

Rinkle Vira
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Issue Details

Issue Details	
Issue Size (Value in ` million, Upper Band)	3,060
Fresh Issue (No. of Shares in Lakhs)	205
Offer for Sale (No. of Shares in Lakhs)	94
Bid/Issue opens on	12-Aug-25
Bid/Issue closes on	14-Aug-25
Face Value	Rs. 5
Price Band	96-102
Minimum Lot	144

Objects of the Issue:

- **Fresh Issue: ₹ 2,100 Million**
 - Re-payment or pre-payment of term loans, in full or in part, of certain borrowings availed by the Company; and General corporate purposes.
- **Offer for sale: ₹ 960 Million**

Book Running Lead Managers	
Pantomath Capital Advisors Pvt Ltd, Sumedha Fiscal Services Ltd	
Registrar to the Offer	
MUFG Intime India Pvt Ltd	

Capital Structure (` Million)	Aggregate Value
Authorized share Capital	700
Subscribed paid up Capital (Pre-Offer)	411
Paid up capital (Post - Offer)	514

Share Holding Pattern %	Pre Issue	Post Issue
Promoters & Promoter group	99.6%	70.4%
Public	0.4%	29.6%
Total	100%	100%

Financials

Particulars (Rs. In Million)	FY25	FY24	FY23
Revenue from operations	9,152	6,000	4,880
Operating expenses	8,024	5,437	4,473
EBITDA	1,128	564	407
Other Income	24	11	7
Depreciation	141	88	76
EBIT	1,011	486	338
Interest	374	195	112
PBT	638	291	226
Share of loss from JV	-	-	-
Tax	161	70	58
Consolidated PAT	477	221	168
EPS	5.8	2.7	2.0
Ratio	FY25	FY24	FY23
EBITDAM	12.3%	9.4%	8.3%
PATM	5.2%	3.7%	3.4%
Sales growth	52.5%	23.0%	-

Sector- Agro Processing Company Description

Incorporated in 2012, Kolkata based, Regaal Resources Ltd, is engaged in the business of manufacturing maize-based speciality products which include native maize starch, modified starch, value added products, and co-products. It is one of the largest manufacturers of maize based specialty products in India, in terms of crushing capacity, with a total installed crushing capacity of 750 tonnes per day (TPD). The Company plans to increase its installed capacity from 750 TPD to 1,650 TPD.

The location of its manufacturing facility is of strategic importance, as it is located within the maize catchment area in Bihar and is in close proximity (110 km) to Gulabghat which is one of the largest maize mandi/ markets. This gives the company an advantage in efficient procurement of maize while reducing logistics costs.

Its key product segments include native maize starch (59.3% revenue share in FY25), modified starch (0.5%), Co-products (21.8%), value added products (VAP) (1.6%), and others, i.e. traded maize (16.8%). It manufactures products including Starch, Dextrins, Gluten, Germ and Fiber & Value-Added Products such as baking powder, custard powder, maize flour, and icing sugar.

The company has nationwide as well as international presence, with domestic operations contributing about 92.8% to the revenue and exports of about 7.2% in FY25. Within India, the east has the highest revenue share at 38.8%, followed by the north at 31.6%, the west at 15.9% and rest of India at 6.5%. Internationally, it exports to Malaysia (3.3%), Bangladesh (2.2%), and Nepal (1.7%).

Its end-user industries include paper (27.4% revenue share in FY25), animal feed (13.2%), food manufacturing (7.5%), other manufacturing (16.5%) and sales to dealers and distributors (35.5%).

It caters to a diverse base of almost 261 customers, including Emami Paper Mills Ltd., Manioca Food Products Private Ltd., Century Pulp & Paper, Kush Proteins Private Ltd., Shri Guru Oil Industries, Mayank Cattle Food Ltd., Aarnav Sales Corporation, AMV Sales Corporation, Eco Tech Papers, Genus Paper Board Private Ltd., Krishna Tissues Private Ltd., Maruti Papers Private Ltd., and M/s Vasu and Sons.

Valuation:

Regaal Resources Ltd. is an Indian agro-processing company specializing in the manufacturing of maize-based products. The company is well positioned to capitalize on this opportunity, leveraging its strategic location in Kishanganj, a key maize belt accounting for 11.58% of national output and its proximity to major mandis and cross-border markets. With capacity utilization at 99.74% and an ongoing scale-up from 750 to 1,650 TPD, the company demonstrates strong demand visibility and robust execution capabilities.

Its integrated 54-acre facility, captive power plant, and ESG-compliant systems enhance operational resilience, while a diversified product portfolio spanning native and modified starches addresses high-growth sectors including food, pharma, and personal care. A growing pan-India footprint, deepening customer relationships, and a strong sourcing strategy further reinforce its competitive edge.

On the valuation front, based on annualized FY25 earnings, the company is seeking a P/E of 21.9 times, and a post-issue market capitalization of approximately Rs 10,477 million, making the issue appear fully priced. We believe, it has capital-intensive nature of operations, exposure to Agri cycles, and limited pricing power in a commoditized market. However, its strategic location, diversified customer base, and expanding footprint support long-term scalability. Thus, we assign **SUBSCRIBE for LONG TERM** rating for this issue.

Company Overview

Reegal Resources is one of India’s largest maize-based specialty product manufacturers, with a crushing capacity of 750 tonnes per day (TPD). It was founded in 2016 and is promoted by by Anil Kishorepuria, who is the chairman and MD. Karan Kishorepuria, part of the Promoters is a KMP and the whole-time director. The company produces:

- **Native maize starch and modified starch** – natural starch made from maize.
- **Co-products** – gluten, germ, enriched fiber, and fiber.
- **Value-added products** – food-grade starches like maize flour, icing sugar, custard powder, and baking powder.

Product category	Fiscal 2025 Amount (₹ million)	Fiscal 2025 % of Contract Price	Fiscal 2024 Amount (₹ million)	Fiscal 2024 % of Contract Price	Fiscal 2023 Amount (₹ million)	Fiscal 2023 % of Contract Price
Native maize starch	5,370	59.3	3,553	59.4	2,917	60.6
Modified Starch#	45	0.5	46	0.8	26	0.5
Co-products	1,973	21.8	1,273	21.3	1,258	26.1
Value added products	144	1.6	29	0.5	18	0.4
Others##	1,525	16.8	1,080	18.1	594	12.4
Total	9,058	100	5,981	100	4,814	100

The company’s headquarters is in Kolkata, and its manufacturing plant is in Kishanganj, Bihar. This plant covers 54.03 acres, uses Zero Liquid Discharge (ZLD) technology, and is strategically located near India’s major maize-growing areas. Being close to East and North India markets, as well as export destinations Nepal (24 km away) and Bangladesh (235 km away), helps reduce logistics costs.

Reegal Resources supplies products both domestically and internationally, serving industries such as food, paper, animal feed, and adhesives. Its customers include Emami Paper Mills Ltd, Century Pulp & Paper, Kush Proteins Pvt. Ltd, Krishna Tissues Pvt. Ltd, and others. The company serves three main customer types:

- Manufacturers of end products
- Manufacturers of intermediate products
- Distributors/wholesale traders

Operations began in 2018 with a capacity of 180 TPD, which has grown to 750 TPD as of May 31, 2025, including a new starch dryer. The facility has large warehouses and 4 humidity-controlled silos, each holding 10,000 MT of maize, giving a total storage capacity of **65,000 tonnes**. According to Frost & Sullivan, it is one of the few maize wet milling plants in India with a ZLD system.

The company sources maize directly from farmers, through long-standing aggregator relationships, and from traders in Bihar and West Bengal. Being the only maize milling plant in Bihar **gives** Reegal Resources a competitive edge. Direct farmer relationships ensure a steady supply of high-quality maize at lower costs.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (in ₹ million)	% of contract price *	Amount (in ₹ million)	% of contract price *	Amount (in ₹ million)	% of contract price *
Domestic	8,403	92.7%	5,552	92.8%	4,479	93.1%
Export	655	7.2%	429	7.1%	335	6.9%
Total	9,058	100%	5,981	100%	4,814	100%

Strengths:



➤ **Strategic locational advantage of manufacturing facility close to raw material and end consumption markets**

Regaal Resources' manufacturing facility is strategically located in Kishanganj, Bihar - a prominent maize producing region in India. Bihar ranks among the top three maize cultivating states, contributing 11.58% to national production in FY25, with West Bengal and Assam in close proximity. The facility lies just 21 km from the West Bengal border and 209 km from Assam, both key maize-producing states. The Seemanchal and Koshi regions, including Purnea, Kishanganj, Araria, and Katihar, have emerged as major maize hubs, where maize has replaced other crops as the main cash crop. Bihar and West Bengal's Rabi maize harvest provides an 'Exclusive Availability Window' that does not overlap with other states, ensuring uninterrupted access to raw materials. Regaal Resources further benefits from being the only maize milling plant in Bihar, enhancing raw material security and procurement efficiency. The company's facility is located just 110 km from the Gulabbagh 'mandi' in Purnia, one of India's largest maize markets, allowing it to procure high quality maize at competitive prices while maintaining low logistics costs. The proximity to this mandi is a critical logistical advantage, reducing inbound freight costs and ensuring consistent, timely procurement.

Additionally, the facility's location in East India provides geographic proximity to key domestic and international markets, including Nepal and Bangladesh, two of the major importers of starch thereby strengthening the company's export positioning. Regaal Resources also benefits from favourable state policy support through the Bihar Industrial Investment Promotion Policy (BIIPP), 2016 (extended to 2025). The policy offers interest subvention up to 10% or the actual rate (whichever is lower), capped at ₹200 million, on eligible term loans for units with over 100 TPD installed capacity. Furthermore, 100% reimbursement of admitted State GST for five years from the commencement of commercial production is available for starch manufacturers, providing material fiscal incentives that enhance profitability and cash flows. Access to a reliable water source is another competitive advantage. The company's plant is located just 5.2 km from the Mechi River, ensuring abundant groundwater availability for manufacturing operations. This self-sufficiency in water supply not only lowers operational costs and mitigates risks from municipal restrictions or droughts, but also supports uninterrupted production, a crucial requirement for continuous-process industries like maize milling. The facility is also well connected to major transport nodes, being situated near National Highway 327E, just 35.7 km from Bagdogra Airport and 9.6 km from Thakurganj Railway Station. Additionally, the newly developed Inland Container Depot (ICD) at Siliguri, only 45-50 km away provides access to a multi-modal logistics hub for both domestic and international cargo movement. This connectivity enhances Regaal Resources' export capabilities, particularly to Nepal and Bhutan, and improves overall supply chain efficiency.

➤ **Efficient procurement strategy aided by multifaceted raw material sourcing avenues**

The company sources maize primarily from the following sources:

- Farmers / cultivators through aggregators;
- Traders in Bihar and West Bengal; and
- Agri-distribution companies.

The company primarily sources its maize requirements from traders, the majority of whom are based in Bihar and West Bengal. In addition to traders, the company also produces maize from Agri-distribution companies and directly from farmers or cultivators through aggregators. Around 5.09% of the company's total maize requirement was sourced directly from farmers / cultivators through aggregators for FY2025. The company has succeeded in establishing a strong relationship with the farmers/ cultivators in the vicinity of its Manufacturing Facility. The company has have built 4 silos, each with a total storage capacity of 10,000 MT i.e. an aggregate of 40,000 MT. Additionally, the company has also built a 138,747 square feet raw material warehouses, which can store 25,000 tonnes of maize which along with its storage silos enable it to store an aggregate of 65,000 MT of maize.

Particulars	Fiscal 2025 Amount (in ₹ million)	Fiscal 2025 % of total maize procured	Fiscal 2024 Amount (in ₹ million)	Fiscal 2024 % of total maize procured	Fiscal 2023 Amount (in ₹ million)	Fiscal 2023 % of total maize procured
Traders	5,803	80.8%	3,865	84.9%	2,091	65.7%
Farmers / cultivators through aggregators	366	5.1%	104	2.3%	214	6.7%
Agri-distribution companies	1,013	14.1%	585	12.8%	878	27.6%
Total	7,181	100.0%	4,553	100.0%	3,183	100.0%

➤ **Sustainability driven Manufacturing Facility with high levels of utilization**

The company has continuously improved and upgraded its Manufacturing Facility and enhanced and streamlined its wet milling processes which is also reflected in the high levels of capacity utilization. The company's manufacturing facility has dedicated storage spaces and an automated packing unit with weather proof loading docks and specialized flooring for finished goods handling with a total capacity of 5,000 MT, ensuring smooth operations and optimal material handling throughout the production process. The company's Manufacturing Facility also has a total installed co-generation power plant of 7.1 MW which allows it to be self-sufficient mostly for its power needs.

The company's Manufacturing Facility is one of the few maize wet milling facilities in India with a ZLD unit. ZLD systems prevent liquid waste from contaminating water sources. Further, the company recycles water through its effluent treatment facility, ZLD unit, and reverse osmosis facility. Additionally, the company's Manufacturing Facility is accredited with ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management Systems), ISO 22000: 2018 (Food Safety Management System), ISO 45001:2018 (Operational Health and Safety Management) and is HALAL certified.

Particular	As on and for two months ended May 31, 2025	As on and for financial year ended March 31, 2025	As on and for financial year ended March 31, 2024	As on and for financial year ended March 31, 2023
Wet milling				
Installed capacity (TPA)	40,875	246,475 ^	169,750 ^^	1,29,500

Actual production (TPA)	40,690	2,45,824	1,60,749	1,25,084
Capacity utilization (%)	99.55	99.74	94.7	96.59
Power				
Total usage of power (MW)	7,548	46,729	31,937	23,845
Usage of captive power (MW)	6,172	41,243	25,758	18,426
Captive power usage (%)	81.77	88.26	80.65	77.27

Source: RHP; ^ the installed capacity increased to 750 TPD from October 16, 2024. ^ ^The installed capacity increased to 650 TPD from November 2023. * Installed capacity is 'as on', and actual production and capacity utilization as for the period ended.

➤ **Diversified portfolio of products catering to wide range of industries and well positioned to take advantage of growing industry trends**

The company commenced its operations with a key product viz., native maize starch and certain co-products viz., gluten, germ, enriched fiber etc. Over the years, the company has diversified its product range and manufacture an assorted range of maize based speciality products. The company continually diversified its product bouquet, and from FY 2022 have added the following to product portfolio:

- Modified starches viz., white dextrin, yellow dextrin, oxidized starch and edible starch.
- Value added products such as maize flour, icing sugar, custard powder and baking powder; and
- A co-product viz., maize steep liquor.

Industry / Sector*	Fiscal 2025 Amount (in ₹ million)	Fiscal 2025 % of Contract Price*	Fiscal 2024 Amount (in ₹ million)	Fiscal 2024 % of Contract Price*	Fiscal 2023 Amount (in ₹ million)	Fiscal 2023 % of Contract Price*
Paper Industry	2,482	27.4%	1,558	26.1%	1,396	29.0%
Feed Industry	1,195	13.2%	1,296	21.7%	1,194	24.8%
Food Manufacturing	679	7.5%	517	8.6%	260	5.4%
Manufacturing – others	1,490	16.5%	263	4.4%	213	4.4%
Others#	3,212	35.5%	2,347	39.2%	1,752	36.4%
Total	9,058	100.0%	5,981	100.0%	4,814	100.0%

➤ **Established and widespread sales and distribution network**

The company markets its products across India, and export its products to various countries such as Bangladesh, Nepal, Malaysia, etc. The company markets its products directly to the end customers and also through its well established network of distributors and dealers.

Geographic break-up of sales

Particulars	Fiscal 2025 Amount (in ₹ million)	Fiscal 2025 % of Contract Price*	Fiscal 2024 Amount (in ₹ million)	Fiscal 2024 % of Contract Price*	Fiscal 2023 Amount (in ₹ million)	Fiscal 2023 % of Contract Price*
East	3,510	38.8%	2,533	42.4%	1,829	38.0%
North	2,864	31.6%	2,061	34.5%	1,808	37.6%
West	1,444	15.9%	662	11.1%	598	12.4%
Rest of India	585	6.5%	297	5.0%	244	5.1%
Sub-total (A)	8,403	92.8%	5,552	92.8%	4,479	93.1%
Bangladesh	202	2.2%	215	3.6%	242	5.0%
Malaysia	298	3.3%	111	1.9%	-	-
Nepal	155	1.7%	100	1.7%	90	1.9%
Others#	1	0.0%	3	0.1%	3	0.1%
Sub-total (B)	655	7.2%	429	7.2%	335	7.0%
Total (A+B)	9,058	100%	5,981	100%	4,814	100%

Revenue from customers, distributors and dealers

Particulars	Fiscal 2025 Revenue (₹ in million)	Fiscal 2025 % of Contract Price*	Fiscal 2024 Revenue (₹ in million)	Fiscal 2024 % of Contract Price*	Fiscal 2023 Revenue (₹ in million)	Fiscal 2023 % of Contract Price*
Sales to end customers	2,350	25.9%	1,652	27.6%	1,367	28.4%
Sales through distributors#	2,382	26.3%	1,598	26.7%	1,389	28.9%
Sales through dealers##	4,326	47.8%	2,731	45.7%	2,057	42.7%
Total	9,058	100%	5,981	100%	4,814	100%

#Distributors are entities which procure the product from the Company and on-sell to dealers.

Dealers are entities which procure the product from the Company and the distributors and on-sell to the customers.

Particulars	Fiscal 2025 Customer (nos.)	Fiscal 2025 Contract Price* (₹ million)	Fiscal 2024 Customer (nos.)	Fiscal 2024 Contract Price* (₹ million)	Fiscal 2023 Customer (nos.)	Fiscal 2023 Contract Price* (₹ million)
Repeat customers#	153	8,068.19	121	4,906.04	85	3,307.57
Unique customers#	108	989.41	74	1,074.57	97	1,506.39
Total	261	9,057.60	195	5,980.61	182	4,813.96

includes distributors and dealers.

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
No. of Dealers	138	84	88
New Dealers	63	36	52
Revenue (₹ in million)	4,325.90	2,730.61	2,057.27

Particulars	As on March 31, 2025	As on March 31, 2024	As on March 31, 2023
No. of distributors	7	5	3

➤ Experienced promoters and management

Anil Kishorepuria is one of the Promoters and is the Chairman and Managing Director, is a second generation entrepreneur who has significant experience in the manufacturing sector. The company has a strong board comprising independent directors who have varied experienced and have expertise in their respective fields. The Board of Directors is ably supported by experienced operations and management team. The company has consistently strived to develop new products and to that the company has developed a research and development (R&D) team. From FY 2022 the R&D team has helped develop new products for its portfolio such as oxidized starch, yellow dextrin, white dextrin, maize, flour, icing sugar, baking powder and custard powder.

➤ Demonstrated track record of financial performance and growth

The Company has a demonstrated track record of financial performance and growth. The company's revenue from operations grew at a CAGR of 36.95 % from ₹ 4879.6 Mn in FY 2023 to ₹ 9151.6 Mn in FY 2025. Further, the EBITDA grew at a CAGR of 66.53% from ₹ 406.7 Mn in FY 2023 to ₹ 1127.9 Mn in FY 2025.

Key Strategies:

➤ Increasing the manufacturing capacity by undertaking brownfield expansion

The company has applied to the Bihar State Pollution Control Board for approval to increase its installed capacity from 750 tonnes per day (TPD) to 1,650 TPD. This planned capacity expansion at the manufacturing facility is aimed at capturing the anticipated growth opportunities in its end-user industries. The global Native Maize Starch market is expected to grow at a compound annual growth rate (CAGR) of 3.65% over the period 2024–2029. In value terms, the market is projected to expand from USD 30,818 million in 2024 to approximately USD 36,874 million by 2029. In terms of volume, the market stood at 62.50 million tons in 2024 and is expected to increase to 74.20 million tons by 2029. This steady growth is expected to be driven by rising demand from industries such as food and beverages, pharmaceuticals, paper, and textiles, thereby providing a favourable demand environment for the company's expanded production capacity.

➤ Deleveraging the balance sheet by paring debt

As part of its strategic initiatives, the company plans to deleverage its balance sheet by reducing outstanding debt, with the objective of lowering finance costs and enhancing operating cash flows. Improved cash flow generation is expected to provide greater flexibility for reinvestment into core business operations and the execution of other strategic priorities. The company intends to allocate approximately ₹1,590.0 million from the proceeds of the Fresh Issue towards repayment of existing debt obligations.

➤ Commence manufacturing derivative products and further broad-basing the product range of modified starches

The company has, in a short span of 6 years progressed significantly and developed a large product bouquet. As on May 31, 2025, its product basket consists of 14 products. The company proposes to diversify the offerings with a particular focus on the following 2 aspects: Commencing production of derivative products: The company proposes to venture into manufacturing derivative products such as maltodextrin powder and liquid glucose.

- Maltodextrin powder: It is used as thickener, food additive, anti-caking agent, bulking agent and food flavour carrier. It can be found as an ingredient in a variety of processed foods. Maltodextrin powder finds application in the F&B, pharmaceuticals, agriculture and healthcare industries.
- Liquid glucose: Liquid glucose also known as maize syrup acts as a flavour enhancer, stabilizer, texture enhancer, humectants, adjuncts, preservative, and coating and bulking agent. It finds applications in F&B, pharmaceutical, cosmetics and personal care and pulp paper industries. The Company further proposes to manufacture Dextrose Monohydrate and Dextrose Anhydrous as well. Dextrose Monohydrate is used as nutritional supplement and sweetener in food such as in confectioneries, jams, jellies; bakery such as cakes, biscuits, cookies; beverages, and honey products and Dextrose Anhydrous is used in industries including food & beverage, pharmaceutical, agriculture/animal feed, among others.

- Expanding the basket of modified starch products: Currently, the company manufactures variety of modified starch products such as white dextrin and yellow dextrin, oxidized starch and edible starch. The company proposes to add modified starch products such as cationic starch, carboxyl methylstarch, Indian Pharmacopoeia grade starch and pregel starch. Modified starch is a crucial and useful ingredient found in manufacturing ready-to-eat food products.

➤ **Increasing domestic reach and international footprint**

The company plans to strengthen its domestic footprint by expanding operations in South Indian markets, initially focusing on Andhra Pradesh and Telangana, and subsequently entering Tamil Nadu and Karnataka. These states host a strong base of paper, textile, pharmaceutical, F&B, and adhesive industries key end-user segments for the company’s maize-based specialty products. Capacity expansion, coupled with dedicated senior management oversight, is expected to facilitate customer acquisition and deeper market penetration in the region. The Company now intends to focus more on export markets too. With the proposed increase the capacity, the company proposes to expand its geographic presence overseas.

➤ **Developing the white labelling business**

In FY 2025, the company undertook manufacturing of certain products such as maize flour, baking powder, custard powder and icing sugar. The specifications for the manufacturing were provided by the customer, which also provided the necessary artwork for white labelling. With the proposed expansion of the Manufacturing Facility, the company’s continuous focus on quality and standardized processes it anticipates that it will be able to cater to this aspect of the business on an increasing scale.

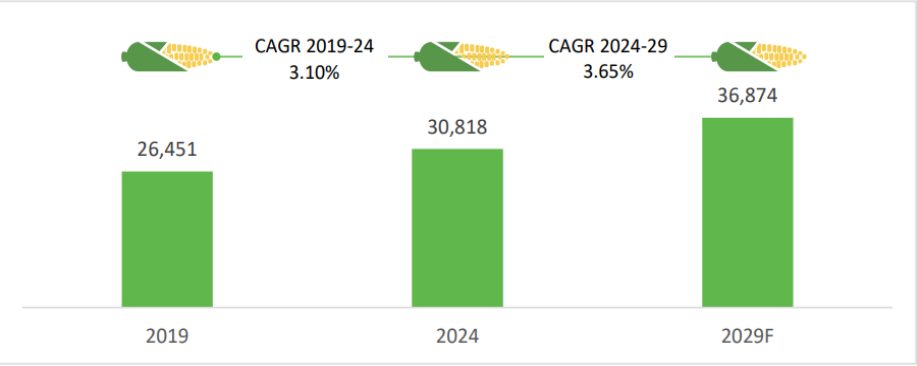
Industry Snapshot:

➤ **Global Native Maize Starch and Co- Products Industry**

Global Native Maize Starch Market

The global Native Maize Starch market is projected to register a growth of CAGR 3.65 % during 2024-2029. Currently the Global Native Maize Starch market was valued at USD 30,818 Million in 2024 and is expected to reach USD 36,874 Million by 2029. In volume terms, the Global Native Maize Starch market was 62.50 Million Tons in 2024. It is expected to reach 74.20 million tons in 2029. Native Maize Starch is available in various physical forms like coarse or fine powders, flakes, pearls, and larger particles but the powder form is majorly preferred across globe.

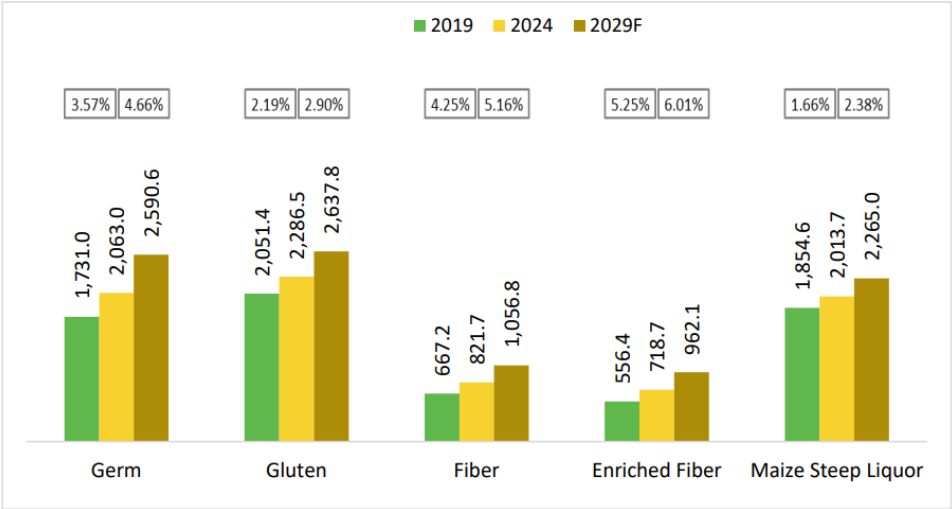
Global Native Maize Starch Market Size, USD Million



Global Maize Starch Co- Products Market

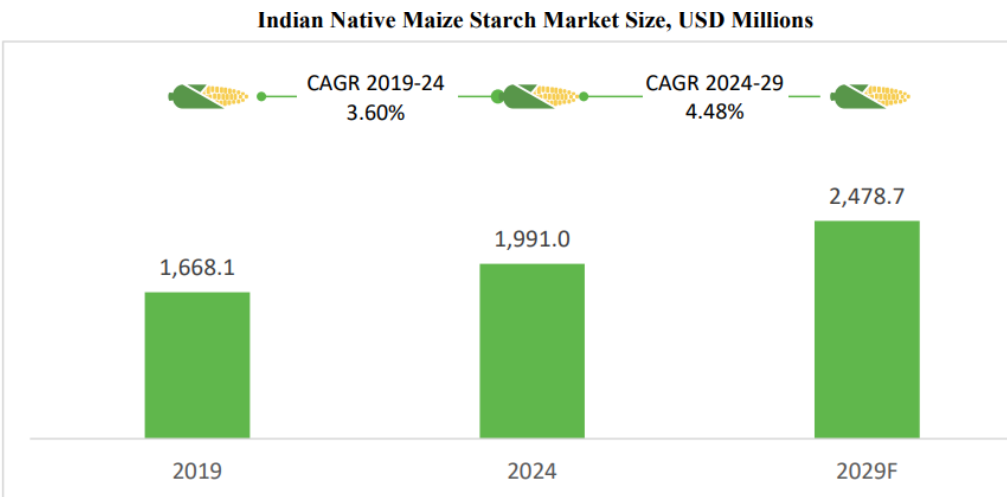
Co- Products account for 30–35% of the total product yield, from Maize milling process. A wide variety of products are made from milled Maize starch Co-Products. Use of Co- Products in human food is very limited with refined maize oil used in some food applications. Germ, Gluten, Fiber and Maize Steep Liquor are the major co- products derived from maize milling process. Steep soluble i.e., Maize Steep Liquor which is high protein ingredient is used as a nutrient-rich medium for antibiotic production (e.g., Penicillin) and as a feed additive for livestock, aquaculture, and poultry. It is often used as a Maize Gluten feed constituent for cattle feeds or as a pellet binder. Maize germ is used directly into feed for ruminants. Also, Maize germ yields oil which can be refined and used as Maize oil in salad dressings, margarines or simply can be used for cooking. Maize Gluten makes for excellent feed for poultry, fish, and other animal feed to achieve good weight for these animals. Maize fiber is also used as poultry feed. Currently in 2024, the Global Co- Products market accounted for USD 7,903.5 million with 27.9 million tons in volume. It is expected to reach USD 9,512.2 million by 2029 growing at CAGR of 3.77%.

Global Maize Starch Co- Products Market Size, USD million



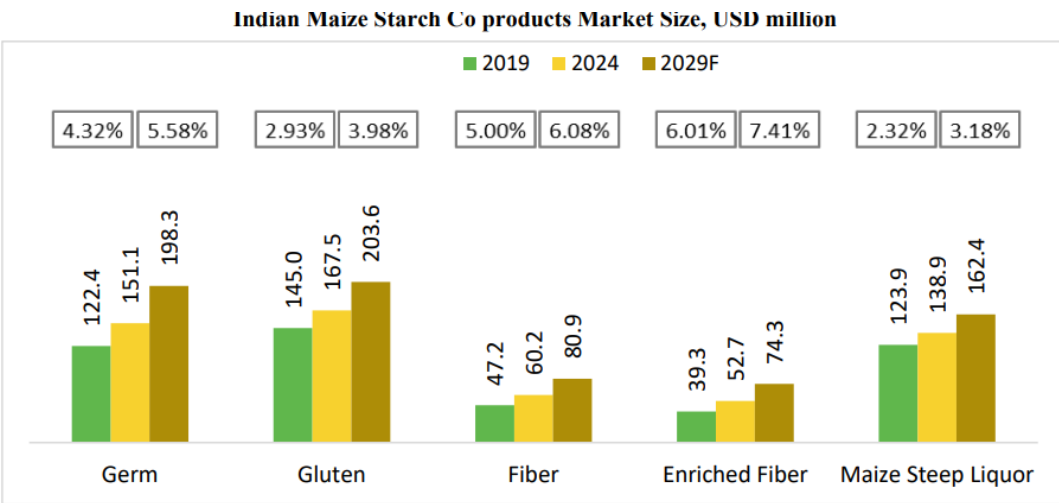
➤ Indian Native maize starch market

Maize Starch production in India is regionally fragmented with most of the production facilities are concentrated in Gujarat, Maharashtra and Karnataka owing to ease in procuring raw material. Some manufacturing facilities are in Madhya Pradesh, Uttarakhand, Uttar Pradesh, Andhra Pradesh, and Telangana. These manufacturers offer different grades of maize starch along with multiple derivatives according to capacity levels. The Indian Maize Starch and Derivatives market scenario has seen significant reforms in the last few years and the Maize Starch industry outlook looks promising with many players investing in the expansion along with quality of starch and derivatives. In India, Maize Milling production capacities are predominantly used for processing Native Maize Starch followed by Liquid Glucose and other Derivatives. Over the years, the Maize Starch market has grown significantly due to capacity additions as well as new plants with capacities coming up in recent past. Native maize starch market grew at CAGR of 3.6% from 2019 to 2024 to reach around USD 1,991 million in 2024. Currently the industry is witnessing a burst in expansion activities, leading several projects to enhance/set up new capacities. According to industry experts, the capacity of milling has almost doubled in last 5-6 years, owing to increase in demand of starch in domestic and export market and availability of raw material in country. India is the largest exporter of Native Maize Starch in world with ~17.4% Global share in 2023. It imports very negligible amount of Native Starch. The major export destinations of Native Starch are the Malaysia, Indonesia, Vietnam, Thailand, etc.



Indian Maize Starch Co- Products Market

Maize starch Co- Products market in India was around 1.31 million tons in 2024 which is valued up to USD 570 Million. Demand for products, especially Maize Gluten and Maize Fiber is increasing in India owing to growing Poultry industry. Animal Feed industry which uses Maize Gluten and Oil Cake has experienced a significant growth in the recent past. Maize Fiber is odourless yellow fibrous matter with maximum of 12% moisture content. Its main component is pericarp which consists of 10-13% protein, 33-42% hemicelluloses, 15-18% cellulose, 3-6% oil, 2-25% starch, and 1-2% other components, making it nutrient rich Co- Products of Maize Milling process. It is considered as an essential component to ensure safe, ample, and affordable animal proteins. When mixed in Animal Feed, it helps increasing the cattle’s’ milk yield. It is also used as feedstock for the Ethanol production. Enriched fiber is also produced by adding Maize Steep Liquor to dry fiber. Maize Gluten is produced by centrifugation, filtering, and drying of the slurry obtained from the first and secondary phases of maize refining. It is used as an animal feed because of its high protein content. It is palatable, readily digested by ruminant animals and is one of the best sources of energy. Demand for dry maize gluten is increasing because it is more palatable and readily digested by animals. Companies such as Godrej Agrovvet, Venky’s, Avanti foods, IB group, Suguna foods, Altech biotechnology are the major end use consumers for maize fiber and gluten. Maize Steep Liquor is high energy, high protein liquid made from the soluble parts of the maize kernel through a steeping process. It is widely used in feed additive for livestock especially for the ruminants. It is used as binding or pelleting agent in animal feeds. It is also very useful for the pharmaceutical, enzyme industry because of its high nutritional value (rich in Vitamins, Lactic acid, and Proteins). Many of the small maize milling players in India discard or use it as fuel. But high concentration of Maize Steep Liquor discarded might lead to exceeding the permissible limit for discharging effluent. Companies such as Gulshan Polyols Limited, Sayaji Maize Products are currently concentrating Maize Steep Liquor and selling it in 250kgs HDPE drums or tankers.



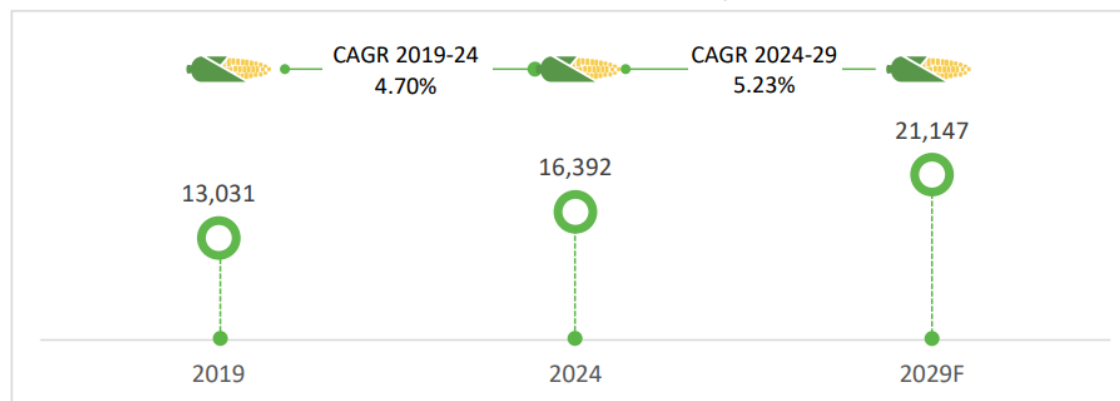
➤ Modified Starch Industry

Global Modified Maize Starch Market

The Global Modified Starch market size was valued at USD 16,392 million in 2024 and is anticipated to expand at a CAGR of 5.23% from 2024 to 2029. The demand for processed and convenience foods is being driven by an expanding global population. Modified starch is a crucial and useful ingredient found in manufacturing ready to-eat food products. The growth of Modified starch is anticipated due to rising consumer demand for processed foods, paper,

textile and chemicals industry over the coming years. Along with ready to eat products (RTE), Modified Starch is utilized in a wide range of industries, including Pharmaceuticals, Paper, Cosmetics, Personal care, and Textiles due to its varied technical properties. The personal care and Cosmetics industries use Modified Starch as a versatile additive. Manufacturers are investing in technology and research for use of Organic Ingredients like Modified Starch, as the demand for natural products has grown over the past few years, which is expected to fuel product demand in the coming years.

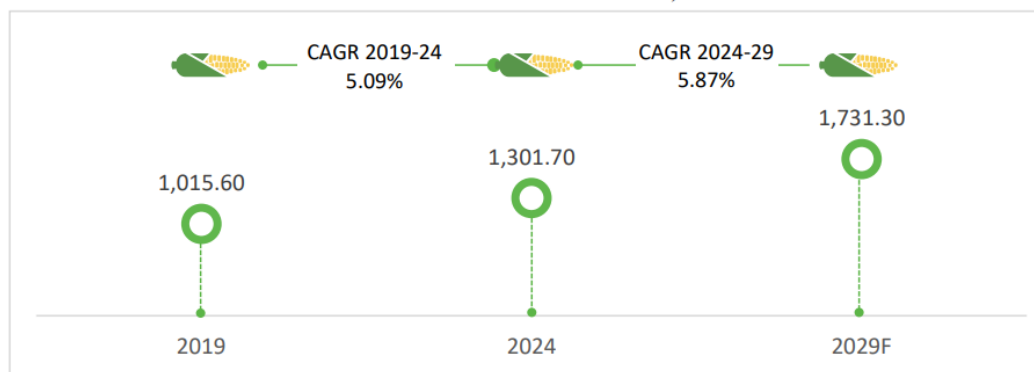
Global Modified Maize Starch market size, USD Millions



Indian Modified Maize Starch Market

The modified starch market in India is expected to grow at a compound annual growth rate (CAGR) of 5.87% between 2024 and 2029. The market is being driven by the growing use of modified starches, which provide better functional qualities such as higher stability, improved texture, and longer shelf life. The growing food and beverage sector and the rising demand for convenience foods are the main drivers of the modified starch market's strong growth in India. The demand for processed and ready-to-eat meals has been rising due to changing consumer habits, rising disposable incomes, urbanisation and a large population base with a relatively young demographic. One essential ingredient in these foods is modified starch, which improves texture, stability, and shelf life. Modified starch has been increasingly popular as a flexible and useful solution as a result of the rising demand for natural and clean-label products brought on by consumers' increased awareness of health-conscious purchasing decisions. The market's growth has also been aided by the growing pharmaceutical industry, as modified starch is used in tablet binding, encapsulation, and medication compositions. In volume terms, the Indian market was around 2.44 million tons in 2024 and is expected to grow at CAGR 5.54% from 2024-29. The recent change in regulation of Modified Starch i.e., dosage in processed foods can be considered under GMP (Good Manufacturing Practice) by the producer instead of the earlier dosage limit of 0.5% has not only increased the dosage of the ingredient in current applications but also paved the way for new applications, which has positively affected Indian starch demand in recent years.

Indian Modified Maize Starch Market size, USD millions



➤ Comparison with listed entity

Name of the company	Face Value (₹ per share)	Revenue from operations (₹ in millions)	Basic EPS	P/E	RONW (%)	NAV (₹)	EV/EBITDA (x)
Regaal Resources Ltd	5	9,175	5.0	21.9	20.2%	28.6	13.0
Listed Peers							
Sanstar Ltd	2	9,714	2.5	36.4	7.0%	34.1	18.5
Gujarat Ambuja Exports	1	46,950	5.4	20.2	8.3%	65.4	10.2
Gulshan Polyols	1	20,245	3.9	44.5	4.0%	87.0	13.4
Sukhjiti Starch & Chemicals	5	15,061	12.8	13.5	7.4%	173.8	7.9

*Note – 1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on Aug 08, 2025.

2) EV/EBITDA, NAV, EPS, P/E of the Regaal Resources is calculated on EPS of FY25, and post issue no. of equity shares issued.

Key Risk:

- **High Supplier Concentration and Absence of Long-Term Contracts:** The Company exhibits significant supplier concentration risk, with purchases from its top 10 maize vendors accounting for over 83% of total maize procurement costs in each of the disclosed financial periods. The absence of long-term supply contracts or arrangements with these vendors heightens exposure to potential supply disruptions and adverse pricing movements. Loss of any key supplier, or a material increase in maize prices, could negatively impact raw material availability, cost structure, and overall revenue performance.
- **Negative Operating Cash Flows:** The Company has recorded negative net cash flows from operating activities in prior periods. Sustained or recurring negative operating cash flows in the future could constrain liquidity, limit the ability to fund working capital and capital expenditure requirements, and adversely affect the company's growth prospects.

- **Customer Concentration Risk:** While the company serves a diversified customer base, sales to its top 10 customers account for a significant share of total revenue. The loss of any such key customer, or a material decline in order volumes from them, could have a material adverse impact on the company's business performance, results of operations, and financial condition.
- **Seasonality and Price Volatility of Key Raw Material:** Maize, the primary raw material for the company's products, is seasonal in nature. Although the manufacturing facility is located within a maize-growing belt, delays, interruptions, or reductions in supply — as well as abrupt price fluctuations could adversely impact production costs, product pricing, and consequently, the company's business, results of operations, financial condition, and cash flows.
- **Geographic Concentration Risk:** The Company's sales are concentrated in certain geographies. Any inability to sustain or expand operations in these key markets could adversely impact the company's business performance, financial condition, results of operations, cash flows, and long-term growth prospects.

Valuation:

Regaal Resources Ltd. is an Indian agro-processing company specializing in the manufacturing of maize-based products. The company is well positioned to capitalize on this opportunity, leveraging its strategic location in Kishanganj, a key maize belt accounting for 11.58% of national output and its proximity to major mandis and cross-border markets. With capacity utilization at 99.74% and an ongoing scale-up from 750 to 1,650 TPD, the company demonstrates strong demand visibility and robust execution capabilities.

Its integrated 54-acre facility, captive power plant, and ESG-compliant systems enhance operational resilience, while a diversified product portfolio spanning native and modified starches addresses high-growth sectors including food, pharma, and personal care. A growing pan-India footprint, deepening customer relationships, and a strong sourcing strategy further reinforce its competitive edge.

On the valuation front, based on annualized FY25 earnings, the company is seeking a P/E of 21.9 times, and a post-issue market capitalization of approximately Rs 10,477 million, making the issue appear fully priced. We believe, it has capital-intensive nature of operations, exposure to Agri cycles, and limited pricing power in a commoditized market. However, its strategic location, diversified customer base, and expanding footprint support long-term scalability. Thus, we assign **SUBSCRIBE for LONG TERM** rating for this issue.

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Mid Caps (101st-250th company)	>20%		0-20%	<0%
Small Caps (251st company onwards)	>25%		0-25%	<0%

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