IPO REVIEW

Amir Chand Jagdish Kumar (Exports) IPO

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- The company is one of the leading players in Basmati Rice and has recently added few FMCG products.
- The company generates around 40% revenue from exports and Rice contributes over 99% of its total revenue.
- It is operating in a highly competitive and fragmented segment.
- Based on its recent financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus/risk seekers may park moderate funds for long term.

About the Company

Amir Chand Jagdish Kumar (Exports) Ltd. (ACJKEL) is a processor and exporter of basmati rice and other FMCG products in India. Leveraging the extensive expertise of Promoters, the Company benefits from over four decades of experience in the basmati rice industry in India. As per Company commissioned CARE Report, it ranked 3rd among peers in terms of revenue, it is among the few Indian branded rice players that have ventured into FMCG staples. It believes it is one of the few Indian companies with fully integrated operations with a presence across the basmati rice value chain, with operations that

include procurement, storage, processing, marketing and sales. In addition, the company has also diversified into FMCG products, offering staples and essential kitchen supplies such as aata, maida, sooji, besan, salt and sugar.

Its market products under its flagship registered and trademarked brand “AEROPLANE”, with more than 40 different sub brands for various products, including without limitation, “Aeroplane La-Taste”, “Aeroplane Classic”, “Ali baba”, “World Cup” and “Jet”. As of date of this Red Herring Prospectus, it has registered a total of 100 trademarks, including 70 trademarks in India and 30 trademarks across 26 countries primarily in Europe, Asia and Africa, and 22 copyrights in India. It provides its customers with a diverse range of brands across multiple price segments catering to various demographics.

ACJKEL products are broadly categorized into two (2) segments: (i) rice and (ii) FMCG. The products in its rice segment comprise of basmati rice and other specialty rice, such as kolam rice, sona masuri, idli rice and ponni rice. It derives a majority of revenue from its basmati rice products. Basmati rice, famous for its aroma and long grains, is a premium variety and one of the most prized varieties of rice. As per Company commissioned CARE Report, basmati rice from India has been granted a Geographical Indication (GI) tag, recognizing its unique identity and ensuring protection against

counterfeit products in international markets. As per Company commissioned CARE Report, India is the leading exporter of basmati rice to the world with an export volume of 6,065,500 MT (increased by 16% as

against the previous year) to the world for the worth of Rs. 50,312 crores/ USD 5,944 million, during the year 2024-25, according to Agricultural and Processed Food Products Export Development Authority (APEDA).

As per Company commissioned CARE Report, during the past five years, India exported rice to about 150 countries globally. The major export destination being the Middle East, including Saudi Arab, Iran, Iraq, UAE, etc. Its basmati rice products are further categorized into “premium”, “medium” “value” and “HORECA” segments, depending on type and blend of grain, the respective brands under which such products are distributed, the target customers and the price range. Leveraging its existing market presence, distribution networks, quality control expertise, procurement efficiencies and brand recognition, it has recently expanded into FMCG products. Products in FMCG segment comprise of kitchen essential supplies, including wheat flour (atta), refined wheat flour (maida), gram flour (besan), instant phirni, idli rice flour, salt, semolina (sooji) and sugar. Rice contributes lion share (around 99%) in its top lines. The export revenue stands at 40% in its total revenues. As of February 28, 2026, it had 225 employees on its payroll and additional 270 contract labourers.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO worth Rs. 440 cr. (approx. 20754717 equity shares of Rs. 10 each at the upper cap). The company has announced a price band of Rs. 201 – Rs. 212 per equity shares of Rs. 10 each. The issue opens for subscription on March 24, 2026, and will close on March 27, 2026. The minimum application to be made is for 70 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 20.04% of the post-IPO paid-up equity capital. From the net proceeds of fresh equity issue, the company will utilize Rs. 400.00 cr. for working capital, and the rest for general corporate purposes.

The two Book Running Lead Managers (BRLMs) to this issue are Emkay Global Financial Services Ltd., and Keynote Financial Services Ltd., while KFin Technologies Ltd., is the registrar to the issue. Emkay Global Financial, Keynote Capitals, and Sunflower Broking Pvt. Ltd. are the syndicate members.

After issuing initial equity shares at par, the company has issued/converted further equity shares in the price range of Rs. 70.00 – Rs. 2280.00 (based on Rs. 10 FV) between January 2005, and August 2025. It has also issued bonus shares in the ratio of 14 for 1 in September 2024. The average cost of acquisition of shares by the promoters is Rs. 0.33, Rs. 4.68, and Rs. 19.00 per share.

Post-IPO, its current paid-up equity capital of Rs. 82.80 cr. will stand enhanced to Rs. 103.55 cr. Based on the upper cap of the IPO price band; the company is looking for a market cap of Rs. 2195.29 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted a total income/net profit, of Rs. 1317.86 cr. / Rs. 17.50 cr. (FY23), Rs. 1551.42 cr. / Rs. 30.41 cr. (FY24), and Rs. 2004.03 cr. / Rs. 60.82 cr. (FY25). For H1 of FY26 ended on September 30, 2025, it earned a net profit of Rs. 48.65 cr. on a total income of Rs. 1024.30 cr.

For the last three fiscals, the company has posted an average EPS of Rs. 5.34 and an average RoNW of 13.30 %. The issue is priced at a P/BV of 3.95 based on its NAV of Rs. 53.68 as of September 30, 2025, and at a P/BV of 2.48 based on its post-IPO NAV of Rs. 85.62 per share (at the upper cap).

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 22.55. Based on FY25 earnings, the P/E stands at 36.12. Thus, the issue appears aggressively priced, discounting all near term positives. Thanks to bumper profits for H1-FY26, which has helped it to keep the P/E at lower level.

For the reported periods, the company has posted PAT margins of 1.33% (FY23), 1.96% (FY24), 3.04% (FY25), 4.76% (H1-FY26), and RoCE margins of 7.82%, 10.41%, 14.36%, 9.16% respectively, for reported periods.

Dividend Policy

The company has not paid any dividends since incorporation. It has already adopted a dividend policy in April 2025, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown L T Foods, KRBL Ltd., Chaman Lal Setia, GRM Overseas, Sarveshwar Foods, as its listed peers. They are currently trading at a P/E of 20.2, 10.2, 11.4, 43.8, and 11.8 (as of March 20, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

The two BRLMs associated with this issue have handled 4 issues in the last 3 fiscals, out of which 1 issue closed below the offer price on listing date.

Conclusion / Investment Strategy

ACJKEL is one of the leading players in Basmati Rice and has recently added few FMCG products. The company generates around 40% revenue from exports and Rice contributes over 99% of its total revenue. It is operating in a highly competitive and fragmented segment. Based on its recent financial data, the issue appears aggressively priced. Only well-informed/cash surplus/risk seekers may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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