

# Regaal Resources Ltd.

IPO Note





## IPO NOTE

# REGAAL RESOURCES LTD.

Native Maize Starch

7<sup>th</sup> August, 2025

### Debt Reduction and Enhanced Product Mix on Cards

**Fastest growing maize based specialty products manufacturers in India:** Regaal Resources is among the top 10 largest maize milling companies in terms of capacity in India. During FY23-25, Regaal Resources saw revenue CAGR of 37.0%, which was among the fastest growths seen compared to peers.

**Sole maize wet-milling plant in Bihar:** The company is the 2<sup>nd</sup> largest maize processor in Eastern India and the first & only such plant in Bihar.

**Strategic location advantage:** Bihar is the 3<sup>rd</sup> largest maize-producing state in India, contributing 11.58% to the country's total maize production as of FY25. Regaal Resources Limited's maize milling unit is strategically located in Kishanganj, Bihar which is maize growing belt of the region thus ensuring good supply of the key raw material to the company. It is also close to West Bengal, which is the 6<sup>th</sup> largest maize-producing state.

**Advantages in procurement:** Harvesting window of Rabi maize in Bihar and West Bengal is unique as it does not overlap with harvesting of maize in any other maize producing states hence it provides for an 'Exclusive Availability Window' of maize crop. This ensures a consistent supply of the key raw material. Secondly, proximity to Gulabghat mandi, one of India's largest maize markets helps in lowering logistic costs.

**Benefit of low COGS:** Being located in the Kishanganj district, which is in the maize catchment area, focus is on maize procurement through direct farmers that bring their produce right at Regaal's manufacturing facility. This reduces logistics costs as well as cuts the middleman, leading to 6-7% lower pricing for the raw material. Additionally, Regaal acquires maize at lower costs during the peak harvest season, stores it in warehouses, and uses it through the year, when prices may see an increase. This leads to lower average cost of goods sold compared to peers.

**Other operating and financial advantages:** The company receives 100% Interest subsidy (up to Rs 200 mn) and interest capping of 10% on every subsequent expansion and 100% exemption on State GST by the Bihar government. Also, Bihar's labour rate is one of the lowest in country.

**Debt reduction to led to improved profitability:** With the IPO proceeds, the company plans to prepay some of its high cost borrowings, to the tune of Rs 1,590 mn. On the other hand, the company will keep those long term borrowings on the books, where the company gets the benefit of interest subvention from the government.

**Brownfield expansion and widening product offerings:** Capacity expansion is planned to increase crushing capacity from 750 TPD to 1,650 TPD. The company aims to expand its revenue share from segments other than native starch. With this objective, it plans to expand its product offerings in modified starch segment (cationic starch, carboxyl methyl starch, Indian Pharmacopoeia grade starch and pregel starches) as well as commence production of starch derivatives (maltodextrin powder, liquid glucose). This change in product mix, with more focus on modified starches and derivative products will help improve margin profile for the company.

**Building presence in Southern India:** Regaal Resources is planning to expand its presence in South India, where it has a weak presence. It plans to do so by further expanding in Andhra Pradesh and Telangana, initially, and gradually in other states viz. Tamil Nadu and Karnataka.

**Eyes on export expansion:** Due to proximity to countries like Bangladesh, Nepal and Malaysia, the company is at an advantage to grow exports. With focus so far being on capacity building and portfolio expansion, the company plans to now also focus on expanding overseas presence.

**Developing white labeling business:** In FY25, undertook manufacturing of certain products such as maize flour, baking powder, custard powder and icing sugar, where the product specifications were provided by the customers. Management hopes to increase the scale of this business.

#### Issue details

Issue size (Rs mn) 3,004-3,060

#### Fresh issue:

No. of shares (mn) 20.6-21.9

Value (Rs mn) 2,100

#### OFS:

No. of shares 9.4

Value (Rs mn) 904-960

Face value (Rs) 5

Price band (Rs) 96-102

Post issue market cap (Rs mn) 9,985-10,478

#### Pre-Offer Shareholding Pattern (%)

Promoter 99.6

Public 0.4

#### Post-Offer Shareholding Pattern (%)

Promoter 69.6 70.4

Public 30.4 29.6

#### Objects of Offer (Rs mn)

Repayment and/ or pre-payment, in full or in part, of certain outstanding borrowings 1,590

General Corporate purposes 510

#### Timeline

Offer opens 12<sup>th</sup> Aug 2025

Offer closes 14<sup>th</sup> Aug 2025

Finalization of Basis of Allotment On or about 18<sup>th</sup> Aug 2025

Initiation of refunds On or about 19<sup>th</sup> Aug 2025

Credit of Equity Share to Allottees On or about 19<sup>th</sup> Aug 2025

Listing of Equity Shares on Stock Exchange On or about 20<sup>th</sup> Aug 2025

#### Book Running Lead Manager

Pantomath Capital Advisors Private Limited

Sumedha Fiscal Services Limited

#### Registrar to the offer

MUFG Intime India Private Limited

**Institutional Research Desk:**  
Email: instresearch@acm.co.in

## IPO NOTE

## REGAAL RESOURCES LTD.

Yellow Dextrin

7<sup>th</sup> August, 2025

## Table of Contents

Particulars	Page number
About the company	4
Product profile	4
Product applications	6
Customer profile	7
Product-wise industry growth drivers	8
Location advantage	13
Procurement efficiencies lead to better gross margins	14
Manufacturing capacity and expansion	15
Product expansion plan	16
Debt reduction	17
Improving domestic and export presence	17
White labelling	18
Competitive landscape & peer comparison	19
Management interaction	21
Financials	22



## IPO NOTE

## REGAAL RESOURCES LTD.

7<sup>th</sup> August, 2025

White Dextrin

*Regaal Resources is one of the fastest growing maize based specialty products manufacturers in the country and the 2<sup>nd</sup> largest player in eastern India.*

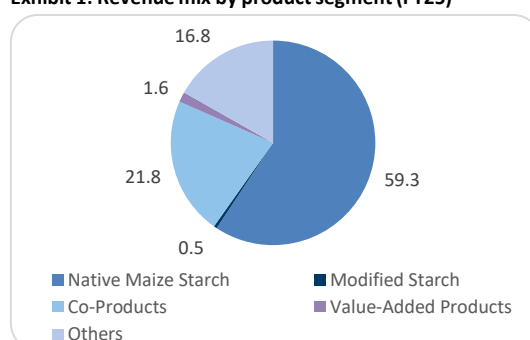
### About the Company

- Regaal Resources is one of the fastest growing maize based specialty products manufacturers in the country and the 2<sup>nd</sup> largest player in eastern India with a maize milling capacity of 750 tons 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's manufacturing base is spread over 54.03 acres in Kishanganj, Bihar and has a cumulative storage capacity of 70,000 MT (65,000 MT of maize storage and 5,000 MT of finished goods storage). Its corn wet milling facility is one of the very few in India with a Zero Liquid Discharge (ZLD) Unit.
- 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.

### Product profile

- Regaal Resources commenced its operations with native maize starch and certain co-products viz., gluten, germ, enriched fiber etc.
- Over the years, it has diversified its product range to include an assorted range of maize based specialty products. Some of these additions to the portfolio included:
  - 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 and enriched fiber.

**Exhibit 1: Revenue mix by product segment (FY25)**



Source: DRHP, ACMIIL Research

## IPO NOTE

## REGAAL RESOURCES LTD.

Icing Sugar

7<sup>th</sup> August, 2025

Majority of the topline is contributed by native maize starch, followed by co-products and others. Modified starch and VAP together constitute just about 2.1% of revenues.

The company is also commencing production of starch derivatives such as maltodextrin and liquid glucose.

The company categorises its products into key segments including:

- **Native maize starch:** Also known as corn starch, is a fine white powder derived from the endosperm of the maize kernel. It is a common food ingredient used as a thickening agent in cooking and baking. Beyond its culinary applications, native maize starch is also used in various industrial processes, including paper manufacturing, adhesives, and even in some pharmaceuticals and cosmetics. Its one of the main offerings of the company and accounts for 59.3% of consolidated FY25 revenues.
- **Modified starch:** It is essentially native maize starch that has been treated with physical, chemical, or enzymatic processes to improve characteristics like thickening power, stability, and texture. Its applications include packaged (ready-to-eat) food products, pharmaceuticals, paper, textile, personal care and cosmetics for coating, binding, dyeing, smoothing, strengthening, and thickening. The company currently manufactures a variety of modified starch products such as white dextrin, yellow dextrin, oxidized starch and edible starch. This category contributes 0.5% to the topline.
- **Co-products:** Maize processing yields a variety of valuable co-products such as maize gluten, maize germ, maize fiber and maize steep liquor. These are majorly used as high protein animal feed, ethanol, sweeteners, etc. This category accounts for 21.8% of revenues.
- **Value-added products (VAP):** This segment comprises products like icing sugar, custard powder, baking powder and maize flour with applications towards majorly the food and beverage industry. They are used in categories like bakery, infant foods, breakfast cereals, wafers, desserts, meat products, etc. Additionally use cases also extend to water treatment, metal polishing, binding and coating agents. It contributes around 1.6% of revenues.
- **Others:** These include broken rice and traded maize and constitute about 16.8% of consolidated revenues.



Regaal Resources has proposed to add modified starch products such as cationic starch, carboxyl methyl starch, Indian pharmacopoeia grade starch and pregel starch to their diversified portfolio as well.

The company is also planning to commence production of starch derivatives such as maltodextrin and liquid glucose. The former is used as thickener, food additive, anti-caking agent and flavour carrier with applications in F&B, pharmaceuticals, agriculture and healthcare; while the latter acts as flavor and texture enhancer, stabilizer, humectant and coating agent with applications in F&B, cosmetics, pharmaceuticals, personal care and pulp paper.

Exhibit 2: Maltodextrin (left) and liquid glucose



Source: DRHP, ACMIIL Research

## IPO NOTE

## REGAAL RESOURCES LTD.

Baking Powder

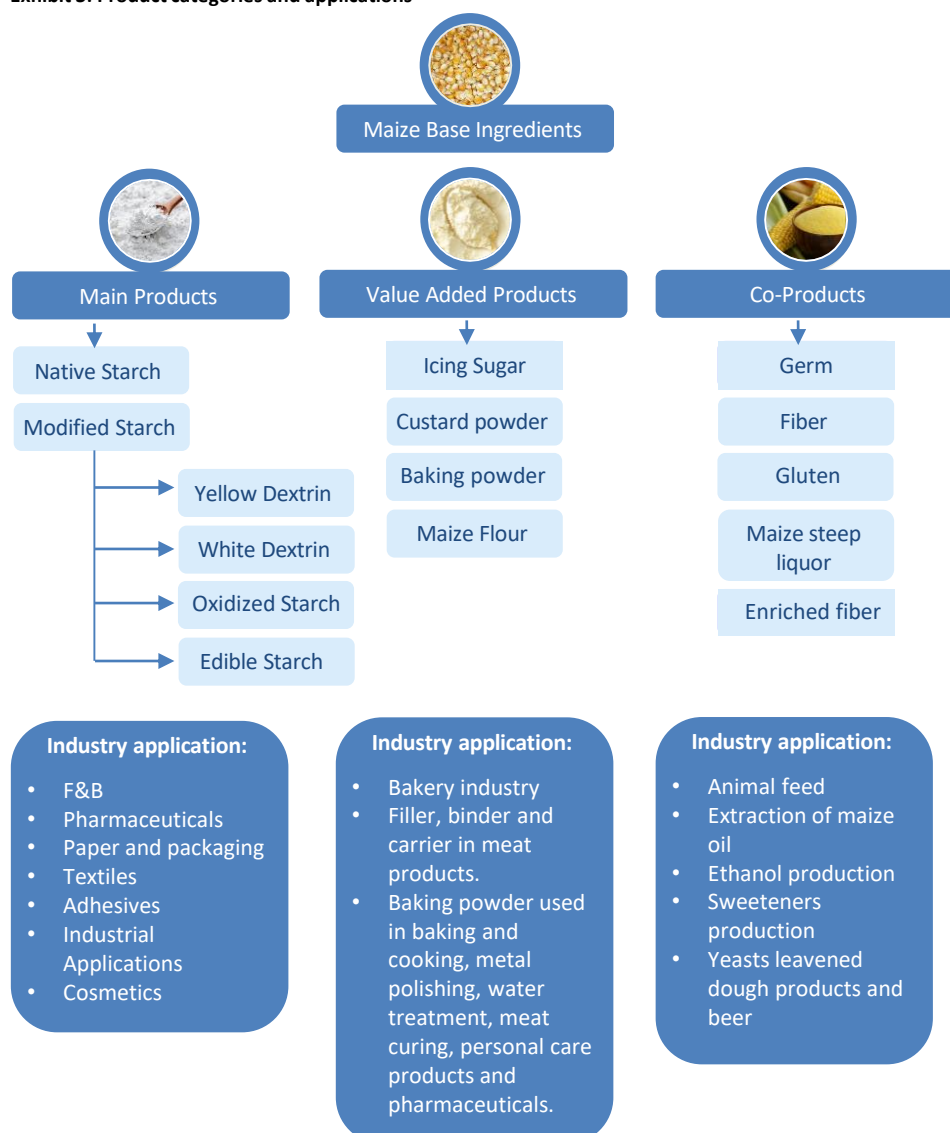
7<sup>th</sup> August, 2025

## Product Applications

- The three main classes of starch-based products are unmodified or native starch, modified starch (dextrin, pre-gelatinized starch, oxidized starches) and derivatives (high fructose maize syrup, glucose).
- Maize starch and its co-products and derivative products have varied uses across food and non-food industries.
- Regaal Resource' product basket has applications in varied industries. These include:
  - Food & beverage including snacks, confectionary, convenience foods, sauces & spices, spreads
  - Animal nutrition
  - Textile
  - Paper
  - Adhesive
  - Pharmaceuticals

*Applications of the product profile comprises industries like paper, F&B, animal feed, textile pharmaceuticals, etc.*

Exhibit 3: Product categories and applications



Source: DRHP, ACMIIL Research

## IPO NOTE

## REGAAL RESOURCES LTD.

Corn Flour

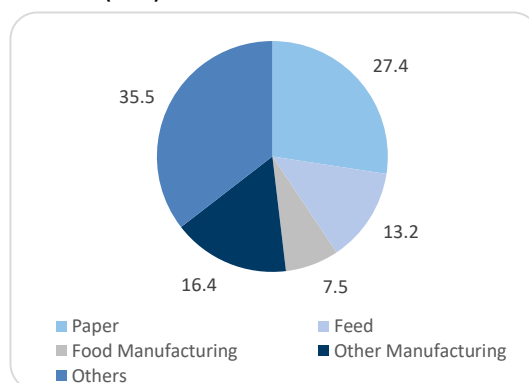
7<sup>th</sup> August, 2025

## Customer profile

The company's clientele includes several well-recognized names like Emami Paper Mills, Manioca Food Products, Shri Guru Oil Industries, Mayank Cattle Foods, Century Pulp & Paper, Genus Paper Board, and Maruti Papers, among others.

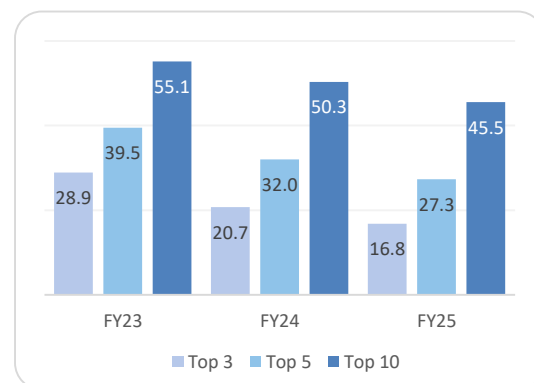
- Regaal Resources serves a diverse customer base of 261 clients across both domestic and international markets, spanning industries such as food processing, animal feed, paper, adhesives, and other manufacturing segments.
- The company's clientele is broadly categorized into end consumers, distributors and dealers, including several well-recognized names like Emami Paper Mills, Manioca Food Products, Shri Guru Oil Industries, Mayank Cattle Foods, Century Pulp & Paper, Genus Paper Board, and Maruti Papers, among others.
- In FY25, the company's top 10 customers contributed 45.5% of its total revenue, indicating a moderately concentrated client base. The top 5 customers alone accounted for 27.3% of the revenue, while the top 3 contributed a significant 16.8%. This level of dependence reflects the importance of maintaining strong relationships with key accounts. However, Regaal has demonstrated consistency in retaining customers while also onboarding new clients.
- Top 10 customers for Regaal Resources are Aarnav Sales Corporation, Brightway Tradelink Pvt. Ltd., M/s Comfort Enterprises, M/s Harsh Agro, Manioca Food Products Private Limited, M/s Parth Agrotech, M/s Shree Balaji Enterprises, Shree Salasar Project, and Starline Dealcom Pvt. Ltd.
- The company's sales and distribution approach includes a mix of direct engagement with institutional buyers and supply through intermediaries, tailored to the specific requirements of different customer segments and geographies.

**Exhibit 4: Paper and animal feed are major revenue contributors; co. has a diversified presence across industries (FY25)**



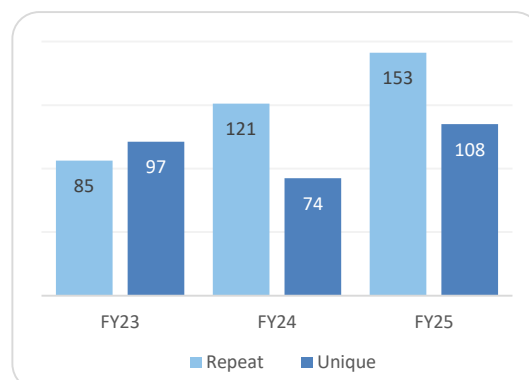
Source: DRHP, ACMIIL Research

**Exhibit 5: Top 10 customers rake in half of the company's annual revenues**



Source: DRHP, ACMIIL Research

**Exhibit 6: Strong customer retention and healthy new customer additions**



Source: DRHP, ACMIIL Research

**Exhibit 7: Top key customers**



Source: DRHP, ACMIIL Research





## IPO NOTE

## REGAAL RESOURCES LTD.

7<sup>th</sup> August, 2025

Custard Powder

## Product-wise industry growth drivers

## 1. Native Maize Starch

• Global market

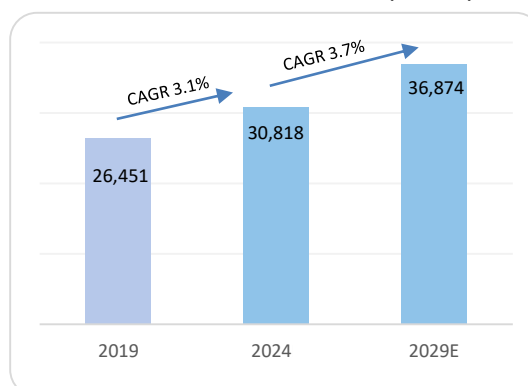
- The global Native Maize Starch market is projected to register a growth of CAGR 3.65 % during 2024-2029.
- Approximately 70% of native maize starch is used in food and beverage applications across the globe. It is followed by textile, pharmaceuticals, and paper applications.

• India market

- In India, 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.
- Food and Beverage contributed to approximately 30% share in consumption of native maize starch followed by Paper and Textile industries.

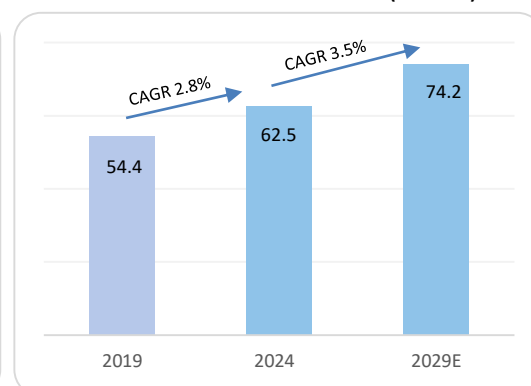
Globally, 70% of native maize starch gets used in F&B, however, in India, the F&B share in consumption is only about 30%.

Exhibit 8: Global native starch market size (USD Mn)



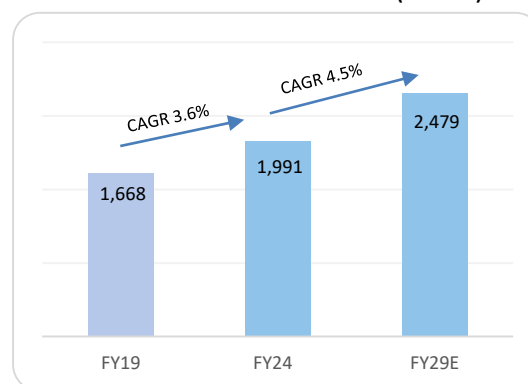
Source: DRHP, ACMIIL Research

Exhibit 9: Global native starch market size (Mn tons)



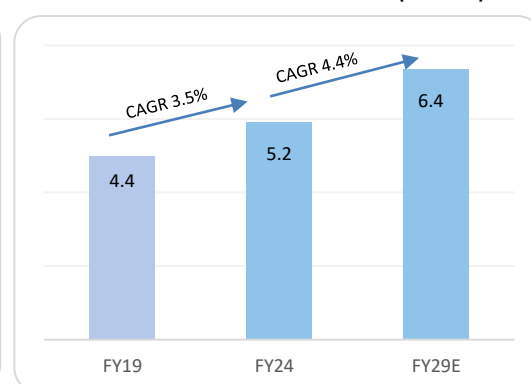
Source: DRHP, ACMIIL Research

Exhibit 10: Indian native starch market size (USD Mn)



Source: DRHP, ACMIIL Research

Exhibit 11: Indian native starch market size (Mn tons)



Source: DRHP, ACMIIL Research

In India, 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.





Maize Germ

# IPO NOTE

## REGAAL RESOURCES LTD.

7<sup>th</sup> August, 2025

### 2. Maize Starch Co-products

#### • Global market

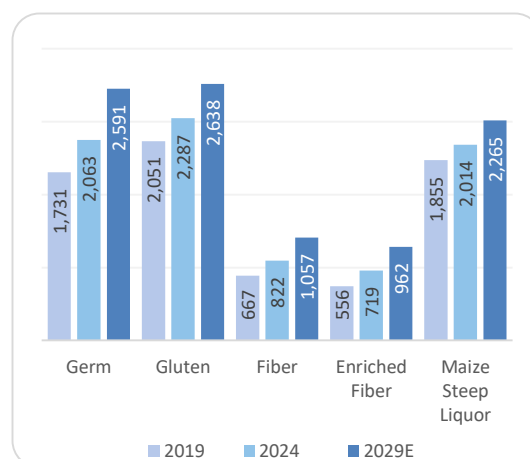
- Co-products account for 30–35% of the total product yield, from Maize milling process. A wide variety of products are made from milled Maize starch Co-Products. Use of co-products in human food is very limited with refined maize oil used in some food applications. Germ, Gluten, Fiber and Maize Steep Liquor are the major co-products derived from maize milling process.
- In 2024, the Global Co-Products market accounted for USD 7,903.5 mn with 27.9 mn tons in volume. It is expected to reach USD 9,512.2 mn by 2029 growing at CAGR of 3.77%.

#### • India market

- Maize starch Co-Products market in India is amounting at around 1.31 mn tons in 2024 which is valued up to USD 570 mn. It is expected to reach 1.65 mn tons by 2029 growing at CAGR of 4.72% from 2024.

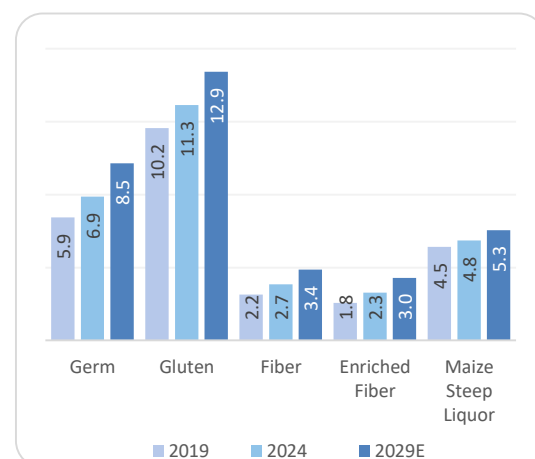
Co-products account for 30–35% of the total product yield, from Maize milling process. Germ, Gluten, Fiber and Maize Steep Liquor are the major co-products derived from maize milling process.

Exhibit 12: Global starch co-products market size (USD Mn)



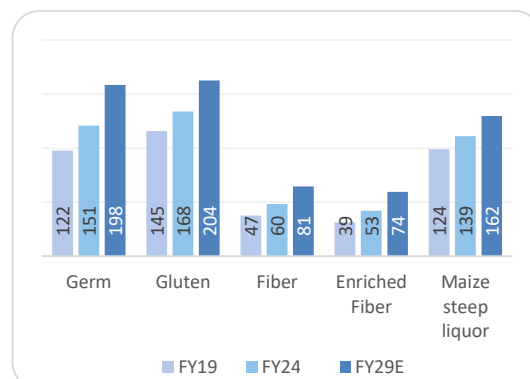
Source: DRHP, ACMIIL Research

Exhibit 13: Global starch co-products market size (Mn tons)



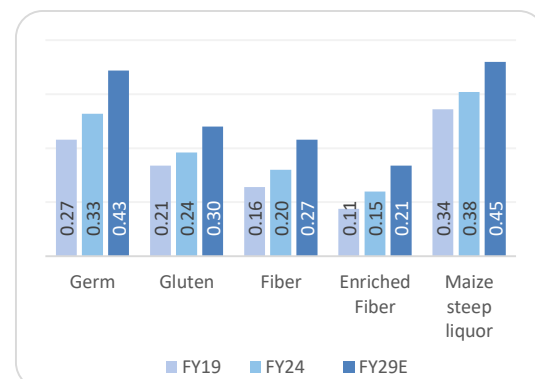
Source: DRHP, ACMIIL Research

Exhibit 14: Indian starch co-products market size (USD Mn)



Source: DRHP, ACMIIL Research

Exhibit 15: Indian starch co-products market size (Mn tons)



Source: DRHP, ACMIIL Research



## IPO NOTE

## REGAAL RESOURCES LTD.

Maize Processing

7<sup>th</sup> August, 2025

*Global demand is also being driven by the sustainability related benefits of using maize, such as recycled paper, plant-based starch solutions, etc.*

*As maize starch based foam is compostable and has thermal insulation properties, it is becoming popular for shipping temperature-sensitive goods.*

*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.*

- **Global demand drivers for maize starch market:**

- Expanding use in industries such as F&B, pharmaceuticals, paper & packaging, textiles, adhesives, industrial applications, and cosmetics due to improving standard of living of consumers, increasing purchasing power and increasing demand for ready to cook and packaged snacks.
- R&D investment by companies for customizable products in starch and derivatives.
- Use of fortified starches in special food and baby food products to control and reduce lifestyle disorders.
- Growing use of recycled paper, which requires more and more starch quantities to avoid quality deterioration.
- Growing demand for plant-based and premium quality starch solutions fueled by rising trend of health conscious customers.
- Growth in the poultry industry leading to higher feed requirements.

- **India demand drivers for maize starch market:**

- India's macro tailwinds such as high population, young demographic, urbanisation, nuclearisation of families, rising disposable incomes and shifting consumption towards health and convenience offer growth opportunities for the maize starch market.
- Change in consumer habits when it comes to food consumption with focus on organic, gluten free and ready to eat food.
- Focus on eco-friendly and readily biodegradable packaging.
- Beverage and pharmaceutical products are using liquid glucose, high maltose maize syrup, sorbitol, fructose, dextrose and other derivatives of maize starch as sweeteners.
- As maize starch based foam is compostable and has thermal insulation properties, it is becoming popular for shipping temperature-sensitive goods.
- Maize starch combined with polymers creates a super absorbent used in sanitary napkins, bandages, disposable diapers and baby powders and can also be used to remove water from fuel and to clean up pesticide spills.

### 3. Modified Starch

- Global market

- The Global Modified Starch market size is valued at USD 16,392 mn in 2024 and is anticipated to expand at a CAGR of 5.23% from 2024 to 2029E.
- 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.
- The Global Modified Starch market is largely dominated by Paper, Textile and Chemical industries. Paper industries as End use Industry accounts for highest revenue share of almost around 23.7% and is predicted to remain stable in terms of revenue share and volume during the forecasted period. Food and Beverage industry ranked as the fourth-largest consumer of modified starch by volume in 2024, accounting for 16.1% of its total global consumption.

## IPO NOTE

# REGAAL RESOURCES LTD.

Maize Fiber

7<sup>th</sup> August, 2025

*There is Increasing use of starches in the textile industry for applications like sizing which helps in improving strength, smoothness and weaving efficiency.*

*Modified starches are also used as disintegrants, binders, and controlled-release agents in pharmaceutical formulations. The market is driven by increasing population and rising healthcare expenditure especially for the preventive healthcare.*

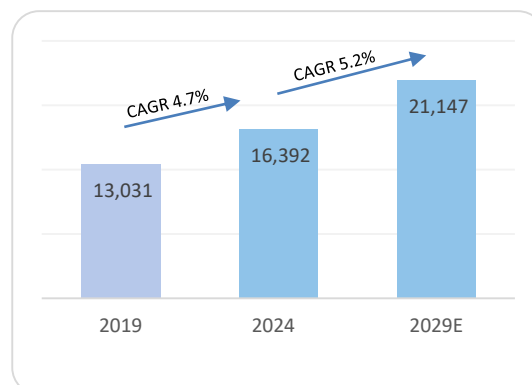
### India market

- In volume terms, the Indian market is valued to be around 2.44 mn tons in 2024 and is expected to grow at CAGR 5.54% from 2024-2029E. The market is being driven by the growing use of modified starches, which provide better functional qualities such higher stability, improved texture, and longer shelf life.
- Modified starch is majorly used in paper industry, textile industry and food and beverage industry. In 2024, paper industry accounted for 55.8% of modified starch consumption.

### Growth drivers for modified starch industry:

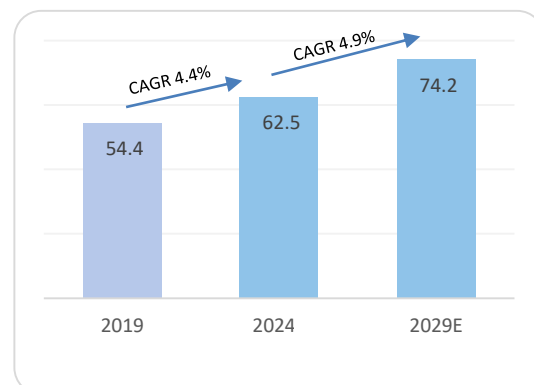
- Growing demand for convenience food and processed food on account to rising trend of on-the-go food and changing lifestyles.
- Novel applications like biomaterials, bio polymers, bioethanol, mock meats also boost the demand for starch.
- Increasing use of starches in the textile industry for applications like sizing which helps in improving strength, smoothness and weaving efficiency.
- Use of modified starch in personal care and cosmetics industry is also rising.
- Modified starches are used as disintegrants, binders, and controlled-release agents in pharmaceutical formulations. The market is driven by increasing population and rising healthcare expenditure especially for the preventive healthcare.

Exhibit 16: Global modified starch market size (USD Mn)



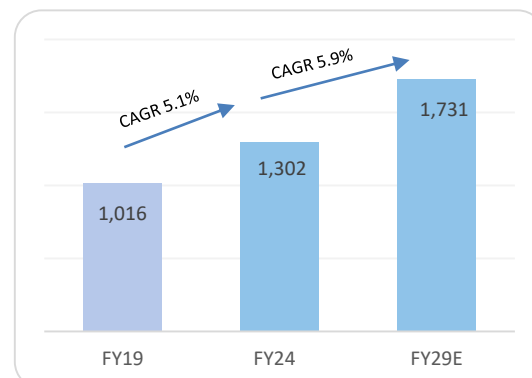
Source: DRHP, ACMIIL Research

Exhibit 17: Global modified starch market size (Mn tons)



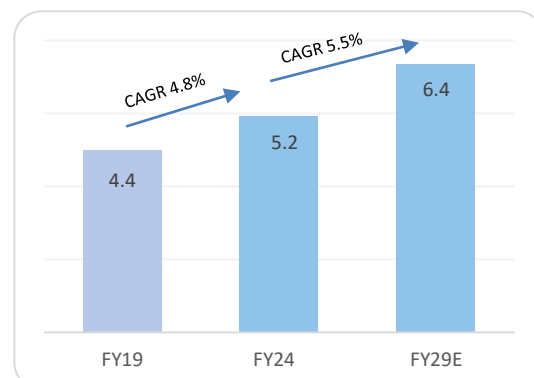
Source: DRHP, ACMIIL Research

Exhibit 17: Indian modified starch market size (USD Mn)



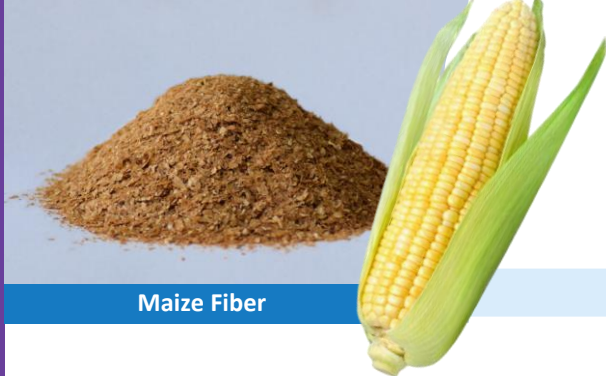
Source: DRHP, ACMIIL Research

Exhibit 18: Indian modified starch market size (Mn tons)



Source: DRHP, ACMIIL Research





Maize Fiber

# IPO NOTE REGAAL RESOURCES LTD.

7<sup>th</sup> August, 2025

*Liquid glucose is also the highest in demand derivative because of its application in almost all the food and beverage products.*

## 4. Native Starch Based Derivatives demand in India

- i. **Liquid glucose:** The Indian market for liquid glucose is valued at USD 195.2 mn in 2024 and is expected to grow at rate of 3.90% till 2029 to reach valuation of USD 236.4 mn. Owing to its ease in production and good returns, native maize starch manufactures expand their milling capacities to produce liquid glucose. Liquid glucose is also the highest in demand derivative because of its application in almost all the food and beverage products.
- ii. **Maltodextrin:** Maltodextrin market in India is estimated to be valued at USD 151.5 mn and is expected to reach USD 210.8 mn at growth rate of 6.84% by 2029. It is majorly used in nutraceuticals, dairy, snacks, bakery products, and the flavour industry. One of the oldest uses of maltodextrin powder is certainly in infant formulas.
- iii. **Sorbitol:** The Indian sorbitol market is valued at USD 64.6 mn in 2024 and is expected to grow at 4.55% to reach USD 80.7 mn by 2029. Sorbitol's features such as its plasticity, viscosity, moisture retention and it's chelating property makes it suitable ingredient for applications ranging from food to personal care products. It is also used as bulking, cooling and texturizing agent, low calorie sweetener, humectant and stabilizer.
- iv. **Dextrose monohydrate:** The Indian dextrose monohydrate market was valued at USD 103.8 mn in 2024 and is expected to grow at a CAGR 5.74% till 2029E to USD 137.2. It is moderate in sweetness which is 65-70% sweet as sucrose. It is freely soluble in water at room temperature and has a greater depression of freezing point which helps in a smoother and creamier texture of frozen food products. It is used in bakery, canned fruits and vegetables, frozen desserts and confectionaries. Industrial applications include adhesives, plasticizer, feedstock, etc.
- v. **Dextrose anhydrous:** The Indian dextrose anhydrous market was valued at USD 78 mn in 2024 and is expected to grow at 3.64% to reach USD 93.2 mn by 2029E. It is colorless, odorless white powder which has a glycemic index close to 100%. It is less sweet than cane sugar, soluble in water and partially soluble in alcohol. It can be used in variety of industries including pharmaceutical, food and beverage products and animal feed

## End-user growth

Exhibit 19: Growth projections for end-user industries

Sr.No	End Use Industry	Global 2024-2029 Growth Rate (%)	India 2024-2029 Growth Rate (%)
1	Animal Nutrition	7.52	8.32
2	Snacks	6.43	9.10
3	Confectionary	5.95	8.91
4	Convenience Foods	6.76	9.89
5	Sauces and Spices	6.61	8.59
6	Spreads	6.62	6.89
7	Pharma	5.79	6.94
8	Paper	3.50	4.50
9	Apparel (Textiles)	2.85	3.67

Source: DRHP, ACMIIL Research

*Amongst end user industries, convenience foods are anticipated to experience the highest amount of growth in India over 2029.*

## IPO NOTE

## REGAAL RESOURCES LTD.

Liquid Glucose

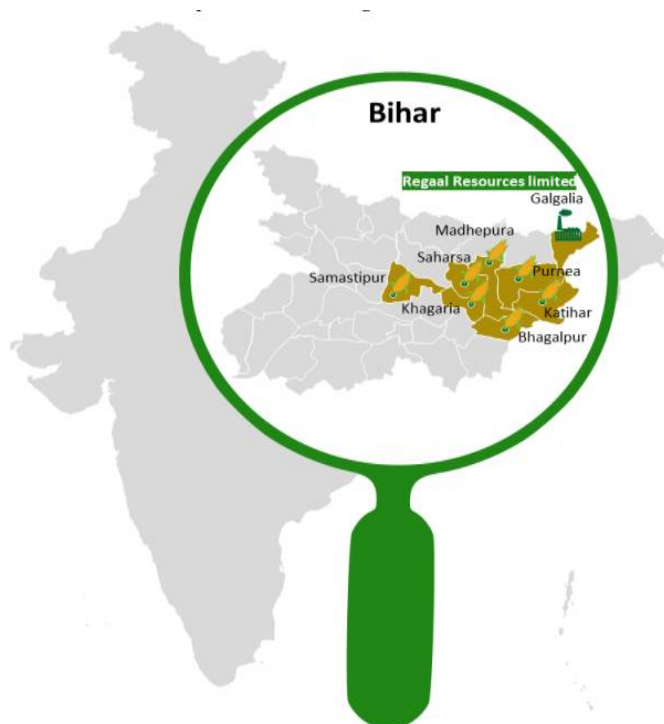
7<sup>th</sup> August, 2025

## Location Advantage

- Regaal Resources operates a strategically located and fully integrated manufacturing facility in Kishanganj, Bihar, spread over about 54 acres. This plant stands out as the first and only maize wet milling unit in the state, providing the company with a distinct first-mover advantage in the region.
- The location is particularly advantageous due to:
  - The facility is located close to major maize cultivation zones in Bihar and West Bengal, which are the third and sixth largest maize-producing states in India, respectively. Together, they account for 11.58% and 6.6% of the country's total maize production, ensuring a consistent supply of raw materials and helping the company keep procurement costs low.
  - Its proximity to Gulabghat Mandi (110 km), which is one of India's largest maize markets, allowing access to abundant quantities of high quality maize at competitive prices and one of the lowest rates of labour in the country.
  - Its location offers easy access to export markets like Nepal (just 24 km away) and Bangladesh (235 km), which helps reduce distribution and transportation costs.
  - Eligibility of capital subsidy, wherein the company receives 100% interest subsidy (upto Rs 200 mn) and interest capping of 10% on every subsequent expansion and 100% exemption on state GST by Bihar government for 5 years since commencement of operations.
  - Bihar's water table which has abundant ground water since facility is located about 5 km from the Mechi River. This becomes a reliable and sustainable water source, which is essential for uninterrupted operations.

*Bihar and West Bengal account for 11.58% and 6.6% of the country's total maize production, respectively, ensuring a consistent supply of raw materials and helping the company keep procurement costs low.*

Exhibit 20: Major maize growing districts in Bihar



Source: DRHP, ACMIIL Research

## IPO NOTE

## REGAAL RESOURCES LTD.

Cationic Starch

7<sup>th</sup> August, 2025

## Procurement efficiencies lead to better gross margins

- Being located in the Kishanganj district, which is in the maize catchment area, some of the maize procurement is through direct farmers that bring their produce right at Regaal's manufacturing facility. This reduces logistics costs as well as cuts the middleman, leading to 6-7% lower pricing for the raw material.
- Harvesting window of Rabi maize in Bihar and West Bengal is unique as it does not overlap with harvesting of maize in any other maize producing states hence it provides for an 'Exclusive Availability Window' of maize crop.
- Additionally, Regaal acquires maize at lower costs during the peak Rabi harvest season, stores it in warehouses, and uses it when prices increase. This leads to lower average cost of goods sold compared to peers. It's facility has 4 silos each with a total storage capacity of 10,000 metric tons i.e. an aggregate of 40,000 MT. Additionally, company also has a 138,747 square feet raw material warehouses which is capable of storing 25,000 tons of maize. The company also uses storage warehouses funded by agri-tech companies in nearby regions, to benefit from lower cost inventories procured during the peak harvest season.
- When compared to Sanstar and Sukhjit Starch, Regaal Resources has better gross margins despite minimal share of value added products, owing to these procurement advantages.

*Being located in the Kishanganj district, which is in the maize catchment area, some of the maize procurement is through direct farmers that bring their produce right at Regaal's manufacturing facility. This reduces logistics costs as well as cuts the middleman, leading to 6-7% lower pricing for the raw material.*

**Exhibit 21: Procurement efficiencies lead to better gross margins compared to head-to-head peers (FY25)**

Revenue Mix	Regaal Resources Ltd.	Sanstar Ltd.	Sukhjit Starch and Chemicals Ltd.
Revenues	9,152	9,534	14,980
COGS	6,635	7,091	11,000
Gross Profit	2,516	2,443	3,979
Gross Margins	27.5	25.6	26.6

Source: Company Fillings, ACMIIL Research





## IPO NOTE

## REGAAL RESOURCES LTD.

Pregelatinized Starch

7<sup>th</sup> August, 2025

*For over three years now, the company has maintained capacity utilization levels above 94%, demonstrating operational efficiency and stable demand for its products.*

## Manufacturing capacity and expansion

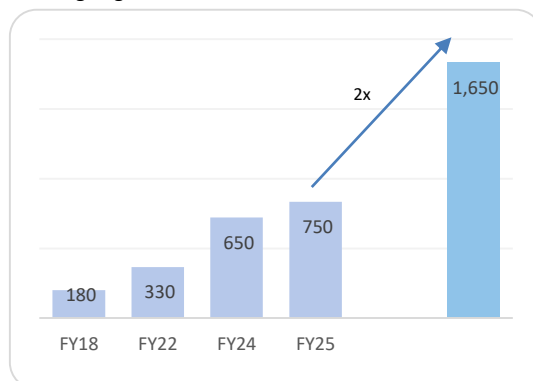
- The company commenced commercial operations in 2018 with an initial installed capacity of 180 TPD. It was then enhanced to 330 TPD in 2022, 650 TPD in 2024, and further to 750 TPD by October 2024. These expansions were complemented by infrastructure upgrades, including the installation of co-generation power units and additional silos. A starch dryer was added in FY25 to further boost throughput.
- For the last 3 years, the company has maintained capacity utilization levels above 94%, demonstrating operational efficiency and stable demand for its products.
- The facility is equipped with state-of-the-art wet milling processes and is one of the few Zero Liquid Discharge (ZLD) units in India's maize processing sector. It houses an advanced effluent treatment setup that includes a reverse osmosis plant and recycles water to ensure sustainable manufacturing practices. Power requirements are largely met through a 7.1 MW dual-feed cogeneration power plant capable of running on both coal and husk, which enhances energy efficiency and reduces reliance on external electricity sources.
- The company's infrastructure also includes four humidity-controlled silos with a combined storage capacity of 40,000 MT and a warehouse capable of storing 25,000 MT of maize. Together, this infrastructure supports a total maize storage capacity of 65,000 MT alongside a 5,000 MT finished goods handling space. The automated packaging unit and weatherproof loading docks are designed for efficient material handling and help ensure product integrity and smooth dispatch operations.
- The facility has received multiple certifications, underscoring its commitment to quality and safety. These include ISO 9001:2015 (Quality Management), ISO 22000:2018 (Food Safety), ISO 14001:2015 (Environmental Management), ISO 45001:2018 (Occupational Health and Safety), and HALAL certification. These accreditations reinforce the firm's ability to serve a wide range of domestic and international customers across food, paper, animal feed, and industrial applications.

With a strong operational foundation, integrated utility systems, and sustainable practices, Regaal Resources is well-positioned to scale its manufacturing output efficiently while maintaining high quality and environmental standards.

**The company plans to augment capacity from 750 TPD to 1,650 TPD through brownfield expansion and have made an application before the Bihar State Pollution Control Board for the same.**

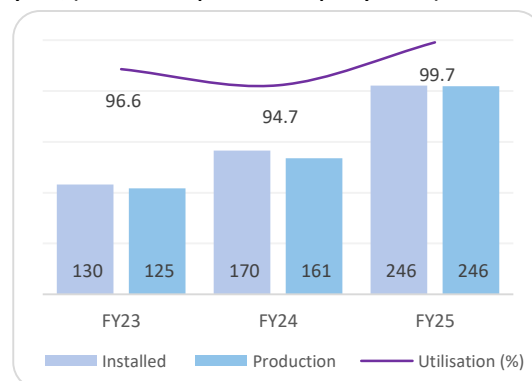
*Regaal's capacity inched up significantly since inception from 180 TPD in FY18 to 750 TPD in FY25. There is further plans for increasing capacity to 1,650 TPD.*

**Exhibit 22: Capacity (TPD) is anticipated to more than double going ahead**



Source: DRHP, ACMIIL Research

**Exhibit 23: High capacity utilisation maintained across years; (Installed and production capacity in TPA)**



Source: DRHP, ACMIIL Research

## IPO NOTE

# REGAAL RESOURCES LTD.

Maltodextrin Powder

7<sup>th</sup> August, 2025

### Product expansion plan

The company aims to expand its revenue share from segments other than native starch. With this objective, it plans to expand its product offerings in modified starch segment as well as commence production of starch derivatives. These product additions will enhance the margins for the company.

#### Additions to modified starch product segment

##### i. Cationic starch

- Cationic starch is a modified starch used in wet-end starches. Wet-end starches can be made from native starch, however cationic starches are better. The negatively charged cellulose fiber and fillers readily attract the positively charged cationic starches.
- This product is used in textile, paper, chemicals, agricultural, construction engineering, and healthcare industries. It is also used as an additive in papermaking, e.g. in the wet end of papermaking, among other things to improve retention, water permeability, strength of the produced paper and to remove anionic impurities.
- The Indian cationic starch market was valued at USD 118.2 mn in 2024 and is expected to grow at CAGR of 5.06% to reach USD 151.3 mn in 2029.

##### ii. Carboxyl Methyl Starch

- The water-soluble polysaccharide carboxymethyl starch (CMS) is used extensively as an additive. Its non-toxic and biodegradable derivatives are finding more and more uses.
- It is used mainly as adhesive sizing material for warp sizing, to size cotton yarn of small and medium size, linen yarn and blended yarn. It is also used as a printing thickener and can be used in adhesives, paints, water treatment, and mining industries.

##### iii. Pre-gelatinized starch

- Modified starch is processed using the standard drum drying process followed by slightly cross linking the granules to form pregelatinized starch. Pregelatinized starch is soluble in cold water as it easily takes up the water and swells at room temperature. It forms paste when mixed with cold water.
- It is used in cream fillings, canned sauces, soup mixes, gravies, tomato ketchup, pasty creams, dairy desserts, and other food product industries.
- The market for pregelatinized starch is valued at USD 290.8 mn in 2024 and is expected to grow at CAGR of 5.92% till 2029E.

#### Commence manufacturing of derivative products

##### i. Maltodextrin powder

- It is used as thickener, food additive, anti-caking agent, bulking agent and food flavor 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.
- The global market for maltodextrin is valued at USD 2,046 mn in 2024 and is expected to grow at CAGR 5.48 % on account of increasing demand from food industry. The maltodextrin market in India is valued at USD 151.5 mn in 2024 and is expected to reach USD 210.8 mn at growth rate of 6.84% by 2029E.

##### ii. 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 application in F&B, pharmaceutical, cosmetics and personal care and pulp paper industries.
- The Indian market for liquid glucose is valued at USD 195.2 mn in 2024 and is expected to grow at rate of 3.90% till 2029E to reach valuation of USD 236.4 mn, whereas the global glucose market size is valued at USD 2,360.8 mn in 2024 and is expected to expand at CAGR of 4.12% from 2024 to 2029E and is forecasted to reach 2,888.9 mn.

##### iii. Dextrose monohydrate

- It has a sweet taste and is used as a sweetener and texturizing agent. It is also used as a fermentation substrate.
- It can be used as nutritional supplement and sweetener in foods such as in confectioneries, bakery and honey. It is also used in pharmaceutical and feed industries.

##### iv. Dextrose anhydrous

- Also known as 'Maize Sugar Anhydrous' or 'Anhydrous Dextrose' or 'Anhydrous Sugar', it is a colorless, odorless white powder with less sweetness than cane sugar.
- It has wide application in industries including food & beverage, pharmaceutical, agriculture/animal feed, among others. It can be used as a nutritional supplement and sweetener in bakery and frozen dairy and dessert products.

*Regaal plans to expand its product offerings in modified starch segment as well as commence production of starch derivatives.*

## IPO NOTE

## REGAAL RESOURCES LTD.

Storage Facility

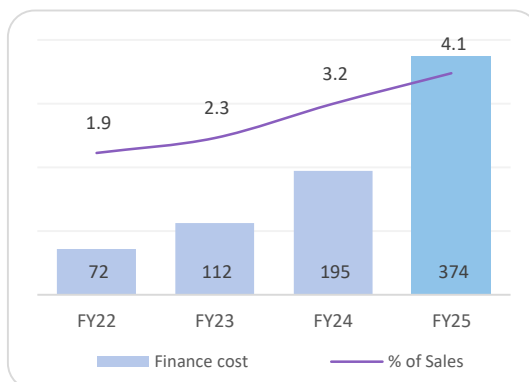
7<sup>th</sup> August, 2025

Through the IPO proceeds, the company aims to pare down debt levels, thereby reducing finance costs and improving cash flows.

## Debt reduction

- The debt-to-equity ratio at the end of FY25 was elevated at 2.08x. Through the IPO proceeds, the company aims to pare down debt levels, with Rs 1,590 mn earmarked for the purpose. This will reduce the total borrowings, which had inched up to Rs 5,612 mn as on June 30, 2025.
- While repaying debt, the management will focus on those loans which have a higher interest cost. Those loans, where the company is enjoying interest subvention from the Government of Bihar, will be kept on books, so as to optimise cost of funds.
- The debt repayment will help to reduce finance costs and improve profitability and cash flows.

**Exhibit 29: Finance costs as % of sales have inched up, while the company plans to address this by bringing down debt levels**



Source: DRHP, ACMIIL Research

## Improving domestic and export presence

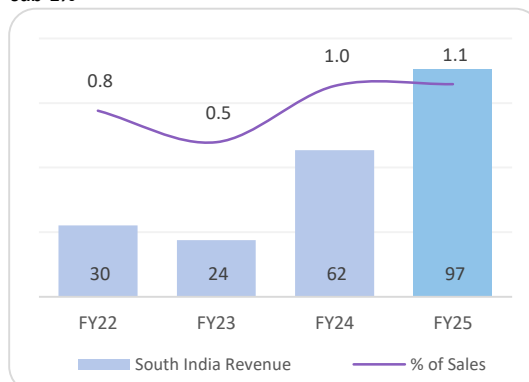
## Domestic expansion

- Regaal Resources is planning to expand its presence in South India, where it has weak presence. It plans to do so by further expanding in Andhra Pradesh and Telangana, initially, and gradually in other states viz. Tamil Nadu and Karnataka.
- The South Indian states of Andhra Pradesh, Karnataka, Tamil Nadu and Telangana are home to a large number of companies which operate in target industries of paper, textile, pharmaceutical, F&B and adhesive.
- One person from the senior management has been assigned to focus on building customer network in the South.

## Improving exports presence

Due to proximity to countries like Bangladesh and Nepal, the company is at an advantage to grow exports. With focus so far being on capacity building and portfolio expansion, the company plans to now also focus on expanding overseas presence.

**Exhibit 30: South India contribution to sales is very low at sub-1%**



Source: DRHP, ACMIIL Research

The company plans to expand in South India-initially in Andhra Pradesh and Telangana to cater to large players in textile and paper industries.





## IPO NOTE

## REGAAL RESOURCES LTD.

Packing and Labelling

7<sup>th</sup> August, 2025

*White labelling refers to the vertical where Regaal manufactures and supplies value-added products tailored to customer-specific requirements. The management plans to expand this business going ahead.*

**White labelling**

- In FY25, the company started manufacturing of products such as maize flour, baking powder, custard powder and icing sugar.
- The specifications for the manufacturing and necessary artwork for white labelling were provided by the customer.
- Management aims to increase the scale of this business.

## IPO NOTE

## REGAAL RESOURCES LTD.

Maize Gluten

7<sup>th</sup> August, 2025

## Competitive landscape &amp; peer comparison

Maize starch industry is highly competitive, with large number of players in organized (20-25 players) as well as unorganized sector. Medium to Large players are present in starch, derivatives, and other value-added segments.

Exhibit 24: Peers comparison

Indian Maize Starch producing companies	Bluecraft Agro Pvt. Ltd.	Gujarat Ambuja Export Ltd.	Gulshan Polyols Ltd.	Regaal Resources Ltd.	Roquette	Sukhjit Starch and Chemical Ltd.	Sanstar Ltd.	Paramesu Biotech
Year of establishment	2016	1991	1981	2016	2010	1943	2005	2011
Plant location	Andhra Pradesh (1), Telangana (1), Haryana (1)	Gujarat (1), Maharashtra (1), Karnataka (1), Uttarakhand (1), WB (1)	UP (1), Gujarat (1)	Bihar (1)	Karnataka (1), Gujarat (1), Uttarakhand (1)	Punjab (1), Telangana (1), WB (1), Himachal Pradesh (1)	Gujarat (1), Maharashtra (1)	Andra Pradesh (1)
Installed maize milling Capacity (TPD) as of 2025	1,675	4,000	600	750	2,720	1,600	1,100	800

Source: DRHP, ACMIIL Research

Exhibit 25: Key players in the Indian maize starch industry

Indian Maize Starch producing companies	Installed maize milling Capacities , TPD	% Market Share
Gujarat Ambuja Export Limited	4,000	20.5
Roquette	2,720	13.9
Sukhjit Starch and Chemical Limited	1,600	8.2
Bluecraft Agro Private Limited	1,675	8.6
Sanstar Limited	1,100	5.6
Sayaji Maize Products	1,000	5.1
Cargill	800	4.1
Paramesu Biotech	800	4.1
Regaal Resources Limited	750	3.8
Universal Starch- Chem allied Limited	750	3.8
Gulshan Polyols Limited	600	3.1
ShreeGluko Biotech	600	3.1
Sahyadri Starch & Industries pct limited	600	3.1
Kashyap Sweeteners Limited	420	2.2
Rajaram Maize Products Private Limited	300	1.5
Everest starch Private Limited	300	1.5
Santosh Limited	300	1.5
Others	1,200	6.2

Source: DRHP, ACMIIL Research

Maize starch industry is highly competitive, with large number of players in organized (20-25 players) as well as unorganized sector.

Gujarat Ambuja Exports leads with the highest installed capacity at 4,000 TPD with a market share of 20.5% as of 2025. Regaal is the 9<sup>th</sup> largest player with 3.8% market share and 750 TPD installed capacity.

## IPO NOTE

## REGAAL RESOURCES LTD.

Maize Steep Liquor

7<sup>th</sup> August, 2025

## Competitive landscape &amp; peer comparison

Within the listed peers, not all are head-to-head competitors for Regaal Resources, as some have varied revenue sources. The table below highlights the different revenue segments for each company. From this, it is evident that the company is more comparable to Sanstar and Sukhji Starch and Chemicals.

Within this, Regaal and Sanstar have a similar revenue share from native starch, while for Sukhjit, this share is lower. For Sanstar, it has a better share coming from Value Added products. Despite this, Regaal Resources has better margins due to the enhanced gross margins from procurement efficiencies.

Exhibit 26: Revenue mix (FY25)

Revenue Mix	Regaal Resources Ltd.	Sanstar Ltd.	Gujarat Ambuja Exports Ltd.	Gulshan Polyols Ltd.	Sukhjit Starch and Chemicals Ltd.
Maize Processing	100.0	100.0	73.2	36.1	96.3
Infrastructure					4.1
Others					0.2
Ethanol				58.8	
Mineral Processing				5.2	
Other Agro Processing			25.3		
Spinning			1.3		
Renewable Power			0.2		

Source: Company Fillings, ACMIIL Research

Exhibit 27: Maize products revenue mix (FY24)

Maize Product Revenue Mix (FY24)	Regaal Resources Ltd.	Sanstar Ltd.	Sukhjit Starch and Chemicals Ltd.
Starch	59.4	63.2	42.6
Derivative	-	6.5	34.4
Co-products	21.3	16.5	23.0
Modified Starch	0.8	-	-
VAP	0.5	-	-
Others	18.1	13.9	-

Source: Company Fillings, ACMIIL Research

Exhibit 28: Peer comparison (FY25)

KPIs (Rs mn)	Regaal Resources Ltd.	Sanstar Ltd.	Gujarat Ambuja Exports Ltd.	Gulshan Polyols Ltd.	Sukhjit Starch and Chemicals Ltd.
<i>Financial:</i>					
Revenue from Operations	9,152	9,534	46,126	20,197	14,980
Revenue 2 Year CAGR (%)	37.0	(11.1)	(3.1)	30.8	1.8
EBITDA	1,128	560	4,010	954	1,117
EBITDA Margin (%)	12.3	5.9	8.7	4.7	7.5
PAT	477	438	2,493	247	400
PAT Margin (%)	5.2	4.5	5.3	1.2	2.7
Total Borrowings	5,070	271	2,176	3,920	2,842
Net Worth	2,354	6,229	30,023	6,132	5,431
ROE (%)	20.3	7.0	8.3	4.0	7.4
ROCE (%)	14.2	9.4	8.6	5.8	9.3
Debt-to-Equity (x)	2.1	0.0	0.1	0.6	0.5
Gross Block	4,129	NA	NA	NA	NA
Addition to gross PP&E in the year	848	NA	NA	NA	NA
Fixed Asset Turnover (x)	2.5	5.0	4.1	2.8	2.8
Cash Conversion Cycle (days)	93	59	89	49	77
<i>Operational:</i>					
Total Installed Capacity (TPD)	750	NA	NA	NA	NA
No. of Employees	469	NA	NA	NA	NA
No. of Customers	261	NA	NA	NA	NA

Source: DRHP, ACMIIL Research

Despite Regaal's relatively smaller size, its profitability has been better than the larger listed players in the industry.





## IPO NOTE

## REGAAL RESOURCES LTD.

**Asit C. Mehta**  
INVESTMENT INTERMEDIATES LTD.  
A Pantomath Group Company

Key Clients

7<sup>th</sup> August, 2025

Exhibit 29: Peer comparison (FY24)

KPIs (Rs mn)	Regaal Resources Ltd.	Sanstar Ltd.	Gujarat Ambuja Exports Ltd.	Gulshan Polyols Ltd.	Sukhjith Starch and Chemicals Ltd.
<i>Financial:</i>					
Revenue from Operations	6,000	10,673	49,267	13,780	13,753
Revenue from Operations CAGR (%)	25.7	45.5	2.7	11.9	8.9
EBITDA	564	981	4,424	581	1,280
EBITDA Margin (%)	9.4	9.2	9.0	4.2	9.3
PAT	221	668	3,459	178	500
PAT Margin (%)	3.7	6.2	6.8	1.3	3.6
Total Borrowings	3,572	1,276	1,949	3,489	3,245
Net Worth	1,266	2,175	27,690	5,903	5,026
ROE (%)	17.5	30.7	12.5	3.0	9.9
ROCE (%)	10.1	22.9	10.9	2.8	11.5
Debt-to-Equity (x)	2.7	0.6	0.1	0.6	0.7
Gross Block	3,284	2,476	16,887	7,812	7,842
Addition to gross PP&E in the year	1,336	213	1,156	2,751	278
Fixed Asset Turnover (x)	2.0	5.3	4.9	2.7	11.5
Cash Conversion Cycle (days)	79	48	86	54	81
<i>Operational:</i>					
Total Installed Capacity (TPD)	650	1,100	4,000	600	1,600
No. of Employees	410	271	2,590	523	1,250
No. of Customers	195	525	NA	NA	NA

Source: DRHP, ACMIIL Research



## IPO NOTE

# REGAAL RESOURCES LTD.

Maize Procurement

7<sup>th</sup> August, 2025

### Management interaction

- Regaal Resources started operations in September 2018, but ramped up its full crushing capacity of 200 tons per day (TPD) by Jan-19. This was further expanded to 350 TPD in Mar-22 and 650 TPD in Oct-23. By early 2024, it expanded to 750 TPD. But it has been operating beyond this, at average levels of 820 TPD.
- The company is on its way to expand capacity to 1,650 TPD. With the new capacity addition, the company will focus on improving its share of value-added products like modified starch and starch derivatives. The current product mix ex. trading (FY25) is ~71% starch, 26% co-products and only 2.5% value added products and modified starch. The share of value added products will go up significantly post commercialization of new capex. The key products that will be added in VAP include liquid glucose, maltodextrin powder, DMH and DAH. The capacity will be fungible, to produce more of what has a better demand/pricing in the market at that particular point.
- For every 100 tons of maize crushed, the output consists of 69-70% starch, 6.5-7% Germ/ maize edible oil, 13-14% enriched fibre, which goes to animal feed and 5% gluten used for animal protein
- Once maize is put into the production process, Regaal's finished product output takes 40-45 hours, which is lower than 64-65 hours for the industry.
- Starch produced goes to paper mills across India, especially in east, northeast, north and started in west now. Traders that buy from the company sell to industries such as food products, colour industry, gulaal, adhesives, pharmaceuticals, textiles, etc.
- The company is located in the raw material cluster and not in consumption cluster. They get cheapest Rabi crop in Bihar and benefit by being the sole starch facility in the vicinity.
- There is less competition in Bihar, in part due to lesser presence of end-use industries, and due to zero liquid discharge policy of the state.
- Company focuses on direct procurement of raw material from farmers/ trade aggregators during April-August, which is the peak harvest period for Rabi maize in Bihar. Procurement from farmers leads to prices being 6-7% cheaper than mandi rates. This reduces average cost.
- The company holds inventory of maize during May to December, and then starts reducing inventory as new harvest arrives in April. It stores the inventory in its own silos as well as rents warehouses in nearby areas. The storage in third party warehouses is funded by companies like ITC, Olam, Suguna, etc. This helps to hedge price volatility, as the company has visibility of its RM pricing for the whole year and helps in maintaining margins.
- So far, there is an element of revenue from trading, which contributed ~17% to FY25 revenue. The extra maize procured is sold to traders at a small margin. While this brings down the overall company-level margins down by ~1.5-2%, this is still done to ensure the the ability to procure higher amounts of maize. As the company expands its capacity, almost all the procured maize will be used for in-house manufacturing itself and there will be limited scope for trading.
- The company opens its rates twice in a month, so there is no major lag in passing on any price fluctuations in the raw material. If the company believes maize prices are inching up, it holds back on taking new orders.
- New capex takes a minimum of 12 months to come on stream. Post commercialization, peak capacity is reached in about 3 months, while the company has been able to achieve this within a few weeks in the past.
- With the target of increasing presence in South India, the company is planning to put a depot to service the many paper mills located in the region. This was not done earlier as the capacity was low and absence of a rake point nearby.
- The receivable days are higher (77 in FY24) due to some part of revenue coming from maize trading. Excluding this, the receivable days would be close to 33-34.
- The company has many areas that it can venture into over time to improve its share of value added products. Some of them are gulaal, different types of modified starches, own animal feed, etc. It is also planning for backward integration into making bags, etc.

## IPO NOTE

## REGAAL RESOURCES LTD.

Maize Procurement

7th August, 2025

## Financial Statements

## Income Statement

YE March (Rs mn)	FY23	FY24	FY25
<b>Net Sales</b>	<b>4,880</b>	<b>6,000</b>	<b>9,152</b>
Growth (%)	28.5	23.0	52.5
RM cost	3,481	4,321	6,646
Employee cost	175	204	246
Other expenses	817	912	1,131
<b>Total expenses</b>	<b>4,473</b>	<b>5,437</b>	<b>8,024</b>
<b>EBITDA</b>	<b>407</b>	<b>564</b>	<b>1,128</b>
Growth (%)	(12.0)	38.6	100.1
EBITDA margin (%)	8.3	9.4	12.3
Depreciation	76	88	141
<b>EBIT</b>	<b>331</b>	<b>475</b>	<b>987</b>
EBIT margin (%)	6.8	7.9	10.8
Other income	7	11	24
Interest expense	112	195	374
<b>PBT</b>	<b>226</b>	<b>291</b>	<b>638</b>
Tax	58	70	161
Effective tax rate (%)	25.8	24.0	25.3
<b>Rep. PAT</b>	<b>168</b>	<b>221</b>	<b>477</b>
Rep. PAT Growth (%)	(35.8)	32.1	115.3
Rep. PAT Margin (%)	3.4	3.7	5.2
<b>Adj. PAT</b>	<b>168</b>	<b>221</b>	<b>477</b>
Adj. PAT Growth (%)	(35.8)	32.1	115.3
Adj. PAT Margin (%)	3.4	3.7	5.2

Source: DRHP, ACMIIL Research

## Cash Flow Statement

YE March (Rs mn)	FY23	FY24	FY25
<b>PBT</b>	<b>226</b>	<b>291</b>	<b>638</b>
Add: Depreciation	76	88	141
Add: Interest	112	195	374
Other adjustments	(0)	(2)	(3)
Chg in working cap	25	(762)	(1,170)
Tax	(92)	(36)	(92)
<b>Operating Cash flow</b>	<b>346</b>	<b>(225)</b>	<b>(112)</b>
Capex	(696)	(1,048)	(1,281)
Free Cash Flow	(350)	(1,274)	(1,393)
Investments	0	(15)	0
Interest/ dividend income	2	0	1
<b>Investing Cash flow</b>	<b>(694)</b>	<b>(1,063)</b>	<b>(1,280)</b>
Equity Capital	40	0	0
Debt	450	1,679	2,095
Dividend paid	(29)	0	0
Interest paid	(114)	(194)	(371)
Others	0	0	0
<b>Financing Cash flow</b>	<b>348</b>	<b>1,485</b>	<b>1,723</b>
Net chg in cash	0	197	331
<b>Opening cash position</b>	<b>1</b>	<b>1</b>	<b>198</b>
Exchange difference on translation of foreign operations	0	0	0
<b>Closing cash position</b>	<b>1</b>	<b>198</b>	<b>529</b>

Source: DRHP, ACMIIL Research

## Balance Sheet

YE March (Rs mn)	FY23	FY24	FY25
Equity share capital	96	96	411
Reserves & surplus	1,029	1,251	2,024
<b>Net Worth</b>	<b>1,125</b>	<b>1,347</b>	<b>2,435</b>
Non-current borrowings (incl. lease liabilities)	1,337	2,561	3,087
Other non-current liabilities	99	146	209
<b>Non current liabilities</b>	<b>1,436</b>	<b>2,706</b>	<b>3,296</b>
Borrowings	637	1,060	2,027
Trade payables	407	547	480
Lease liabilities	1	4	4
Other current financial liabilities	71	174	328
Other current liabilities	37	21	32
<b>Current liabilities</b>	<b>1,154</b>	<b>1,806</b>	<b>2,871</b>
<b>Equity &amp; liabilities</b>	<b>3,715</b>	<b>5,860</b>	<b>8,603</b>
Net PPE	1,753	3,004	3,714
CWIP	441	396	704
RoU assets	81	45	40
Financial assets	18	25	31
Other non current assets	175	36	332
<b>Non current assets</b>	<b>2,469</b>	<b>3,507</b>	<b>4,821</b>
Inventories	305	571	1,183
Investments	-	11	-
Trade receivables	719	1,267	1,369
Cash	1	198	529
Bank balances	-	-	9
Other financial assets	116	58	125
Other current assets	106	248	566
<b>Current assets</b>	<b>1,247</b>	<b>2,353</b>	<b>3,781</b>
<b>Total assets</b>	<b>3,715</b>	<b>5,860</b>	<b>8,603</b>

Source: DRHP, ACMIIL Research

## Key Ratios

YE March (Rs mn)	FY23	FY24	FY25
EPS	2.2	2.9	6.0
CEPS	4.5	(2.9)	(1.5)
BVPS	14.7	17.6	31.8
<b>Return Ratio (%)</b>			
RoCE	7.2	6.7	9.7
RoE	16.2	17.9	25.2
<b>Gearing Ratio (x)</b>			
Net Debt/Equity	1.7	2.5	1.9
Net Debt/EBITDA	4.6	6.0	4.0
Working Cap Cycle (days)	43	79	93
<b>Profitability (%)</b>			
EBITDA Margin	8.3	9.4	12.3
EBIT Margin	6.8	7.9	10.8
Adj. PAT Margin	3.4	3.7	5.2

Source: DRHP, ACMIIL Research

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	$\geq 15\%$
SELL	$< -10\%$
HOLD	$> -10\%$ to $15\%$

**Institutional Research Desk:**

Email: [instresearch@acm.co.in](mailto:instresearch@acm.co.in)

**Research Analyst Registration Number:**

INH000016940

CIN: U65990MH1993PLC075388

**Download Investmentz app:**



**Follow us on:**



**Information pertaining to Asit C. Mehta Investment Intermediates Limited (ACMIIL):**

ACMIIL is a SEBI registered Stock Broker, Portfolio Manager, Research Analyst and Depository Participant. It is also an AMFI registered Mutual Fund Distributor. Its associate/group companies are Asit C. Mehta Advisors Limited, Asit C. Mehta Financial Services Limited, and Edgytal Fintech Investment Services Private Limited.

**Disclosures**

ACMIIL/its associates and its Research analysts have no financial interest in the companies covered on the report. ACMIIL/its associates and Research analysts did not have actual/beneficial ownership of one per cent or more in the companies being covered at the end of month immediately preceding the date of publication of the research report. ACMIIL/its associates or Research analysts have no material conflict of interest, have not received any compensation/benefits for any reason (including investment banking/ merchant banking or brokerage services) from either the companies concerned/third parties with respect to the companies covered in the past 12 months. ACMIIL/its associates and the Research analyst covering the companies mentioned herein do not have any material conflict of interest as regards the said company. ACMIIL/its associates and research analysts have neither managed or co-managed any public offering of securities of the companies covered nor engaged in market making activity for the companies being covered. Further, the companies covered neither are/nor were a client during the 12 months preceding the date of the research report. Further, the Research analyst/s covering the companies covered herein have neither served as an officer/director or employee of the companies being covered nor have they received any compensation from the companies being covered during the 12 months preceding the date of the research report.

**Disclaimer:**

This report is based on information that we consider reliable, but we do not represent that it is accurate or complete and it should not be relied upon such. ACMIIL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in the report. To enhance transparency we have incorporated a Disclosure of Interest Statement in this document. This should however not be treated as endorsement of the views expressed in the report.

You are also requested to refer to the disclaimer (which is deemed to be part and parcel and is applicable to this research report as well) : <http://www.investmentz.com/disclaimer>