholesale mandis, institutional buyers, retail chains, and export markets. Revenue is primarily driven by processed cashew kernels (~89–95%), supplemented by by-products and a small presence in traded dry fruits. The company's presence across multiple geographies and channels supports revenue diversification and reduces dependence on single segment.

Comfortable financial risk profile supported by fresh equity raise through IPO

The financial risk profile has strengthened significantly post IPO, with net worth improving to ₹148.59 crore as on September 30, 2026, and expected to increase further in FY27. Gearing remains comfortable at 0.29x as on September 30, 2026, despite increased working capital borrowings. Debt protection metrics are strong, indicating adequate debt servicing capability. The equity infusion provides financial flexibility to support growth and capex plans.

Experienced promoters

Pajson's promoters have established presence in the agro-processing and raw cashew trading segment and have developed an understanding of procurement, processing, and distribution of cashew products. Their experience has enabled the company to scale up operations in a relatively short period while maintaining relationships with customers and suppliers, ensuring continuity in business operations.

Key weaknesses

Exposure to raw material price volatility and forex fluctuations

The company's profitability remains susceptible to fluctuations in raw cashew nut prices, which are influenced by global supply-demand dynamics. As a portion of raw materials is imported from West Africa, the company is exposed to foreign exchange risk. Adverse movement in input prices or currency rates may impact margins, given the limited ability to pass on cost increases in a competitive market.

Working capital intensive nature with elevated gross current asset days

Operations are inherently working capital intensive, as reflected in elevated gross current asset (GCA) days, driven primarily by high inventory holding and moderate receivables. Inventory levels remain significant, due to seasonal availability of raw cashew nuts, with higher stocking observed as on September 30, 2026, considering procurement during the peak season. While this supports uninterrupted processing and sales, it results in increased working capital requirements.

Exposure to fragmented and competitive industry structure

The cashew processing industry is highly fragmented with presence of numerous organised and unorganised players. Low entry barriers and intense competition limit pricing flexibility and bargaining power, which may exert pressure on margins, particularly during periods of input cost volatility.

Project execution and stabilisation risk related to proposed capex for capacity expansion

The company is undertaking capacity expansion through the establishment of a second processing facility, with a total project cost of ~₹74.45 crore, primarily funded through IPO proceeds (₹57.00 crore) and the balance through a mix of internal accruals and bank debt. Timely execution and stabilisation of the new facility will be critical for achieving the projected growth in scale and profitability. Delay or cost overrun may impact the company's financial performance and return metrics.

Liquidity: Adequate

Average working capital utilisation for the trailing 12 months ending October 2026, stood at ~85.00%. The company's current ratio and quick ratio stood at 2.51x and 1.85x, respectively, as on March 31, 2026, compared to 1.64x and 0.94x, respectively, as on March 31, 2025. The projected capacity expansion with a total project cost of ~₹74.45 crore is expected to be funded primarily through IPO proceeds (₹57.00 crore) and balance through a mix of internal accruals and term debt of ~₹20.00 crore.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products

Pajson is engaged in processing of raw cashew nuts into cashew kernels for domestic and international markets. Established in 2021, the company has expanded its operations to include a diverse product portfolio comprising multiple grades of cashew kernels, by-products, such as husk and shells, and a range of dry fruits marketed under its brand "Royal Mewa".

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	September 30, 2026 (UA)
Total operating income	187.27	255.72	143.39
PBILDT*	30.29	36.68	18.59
Profit after tax (PAT)	20.41	24.78	12.56
Overall gearing (x)	0.33	0.25	0.29
Interest coverage (x)	20.64	13.67	8.23

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

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	RBI	Not applicable	-	-	-	Proposed	20.00	CARE BBB- (RWD)
Fund-based - LT/ ST-Working Capital Limits	RBI	Not applicable	-	-	-	-	55.00	CARE BBB- / CARE A3 (RWD)

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/ ST-Working Capital Limits	LT/ST	55.00	CARE BBB- / CARE A3 (RWD)	-	1)CARE BBB-; Stable / CARE A3 (31-Mar-26)	-	-
2	Fund-based - LT-Term Loan	LT	20.00	CARE BBB- (RWD)	-	1)CARE BBB-; Stable (31-Mar-26)	-	-

LT: Long term; LT/ST: Long term/Short term

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

Annexure-4: Lender details

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

Annexure-5: List of entities consolidated: Not applicable

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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