

# **Regaal Resources Ltd**

## **IPO Note**



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### India's 750 TPD maize-based specialty starch & food-grade products maker

Regaal Resources Ltd. is engaged in the manufacturing of maize-based specialty products, including native maize starch, modified starch, value-added products, and co-products. Its product categories include native maize starch, modified starch (like white dextrin and yellow dextrin), co-products (such as gluten, germ and enriched fiber), and value-added products (like maize flour, icing sugar, custard powder, and baking powder).

Regaal Resources' manufacturing facility, spanning ~54 acres in Kishanganj, Bihar, has a total installed crushing capacity of 750 tonnes per day (TPD). The company maintains high capacity utilization, reaching 99.74% in FY25. Its facility includes 4 humidity-controlled storage silos with an aggregate capacity of 40,000 MT and raw material warehouses capable of storing 25,000 tons of maize, enabling lower average cost of goods sold through peak harvest season procurement.

Company serves a diverse base of 261 customers as of FY25, incl both domestic and international clients. Prominent clients include Emami Paper Mills Ltd, Manioca Food Products Pvt Ltd, Century Pulp & Paper, Aarnav Sales Corporation, AMV Sales Corporation, Eco Tech Papers, Genus Paper Board, Krishna Tissues, Maruti Papers and M/s Vasu and Sons.

Revenue from operations grew at a CAGR of 36.9% from ₹488 cr in FY23 to ₹915 cr in FY25, while EBITDA also grew significantly at a CAGR of 66.53% during the same period from ₹16.7 cr to ₹47.6 cr. The company also benefits from its location in Bihar, which offers a unique "Exclusive Availability Window" for maize, along with 100% Interest subsidy (up to ₹20 cr) and a 100% exemption on State GST from the Bihar government.

With the IPO proceeds, Company aims to deleverage the balance sheet, reduce finance costs, and improve cash flows. The company plans a brownfield expansion to increase its installed crushing capacity from 750 TPD to 1,650 TPD. It also intends to expand its domestic reach, particularly in South Indian states like Andhra Pradesh, Telangana, Tamil Nadu and Karnataka. With the increased capacity, the company plans to expand its international footprint, leveraging its proximity to countries like Bangladesh, Nepal, and Malaysia.

We recommend 'Subscribe' for Regaal Resources Ltd as we expect margins to improve with debt reduction, capacity expansion and new geographies.

Industry	Agri Foods
Scrip Details	
Listing	BSE & NSE
Open Date	Aug 12, 2025
Close Date	Aug 14, 2025
Price Band	INR 96 – 102
Face Value	INR 5
Market Lot	144 Shares
Minimum Lot	1

Issue Structure	(%)
Issue Size (INR cr)	306
Issue Size (Shares)	3,00,00,235
QIB Share (%)	< 50%
Non-Inst Share (%)	< 15%
Retail Share (%)	< 35%
Pre-Issue Sh (in Cr)	8.2
Post Issue Sh (in Cr)	10.3
Post Issue MCap (in INR Cr)	1,050

Shareholding (%)	Pre (%)	Post (%)
Promoter	99.56	70.79
Public	0.44	29.21
<b>TOTAL</b>	<b>100</b>	<b>100</b>

#### Key Consolidated Financial Data (INR Cr, unless specified):

	Revenue (INR)	EBITDA (INR)	Net Profit (INR)	EBITDA Margin (%)	PAT Margin (%)	EPS (INR)	ROE(%)	ROCE (%)	P/BV (X)
FY23	488.0	40.7	16.8	8.3	3.4	1.6	14.9	8.1	9.3
FY24	600.0	56.4	22.1	9.4	3.7	2.1	16.4	7.3	7.8
FY25	915.1	112.9	47.5	12.3	5.2	4.6	19.5	9.8	4.3

Source: Ventura Research & Company update

### Issue Structure and Offer Details:

Regaal Resources Ltd IPO is a book-built issue of INR 306 cr. This includes a fresh issue of 2.05 crore shares aggregating to INR 210 cr and offer for sale of 0.94 crore shares aggregating to INR 96 cr.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 50% of the Offer
NII (HNI)	Not less than 15% of the Net issue
Retail	Not less than 35% of the Offer

*Number of shares based on a higher price band of INR 102*

*Source: Company Reports*

### Objects of the Issue:

The Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

Issue Structure	
Objects of the Issue	Amount (in INR Cr)
Repayment and/or pre-payment, in full or in part, of the certain outstanding borrowings availed by the company.	159
General corporate purposes	51

*Source: Company Reports*

## Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
<b>Income Statement</b>				<b>Per share data &amp; Yields</b>			
Revenue	488.0	600.0	915.1	Adjusted EPS (INR)	1.6	2.1	4.6
<i>YoY Growth (%)</i>	<i>28.5</i>	<i>23.0</i>	<i>52.5</i>	Adjusted Cash EPS (INR)	2.4	3.0	6.0
Raw Material Cost	348.1	432.1	664.5	Adjusted BVPS (INR)	10.9	13.1	23.6
<i>RM Cost to Sales (%)</i>	<i>71.3</i>	<i>72.0</i>	<i>72.6</i>	Adjusted CFO per share (INR)	3.4	(2.2)	(1.1)
Employee Cost	17.5	20.4	24.6	CFO Yield (%)	3.3	(2.1)	(1.1)
<i>Employee Cost to Sales (%)</i>	<i>3.6</i>	<i>3.4</i>	<i>2.7</i>	Adjusted FCF per share (INR)	(2.6)	(10.9)	(10.8)
Other Expenses	81.7	91.2	113.1	FCF Yield (%)	(2.5)	(10.7)	(10.6)
<i>Other Exp to Sales (%)</i>	<i>16.7</i>	<i>15.2</i>	<i>12.4</i>	<b>Solvency Ratio (X)</b>			
EBITDA	40.7	56.4	112.9	Total Debt to Equity	1.7	2.7	2.1
<i>Margin (%)</i>	<i>8.3</i>	<i>9.4</i>	<i>12.3</i>	Net Debt to Equity	1.7	2.5	1.9
<i>YoY Growth (%)</i>	<i>(12.0)</i>	<i>38.6</i>	<i>100.3</i>	Net Debt to EBITDA	4.6	6.0	4.0
Depreciation & Amortization	7.6	8.8	14.0	<b>Return Ratios (%)</b>			
EBIT	33.1	47.5	98.9	Return on Equity	14.9	16.4	19.5
<i>Margin (%)</i>	<i>6.8</i>	<i>7.9</i>	<i>10.8</i>	Return on Capital Employed	8.1	7.3	9.8
<i>YoY Growth (%)</i>	<i>(20.4)</i>	<i>43.6</i>	<i>108.0</i>	Return on Invested Capital	11.0	10.1	14.2
Other Income	0.7	1.1	2.0	<b>Working Capital Ratios</b>			
Bill discounting & other charges	11.2	19.5	37.3	Payable Days (Nos)	30	33	19
Fin Charges Coverage (X)	2.9	2.4	2.7	Inventory Days (Nos)	23	35	47
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	54	77	55
PBT	22.6	29.1	63.6	Net Working Capital Days (Nos)	46	79	83
<i>Margin (%)</i>	<i>4.6</i>	<i>4.9</i>	<i>7.0</i>	Net Working Capital to Sales (%)	12.7	21.5	22.6
<i>YoY Growth (%)</i>	<i>(35.3)</i>	<i>28.9</i>	<i>118.4</i>	<b>Valuation (X)</b>			
Tax Expense	5.8	7.0	16.1	P/E	62.7	47.4	22.1
<i>Tax Rate (%)</i>	<i>25.8</i>	<i>24.0</i>	<i>25.3</i>	P/BV	9.3	7.8	4.3
PAT	16.8	22.1	47.5	EV/EBITDA	30.5	24.6	13.3
<i>Margin (%)</i>	<i>3.4</i>	<i>3.7</i>	<i>5.2</i>	EV/Sales	2.5	2.3	1.6
<i>YoY Growth (%)</i>	<i>(35.8)</i>	<i>32.1</i>	<i>114.5</i>	<b>Cash Flow Statement</b>			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	22.6	29.1	63.6
Net Profit	16.8	22.1	47.5	Adjustments	8.8	22.7	19.2
<i>Margin (%)</i>	<i>3.4</i>	<i>3.7</i>	<i>5.2</i>	Change in Working Capital	9.1	(67.4)	(77.9)
<i>YoY Growth (%)</i>	<i>(35.8)</i>	<i>32.1</i>	<i>114.5</i>	Less: Tax Paid	(5.8)	(7.0)	(16.1)
Balance Sheet				Cash Flow from Operations	34.6	(22.5)	(11.2)
Share Capital	9.6	9.6	41.0	Net Capital Expenditure	(69.6)	(104.8)	(128.1)
Total Reserves	102.9	125.1	202.4	Change in Investments	0.2	(1.5)	0.9
Shareholders Fund	112.5	134.7	243.4	Cash Flow from Investing	(69.4)	(106.3)	(127.2)
Long Term Borrowings	125.2	251.2	304.3	Change in Borrowings	44.8	168.0	209.6
Deferred Tax Assets / Liabilities	8.6	12.7	18.2	Less: Finance Cost	(11.2)	(19.5)	(37.3)
Other Long Term Liabilities	8.5	4.8	4.3	Proceeds from Equity	4.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	1.3	1.9	2.6	Dividend Paid	(2.9)	0.0	0.0
Total Liabilities	256.1	405.4	572.8	Cash flow from Financing	34.8	148.5	172.3
Net Block	183.4	305.0	375.4	Net Cash Flow	0.0	19.7	33.9
Capital Work in Progress	44.1	39.6	70.3	Forex Effect	0.0	0.0	0.0
Intangible assets under developme	0.0	0.0	0.5	Opening Balance of Cash	0.1	0.1	19.8
Non Current Investments	0.4	0.9	1.1	Closing Balance of Cash	0.1	19.8	53.7
Long Term Loans & Advances	18.9	5.2	1.9				
Other Non Current Assets	0.0	0.0	33.1				
Net Current Assets	9.3	54.7	90.5				
Total Assets	256.1	405.4	572.8				

Source: Ventura Research

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