

Amir Chand Jagdish Kumar (Exports)- IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
24 March 2026	27 March 2026	₹201 to ₹212	Neutral

Investment Summary

Amir Chand Jagdish Kumar (Exports) Limited is a leading processor and exporter of basmati rice and FMCG staples, leveraging over four decades of industry expertise in India. Amir Chand Jagdish Kumar (Exports) Limited presents a play on India's branded basmati rice export opportunity supported by an integrated operating model and an established brand franchise. The company benefits from strong positioning in premium basmati rice, backed by sourcing from GI-tagged regions and a wide product portfolio catering to both retail and HORECA segments. Its presence across the value chain enables better control over quality, costs, and supply, while by-product monetization and scale efficiencies support margin resilience. Going forward, growth is expected to be driven by rising global demand for basmati rice, increasing shift toward branded and packaged staples in India, and expansion of the company's distribution network and FMCG portfolio. However, the investment case is moderated by high working capital intensity, elevated leverage, dependence on paddy price cycles, and exposure to regulatory and export-related risks. Overall, the company offers a combination of scale, brand strength, and export-led growth potential, albeit with inherent risks typical of the agri-commodity and export-oriented business model.

Company Overview

Amir Chand Jagdish Kumar (Exports) Limited, incorporated in 2003, is an integrated processor and exporter of basmati rice along with a growing presence in the domestic FMCG segment. Its product portfolio is divided into two segments: rice, comprising basmati and specialty varieties such as sona masuri, kolam, idli, and ponni rice; and FMCG products, including staples like aata, maida, sooji, besan, salt, and sugar. The company markets its offerings under its flagship "AEROPLANE" brand along with over 40 sub-brands, supported by a strong intellectual property base of 100 trademarks across India and international markets. The company has established a diversified geographic footprint, exporting to over 38 countries across four continents while maintaining a strong domestic distribution network for its FMCG segment. Its infrastructure includes two manufacturing and processing facilities located in Amritsar and Safidon, along with a dedicated packaging unit in New Delhi. The domestic business has demonstrated robust traction, with revenue growing at a CAGR of approximately 24.93% between FY22 and FY24, driven by brand expansion and increasing penetration in staple food categories.

Business Model

Amir Chand Jagdish Kumar (Exports) Limited operates a fully integrated business model with control across the entire rice value chain, encompassing procurement, storage, automated processing, branding, and distribution. The company sources paddy through an extensive network of over 325 procurement agents across key agricultural mandis in northern India, ensuring consistent raw material availability and quality while reducing dependence on intermediaries. Its operations are supported by three strategically located facilities in Punjab, Haryana, and Delhi, with an aggregate installed capacity of 550,800 MTPA for rice processing. This backward and forward integration supports better cost control, minimizes supply chain inefficiencies, and enhances operating margins through procurement efficiencies and scale benefits.

The integrated structure further drives margin accretion through effective by-product utilization, wherein rice husk is used for captive power generation via biomass turbines, lowering energy costs, while rice bran is monetized through sales to edible oil manufacturers, creating an additional revenue stream. Alongside its core rice segment, the company has diversified into the FMCG segment, offering staple kitchen products such as atta, maida, besan, salt, and sugar, which typically command relatively stable margins and support revenue diversification. Overall, the combination of scale, integration, and by-product monetization positions the company to maintain relatively resilient EBITDA margins while benefiting from operating leverage as volumes grow.

Industry Outlook

The Indian rice market is expected to witness steady growth, projected to reach USD 59.8 billion by 2030, implying a CAGR of approximately 1.8% from 2025. While domestic growth remains moderate due to the staple nature of the category, export demand, particularly for basmati rice, continues to be a key growth driver, with basmati exports estimated to grow at a stronger CAGR of 8% between 2024 and 2030. Structural shifts within the industry, including the gradual transition from unorganized to organized players, increasing penetration of branded and packaged products, and the rapid rise of online grocery and quick commerce platforms, are further supporting value growth and formalization of the sector.

Globally, rice production is projected to reach a record 541.6 million metric tons in the 2025–26 marketing year, driven by improved yields across major Asian producing regions, ensuring stable supply dynamics. On the demand side, evolving consumer preferences in India are leading to premiumization within the category, supported by higher disposable incomes, branding initiatives, and marketing efforts such as celebrity endorsements. This shift toward higher-quality, branded rice is expected to enhance realizations and margins for organized players, positioning them to capture incremental market share in both domestic and export markets.

Investment Rationale

1. Strong Brand Equity Driving Premiumization

The company's flagship "AEROPLANE" brand, with a legacy of over four decades, enjoys strong recognition and commands a pricing premium over unbranded alternatives. Its diversified portfolio of 40+ sub-brands caters to multiple consumer segments, ranging from premium aged basmati rice (matured for 12–24 months with higher realizations) to high-volume HORECA offerings. Additionally, sourcing from GI-tagged basmati-growing regions in Punjab, Haryana, and Delhi enhances product authenticity, strengthens export competitiveness, and supports premium positioning in international markets.

2. Integrated Operations Enhancing Margins and Efficiency

The company's vertically integrated model enables meaningful cost efficiencies and margin expansion. Strategic plant locations near key procurement mandis reduce logistics costs and ensure timely sourcing during peak seasons. Further, efficient by-product utilization such as captive power generation through a 950 kW biomass turbine using rice husk and monetization of rice bran lowers operating costs while creating incremental revenue streams. This integrated approach supports stable EBITDA margins and improves overall operating efficiency.

3. Scalable Growth Strategy with FMCG Diversification

The company is well-positioned to benefit from the structural shift toward organized and branded food consumption. It plans to significantly expand its distribution network from 431 distributors to over 700 by FY28, with a focus on underpenetrated Tier 3 and Tier 4 markets, thereby driving volume growth. In parallel, the FMCG segment is being scaled leveraging existing supply chain strengths, with a pipeline of higher-margin value-added products such as honey, pasta, and rice-based offerings. This diversification is expected to enhance revenue visibility and improve margin profile over the medium term.

4. Improving Financial Profile and IPO-Led Deleveraging

The company has demonstrated healthy profitability metrics, with ROE at 17.6% in FY25, reflecting efficient capital utilization. A key objective of the ₹4,400 million IPO is to fund incremental working capital requirements, enabling the company to support higher order volumes and inventory cycles without reliance on additional debt. This is expected to materially improve the capital structure by reducing the debt-to-equity ratio (2.07 as of March 31, 2025) and lowering finance costs, thereby supporting stronger net profit growth and return ratios going forward.



Key Risks

1.Regulatory and Operational Risk: Packaging units located in non-conforming industrial areas in Delhi expose the company to potential regulatory actions, including relocation orders and operational disruptions. Any forced relocation may lead to increased costs, downtime, and supply chain inefficiencies.

2.Raw Material Price and Supply Volatility: Profitability is highly dependent on the availability and pricing of basmati paddy, which is seasonal in nature. Adverse fluctuations in procurement prices or inadequate supply can materially impact margins.

3.High Working Capital Intensity and Leverage: The business requires significant working capital due to procurement cycles and mandatory aging of rice (3–24 months). Elevated borrowings have resulted in a relatively high debt-to-equity ratio. Any inability to service debt or comply with loan covenants could adversely affect liquidity and operations.

4.Exposure to Government Policies and Export Markets: A substantial portion of revenue is export-driven, making the company vulnerable to changes in government regulations, export bans, and trade restrictions. External disruptions such as geopolitical tensions can further impact demand and realizations

Geography Wise Revenue from Operations

Particulars	FY23		FY24		FY25	
	In Cr	%	In Cr	%	In Cr	%
India(A)	403.58	30.67%	725.52	46.82%	1,235.58	61.73%
Middle East(B)	663.93	50.46%	692.78	44.71%	403.22	20.14%
Rest of the World(C)	248.35	18.87%	131.22	8.47%	362.85	18.13%
Revenue from operations	1,315.85	100%	1,549.52	100%	2,001.65	100%

Financial Snapshot

Metric	(In Cr)		
	FY23	FY24	FY25
Revenue (₹ Cr)	1,315.85	15,49.52	20,01.65
EBITDA (₹ Cr)	79.69	109.66	163.65
Net Profit (₹ Cr)	17.50	30.41	60.82
EBITDA Margin (%)	6.05%	7.07%	8.17%
PAT Margin (%)	1.32%	1.96%	3.03%
EPS (Basic) (₹)	2.11	3.67	7.35

**IPO Details and Use of Proceeds**

Parameter	Details
Issuer	Amir Chand Jagdish Kumar (Exports)
IPO Structure	Fresh Issue
Issue Size	Fresh Issue: 2,07,54,716 shares (agg. up to ₹440 Cr)
Price Band	₹ 201 to ₹212 per share
Face Value	₹10 per share
Post-Issue Market Cap	₹2,195.29 Cr.
Promoter Holding (Pre/Post)	99.44%/ 78.78%
IPO Opening Date	March 24, 2026
IPO Closing Date	March 27, 2026
Listing	BSE & NSE
Book Running Lead Managers	<ul style="list-style-type: none"> • Emkay Global Financial Services Ltd. • Keynote Financial Services Ltd.

Valuation and Recommendation

At the upper end of the price band of **₹212** per share, Amir Chand Jagdish Kumar (Exports) is valued at **36x P/E**, implying a **post-issue market capitalisation of ₹2,195.29 crore**. The company ranks 3rd among its peers in terms of revenue and is one of the few branded rice players that has successfully diversified into FMCG staples. The company's return ratios (**ROE 17–18%**) and improving margin profile support its valuation to an extent, particularly given the structural tailwinds in branded basmati exports and domestic FMCG expansion. However, the business remains inherently working capital intensive, with elevated leverage and exposure to commodity price cycles, which typically warrant a valuation discount compared to asset-light FMCG peers. While long-term growth prospects remain supported by premiumization, export demand, and distribution expansion, near-term concerns around debt levels, regulatory risks, and earnings volatility persist. The current valuation offers limited margin of safety, leading us to assign a **Neutral rating to the IPO**, with a preference to track operational performance and profitability trends in the post-listing period.

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