

Regaal Resources Ltd.

August 08, 2025



Regaal Resources Limited is a Kolkata headquartered company engaged in the manufacturing and supply of maize-based products through its state-of-the-art zero liquid discharge (ZLD) maize milling facility spread across 54.03 acres in Kishanganj, Bihar. The company serves a diverse customer base across domestic and international markets, catering to key industries such as food products, paper, animal feed, and adhesives. Its business model is structured around three core customer segments: manufacturers of end products, manufacturers of intermediate products, and distributors or wholesale traders. Over the years, Regaal Resources has consistently scaled its operations through strategic capacity expansions, strengthening its position in the maize processing value chain.

Investment Rationale:

Strategic Location Driving Raw Material Access and Market Connectivity:

- Located in Kishanganj, India's major maize producing region contributing 11.58% of national output.
- Only maize milling unit in Bihar, ensuring efficient procurement with negligible regional competition.
- Proximity to Gulabghat mandi (110 km) allows low cost raw material sourcing from one of India's largest maize markets.
- Access to Nepal and Bangladesh markets supports future cross-border expansion.
- Excellent connectivity via NH 327E, Bagdogra Airport, and Siliguri ICD ensures logistics efficiency.

Integrated, Scalable Infrastructure with Strong Growth Visibility:

- FY25 capacity utilization at 99.74%, reflecting robust demand and operational efficiency.
- Expansion from 750 to 1,650 TPD underway, supported by land availability and regulatory approvals.
- Integrated 54-acre facility includes automated packing, 5,000 MT storage, and captive logistics setup.
- 7.1 MW captive co-gen plant (coal and husk) meets 88.26% of power needs, ensuring energy cost control.
- Zero Liquid Discharge system with advanced water treatment supports ESG compliance and sustainability.

Expanding Product Portfolio Aligned with High-Growth End-Use Industries:

- Ranked among the top 10 maize milling companies in India, with an installed capacity of 750 TPD.
- Diversified from native starch and co-products into modified starches and value-added products.
- Product applications span food & beverage, pharmaceuticals, textiles, paper, adhesives, and personal care.
- Plans to introduce maltodextrin powder, liquid glucose, dextrose monohydrate, and dextrose anhydrous to tap demand across high growth end-use sectors.
- Positioned to tap clean label and processed food trends with advanced modified starches.

Expanding Market Footprint with Strong Distribution and Customer Stickiness:

- 92.77% of FY25 revenue domestic-led, East and North contribute over 70% of sales.
- Export share rose to 7.23% in FY25, reflecting steady international traction.
- Expanding into South India, beginning with Andhra Pradesh and Telangana, followed by Tamil Nadu and Karnataka.
- Dealer led channel contributed 47.76% in FY25, revenue from dealers more than doubled since FY23.
- Active customers grew from 182 to 261 between FY23-FY25, repeat clients increased to 153.
- Dealer count rose from 88 to 138, distributor base expanded from 3 to 7 in two years.

Efficient Procurement Strategy and Robust Sourcing Infrastructure:

- ₹7,181.18 mn worth of maize procured in FY25, up 57.7% YoY, with a diversified sourcing mix.
- 80.8% sourced via traders; 14.1% via agri-distributors; 5.1% directly from farmers through Regaal Kissan Maitri.
- Regional procurement hub at Gulabghat mandi supports real time and efficient sourcing.
- Storage capacity of 65,000 MT via 4 silos (40,000 MT) and 1 warehouse (25,000 MT) ensures quality and inventory control.

Strong Financial Performance and Prudent Capital Management:

- Revenue grew at 36.95% CAGR from ₹4879.55 mn in FY23 to ₹9,151.61 mn in FY25.
- EBITDA doubled to ₹1,127.90 mn with margin expansion from 8.34% to 12.32% over FY23-FY25.
- PAT grew nearly 3x to ₹476.68 mn in FY25, PAT margin rose to 5.19%.
- ROE and ROCE improved to 20.25% and 14.17% respectively, reflecting strong capital efficiency.
- Production ramped from 370 TPD in FY23 to 750 TPD in FY25.
- ₹1,590 mn from IPO proceeds earmarked for debt repayment to strengthen balance sheet.

Valuation and Outlook: India's native maize starch industry is poised for steady expansion, projected to reach USD 2,478.7 million by FY29, driven by rising demand from the food, industrial, and feed sectors. Regaal Resources 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. Financially, Regaal stands out among listed peers, having delivered the highest revenue CAGR of 36.95% over FY23-FY25, alongside industry leading EBITDA margins of 12.32%, ROE of 20.25%, and ROCE of 14.17%. These metrics underscore the company's strong operational efficiency, superior capital productivity, and sound financial discipline. The planned deployment of ₹1,590 million from IPO proceeds toward deleveraging further highlights Regaal's commitment to strengthening its balance sheet and enhancing shareholder value. We recommend subscribing to the issue, as Regaal's ongoing capacity expansion from 750 to 1,650 TPD combined with near full utilisation of existing capacity and a gradual ramp-up of the new capacity, offers strong potential for revenue to double over the next 2-3 years, positioning the company as a good long term investment opportunity.

Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE	ROCE
FY23	4879.55	-18.33	406.73	8.34	167.58	2.20	16.05	10.99
FY24	6000.23	22.97	563.65	9.39	221.42	2.89	17.49	10.07
FY25	9,151.61	52.52	1,127.90	12.32	476.68	6.03	20.25	14.17

Issue Snapshot

Issue Open	12-Aug-25
Issue Close	14-Aug-25
Price Band	INR 96 - 102
Issue Size (Shares)	3,00,00,235
Market Cap (mln)	INR 10478

Particulars

Fresh Issue (INR mln)	INR 2100
OFS Issue (INR mln)	INR 960.02
QIB	50%
Non-institutionals	15%
Retail	35%

Capital Structure

Pre Issue Equity	8,21,35,940
Post Issue Equity	10,27,24,175
Bid Lot	144 Shares
Minimum Bid amount @ 96	INR 13824
Maximum Bid amount @ 102	INR 14688

Share Holding Pattern

	Pre Issue	Post Issue
Promoters	99.56%	70.44%
Public	0.44%	29.56%

Particulars

Face Value	INR 5
Book Value	INR 44.15
EPS, Diluted	INR 4.64

Objects of the Issue

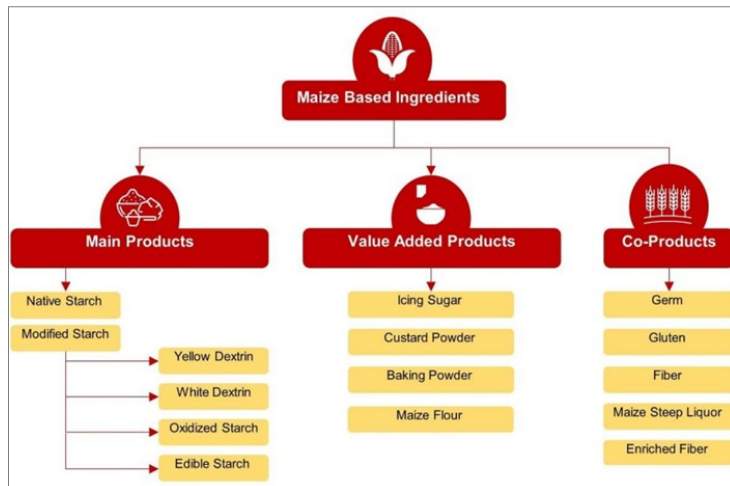
- Repayment and prepayment of borrowings - INR 1590 million
- General corporate purposes

SUBSCRIBE

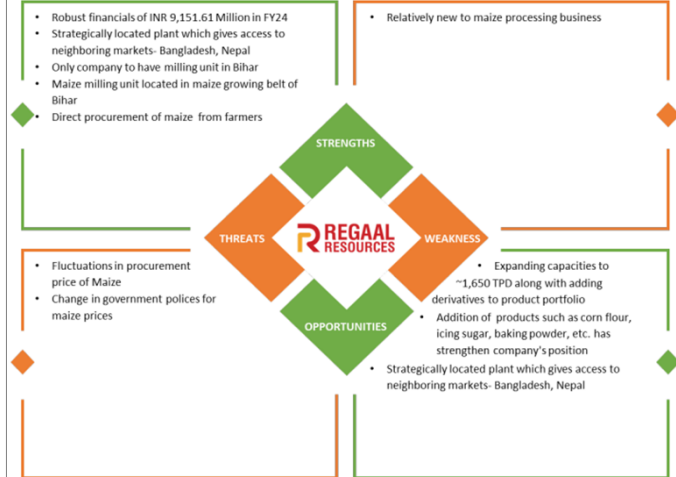
research@smifs.com

Regaal Resources Limited is a Kolkata headquartered company engaged in the manufacturing and supply of maize-based products through its state-of-the-art zero liquid discharge (ZLD) maize milling facility spread across 54.03 acres in Kishanganj, Bihar. The company serves a diverse customer base across domestic and international markets, catering to key industries such as food products, paper, animal feed, and adhesives. Its business model is structured around three core customer segments: manufacturers of end products, manufacturers of intermediate products, and distributors or wholesale traders. Over the years, Regaal Resources has consistently scaled its operations through strategic capacity expansions, strengthening its position in the maize processing value chain.

Products of the company:



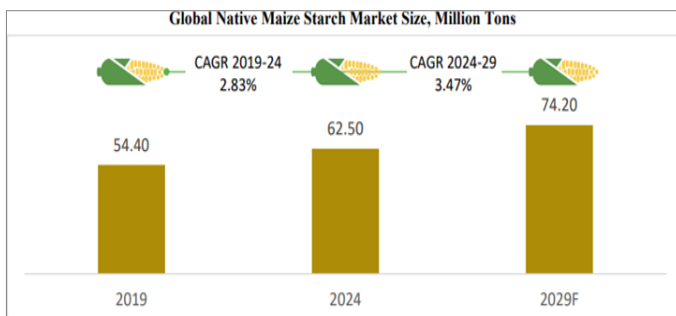
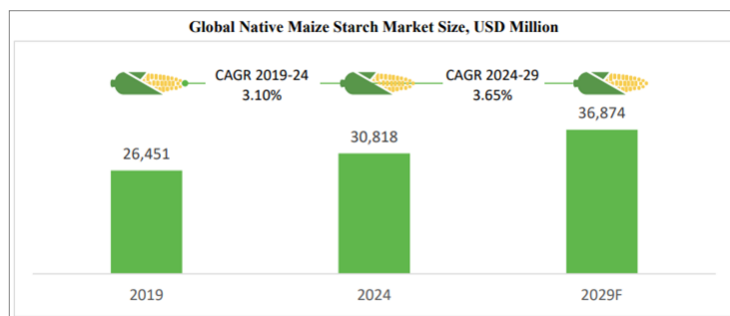
SWOT Analysis



Industry Overview:

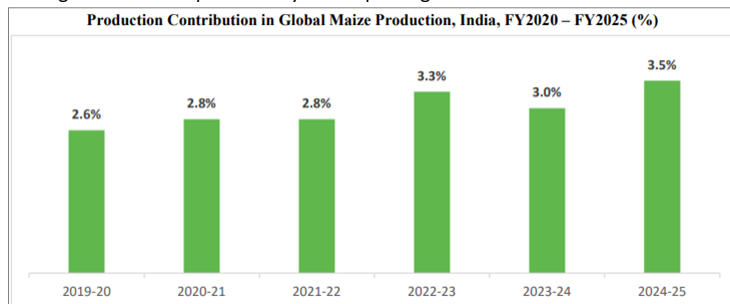
Global Native Maize Starch Market:

The global native maize starch market was valued at USD 30,818 million in FY24 and is projected to grow at a CAGR of 3.65% to reach USD 36,874 million by FY29. In volume terms, the market stood at 62.5 million tons in FY24 and is expected to rise to 74.2 million tons by FY29, reflecting steady demand across food, industrial, and pharmaceutical sectors. Native maize starch is commercially available in multiple physical forms such as coarse or fine powders, flakes, pearls, and larger granules, with the powdered form being the most widely used across global markets due to its processing ease and versatility.



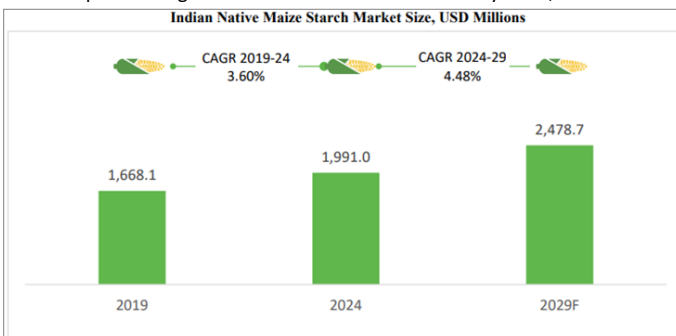
Indian Native Maize Starch Market:

India's share in global maize production increased from 2.6% in FY20 to 3.5% in FY25, before slightly moderating to 3.0% in FY24 due to higher output from countries like Brazil and Argentina. Despite this, India holds significant headroom for growth, with current production at ~38 million tons and the potential to scale up to 50 million tons over the next five years by improving yields to 5 tons per hectare. Policy support focused on strengthening post-harvest infrastructure, enhancing storage capacity, implementing price stabilization mechanisms, and developing an integrated value chain will be critical in unlocking this growth, driving overall sector productivity and improving farmer income.

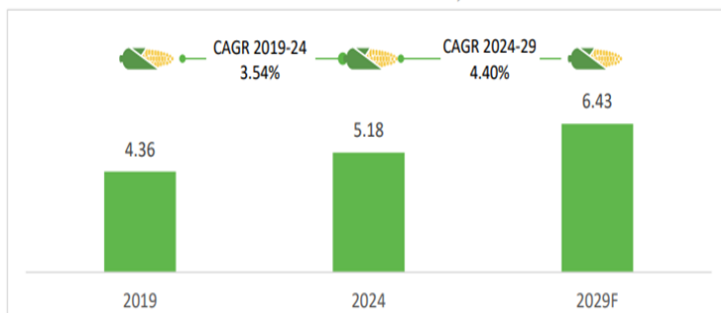


4.40% over the forecast period. This upward trend is driven by growing demand from food, feed, paper, and industrial sectors. The rising preference for maize-based starch input also supports the industry's positive long term outlook.

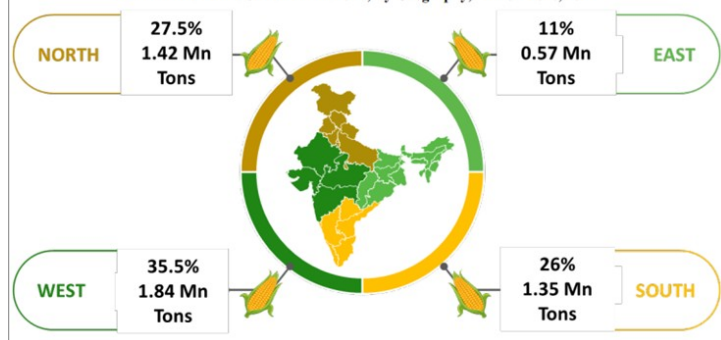
The Indian native maize starch market stood at USD 1,991 million in FY24, growing at a CAGR of 3.60% since FY19, and is projected to reach USD 2,478.7 million by FY29, reflecting a CAGR of 4.48%. In volume terms, the market expanded from 4.36 million tons in FY19 to 5.18 million tons in FY24 and is expected to grow further to 6.43 million tons by FY29, at a CAGR of



Indian Native Maize Starch market size, Million Tons



Indian Native Maize Starch market size, By Geography, Million Tons, 2024



Overall, Regaal Resources operates in a structurally growing industry underpinned by rising domestic and global demand for native maize starch and its derivatives. With increasing applications across food, feed, paper, textiles, and industrial sectors, the starch industry is experiencing steady demand growth driven by its versatility and increasing adoption across food processing, animal nutrition, and industrial applications. India's expanding maize production capacity, supported by productivity improvements and policy initiatives, further strengthens the supply-side dynamics. As one of the key players in this ecosystem, Regaal Resources is well positioned to capitalize on these long term growth drivers.

Investment Rationale:

Strategic Location Driving Raw Material Access and Market Connectivity: 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 Gulabghat '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.

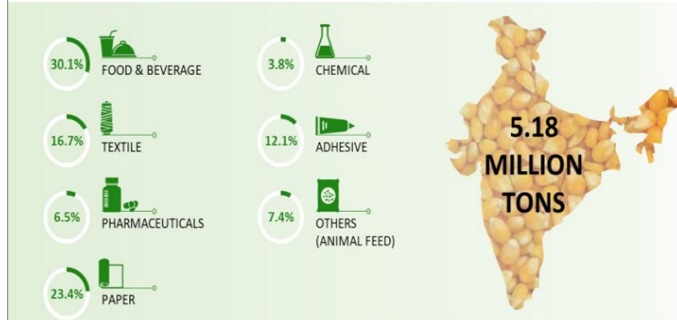
Regaal Resources also benefits from favourable state policy support through the Bihar Industrial Investment Promotion Policy (BIIPP), 2016 (extended to 2025). The policy offers interest subvention up to 10% or the actual rate (whichever is lower), capped at ₹200 million, on eligible term loans for units 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.

Integrated, Scalable Infrastructure with Strong Growth Visibility: Regaal Resources operates a sustainability focused wet milling facility that reflects a strong blend of operational efficiency and environmental stewardship. In FY25, the plant achieved a high capacity utilization of 99.74%, indicating optimal asset deployment. As of May 31, 2025, the installed crushing capacity stood at 750 TPD, and the company has applied to the Bihar State Pollution Control Board to enhance this to 1,650 TPD, highlighting its readiness to scale operations in line with future demand.

Indian Native Maize Starch market size, By application, Million Tons, 2024



Drivers, Restraints, and Opportunities Influencing the Indian Maize Starch Market:

DRIVERS - OPPORTUNITIES

- Huge population base (1.42 Bn) in India with a relatively young demographic, accelerating urbanisation and nuclearization of families, rising disposable incomes, shifting consumption pattern towards health and convenience offers excellent opportunity for maize starch market.
- Change in Consumer behaviour with respect to habits & patterns of food consumption with rising focus on organic, gluten free food, ready to eat food is driving the maize starch industry in India. Packaged ready-to-eat food is the order of the day due to ready OTC availability which in turn boosts maize starch market.
- The rising demand for organic and clean-label products represents one of the primary drivers of the maize starch market.
- Focus on eco-friendly and readily bio-degradable packaging / products intended to replace single use plastics will spur the demand of starch & starch-based biopolymers.
- The growing consumer preference toward organic maize starch products that are free from chemical modifications is offering a favourable market outlook. Consumers consider chemical products as undesirable and want to consume products with healthy ingredients.
- Beverages & Pharmaceutical manufacturers are using Liquid Glucose, High Maltose Maize Syrup (HMCS), Sorbitol, Fructose, Dextrose and other derivatives which are derived from Maize Starch as sweeteners.
- Additionally, because maize starch-based foam is compostable and has thermal insulation qualities, it is becoming more and more popular for shipping temperature-sensitive goods, which is opening attractive growth potential for industry players.
- 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 fuels and to clean up pesticide spills.
- Abundant availability of maize in India coupled with promotion of exports of value-added products will further boost the maize starch industry.

RESTRAINTS

- Industry suffers from rising prices of raw material - maize which has increasing demand from animal feed and ethanol manufacturing companies.
- Post-harvest losses due to manual handling further led to losses and shortage in availability of maize for maize starch industry.

The facility is strategically located across 54.03 acres in Kishanganj, Bihar, with ample unutilized land available for capacity expansion. This positions the company well to capture upcoming growth opportunities within the starch and derivatives industry. The integrated setup includes dedicated raw material and finished goods storage spaces, as well as an automated packing unit equipped with weatherproof loading docks and special flooring. The facility has a finished goods handling capacity of 5,000 MT, enabling efficient logistics, streamlined inventory movement, and improved turnaround times.

In terms of energy efficiency, Regaal Resources operates a 7.1 MW co-generation power plant that runs on both coal and husk, offering operational flexibility and energy independence. During FY25, 88.26% of the company's total power requirements were met through captive generation, underscoring its ability to maintain cost efficient and uninterrupted operations. The co-generation setup also utilizes steam pressure and temperature differentials, which not only reduces power costs but also contributes to sustainable energy use.

A key differentiator for Regaal Resources is its strong environmental compliance. The company operates one of the few maize wet milling plants in India with a Zero Liquid Discharge (ZLD) system. This is supported by advanced effluent treatment processes, water recycling, and reverse osmosis units, ensuring minimal water wastage and high levels of sustainability. These initiatives reflect the company's commitment to responsible manufacturing practices, aligned with regulatory standards and long term environmental goals.

Expanding Product Portfolio Aligned with High-Growth End-Use Industries: The company is among the top 10 largest maize milling companies in India in terms of crushing capacity, with a total installed capacity of 750 TPD. Revenue has grown at a robust CAGR of 36.95% between FY23 and FY25, positioning the company as one of the fastest growing maize-based specialty product manufacturers among its identified peers. Initially focused on native maize starch and co-products such as gluten, germ, and enriched fibre, the company has over the years significantly diversified its offerings to cater to a wider range of industrial applications.

Since FY22, the company has expanded its product portfolio to include modified starches such as white dextrin, yellow dextrin, oxidized starch, and edible starch; value-added products including maize flour, icing sugar, custard powder, and baking powder; and co-products like maize steep liquor. Native maize starch finds usage across multiple sectors including food & beverage, textiles, paper, and adhesives. Starch is widely used as a binder and filler in tablets and capsules, a strengthening agent for ice cream cones, a weight enhancer for textiles, and an additive to improve paper quality.

Revenue across end user industries:

Industry / Sector*	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (in ₹ million)	% of Contract Price*	Amount (in ₹ million)	% of Contract Price*	Amount (in ₹ million)	% of Contract Price*
Paper Industry	2,482.33	27.41	1,557.92	26.05	1,396.09	29.00
Feed Industry	1,194.74	13.19	1,295.72	21.67	1,193.51	24.79
Food Manufacturing	678.62	7.49	516.59	8.64	260.01	5.40
Manufacturing – others	1,489.74	16.45	263.46	4.41	212.78	4.42
Others*	3,212.17	35.46	2,346.92	39.23	1,751.57	36.39
Total	9,057.60	100.00	5,980.61	100.00	4,813.96	100.00

The company's business expansion is closely linked to the growth in end-user industries such as animal nutrition, snacks, confectionery, convenience foods, sauces and spices, spreads, pharmaceuticals, paper, and apparel. To further strengthen its market position, the company plans to introduce derivative products including maltodextrin powder and liquid glucose. Maltodextrin powder is a versatile ingredient used as a thickener, food additive, anti-caking agent, bulking agent, and flavour carrier across the F&B, pharmaceuticals, agriculture, and healthcare industries. Liquid glucose, also known as maize syrup, serves multiple functions such as flavour enhancement, stabilization, texture improvement, and preservation. It finds

application in food and beverage, pharmaceuticals, cosmetics and personal care, and pulp & paper industries.

Additionally, the company plans to manufacture dextrose monohydrate and dextrose anhydrous. Dextrose monohydrate is used as a nutritional supplement and sweetener in confectionery, jams, jellies, bakery items like cakes and cookies, beverages, and honey products, while dextrose anhydrous is utilized across the F&B, pharmaceutical, and agriculture/animal feed sectors. In the modified starch category, the company currently produces white and yellow dextrin, oxidized starch, and edible starch, and plans to add cationic starch, carboxyl methyl starch, Indian Pharmacopoeia-grade starch, and pregel starch.

Modified starch is a critical component in ready-to-eat food production and is also used across industries such as pharmaceuticals, cosmetics, personal care, textiles, paper, and chemicals due to its functional versatility. The rising demand for processed foods, along with the growing need for eco-friendly and organic additives in personal care and cosmetic products, is expected to significantly drive demand for modified starch in the coming years.

With a steadily expanding portfolio of native, modified, and value-added starch products, the company is well-positioned to capitalise on the strong growth momentum across multiple high demand end-use industries. Its forward integration into derivatives and specialty starches further enhances its ability to address evolving customer needs and capture emerging opportunities across both B2B and consumer focused sectors.

Expanding Market Footprint with Strong Distribution and Customer Stickiness: The company continues to derive the majority of its revenues from domestic operations, with 92.77% of contract revenue in FY25 coming from India. Within India, the East and North regions contributed the highest share at 38.75% and 31.62% respectively in FY25, followed by the West at 15.94%. This regional pattern has remained largely consistent over the past three fiscal years. International markets contributed 7.23% in FY25, up from 7.17% in FY24 and 6.95% in FY23, reflecting steady progress in export diversification. As part of its business strategy, the company now intends to expand its domestic footprint further, especially in South India, starting with Andhra Pradesh and Telangana and eventually extending to Tamil Nadu and Karnataka. These states host several key end-user industries for maize-based specialty products, including paper, textiles, pharmaceuticals, food & beverages, and adhesives. Simultaneously, with its planned increase in manufacturing capacity, the company also aims to strengthen its international presence by expanding into export markets, thereby diversifying its geographic revenue base.

The company has witnessed consistent growth across all sales channels over the last three fiscal years, with total revenue rising from ₹4,813.96 million in FY23 to ₹9,057.60 million in FY25, reflecting a robust CAGR of 37.5%. Sales through dealers remained the dominant channel, accounting for 47.76% of FY25 revenue, up from 45.66% in FY24, indicating growing reliance on dealer networks to drive volumes. Revenue from this channel more than doubled to ₹4,325.90 million in FY25 from ₹2,057.27 million in FY23. Sales through distributors also grew steadily, contributing 26.30% in FY25, compared to 26.72% in FY24 and 28.86% in FY23, suggesting a stable channel mix. Meanwhile, direct sales to end customers accounted for 25.94% of FY25 revenue, slightly down from 27.62% in FY24. The balanced and expanding channel mix reflects the company's ability to scale operations while maintaining strong distribution relationships and direct customer engagement.

Revenue from customers, dealers and distributors:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue (₹ in million)	% of Contract Price*	Revenue (₹ in million)	% of Contract Price*	Revenue (₹ in million)	% of Contract Price*
Sales to end customers	2,349.86	25.94	1,651.82	27.62	1,367.28	28.40
Sales through distributors*	2,381.84	26.30	1,598.18	26.72	1,389.41	28.86
Sales through dealers**	4,325.90	47.76	2,730.61	45.66	2,057.27	42.74
Total	9,057.60	100.00	5,980.61	100.00	4,813.96	100.00

The company has demonstrated consistent expansion in its dealer and distributor network, which has significantly supported its revenue growth. The number of dealers grew from 88 in FY23 to 138 in FY25, with 63 new dealers added in the latest year alone. This expansion helped drive revenue from ₹2,057.27 million in FY23 to ₹4,325.90 million in FY25. Parallely, the distributor base also more than doubled from 3 in FY23 to 7 by FY25, indicating the company's increasing market penetration and widening distribution footprint.

The company's strategic initiatives across geographies, robust distribution reach, and deepening customer engagement collectively reinforce its long term growth trajectory. With expanding presence in newer markets, a multi-channel distribution engine, and a growing base of loyal and recurring customers, the company is well positioned to sustain revenue visibility and scale its market share across domestic and international segments.

Efficient Procurement Strategy and Robust Sourcing Infrastructure: Regaal has built a well rounded and resilient procurement strategy by diversifying maize sourcing through multiple channels, including traders, farmers via aggregators, and agri-distribution companies. In FY25, over 80% of maize was sourced from traders, primarily in Bihar and West Bengal, while direct procurement from farmers through aggregators accounted for 5.09%. The ongoing 'Regaal Kissan Maitri' initiative aims to strengthen farmer engagement around the manufacturing facility through awareness and outreach programs, enhancing both cost efficiency and brand recall. To support this strategy, Regaal has invested in four silos with a total capacity of 40,000 MT and a 138,747 sq. ft. warehouse capable of storing 25,000 MT, providing an aggregate storage capacity of 65,000 MT. Additionally, the company's on-ground procurement team and regional office in Gulabgha, one of India's largest maize mandis ensure consistent access to quality inputs at competitive prices. This integrated sourcing and storage setup enables supply chain continuity while mitigating risks related to price fluctuations and raw material quality.

Sources of maize procurement:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (in ₹ million)	% of total maize procured	Amount (in ₹ million)	% of total maize procured	Amount (in ₹ million)	% of total maize procured
Traders	5,802.59	80.80	3,864.64	84.88	2,090.89	65.68
Farmers / cultivators through aggregators	365.51	5.09	103.92	2.28	214.38	6.73
Agri-distribution companies	1,013.08	14.11	584.58	12.84	878.10	27.59
Total	7,181.18	100.00	4,553.14	100.00	3,183.37	100.00

Return ratios also strengthened, with ROE rising from 16.05% in FY23 to 20.25% in FY25, and ROCE improving from 10.99% to 14.17%, underlining efficient capital allocation and rising profitability. Additionally, total production volumes (TPD) have seen a significant ramp-up, increasing from 370 TPD in FY23 to 750 TPD in FY25.

The company is also focused on deleveraging to enhance its financial flexibility. As on June 30, 2025, the total outstanding borrowings stood at ₹5,611.53 million. To reduce finance costs and strengthen cash flows, Regaal Resources plans to utilize ₹1,590.00 million from the Fresh Issue Proceeds to pare down debt. This strategic move is expected to support smoother business execution and fund future growth initiatives more efficiently.

Valuation and Outlook: India's native maize starch industry is poised for steady expansion, projected to reach USD 2,478.7 million by FY29, driven by rising demand from the food, industrial, and feed sectors. Regaal Resources 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. Financially, Regaal stands out among listed peers, having delivered the highest revenue CAGR of 36.95% over FY23-FY25, alongside industry leading EBITDA margins of 12.32%, ROE of 20.25%, and ROCE of 14.17%. These metrics underscore the company's strong operational efficiency, superior capital productivity, and sound financial discipline. The planned deployment of ₹1,590 million from IPO proceeds toward deleveraging further highlights Regaal's commitment to strengthening its balance sheet and enhancing shareholder value. We recommend subscribing to the issue, as Regaal's ongoing capacity expansion from 750 to 1,650 TPD combined with near full utilisation of existing capacity and a gradual ramp-up of the new capacity, offers strong potential for revenue to double over the next 2-3 years, positioning the company as a good long term investment opportunity.

Over the years, the company has demonstrated a strong ability to both retain existing clients and attract new ones, as reflected in the steady rise in total customers from 182 in FY23 to 261 in FY25. Repeat customers grew from 85 to 153 during this period, while the contract value from repeat clients more than doubled, underscoring continued satisfaction and trust. Simultaneously, the company maintained a healthy pipeline of unique customers, indicating effective market outreach and onboarding efforts. This growth is a testament to the company's customer-centric approach, driven by responsive on-ground teams, product flexibility, consistent engagement through trade events, and a commitment to quality and timely delivery.

Revenue from repeat and unique customers:

Particulars	As at and for the financial year ended March 31, 2025		As at and for the financial year ended March 31, 2024		As at and for the financial year ended March 31, 2023	
	Customer (nos.)	Contract Price* (₹ million)	Customer (nos.)	Contract Price* (₹ million)	Customer (nos.)	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

Strong Financial Performance and Prudent Capital Management: Regaal Resources has delivered a robust financial performance over the past three years, with revenue from operations increasing at a CAGR of 36.95% from ₹4,879.55 million in FY23 to ₹9,151.61 million in FY25. The company's profitability has also improved meaningfully, as EBITDA more than doubled to ₹1,127.90 million in FY25, accompanied by a steady margin expansion from 8.34% in FY23 to 12.32% in FY25. This reflects enhanced operational efficiency and better cost controls across the business.

Net profit (PAT) grew from ₹167.58 million in FY23 to ₹476.68 million in FY25, with PAT margin improving from 3.43% to 5.19% over the same period.

Revenue Decomposition

Particulars	FY25		FY24		FY23	
	Revenue (₹ million)	% of Revenue	Revenue (₹ million)	% of Revenue	Revenue (₹ million)	% of Revenue
Native maize starch	5369.87	59.29	3552.98	59.41	2916.53	60.58
Modified starch	45.11	0.5	46.12	0.77	26.18	0.54
Co-products	1973.46	21.78	1272.93	21.28	1258.48	26.14
Value added products	143.67	1.59	28.86	0.48	18.45	0.38
Others	1525.49	16.84	1079.72	18.06	594.32	12.36
Total	9057.6	100	5980.61	100	4813.96	100

Revenue from Domestic Sales and Exports

Particulars	FY25		FY24		FY23	
	Revenue (₹ million)	% of Revenue	Revenue (₹ million)	% of Revenue	Revenue (₹ million)	% of Revenue
Domestic	8402.76	92.77	5551.67	92.83	4479.4	93.05
Exports	654.84	7.23	7.17	7.17	334.56	6.95
Total	9057.6	100	5980.61	100	4813.96	100

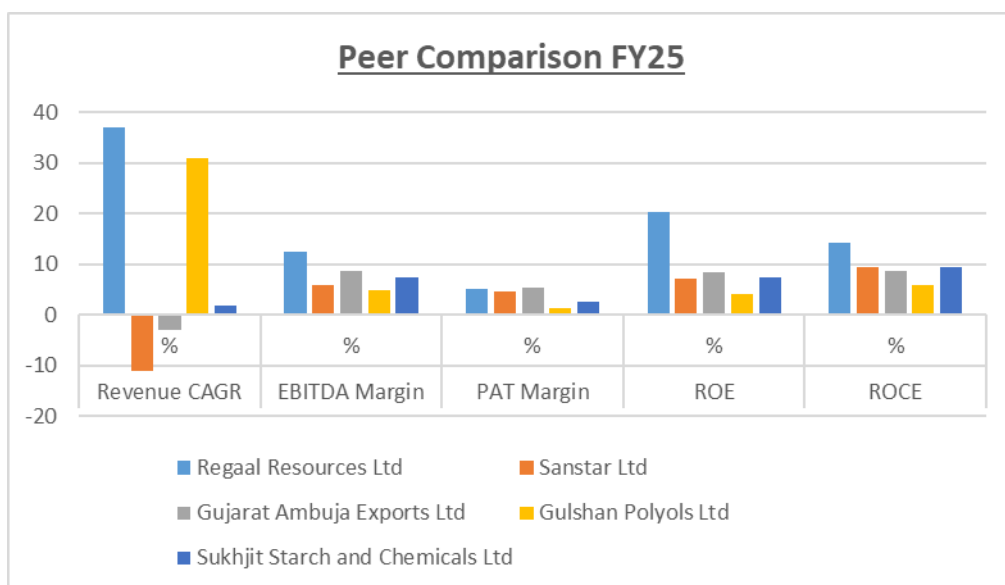
Capacity Utilisation

Particular	Unit	2MFY26	FY25	FY24	FY23
Wet milling					
Installed capacity	TPA	40875	246475	169750	129500
Actual production	TPA	40690	245824	160749	125084
Capacity Utilisation	%	99.55	99.74	94.7	96.59
Power					
Total Usage of power	MW	7548	46729	31937	23845
Usage of captive power	MW	6172	41243	25758	18426
Captive power usage	%	81.77	88.26	80.65	77.27

Peer Comparison

Name of the company	Diluted EPS 2025 (₹)	Price as on August 6, 2025	P/E (x)
Regaal Resources Ltd	6.03	102	16.92
Sanstar Ltd	2.58	87.31	33.84
Gujarat Ambuja Exports Ltd	5.44	105.16	19.33
Gulshan Polyols Ltd	3.95	173.08	43.82
Sukhjit Starch and Chemicals Ltd	12.79	173.35	13.55

Particulars FY25	Unit	Regaal Resources Ltd	Sanstar Ltd	Gujarat Ambuja Exports Ltd	Gulshan Polyols Ltd	Sukhjit Starch and Chemicals Ltd
Revenue from Operations	₹ million	9151.61	9534.23	46125.8	20196.77	14979.5
Revenue CAGR	%	36.95	-11.05	-3.07	30.84	1.76
EBITDA	₹ million	1127.9	559.76	4009.7	953.56	1116.9
EBITDA Margin	%	12.32	5.87	8.69	4.72	7.46
PAT	₹ million	476.68	437.98	2492.5	246.66	399.5
PAT Margin	%	5.19	4.51	5.31	1.22	2.65
Total Borrowings	₹ million	5070.48	270.72	2175.6	3920.12	2841.6
ROE	%	20.25	7.03	8.3	4.02	7.36
ROCE	%	14.17	9.44	8.58	5.79	9.34
Debt to Equity	times	2.08	0.04	0.07	0.64	0.52
Fixed Assets Turnover Ratio	times	2.46	4.98	4.12	2.82	2.79
Cash conversion cycle	days	93	59	89	49	77



Income Statement				Balance Sheet			
Y/E (INR mn)	FY23	FY24	FY25	Y/E (INR mn)	FY23	FY24	FY25
Revenue	4,879.55	6,000.23	9,151.61	Source of funds			
Expenses:				Equity Share Capital	95.85	95.85	410.68
Raw Material Consumed	2926.81	3270.28	5308.85	Reserves	1029.24	1251.22	2024.40
Employee Cost	175.10	203.72	246.44	Total Share holders funds	1125.09	1347.07	2435.08
Total Expenses	4,660.80	5,719.50	8,537.77	Total Debt	1,889.32	3,752.13	5,070.48
EBITDA	406.73	563.65	1,127.90	Current Liabilities	1,153.79	1806.17	2871.49
EBITDA Margin %	8.34	9.39	12.32	Trade Payables	407.22	547.03	480.07
Interest	112.45	194.65	373.50	Total Non-Current Liabilities	1,436.32	2,706.47	3,296.08
Depreciation	75.53	88.27	140.56	Total Liabilities	3,715.20	5,859.71	8,602.65
Other Income	1.79	10.54	24.15				
PBT	225.94	291.27	637.99	Application of funds			
PAT	167.58	221.42	476.68	Fixed Assets	1950.83	3283.94	4129.08
EPS	2.20	2.89	6.03	Capital Work in Progress	441.22	396..4	703.60
				Cash and Bank	0.92	197.76	537.88
				Current Assets	1246.70	2352.94	3781.28
				Trade Receivables	719.37	1267.35	1368.72
				Other current assets	105.00	244.33	562.92
				Total Assets	3,715.20	5,859.71	8,602.65
Cash Flow				Key Ratios			
Y/E (INR mn)	FY23	FY24	FY25	Y/E (INR mln)	FY23	FY24	FY25
Profit Before Tax	225.94	291.27	637.99	Growth Ratio			
Adjustment	187.84	280.94	511.48	Net Sales Growth(%)	28.46	22.97	52.52
Changes In working Capital	24.69	-761.71	-1,169.88	EBITDA Growth(%)	-11.39	38.58	100.11
Cash Flow after changes in Working Capital	438.47	-189.50	-20.41	PAT Growth(%)	-35.83	32.13	115.28
Tax Paid	-92.18	-35.64	-91.6	Margin Ratios			
Cash From Operating Activities	346.29	-225.14	-112.01	EBITDA	8.34	9.39	12.78
Cash Flow from Investing Activities	-693.78	-1063.08	-1,279.92	PBT	4.63	4.85	6.97
Cash from Financing Activities	347.56	1485.06	1723.12	PAT	3.43	3.68	5.19
Net Cash Inflow / Outflow	0.07	196.84	331.19	Return Ratios			
Opening Cash & Cash Equivalents	0.85	0.92	197.76	ROA	5.17	4.63	6.59
Closing Cash & Cash Equivalent	0.92	197.76	528.95	ROE	16.05	17.49	20.25
				ROCE	10.99	10.07	14.17
				Turnover Ratios			
				Asset Turnover(x)	1.51	1.25	1.27
				Inventory Turnover(x)	11.76	13.70	10.43
				Fixed Asset Turnover (x)	2.78	2.00	2.46
				Solvency Ratios			
				Debt/Equity(x)	1.68	2.65	2.08
				Current Ratio(x)	1.08	1.30	1.32
				Quick Ratio(x)	0.82	0.99	0.90
				Interest Cover(x)	3.01	2.50	2.71
				Valuation Ratios			
				P/E	-	-	16.92
				P/B	-	-	2.31
				EV/EBITDA	-	-	13.31
				EV/Sales	-	-	1.64

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