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11th August, 2025

IPO Details	
Price Band (INR)	INR 96 – INR 102
Face Value (INR)	5
Issue Open/Closing Date	Aug 12, 2025 to Aug 15, 2025
Fresh Issue (in INR crores)	210
OFS (in INR crores)	96
Total Issue (in INR crores)	306
Implied Market Cap (in INR crores; at higher band)	9,985
Object of the Issue	<ul style="list-style-type: none"> Repayment and/or pre-payment, in full or in part, of our certain outstanding borrowings availed by our Company.

About the Company:

- Regaal Resources, founded in 2016 by Chairman & MD Anil Kishorepuria, is one of India's fastest-growing maize-based specialty products manufacturers and the second-largest player in eastern India, with a maize milling capacity of 750 TPD. Its manufacturing facility, spread over 54 acres in Kishanganj, Bihar, includes a Zero Liquid Discharge (ZLD) unit and a storage capacity of 70,000 MT. Strategically located near Gulabbagh, one of India's largest maize markets, the company benefits from efficient raw material procurement and reduced logistics costs.
- The company's product portfolio spans native maize starch, modified starch, co-products, and value-added items such as baking powder, custard powder, maize flour, and icing sugar. In FY25, domestic sales contributed 92.8% of revenue, led by the eastern region, while exports reached markets like Malaysia, Bangladesh, and Nepal.
- Its customer base covers diverse industries including paper, animal feed, food manufacturing, and distributors, with paper being the largest contributor to revenue

Strong Growth and Market Position:

Regaal Resources ranks among the top 10 maize milling companies in India by capacity and is the sole maize wet-milling plant in Bihar. Between FY23–FY25, the company achieved a revenue CAGR of 37%, one of the fastest among industry peers. It is the second-largest maize processor in Eastern India, benefiting from its unique position as the only such facility in the state.

Strategic Location and Procurement Advantages:

Located in Kishanganj, Bihar which is India's third-largest maize-producing state, Regaal enjoys year-round access to quality raw materials. The region's Rabi maize harvesting window does not overlap with other states, creating an exclusive availability period. Proximity to Gulabbagh mandi, one of India's largest maize markets, reduces procurement and logistics costs, while direct sourcing from farmers cuts out intermediaries and lowers raw material prices by 6–7%

Cost Efficiency and Government Incentives:

The company's operational costs are further reduced through efficient warehousing, enabling bulk procurement at peak harvest and usage throughout the year, lowering average COGS compared to peers. Regaal also benefits from state government incentives in Bihar, including 100% interest subsidies (up to INR 200 million), interest capping on expansions, complete State GST exemption, and low labour rates

Expansion Plans and Product Diversification:

With IPO proceeds, Regaal plans to prepay INR 1,590 million of high-cost borrowings while retaining long-term loans with interest subsidies. Brownfield expansion will increase maize crushing capacity from 750 TPD to 1,650 TPD. The company aims to diversify beyond native starch by entering the modified starch and starch derivatives segments, including cationic starch, carboxyl methyl starch, maltodextrin powder, and liquid glucose, thereby improving margins

Market Expansion and White Labelling Opportunity:

Regaal is targeting growth in South India, starting with Andhra Pradesh and Telangana, before expanding to Tamil Nadu and Karnataka. Export growth is planned in Bangladesh, Nepal, and Malaysia, leveraging geographic proximity. The company has also entered the white labelling business, manufacturing maize flour, baking powder, custard powder, and icing sugar to client specifications, and plans to scale this segment as part of its long-term growth strategy.

Operational Performance, Product Mix, and Expansion Plans:

For over three years, the company has consistently maintained capacity utilization above 94%, reflecting strong operational efficiency and steady demand. Its clientele includes well-known names such as Emami Paper Mills, Manioca Food Products, Shri Guru Oil Industries, Mayank Cattle Foods, Century Pulp & Paper, Genus Paper Board, and Maruti Papers. The revenue mix is largely driven by native maize starch, with co-products and others contributing the balance, while modified starch and value-added products (VAP) together account for only ~2.1% of revenues. The company is now diversifying into starch derivatives like maltodextrin and liquid glucose, which cater to a wide range of industries including paper, food & beverages (F&B), animal feed, textiles, and pharmaceuticals. While globally, F&B consumes nearly 70% of native maize starch, in India this share stands at around 30%. Over the past 5–6 years, India's maize milling capacity has nearly doubled, supported by rising domestic and export demand along with adequate raw material availability. To capitalize on growing market potential, the company plans to expand operations into South India, beginning with Andhra Pradesh and Telangana, targeting major textile and paper industry players.

Valuation and view:

Regaal Resources holds a strong competitive position with its unique location advantage, cost-efficient operations, and government incentives, enabling sustainable margins and scalability. The company's planned capacity expansion, diversification into higher-margin modified starch and derivatives, entry into white labelling, and strategic market penetration in both domestic and export markets position it well for long-term growth. Owing to such developments, we recommend to **Subscribe**.

Strengths	
Strategic location near markets.	
Efficient multi-source procurement system.	
Sustainable manufacturing operations.	
Diversified portfolio, strong growth record.	
widespread sales & distribution network.	
Risk	
High dependence on top customers.	
Maize supply risk exposure.	
Seasonal raw material availability.	
High debt and restrictions.	
Unsecured customer relationships risk.	

Particular (in INR crores)	FY23	FY24	FY25
Revenue	488	600	915.2
EBITDA	40.7	56.4	112.8
EBITDA Margin	8.3%	9.4%	12.3%
PAT	16.8	22.1	47.7
PAT Margin	3.4%	3.7%	5.2%
EPS (in INR)	2.2	2.9	6.0
ROE (in %)	16.2%	17.9%	25.2%
ROCE (in %)	7.2%	6.7%	9.7%
Fixed Asset T/O	1.7x	2.0x	2.5x

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