IPO REVIEW

Bai Kakaji Polymers IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 19 December 2025

- The company is engaged in the business of manufacturing PET Performs, plastic caps and closures, used by variety of industries.
- Over the years, it expanded its capacity and also added new products in its portfolio to serve many packaging materials under one roof.
- The company marked steady growth in its top and bottom lines for the reported periods.
- Boosted profits from FY24 onwards are surprising as it outperforms the industry standards.
- Based on its recent financial data, the issue appears fully priced.
- Well-informed investors may park funds for medium to long term.

About the Company

Bai Kakaji Polymers Ltd. (BKPL) is primarily engaged in the business of manufacturing of PET preforms, Plastic caps and closures. These are important parts of packaging used in many consumer products. Its product portfolio includes specialized closures such as Alaska closures (Commonly used in packaged drinking water), Carbonated Soft Drinks (CSD) cap (1881 neck finish), and wide range of PET preforms designed for different bottling needs. Its products find diverse applications across various industries including packaged drinking water, carbonated beverages, juices and dairy products.

The company started its business in 2013 with a single machine for manufacturing of plastic closures. Over the years, it expanded operations by adding more machines and increasing production capacity. Today, it uses modern machines such as SACMI Continuous Compression Molding, ASB Preform Molding and HUSKY Pet Injection Molding machines from globally renowned OEMs to make closures and PET preforms. All its products go through strict quality checks to make sure they meet the required standards. In recent years, BKPL has grown into a larger company focused on making PET bottle caps in different shapes, sizes, and colours, along with cap handles used in many applications.

The company also offers shrink and adhesive films to support its existing customers with a complete packaging solution. These films are in high demand, especially in industries that need strong and reliable packaging. Shrink film, made from LDPE (Low-Density Polyethylene), is mostly used for wrapping products together like bottles of water, soft drinks, or energy drinks. It is commonly used for secondary or tertiary packaging and is a cheaper alternative to corrugated boxes.

BKPL has four manufacturing units in Latur, Maharashtra, and spread over 33,000 square meters including the recently acquired of M/s Bai Kakaji industries manufacturing unit. These units are

equipped with modern machines, a laboratory, and testing equipment such as SST Secure Seal Tester (analogue & tester), Bridge strength tester, Vernier Calliper, Digital Torque and Perpendicular tester to make sure its products meet quality standards. Its in-house testing team carefully checks the quality, safety, and packaging of caps, closures, and PET preforms. The company is certified with ISO 9001:2015 by Euro UK Accreditation Licensing Services, Austria. This certification covers the manufacturing, packing, and dispatch of PP/HDPE caps and closures (using compression and injection moulding) and PET preforms (using injection moulding) for the food and beverage industry. As of September 30, 2025, it had 359 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 5654400 equity shares to mobilize Rs. 105.17 cr. The company has announced the price band of Rs. 177 – Rs. 186 per share of Rs. 10 each. The IPO opens for subscription on December 23, 2025, and will close on December 26, 2025. The minimum application to be made is for 1200 shares and in multiple of 600 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 26.42% of post-IPO paid-up equity capital of the company. From the net proceeds of the issue, the company will utilize Rs. 9.85 cr. for capex on plant and machinery, Rs. 64.00 cr. for repayment/prepayment of certain borrowings, Rs. 12.94 cr. for capex on solar power project, and the rest for general corporate purpose.

The IPO is solely lead managed by Hem Securities Ltd., while Maashitla Securities Pvt. Ltd. is the registrar to the issue. HEM group’s Hem Finlease Pvt. Ltd. Is the market maker, as well as a syndicate member.

The company has issued entire initial equity shares at par value, it has also issued bonus equity shares in the ratio of 6 for 1 in May 2025. The average cost of acquisition of shares by the promoters is Rs. 0.00, and Rs. 1.43 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 15.75 cr. will stand enhanced to Rs. 21.40 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 398.12 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 275.09 cr. / Rs. 4.18 cr. (FY23), Rs. 296.42 cr. / Rs. 9.38 cr. (FY24), Rs. 332.12 cr. / Rs. 18.37 cr. (FY25). For H1- FY26 ended on September 30, 2025, it earned a net profit of Rs. 12.81 cr. on a total income of Rs. 168.56 cr.

For the last three fiscals, the company has reported an average EPS of Rs. 8.26, and an average RoNW of 28.61%. The issue is priced at a P/BV of 4.40 based on its NAV of Rs. 42.26 as of September 30, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute its FY26 super annualized earnings on post-IPO expanded equity base, then the asking price is at a P/E of 15.54, and based on its FY25 earnings, the P/E stands at 21.68. Thus, the issue appears fully priced.

The company has posted PAT margins of 1.53% (FY23), 3.18% (FY24), 5.64% (FY25), 7.90% (H1-FY26), and RoCE Margins of 12.95%, 20.19%, 25.71%, 12.83%, respectively, for the referred periods.

Dividend Policy

The company not paid any dividends for the periods reported in the offer document. It will adopt a prudent dividend policy, based on its financial performances and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Cool Caps, Technopack Poly, as its listed peers. They are currently trading at a P/E of 70.6, and 13.4 (as of December 19, 2025). However, they are not truly comparable on an apple-to-apple basis.

MERCHANT BANKER’S TRACK RECORDS:

This is the 60th mandate from Hem Securities in the last three fiscals. Out of the last 10 listings, 2 opened at discount, and the rest with premium ranging from 1.00% to 61.92% on the listing date.

Conclusion / Investment Strategy

BKPL is engaged in the business of manufacturing PET Performs, plastic caps and closures, used by variety of industries. Over the years, it expanded its capacity and also added new products in its portfolio to serve many packaging materials under one roof. The company marked steady growth in its top and bottom lines for the reported periods. Boosted profits from FY24 onwards are surprising as it outperforms the industry standards. Based on its recent financial data, the issue appears fully priced. Well-informed investors may park funds for medium to long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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