

RATING RATIONALE

22 Oct 2019

Amir Chand Jagdish Kumar (Exports) Ltd

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of ₹ 839.03 Crs. of Amir Chand Jagdish Kumar (Exports) Ltd based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Oct 2018)	Present
Fund based	109.03	109.03	Long Term	BWR A- (Stable)	BWR BBB- (ISSUER NOT COOPERATING) (Stable) (Downgrade)
	630.00	630.00	Short Term	BWR A2+	BWR A3 (Stable) (Downgrade)
Non Fund Based	100.00	100.00			
Total	839.03	839.03	INR Eight Hundred Thirty Nine Crores and Three lakhs only		

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Details of Bank facilities/in Annexure-I

RATING ACTION / NATURE OF NON-COOPERATION

The rating was due for review in Oct 2019 and BWR took up with the issuer to provide required information over emails. Despite the best efforts of BWR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the Company, BWR is unable to assess the company's performance, its ability to service its debt and maintain a valid rating. Due to Issuer Non cooperation, BWR has reviewed the rating based on best available information and downgraded the rating to BWR BBB-/A3(ISSUER NOT COOPERATING)

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk and non-cooperation by the issuer to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

Company's Financial Performance (As available in Oct 2018)

During Q1 FY19 (on a provisional basis), the company reported a revenue of Rs. 521.54 Crs with an EBITDA of Rs. 31.57 Crs. The revenue has further increased to Rs. 837 Crs for 5M FY19. Key financial indicators for FY17 and FY18 are given in the table below:

Key Financial Indicators			
Particulars	Unit	FY17 (A)	FY18 (A)
Operating Income	Rs. Crores	1178.07	1287.12
EBITDA	Rs. Crores	66.77	76.26
PAT	Rs. Crores	15.22	16.92
Tangible Networkth	Rs. Crores	191.15	211.48
Total Debt	Rs. Crores	483.13	636.41
Total Debt : Equity	Times	2.53	3.01
Current Ratio	Times	1.21	1.20

COMPANY PROFILE (As available in Oct 2018)

Amir Chand Jagdish Kumar (Exports) Ltd (ACJKEL) was incorporated in 2003 at New Delhi after taking over the business of M/s Amir Chand Jagdish Kumar (a 25 year old partnership concern). An ISO 9001:2000 company, ACJEKL was promoted by Mr. J.K. Suri and his son Mr. Rahul Suri. The company is engaged in the milling, processing and export of basmati rice. ACJKEL sells its products under its own brand "Aeroplane" as well as under private labels for some of its international customers. The company procures paddy from local mandis through commission agents mainly from Punjab and Haryana. It has three processing units located at Amritsar (Punjab), Safidon (Haryana) and Delhi. Combining all the three plants, ACJKEL has a capacity to process 371313 MT of rice.

In the domestic market, the products are sold through a network of 500 distributors. In the international market, the products are sold through commission agents. The company exports to both Government as well as Private Entities.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY - Not Applicable

Rating History for the last three years:

Sl. No.	Facility	Current Rating (Oct 2019)			Rating History			
		Type	Amount (Rs Crs)	2019	9 Oct 2019	2018	2017	2016
Fund Based								
1.	Term Loan (ECB)	Long Term	14.03	BWR BBB- (ISSUER NOT COOPERATING) (Stable) (Downgrade)	Rating Not Reviewed	BWR A- (Stable)	BWR BBB+ (Stable)	BWR BBB (Stable)
2.	Cash Credit		95.00					
3.	PCL/PCF C	Short Term	530.00	BWR A3 (ISSUER NOT COOPERATING) (Downgrade)		BWR A2+	BWR A2	BWR A3+
4.	FBN/FBP		100.00					
Non-Fund Based								
1.	Letter of Credit	Short Term	100.00	BWR A3 (ISSUER NOT COOPERATING) (Downgrade)	Rating Not Reviewed	BWR A2+	BWR A2	BWR A3+
Total			839.03	INR Eight Hundred Thirty Nine Crores and Three Lakhs Only				

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

Analytical Contacts	Investor and Media Relations
<p>[Karan Ahluwalia] Rating Analyst [Board: +911123412232] [karan.a @brickworkratings.com]</p> <p>[R K Sharma] [Sr. Director – Ratings] Board: +911123412232 [rksharma@brickworkratings.com]</p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 liena.t@brickworkratings.com</p>

ANNEXURE I -Amir Chand Jagdish Kumar (Exports) Ltd

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term	Total [₹ Cr]
1	Union Bank Of India	Cash Credit	45.00		45.00
		PCL		170.00	170.00
		FBP/FBN		50.00	50.00
		LC		50.00	50.00
2	Bank Of India	Cash Credit	50.00		50.00
		PCL		360.00	360.00
		FBP/FBN		50.00	50.00
		LC		50.00	50.00
		ECB	14.03		14.03
TOTAL					839.03

INR Eight Hundred Thirty Nine Crores and Three lakhs only

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone



has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings :Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons