

## Pajson Agro India Limited

March 31, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	20.00	CARE BBB-; Stable	Assigned
Long Term / Short Term Bank Facilities	55.00	CARE BBB-; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to the bank facilities of Pajson Agro India Limited (Pajson) factor in the improving operational performance of the company marked by growing scale of operations along with improvement in profitability margins during the last 3 fiscal years ending FY25 (from April 01, 2024, to March 31, 2025). Ratings also draw strength from the comfortable financial risk profile of the company resulting from the equity raise from Initial Public offer during Q3FY26 (refers to October 01, 2025, to December 31, 2025) which resulted in improved capital structure. Furthermore, ratings also draw comfort from the established supplier base of the company driven by the experience of its promoters in similar line of business. Rating strengths are however offset by the working capital-intensive nature of operations of the company along with exposure to fragmented and competitive industry structure. Ratings are further restrained by forex fluctuation risk faced by the company since majority of its raw materials are sourced from West Africa. Ratings are also constrained by the upcoming project, whose timely execution and stabilization 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 TOI of more than Rs. 250 crores 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 along with PBILDT margin of less than 12% on a sustained basis
- Sustained deterioration in the capital structure as reflected by an overall gearing of more than 1x
- Any delay in commencement of construction of the upcoming plant, attracting cost overrun leading to stretch in the liquidity of the company.

### Analytical approach: Standalone

#### Outlook: Stable

CARE ratings believes that the entity shall benefit from the experience of its promoters in the industry.

### 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 ₹98 crore in FY24 to ₹187 crore in FY25 and expected to further improve in FY26 with the increased capacity. The growth is supported by increasing capacity utilization (installed capacity of 18,000 MTPA as of H1FY26), improving sales realizations, and focus on value-added processing of cashew kernels. Profitability has also improved significantly, with PBILDT margin improving from 6.85% in FY24 to 16.17% in FY25 and remaining healthy thereafter, supported by operating leverage and better product mix. Company's ability to maintain growth momentum for its scale of operations while maintain 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 (around 89–95%), supplemented by by-products and a small presence in traded dry fruits. The company's presence across multiple geographies and channels, along with improving

<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.

sales realization (₹6.18 lakh/MT in FY25 to ₹7.55 lakh/MT in H1FY26), supports revenue diversification and reduces dependence on any 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 ₹58 crore as on September 30, 2025 and expected to increase further in FY26. Gearing remains comfortable at 0.22x as on September 30, 2025, 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**

The promoters of Pajson 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. Further, as a portion of raw materials is imported from West Africa, the company is exposed to foreign exchange risk. Any 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 the seasonal availability of raw cashew nuts, with higher stocking observed as on September 30, 2025, on account of 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 the presence of numerous organized and unorganized 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 (Rs. 57.00 crores) and the balance through a mix of internal accruals and bank debt. Timely execution and stabilization of the new facility will be critical for achieving the projected growth in scale and profitability. Any delay or cost overrun may impact the company's financial performance and return metrics.

#### **Liquidity: Adequate**

The company does not have any term debt exposure as on September 30, 2025. Furthermore, the average working capital utilisation for the trailing 12 months ending February 2026, stood at around 90%. The current ratio and quick ratio of the company stood at 1.64x and 0.94x respectively as on March 31, 2025, as compared to 1.05x and 0.34x respectively as on March 31, 2024. Furthermore, the projected capacity expansion with a total project cost of ~₹74.45 crore is expected to be funded primarily through IPO proceeds (Rs. 57.00 crores) and the balance through a mix of internal accruals and bank debt.

**Assumptions/Covenants:** Not Applicable

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

### **Applicable criteria**

[Definition of Default](#)

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

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## 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 the 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, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	98.01	187.27	118.37
PBILDT*	6.71	30.29	21.07
Profit after tax (PAT)	4.10	20.41	14.21
Overall gearing (x)	0.61	0.33	0.22
Interest coverage (x)	48.62	20.64	19.69

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	-	-	-	Proposed	20.00	CARE BBB-; Stable
Fund-based - LT/ ST-Working Capital Limits	-	-	-	-	55.00	CARE BBB-; Stable / CARE A3

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

Sr. No.	Name of the Instrument/Bank Facilities	Type	Current Ratings		Rating History			
			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/ ST-Working Capital Limits	LT/ST	55.00	CARE BBB-; Stable / CARE A3	-	-	-	-
2	Fund-based - LT-Term Loan	LT	20.00	CARE BBB-; Stable	-	-	-	-

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-Term Loan	Simple
2	Fund-based - LT/ ST-Working Capital Limits	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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