

Company Overview

BLS Polymer is engaged in the manufacturing of custom-formulated polymer compounds across multiple grades, catering to critical end-use industries, including power, telecommunications, railways, water, and oil & gas distribution. As per the CRISIL report, polymer compounds serve as essential raw materials for insulation, sheathing and jacketing of wires and cables, as well as protective coating of underground pipelines, enhancing resistance to corrosion and external environmental factors. The company offers a diversified product portfolio comprising high-density polyethylene (HDPE), medium-density polyethylene (MDPE), linear low-density polyethylene (LLDPE), cross-linked polyethylene (XLPE), halogen-free flame-retardant (HFFR), polyvinyl chloride (PVC), cable filling compounds (CFC) and adhesive coating compounds. Its products play a critical role in ensuring the safety, durability and reliability of infrastructure, with stringent quality standards and approvals from relevant government bodies and public sector enterprises acting as key entry requirements. BLS Polymer operates a manufacturing facility spread across approximately 24,220 sq. m. in Goa, equipped with 11 machines, an in-house quality testing laboratory and product development capabilities. The facility's proximity to Mormugao Port and national highways provides logistical advantages for raw material sourcing, including imports, and the distribution of finished products across domestic and export markets.

Objects of the issue

The IPO consists of a fresh issue of Rs. 255 crores. The company proposes to utilize the proceeds from the issue towards the following objects:

- ⇒ Financing the capital expenditure requirement towards expansion of existing manufacturing facility at Goa ("Manufacturing Facility") by increasing the manufacturing capacity of certain of existing products;
- ⇒ Funding working capital requirements of the company; and
- ⇒ General corporate purposes.

Investment Rationale

Enlistment with government agencies and product qualification create entry barriers

BLS Polymer caters to critical end-use industries, including power, telecommunications, railways, water supply, and oil & gas distribution, where polymer compounds are essential for ensuring the safety, durability and reliability of cables and pipeline infrastructure. As per the CRISIL report, the polymer compounding industry has significant entry barriers, given the technical expertise, stringent quality requirements and product qualification processes involved in serving these sectors. Manufacturers are required to subject their products to rigorous testing and obtain enlistment or approval from relevant government agencies and public sector enterprises before supplying to eligible projects. These requirements necessitate consistent product quality, adherence to prescribed technical specifications and the ability to meet customer-specific performance standards. The company has an existing portfolio of enlisted products and has applied for enlistment with additional government and private agencies, particularly for applications in the oil & gas industry. Securing these approvals could expand the company's qualified product portfolio, improve access to a wider customer base and enhance its participation in infrastructure and industrial projects. Further, given the critical nature of its applications, the company is required to undergo customer audits and comply with product and process specifications, with the qualification process typically taking 1–6 months. These approval and qualification requirements create a time and technical barrier for new entrants, while an established track record of product performance and existing enlistments may support customer relationships and repeat business. However, the incremental revenue opportunity from new enlistments will depend on the timely receipt of approvals, successful customer qualification and conversion into commercial orders.

Diversified product portfolio and high customer retention support business stability

BLS Polymer has developed a diversified and application-specific product portfolio, manufacturing 127 grades across its product segments as of August 31, 2026, catering to varied requirements across industries such as power, railways, telecommunications, water and oil & gas. The company continuously develops customised polymer compounds based on evolving market demand and customer-specific technical specifications, enabling it to address niche applications and strengthen its competitive positioning. Its focus on product quality, consistent performance and timely delivery, supported by quality control systems across its manufacturing facility, has helped establish direct and long-standing customer relationships. During the three months ended June 30, 2026, and across the last five fiscals, the company served over 190 customers, with repeat customers accounting for ap-

Issue Details

Offer Period	27th Oct. 2026- 29th Oct. 2026
Price Band	Rs.142 to Rs.150
Bid Lot	100
Listing	BSE & NSE
Issue Size (no. of shares in Cr.)	1.7
Issue Size (Rs. in Cr.)	255
Face Value (Rs.)	10

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	Unistone Capital Private Ltd.
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Registrar	KFin Technologies Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	98.53%	71.53%
Public	1.47%	28.47%
Total	100.0%	100.0%

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

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proximately 93.9% of its customer base on a year-on-year basis, reflecting strong customer stickiness. Direct customer engagement and regular feedback also enable the company to identify emerging requirements, refine its product offerings and secure incremental business from existing customers while expanding relationships with new clients. The combination of product diversification, customised solutions and high customer retention provides a competitive advantage, supports business continuity and offers potential revenue visibility, although growth will remain contingent on customer demand, order conversion and the company's ability to sustain quality and delivery standards.

Valuation

BLS Polymer manufactures customised polymer compounds catering to critical end-use industries, including power, telecommunications, railways, water and oil & gas, where its products provide insulation, durability and protection against corrosion and environmental damage. The company has established long-standing customer relationships across geographies and recently entered into a service agreement with a UAE-based marketing and distribution company to strengthen its presence in existing international markets and expand export opportunities. The Indian polymer industry has witnessed consistent growth, supported by rising demand across end-use sectors, providing a favourable industry backdrop for the company. On the financial front, BLS Polymer has reported revenue from operations CAGR of 8.6% over FY24–FY26, increasing from Rs. 296 crores to Rs. 349 crores. EBITDA grew at a significantly higher CAGR of 59.8% from Rs. 16 crores to Rs. 42 crores, with margins expanding by 645 bps to 12% in FY26, reflecting improved operating profitability. Restated PAT registered an 89.5% CAGR, rising from Rs. 8 crores to Rs. 27 crores, with a FY26 PAT margin of 7.7%. while the net debt-to-equity ratio stood at a moderate 0.52x in FY26. Going forward, the company's customised product portfolio, established customer relationships and export expansion initiatives could support business growth. However, the sustainability of margin improvement will depend on raw material price movements, product mix, competitive intensity and execution of its export strategy. **At the upper price band of Rs.150 per share, the issue is valued at ~25x P/E. Considering the company's improving profitability, healthy return ratios and growth opportunities, we recommend a "SUBSCRIBE" rating for the issue.**

Key Risks:

- ⇒ Wire and cable polymer compounds contributed over 80% of revenue across FY24–FY26 and 73.2% in Q1FY27, exposing the company to cyclical slowdowns in power and telecommunication infrastructure investments. Any reduction in capital outlays by domestic cable manufacturers or a failure to rapidly scale alternative compound applications could significantly dampen top-line trajectory.
- ⇒ The top 10 customers accounted for 66.8% of revenue in FY26 and 61.3% in Q1FY27, with the business operating entirely on spot purchase orders rather than long-term volume contracts. Consequently, the loss of any anchor account or adverse revisions to procurement schedules directly threatens capacity utilization and operating margins.
- ⇒ Venturing into unfamiliar export territories such as Tunisia, Algeria, Nigeria, and Oman exposes the company to heightened execution risk and potential under-recovery of upfront channel investments. Furthermore, volatile international tariffs, local content mandates, and currency exchange fluctuations in these target jurisdictions could delay commercial traction and compress overseas realizations.

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Income Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26	Q1 FY27
Revenue				
Revenue from operations	296	328	349	107
Total revenue	296	328	349	107
Expenses				
Cost of materials consumed	210	189	170	63
Purchase of stock-in-trade	41	77	109	18
(Increase)/ decrease in inventories of finished goods, stock-in-transit, work-in-progress & traded goods	(2)	(0)	(6)	0
Employee benefit expenses	7	7	8	2
Other expenses	24	24	26	7
Total operating expenses	280	297	308	92
OPERATING PROFIT	16	32	42	15
Selling and Distribution Expenses				
EBITDA	16	32	42	15
Depreciation & amortization expenses	3	3	3	1
EBIT	14	29	39	15
Finance costs	9	9	8	2
Other Income	5	8	5	1
PBT and exceptional items	10	28	36	14
Exceptional items	0	0	0	0
PBT	10	28	36	14
Tax expense				
Current tax	2	7	10	3
Deferred tax	0	0	0	0
Tax related to earlier years	0	0	0	0
Total tax	2	7	9	3
Net Profit	8	21	27	10
Diluted EPS	1.7	4.7	6.0	2.3

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in Crores)

Particulars	FY24	FY25	FY26	Q1 FY27
Cash Flow from/(used in) operating activities	3	25	38	7
Cash flow from/(used in) investing activities	-1	1	-6	-3
Net cash flows (used in) / from financing activities	-2	-26	-31	9
Net increase/(decrease) in cash and cash equivalents	0	0	1	-1
Cash and cash equivalents at the beginning of the period	0	0	0	1
Cash and cash equivalents at the end of the period	0	0	1	0

Source: RHP, BP Equities Research

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Balance Sheet (Rs. in Crores)

Particulars	FY24	FY25	FY26	Q1 FY27
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	18	18	20	24
(b) Capital work-in-progress	0	0	2	3
(c) Right of use assets	3	2	2	2
(d) Other Intangible assets	0	0	0	0
(e) Financial Assets				
(i) Other Financial Assets	0	0	0	0
(f) Other Non-Current assets	0	2	4	2
Total Non Current Asset	22	22	29	32
Current Assets				
(a) Inventories	62	55	73	72
(b) Financial Assets	0	0	0	0
Trade receivables	63	74	73	95
Cash and cash equivalents	0	0	1	0
Other balances with banks	3	2	2	2
Other Financial Assets	3	13	18	14
(c) Other Current Assets	16	15	12	16
Total Current Assets	147	157	177	199
Total Assets	168	179	206	231
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	10	10	45	45
(b) Other Equity	37	58	50	60
Total Equity	47	68	95	105
Liabilities				
Non Current Liabilities				
(a) Financial liabilities				
Borrowings	3	1	3	5
Lease Liabilities	1	0	1	1
(b) Provisions	1	0	1	1
(c) Deferred Tax Liabilities (net)	0	0	0	0
Total Non Current Liabilities	5	2	4	7
Current liabilities				
(a) Financial liabilities				
Borrowings	91	73	49	58
Lease Liabilities	1	1	0	0
Trade Payables	20	27	49	52
Other financial liabilities	2	1	1	1
(b) Other current liabilities	2	3	2	3
(c) Provisions	0	1	1	1
(d) Current tax liabilities	1	3	5	5
Total Current Liabilities	117	109	107	119
Total Liabilities	122	111	111	126
Total Equity and liabilities	168	179	206	231

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392