

Regaal Resources Ltd.

‘SUBSCRIBE’

12-08-2025 TO 14-08-2025

Industry: Agro-processing

Price Band: ₹96 to ₹102

Recommendation: Subscribe for long term

Post Implied Market Cap: ₹1,050 Cr

Key Data

Issue Size (₹ Cr)	₹306.00
Fresh (₹ Cr)	₹210.00
OFS (₹ Cr)	₹96.00
No of shares offered (total issue)	3,00,00,235
Face Value (₹ /share)	5
Bid Lot	144 Shares

Indicative Timetable

IPO Open Date	Tue, Aug 12, 2025
IPO Close Date	Thu, Aug 14, 2025
Tentative Allotment	Mon, Aug 18, 2025
Initiation of Refunds	Tue, Aug 19, 2025
Credit of Shares to Demat	Tue, Aug 19, 2025
Tentative Listing Date	Wed, Aug 20, 2025
Cut-off time for UPI mandate confirmation	5 PM on August 14, 2025

Shareholding (No. of shares)

Pre-Issue	8,21,35,940
Post-Issue	10,27,24,175

Issue Breakup

QIB	50%
NII	15%
Retail	35%

Shareholding Pattern

	Promoter	Public
Pre-Issue	99.56%	0.44%
Post-Issue (lower end)	69.60%	30.40%
Post-Issue (higher end)	70.40%	29.60%

Other Details

BRLMs: Pantomath Capital Advisors Private Limited, Sumedha Fiscal Services Limited
Registrar: MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)
Listing: BSE & NSE

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About the company

Regaal Resources Ltd. is an Indian agro-processing company specializing in the manufacturing of maize-based products. Established in 2012, the company produces native and modified maize starch, co-products like gluten and fiber, and value-added products such as corn flour, baking powder, and icing sugar. Its manufacturing facility is strategically located in Kishanganj, Bihar, a major maize-producing region, while its head office is in Kolkata. Regaal Resources Ltd. serves various industries, including food, paper, animal feed, and textiles, both in India and in other South Asian countries.

Investment Rationales

Financial Growth and Capacity Expansion: The company has a history of strong financial performance. A recent expansion to its production capacity is poised to drive future growth and solidify its market position.

Strategic Location: Its manufacturing plant in a prime maize-growing region of Bihar ensures a steady and cost-effective supply of raw materials, giving it a competitive edge.

Diverse Product Portfolio: By producing a wide range of maize-based products, the company serves multiple sectors like food, paper, and textiles, which helps to diversify risk and tap into various markets.

Growing Industry Demand: Regaal Resources Ltd. is well-positioned to benefit from the increasing demand for maize-based products in India's expanding food processing and animal feed industries.

IPO-Funded Expansion: The ₹306 crore IPO includes a fresh issue, indicating capital will be used for capacity expansion, working capital, and operational upgrades—fueling future growth.

Risk

High client concentrated in both sales customers and purchase vendors: 83% of total cost of purchase is attributable to 10 vendors and approximately 50% of contract price is contributed by 10 customers in last three fiscals.

Negative cash flow from operations: Negative 11.2cr operating cash flows in FY25 and negative 22.5cr in FY24 respectively (primarily because of high raw material procurement, leading to higher inventory costs).

Our views

Regaal Resources Ltd. offers a strong play on India's agro-processing sector, backed by scale, diversification, and financial growth. With a 750 TPD maize crushing capacity, it's among the largest starch producers in the country. FY25 revenue rose 52% YoY to ₹917cr, and net profit doubled to ₹47.7cr—reflecting solid momentum.

Its B2B portfolio spans starches, co-products, and food-grade items used across food, pharma, paper, and animal nutrition. The IPO proceeds (₹306cr) will help reduce its ₹561cr debt, potentially boosting margins and balance sheet strength.

Key risks include the capital-intensive nature of operations, exposure to agri cycles, and limited pricing power in a commoditized market. Still, its strategic location, diversified customer base, and expanding footprint support long-term scalability.

We assign a 'SUBSCRIBE' rating for long-term investors, especially those seeking exposure to India's industrial agri-value chain.

CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators	Units	Fiscal 2023	Fiscal 2024	Fiscal 2025
Revenue from Operations	In ₹ Cr	487.96	600.02	915.16
Revenue from Operations CAGR	%	36.95%		
EBITDA	In ₹ Cr	40.67	56.37	112.79
EBITDA Margin	%	8.34%	9.39%	12.32%
PAT	In ₹ Cr	16.76	22.14	47.67
PAT Margin	%	3.43%	3.68%	5.19%
Total Borrowings	In ₹ Cr	188.93	357.21	507.05
Net worth	In ₹ Cr	104.41	126.61	235.41
Return on Equity (ROE)	%	16.05%	17.49%	20.25%
Return on Capital Employed (ROCE)	%	10.99%	10.07%	14.17%
Debt to Equity Ratio	Times	1.68	2.65	2.08
Gross Block	In ₹ Cr	195.08	328.39	412.91
Addition to Property, Plant and Equipment	In ₹ Cr	28.79	133.56	84.84
Fixed Assets Turnover Ratio	Times	2.78	2.00	2.46
Cash Conversion Cycle	Days	43	79	93
Operating Performance Indicators	Units	Fiscal 2023	Fiscal 2024	Fiscal 2025
Total installed capacity in MT per day (TPD)	MT per day (TPD)	370	650	750
No. of employees	Number	372	410	469
No. of customers	Number	182	195	261

Source: Company RHP

Regaal Resources Ltd. IPO Peer Comparison

(As on March 31, 2025)

Company Name	EPS (Basic)	EPS (Diluted)	NAV (per share) (Rs)	P/E (x)	RoNW (%)	P/BV Ratio	Financial statements
Regaal Resources Limited	6.05	6.03	28.66		20.25		Restated
Sanstar Limited	2.58	2.58	34.18	36.46	7.03	2.76	Consolidated
Gujarat Ambuja Exports Limited	5.44	5.44	65.46	20.22	8.3	1.69	Consolidated
Gulshan Polyols Limited	3.95	3.95	87.07	44.56	4.02	2.02	Consolidated
Sukhjit Starch & Chemicals Limited	12.79	12.79	173.82	13.51	7.36	0.99	Consolidated

Notes:

Net Asset Value per equity share is calculated as Net Worth as of the end of the relevant year/ period divided by the number of equity shares outstanding at the end of the year/ period. The Net Asset Value per share disclosed above is after considering the impact of bonus and subdivision of equity shares;

The P/E Ratio has been computed based on the closing market price of equity shares on July 21, 2025, on www.nseindia.com, divided by the Diluted EPS as of March 31, 2025;

Return on net worth is calculated as restated profit/(loss) for the year/ period divided by net worth.

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CIN No U74110MH2005PLC157942 | BSE-3281 | NSE-12817 | MCX-55910 | DP:IN-DP-CDSL-490-2008 | DPID:12059100 |

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