



IPO Note

Regaal Resources Limited

Recommendation: **APPLY!**

Business – Regaal Resources Limited is one of the largest manufacturers of maize-based specialty products in India, in terms of crushing capacity, with a total installed crushing capacity of 750 tonnes per day (TPD).

Objects of the Issue –

Particulars	Amount
Repayment of Borrowings	Rs. 159.00 Cr.
General Corporate Purposes	

Promoters Name – Anil Kishorepuria, Karan Kishorepuria and BFL Private Limited

Promoter Share Holding Pattern	
Pre Issue 99.56%	Post Issue 70.44%

Rationale for recommendation –

Regaal Resources Limited, incorporated on Jan-02, 2012, has a considerable operating history. Top 10 customers contributed 55.11%, 50.32% and 45.46% of revenue in FY23–FY25, indicating improving diversification. The manufacturing setup includes large warehouses and four humidity-controlled silos of 10,000 MT each for maize storage. Revenue mix is dominated by native maize starch at 60.58%, 59.41% and 59.29%, with co-products at 26.14%, 21.28% and 21.78% across FY23–FY25. Wet-milling utilisation has remained above 95% across years, with processes requiring continuous power and strict temperature/hygiene controls. End-market exposure is concentrated in paper and feed, together contributing 53.79%, 47.72% and 40.60% in FY23–FY25. Sales are diversified across end customers, distributors and dealers (dealer-led), while procurement is concentrated, with top 10 suppliers accounting for 83.43%, 93.70% and 94.53% of purchases in FY23–FY25. The company has one tax proceeding and contingent liabilities of Rs. 2.33 Cr as of Mar-2025 and the promoter faces a legal proceeding under the IPC. Revenue grew 22.97% in FY24 and 52.52% in FY25 on higher sales of manufactured and traded goods. EBITDA margin improved from 8.34% to 12.32% and PAT margin from 3.43% to 5.21% between FY23 and FY25, aided by lower employee and other costs offsetting higher finance costs. RoCE rose from 12.93% to 17.23% and RoE from 14.89% to 19.58%; operating cash flows were negative in FY24–FY25 due to inventory build, leverage is moderate and liquidity ratios are stable. At a post-issue P/E of 21.98, company appears **fairly valued** with stable operations and satisfactory management, we recommend **APPLY** for the IPO.

IPO Details

Opening Date	Aug 12, 2025
Closing Date	Aug 14, 2025
Allotment Date	Aug 18, 2025
Listing Date	Aug 20, 2025
Stock Exchange	BSE, NSE
Lot Size	144 Shares
Issue Price Per Share	₹102
Issue Size	₹306.00 Cr.
Fresh Issue	₹210.00 Cr.
Offer for Sale	₹96.00 Cr.
Application Amt	₹14,688 - ₹1,90,944 (144 – 1,872 shares)

KPIs (In Crores)

KPI's	FY 23	FY 24	FY 25
Revenue	487.96	600.02	915.16
EBITDA	40.67	56.37	112.79
Net Profit	16.76	22.14	47.67
RoCE	12.93%	11.73%	17.23%
ROE	14.89%	16.44%	19.58%
P/E	46.36	35.29	16.92

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	6.03	4.64
BVPS	29.65	44.15
P/E	16.92	21.98
P/BV	3.44	2.31
Mkt Cap (In Cr)	837.79	1,047.79

*Annualized

Lead Managers –

- Pantomath Capital Advisors Private Limited
- Sumedha Fiscal Services Limited

Registrar –

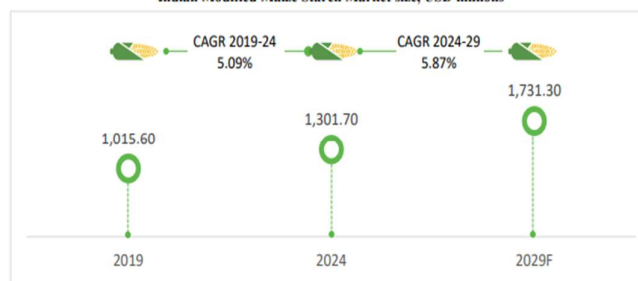
MUFG Intime India Private Limited

Industry Overview –

Maize is an important crop in India responsible for the employment of over 650 million farmers. As of Local Marketing Year 2022/23 (November 2022 to October 2023), India is the sixth largest maize producer globally. Starch, α -D glucan polymer (glucan polymers building up the starch granules are amylose and amylopectin) is an edible and most abundantly found carbohydrate stored in plants. It is one of the most important polymers being used extensively in both food and non-food applications. Starch is used for various industrial applications such as viscosifiers, for encapsulation, emulsifiers, defoaming agents and as sizing agents. Maize is the largest crop in the Feed grain segment in India. Maize Starch production in India is regionally fragmented with most of the production facilities are concentrated in Gujarat, Maharashtra and Karnataka owing to ease in procuring raw material.

Market Size – The Global Native Maize Starch market was valued at USD 30,818 Million in 2024 and is expected to reach USD 36,874 Million by 2029. India's Native maize starch market grew at CAGR of 3.6% from 2019 to 2024 to reach around USD 1,991 million in 2024. The Global Modified Starch market size was valued at USD 16,392 million in 2024 and is anticipated to expand at a CAGR of 5.23% from 2024 to 2029. The modified starch market in India is expected to grow at a compound annual growth rate (CAGR) of 5.87% between 2024 and 2029. Indian modified maize starch industry in 2024 was valued at USD 1,310 Million. The Indian market for liquid glucose is valued at USD 195.2 million in 2024 and is expected to grow at rate of 3.90% till 2029 to reach valuation of USD 236.4 million. Indian Maize starch market is expected to reach a volume of 9.62 million tons by 2029 and is expected to grow at a CAGR of 4.77 % during 2024-2029.

Indian Modified Maize Starch Market size, USD millions



Outlook - India's corn (maize) market hit 40 million tonnes in 2024 and is poised to grow to 60.85 million tonnes by 2033, at a CAGR of 4.4%. The maize milling machine market globally is estimated at USD 1.343 billion in 2025, projected to expand to USD 2.066 billion by 2035 at a CAGR of 4.4%. This growth is underpinned by rising domestic demand—from animal feed, processed foods, starch derivatives and ethanol blending—driving infrastructure expansion and value-addition.

(source : RHP)

Business Overview -

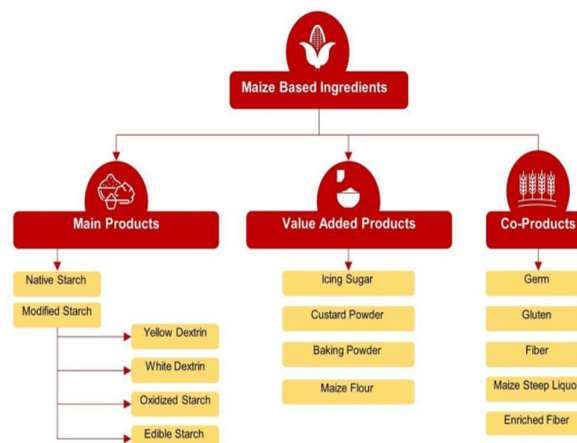
Regaal Resources Limited is one of the largest manufacturers of maize-based specialty products in India, in terms of crushing capacity, with a total installed crushing capacity of 750 tonnes per day (TPD). They manufacture:

- (i) Native maize starch and modified starch - a plant-based natural starch that is produced from maize
 - (ii) Co-products - includes gluten, germ, enriched fiber and fiber and
 - (iii) Value added products - food grade starches such as maize flour, icing sugar, custard powder and baking powder.
- The company was originally incorporated as 'Regal Resources Private Limited' on Jan-02, 2012.

The company's business model is catered around 3 broad segments – Manufacturers of end products, Manufacturers of intermediate products and Distributors / Wholesale traders

Company's Customers - Emami Paper Mills Limited, Manioca Food Products Private Limited, Century Pulp & Paper, Kush Proteins Private Limited, Shri Guru Oil Industries, AMV Sales Corporation, Eco Tech Papers and others.

- The company's top 10 customers contribute 55.11%, 50.32% and 45.46% of total revenue in FY23, FY24 and FY25 respectively.
- The company's manufacturing facility comprises large warehouses and 4 humidity-controlled storage silos of 10,000 MT each for storage of maize.
- The company's majority of revenue is derived from native maize starch contributing 60.58%, 59.41% and 59.29% of total revenue and co-products contributing 26.14%, 21.28% and 21.78% of total revenue in FY23, FY24 and FY25 respectively.
- The company has capacity utilization of more than 95% in wet milling across years.
- The company's majority of revenue is contributed by paper and feed industry, together contributing 53.79%, 47.72% and 40.60% of total revenue in FY23, FY24 and FY25 respectively.
- The company's sales is well-diversified across end customers, distributors and dealers, majorly contributed by dealers.



Business Strategies -

- The company plans to increase installed capacity from 750 TPD to 1,650 TPD.
- The company aims to deleverage balance sheet and commence manufacturing derivative products.
- The company plans to develop white labelling business by manufacturing maize flour, baking powder, custard powder and icing sugar.

FINANCIAL SNAPSHOT							
Key Performance Indicators				Key Ratios			
(Amt in Crores)							
Particulars	FY23	FY24	FY25	Particulars	FY23	FY24	FY25
P&L Statement				Per Share Data			
Total Income	488.67	601.08	917.58	Diluted EPS	2.20	2.89	6.03
Total Expenses	466.08	571.95	853.78	BV per share	117.38	140.54	29.65
EBITDA	40.67	56.37	112.79	Operating Ratios			
EBIT	33.12	47.54	98.73	EBITDA Margins	8.34%	9.39%	12.32%
PBT	22.59	29.13	63.80	PAT Margins	3.43%	3.69%	5.21%
Tax Expenses	5.84	6.99	16.13	Inventory days	22.89	34.82	47.33
Net Profit	16.76	22.14	47.67	Debtor days	53.96	77.31	54.74
Balance Sheet				Creditor days	42.48	43.60	26.19
Total Equity	112.51	134.71	243.51	Return Ratios			
Liabilities				RoCE	12.93%	11.73%	17.23%
Non-Current Liabilities	143.63	270.65	329.61	RoE	14.89%	16.44%	19.58%
Current Liabilities	115.38	180.62	287.15	Valuation Ratios (x)			
Total Liabilities	259.01	451.26	616.76	EV/EBITDA	7.41	8.38	6.18
Assets				Market Cap/Sales	0.20	0.16	0.92
Non-Current Assets	246.85	350.68	482.14	P/E	46.36	35.29	16.92
Current Assets	124.67	235.29	378.13	Price to Book Value	0.87	0.73	3.44
Total Assets	371.52	585.97	860.27	Solvency Ratios			
Cashflow Statement				Debt/Equity	1.68	2.65	2.08
Operating Cashflow	34.63	-22.51	-11.20	Current Ratio	1.08	1.30	1.32
Investing Cashflow	-69.38	-106.31	-127.99	Quick Ratio	0.82	0.99	0.90
Financing Cashflow	34.76	148.51	172.31	Asset Turnover	1.31	1.02	1.06
				Interest Coverage Ratio	2.95	2.44	2.64

Financial Analysis –

- **Revenue from Operations** – The company's top line increased by 22.97% in FY24 and 52.52% in FY25, primarily due to increase in sale of manufactured goods and traded goods.
- **EBITDA and PAT Margins** – The company's EBITDA margin increased from 8.34% to 12.32% from FY23 to FY25 and PAT margin increased from 3.43% to 5.21% over the same period, primarily due to trade-off between increase in finance costs and decrease in employee benefit expenses and other expenses.
- **RoCE and RoE** – The company's RoCE has improved from 12.93% to 17.23% and RoE from 14.89% to 19.58%, indicating effective utilization of capital.
- **Operating cashflow** – The company's operating cashflow has been negative in FY24 and FY25 primarily due to increase in inventory.
- **D/E ratio** - The company's debt-to-equity ratio has been moderate in FY25 indicating moderate financial leverage.
- The company's current ratio and quick ratio have remained stable.

Financial Outlook – The company's overall financial performance appears stable and sustainable in the long run.

Lead Manager –

The IPO is handled by 2 lead managers. The lead managers have managed 10 IPOs in last 3 years and all of them have opened in premium to their issue price on their respective listing dates.

Risk Factors -

- The company has 1 tax proceeding amounting to Rs. 2.33 Cr.
- The company has supplier concentration, top 10 suppliers contributing 83.43%, 93.70% and 94.53% of total purchases in FY23, FY24 and FY25 respectively.
- The manufacturing process of maize-based products requires to maintain prescribed temperature settings and hygiene which requires continuous supply of electricity and proper quality control over process.
- The company has contingent liabilities outstanding amounting to Rs. 2.33 Cr. as on Mar-2025.
- The company's promoter has legal proceeding outstanding for alleged violation of Indian Penal Code.

Key Management

- Anil Kishorepuria is the Chairman and Managing Director of the company. He has 10 years of experience in manufacturing industry. There is an evidence of dual chairmanship in the company.
- Karan Kishorepuria is the Whole Time Director of the company. He has around 4 years of experience in Accounts and Finance.
- The company's Non-Executive and Independent Directors are qualified and have significant experience in their respective fields.
- The company's Chief Financial Officer and Company Secretary and Compliance Officer are qualified and experienced in their respective fields.
- The company's other key personnel have considerable experience in their respective fields.

Outlook – The overall management of the company is considered **satisfactory**.

Peer Analysis

Particulars	Regaal Resources Limited			Sanstar Limited			Gujarat Ambuja Exports Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	3.43%	3.69%	5.21%	3.46%	6.17%	4.51%	6.62%	6.82%	5.31%
EBITDA Margin	8.34%	9.39%	12.32%	6.37%	10.41%	7.62%	11.02%	11.58%	10.30%
RoCE	12.93%	11.73%	17.23%	26.39%	31.75%	8.84%	18.09%	16.23%	11.43%
ROE	14.89%	16.44%	19.58%	22.34%	26.31%	6.64%	13.56%	12.49%	8.30%
EPS (INR)	2.20	2.89	6.03	14.52	7.92	2.58	7.20	7.54	5.44
P/E	46.36	35.29	16.92	-	-	34.87	16.14	21.20	21.42

Particulars	Regaal Resources Limited			Gulshan Polyols Limited			Sukhjit Starch and Chemicals Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	3.43%	3.69%	5.21%	3.80%	1.28%	1.22%	4.37%	3.61%	2.65%
EBITDA Margin	8.34%	9.39%	12.32%	8.01%	5.05%	4.95%	10.36%	9.94%	7.96%
RoCE	12.93%	11.73%	17.23%	9.20%	4.47%	8.94%	17.15%	14.93%	11.50%
ROE	14.89%	16.44%	19.58%	7.86%	3.01%	4.02%	13.61%	9.94%	7.36%
EPS (INR)	2.20	2.89	6.03	7.24	2.85	3.95	8.11	15.99	12.79
P/E	46.36	35.29	16.92	23.28	56.89	48.85	11.61	7.10	15.33

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