REGAAL RESOURCES

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	Agricultural Products
Offer for sale (Shares)	9,412,000
Fresh Issue (Shares)	20,588,235
Net Offer to the Public	**30,000,235**
Issue Size (Rs. Cr.)	288-306
Price Band (Rs.)	96-102
Offer Date	12-Aug-25
Close Date	14-Aug-25
Face Value	5
Lot Size	144

Issue Composition

	In shares
Total Issue for Sale	30,000,235
QIB	15,000,118
NIB	4,500,035
Retail	10,500,082

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	99.56%	70.44%
QIB	0.44%	14.95%
NIB	0.00%	4.38%
Retail	0.00%	10.22%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Regaal Resources IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding Working Capital Requirements of the Company.
2. General Corporate Purposes.

Book Running Lead Manager

- Pantomath Capital Advisors Private Limited
- Sumedha Fiscal Services Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Established in 2012, Regal Resources Limited is engaged in the manufacturing of maize-based specialty products in India. The company operates a fully integrated facility in Kishanganj, Bihar, with a daily crushing capacity of 750 tonnes, spread across 54.03 acres. The plant operates with a zero liquid discharge system, underlining its commitment to environmental sustainability. Regal's product portfolio includes maize starch and modified starch, a range of co-products such as gluten, germ, enriched fiber, and fibre, along with food-grade starch derivatives like maize flour, icing sugar, custard powder, and baking powder. These products serve multiple sectors, including food processing, paper manufacturing, animal feed, and adhesives. The company services a broad customer base across India and exports to neighboring countries like Nepal and Bangladesh. It caters to three primary customer segments—end product manufacturers, intermediate producers, and distributors or wholesale traders. Notable clients include Emami Paper Mills, Century Pulp & Paper, Krishna Tissues, Genus Paper Board, and Mayank Cattle Food, among others. As of May 31, 2025, Regal Resources employed a workforce of 491 professionals across various functional departments.

Strength

Strategic Locational Advantage: Regal Resources Limited operates a maize milling facility strategically located in Kishanganj, Bihar—one of India's top maize-producing districts. The facility is positioned just 21 km from the West Bengal border and 209 km from the Assam border, both significant maize-growing regions. According to the F&S Report, Bihar and West Bengal offer a unique Rabi maize harvesting window that does not overlap with other regions, ensuring an exclusive availability period. The company's proximity to the Gulabbagh mandi—one of India's largest maize markets—located just 110 km away, offers cost-effective and uninterrupted access to high-quality raw materials. Regal Resources is the only maize milling plant in Bihar, which ensures consistent raw material supply and reduces logistics costs.

Favorable Access to Domestic and Export Markets: Situated in East India, Regal Resources' manufacturing facility benefits from geographical proximity to major domestic markets and neighboring countries such as Nepal and Bangladesh, which are key importers of starch. Enhanced by logistical connectivity via National Highway 327E, the plant is 35.7 km from Bagdogra airport and 9.6 km from Thakurganj Railway Station. The upcoming Inland Container Depot (ICD) in Siliguri—just 45–50 km away—is expected to further facilitate domestic and cross-border trade, particularly exports to Nepal and Bhutan.

Government Incentives and Water Security: Under the Bihar Industrial Investment Promotion Policy (BIIPP), eligible starch units like Regal Resources benefit from interest subvention on term loans and state GST reimbursement for five years. In addition, the facility enjoys a reliable water supply due to its location 5.2 km from the Mechi River, providing sustainable groundwater access. This on-site water availability minimizes reliance on external supply systems, reduces operational costs, and ensures resilience against droughts or supply disruptions—critical for water-intensive processes.

Robust Procurement and Storage Infrastructure: Regal Resources has established a multi-channel raw material procurement strategy involving traders, agri-distribution companies, and direct sourcing from farmers via aggregators. In FY2025, approximately 5.09% of maize was procured directly through aggregators under its "Regaal Kissan Maitri" initiative, which strengthens community engagement and brand visibility. The company maintains strong relationships with local farmers and aggregators and has set up a

procurement office at Gulabbagh mandi. Its procurement team includes 36 permanent employees led by an experienced professional.

Advanced Storage Capabilities: To support uninterrupted operations, Regal Resources has developed extensive storage infrastructure, including four silos with a combined capacity of 40,000 MT and a 138,747 sq. ft. warehouse capable of storing 25,000 MT. This total maize storage capacity of 65,000 MT ensures buffer stock and operational continuity throughout the year.

Sustainable Manufacturing and Utilities Infrastructure: Regal Resources' manufacturing facility features a co-generation power plant with an installed capacity of 7.1 MW. The dual-feed system uses either coal or husk, enabling cost-effective, captive power generation and enhanced efficiency. The plant incorporates a Zero Liquid Discharge (ZLD) system, effluent treatment, and reverse osmosis technologies to promote water recycling and environmental sustainability. The facility is certified with ISO 9001:2015, ISO 14001:2015, ISO 22000:2018, ISO 45001:2018, and HALAL, reflecting its commitment to quality and responsible manufacturing.

Diversified Product Portfolio: Regal Resources ranks among India's top 10 maize milling companies by crushing capacity, with a total installed capacity of 750 TPD. The company has rapidly expanded its product range, achieving a revenue CAGR of 36.95% between FY2023 and FY2025. Starting with native maize starch and co-products like gluten, germ, and enriched fiber, it has diversified into modified starches (dextrins, oxidized starch, edible starch), value-added food products (maize flour, icing sugar, custard powder, baking powder), and maize steep liquor. These products serve diverse sectors such as food & beverages, pharmaceuticals, textiles, adhesives, and paper.

Strong Sales and Distribution Network: Regal Resources markets its products both domestically and internationally to countries including Bangladesh, Nepal, and Malaysia. The company employs a multi-channel distribution strategy involving direct sales and a strong dealer/distributor network. Customer engagement is driven through flexible packaging, e-commerce, on-ground sales teams, and participation in trade fairs. Its strong customer-centric approach—focused on product quality, timely delivery, and feedback mechanisms—has led to robust customer retention and ongoing expansion of its client base.

Strategy

Capacity Expansion Through Brownfield Development: As of May 31, 2025, Regaal Resources Ltd. operated with an installed maize crushing capacity of 750 TPD. The company has submitted an application to the Bihar State Pollution Control Board to increase this capacity to 1,650 TPD. Its existing facility, located on 54.03 acres in Kishanganj, Bihar, has ample unused land to support this brownfield expansion. Regaal Resources aims to capitalize on anticipated demand growth across its end-user industries, including food and beverages, pharmaceuticals, textiles, paper, and animal feed. According to the F&S Report, global demand for native maize starch is projected to grow at a CAGR of 3.65% from 2024 to 2029, increasing from USD 3081.8 Crore to USD 3687.40 crore in value and from 6.25 Crore tons to 7.42 Crore tons in volume over the same period.

Strategic Deleveraging to Strengthen Financial Position: As of June 30, 2025, Regaal Resources Ltd. reported total outstanding borrowings of Rs. 561.15 Crore. To improve its financial health, the company intends to reduce its debt burden and associated finance costs through strategic deleveraging. As part of this initiative, Regaal Resources plans to allocate Rs. 159 crore from the proceeds of its fresh issue to repay outstanding loans. This step is expected to improve cash flows and enable the company to reinvest more efficiently into operations and strategic initiatives.

Product Diversification: Entry into Derivative Products and Expanded Modified Starches: Regaal Resources Ltd. has achieved notable growth in a short span of six years, expanding its product portfolio to 14 maize-based products, including native starch, co-products, and value-added food ingredients. To further broaden its offerings, the company plans to enter the derivative products segment by introducing maltodextrin powder and liquid glucose. According to the F&S Report, the Indian maltodextrin market is expected to grow from USD 15.15 crore in 2024 to USD 21.08 Crore by 2029 at a CAGR of 6.84%, while the global market is projected to grow at 5.48%. Regaal Resources also plans to produce Dextrose Monohydrate and Dextrose Anhydrous, widely used in food,

beverages, and pharmaceutical applications. Additionally, the company intends to expand its modified starch portfolio to include cationic starch, carboxyl methyl starch, Indian Pharmacopoeia grade starch, and pregel starch. These modified starches have growing demand across processed foods, textiles, paper, pharmaceuticals, cosmetics, and personal care industries. As per the F&S Report, the global modified starch market is expected to grow at a CAGR of 5.23%, while the Indian market is projected to grow at 5.87% between 2024 and 2029, driven by increasing preference for organic and multifunctional ingredients.

Expanding Domestic Market Reach and Strengthening Global Footprint: Regaal Resources Ltd. currently serves select clients in southern Indian states such as Andhra Pradesh and Telangana. As part of its strategic growth plans, the company aims to deepen its penetration in these states and gradually expand into Tamil Nadu and Karnataka. These regions are hubs for key end-user industries, including pharmaceuticals, textiles, adhesives, and food processing—making them critical for Regaal's maize-based specialty products. With its planned capacity expansion, the company expects to scale operations, attract new customers, and establish a strong presence in South India. On the international front, Regaal Resources has thus far focused on capacity building and product diversification. With additional capacity coming online, the company now intends to scale its export operations, targeting new global markets to complement its domestic expansion strategy.

Risk Factor

- The company relies on its top 10 maize suppliers for over 83% of total maize purchases across all reported financial periods, without long-term contracts. Any disruption or price increase from these vendors may adversely impact its business and revenues.
- It operates a single manufacturing facility in Kishanganj, Bihar. Any shutdown or operational slowdown at this location could significantly affect its financial performance.
- While serving a broad customer base, a substantial share of revenue comes from its top 10 customers. Loss or reduced orders from these customers could materially impact its business and financial results.
- Maize, the key raw material, is seasonal. Although the facility is located in a maize-rich region, any supply disruption or price volatility may affect product pricing, profitability, and overall business performance.

Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Sukhjit Starch	1497.95	39.95	11.68	14.77	0.99	173.82	5	172.50	538.96
Guj. Ambuja Exp	4612.58	249.33	5.18	20.29	1.61	65.46	1	105.10	4820.63
Gulshan Polyols	2019.68	24.67	3.95	43.68	1.76	98.31	1	172.55	1076.20
Sanstar	953.42	43.8	3.62	24.15	2.59	33.72	2	87.43	1593.36
Regaal Resources Ltd.	915.16	47.67	4.64	21.98	2.31	44.15	5	102.00	1047.79

***Peer companies financials are TTM based**
****Regaal Resources Limited based on Actual FY25**

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs102, the stock is priced at pre issue P/E of 17.58 x on FY25 EPS of Rs 5.80. Post issue, the stock is priced at a P/E of 21.98x on its EPS of Rs. 4.64. Looking at the P/B ratio at Rs.102 pre issue, book value of Rs.29.65 of P/Bvx 3.44x. Post issue, book value of Rs.44.15 of P/Bvx 2.31x.

Considering the P/E valuation, on the lower end of the price band of Rs.96, the stock is priced at pre issue P/E of 16.54x on FY25 EPS of Rs. 5.80. Post issue, the stock is priced at a P/E of 20.69x on its EPS of Rs. 4.64. Looking at the P/B ratio at Rs. 96 pre issue, book value of Rs. 29.65 of P/Bvx 3.24x. Post issue, book value of Rs.44.15 of P/Bvx 2.17x.

Industry Outlook

According to F&S Report, maize is the largest crop in the Feed grain segment in India. Around 80-83% of Maize in India is cultivated in Kharif season and remaining 17-20% is grown in Rabi. Maize starch Co- Products market in India was around 1.31 million tons in 2024 which is valued up to USD 57 crore. The global Native Maize Starch market is projected to register a growth of CAGR 3.65 % during 2024-2029. The Global Native Maize Starch market was valued at USD 3081.80 crore in 2024 and is expected to reach USD 3687.40 crore by 2029.

Outlook

Regal Resources Ltd. presents a compelling IPO opportunity backed by strategic location, strong infrastructure, and a diversified product portfolio. Its expansion plans, deleveraging strategy, and growing export potential signal promising long-term growth. However, risks such as supplier concentration, single-facility dependence, and raw material seasonality pose concerns. Investors with moderate to high risk tolerance may consider subscribing, given the company's robust fundamentals and sectoral tailwinds. Thorough due diligence is advised before investing.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	12-August-25
BID/ISSUE CLOSES ON	14-August-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	18-August-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	19-August-25
Credit of Equity Shares to Demat Accounts of Allottees	19-August-25
Commencement of trading of the Equity Shares on the Stock Exchanges	20-August-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	915.16	600.02	487.96
Total expenditure	802.37	543.66	447.28
Operating Profit	**112.79**	**56.36**	**40.67**
OPM%	1.23	0.94	0.83
Other Income	2.42	1.05	0.72
Total Net Income	**115.21**	**57.42**	**41.39**
Interest	37.35	19.47	11.25
PBDT	**77.86**	**37.95**	**30.15**
Depreciation	14.06	8.83	7.55
PBT	**63.80**	**29.13**	**22.59**
Tax	16.13	6.99	5.84
PAT	**47.67**	**22.14**	**16.76**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Financial liabilities			
Property, Plant and Equipment	371.40	300.42	175.27
Right-of-Use Assets	4.04	4.55	8.14
Capital work in progress	70.36	39.60	44.12
Intangible assets	0.05	0.04	0.02
Financial Assets			
Investments	1.12	0.86	0.41
Other Financial Asset	1.98	1.61	1.42
Other Non Current assets	33.18	3.60	17.47
Total non-current assets	**482.14**	**350.68**	**246.85**
Current asset			
Inventories	118.35	57.08	30.51
Financial Assets			
Investments	0.00	1.12	0.00
Trade receivables	136.87	126.74	71.94
Cash and cash equivalents	52.90	19.78	0.09
Bank balances other than cash and cash equivalents	0.89	0.00	0.00
Other financial assets	12.51	5.84	11.58
Current tax assets	0.32	0.32	0.05
Other current assets	56.29	24.43	10.50
Total current assets	**378.13**	**235.29**	**124.67**
Total Assets	**860.27**	**585.97**	**371.52**
Non-current liabilities			
Financial Liabilities			
Borrowings	304.35	251.23	125.20
Lease liabilities	4.40	4.82	8.52
Provisions	2.61	1.86	1.33
Deferred tax liabilities (net)	18.26	12.73	8.58
Total Non- Current liabilities	**329.61**	**270.65**	**143.63**
Current liabilities			
Financial Liabilities			
Borrowings	202.70	105.98	63.73
Lease liabilities	0.42	0.38	0.12
Trades Payable - total outstanding dues of micro enterprises and small enterprises	0.08	1.40	0.87
Trades Payable - total outstanding dues of creditors other than micro enterprises and small enterprises	47.93	53.30	39.85
Other financial liabilities	32.77	17.41	7.14
Other current liabilities	1.51	1.96	3.05
Provisions	0.10	0.04	0.03
Current Tax Liability (Net)	1.64	0.14	0.58
Total Current liabilities	**287.15**	**180.62**	**115.38**
Total	**616.76**	**451.26**	**259.01**
Net worth represented by:			
Equity Share Capital	41.07	9.59	9.59
Other equity	202.44	125.12	102.92
Net Worth	**243.51**	**134.71**	**112.51**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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