IPO REVIEW

Biopol Chemicals IPO

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- The company is engaged in the manufacturing, trading and distribution of specialty chemicals.
- Its product portfolio has 66 products with major range for silicon based products.
- The company marked growth in its top and bottom lines for the reported periods.
- The boosted performance in pre-IPO period raise concern.
- Based on its recent financial data, the issue appears greedily priced.
- Only well-informed/cash surplus investors may park moderate funds for long term, others may stay away.

About the Company

Biopol Chemicals Ltd. (BCL) is engaged in the business of trading, manufacturing and distribution of specialty chemicals under the categories of silicones, emulsifiers, biochemicals and polyelectrolytes. Its product portfolio consists of 66 products which comprises of 40 silicone-based products, 5 emulsifier-based products, 15 biochemical products and 6 polyelectrolyte products. These products are used in applications across various industry segments, including softeners, emulsions and hardeners for textiles; silicone fluids and cleaning chemicals for home care; silicone adjuvants and surfactants in agriculture; and release agents in industrial chemicals.

In addition, the Company also provides technical consultancy services to customers. These services are offered either in connection with the sale of products or in certain cases, separately at the request of customers for specific requirements. Its consultancy services include support on the application of specialty chemicals in textile processing, guidance relating to the manufacture of dyes and advice on the use of specialty chemicals in industrial formulations, enabling customers in achieving specific application requirements.

BCL operates on a business-to-business (B2B) model, catering to institutional clients rather than retail end-users. It conducts business through a combination of direct sales and a network of distributors, enabling it to serve customers across both domestic and international markets. In the domestic market, its sales are spread across several regions, including West Bengal, Gujarat, Maharashtra, Tamil Nadu and Karnataka, with a significant portion of revenue derived from West Bengal and Gujarat. While its exports are currently focused on Bangladesh, which is a global hub for textiles and apparel manufacturing.

As of the date of this Red Herring Prospectus, the company had 4 (four) establishments located in Gujarat and West Bengal, comprising its manufacturing unit, corporate office and warehouse in West

Bengal; and registered office in Gujarat. Its manufacturing unit has an installed capacity of 18,25,000 litres per annum of products. During the period ended on December 31, 2025, it manufactured 11,99,980 litres, resulting in a capacity utilization of 87.27%, as adjusted for such period. Further, during the financial year 2024–25, the company manufactured 17,08,082 litres, achieving a capacity utilization of 93.59%. As of December 31, 2025, it had 24 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 2894400 equity shares of Rs. 10 each to mobilize Rs. 31.26 cr. at the upper cap. The company has announced a price band of Rs. 102 - Rs. 108 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on February 06, 2026 and will close on February 10, 2026. The IPO constitute 26.79% of the post-IPO paid-up capital of the company. The shares will be listed on NSE SME Emerge. From the net proceeds of the IPO, it will utilize Rs. 12.26 cr. for acquisition of industrial land, Rs. 11.10 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Smart Horizon Capital Advisors Pvt. Ltd., and Bigshare Services Pvt. Ltd. is the registrar to the issue. SHRENI group’s Shreni Shares Ltd. is the market maker as well as a syndicate member. Cameo Corporate Services Ltd. is the RTA to the company.

The company has issued initial equity capital at par value, and has issued further equity shares at a fixed price of Rs. 800 per share in November 2023, and January 2024. It has also issued bonus shares in the ratio of 71 for 1 in January 2024. The average cost of acquisition of shares by the promoters is Rs. 4.73, and Rs. 11.11 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 7.91 cr. will stand enhanced to Rs. 10.81 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 116.70 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 17.43 cr. / Rs. 1.28 cr. (FY23-Standalone), Rs. 25.47 cr. / Rs. 2.96 cr. (FY24 - consolidated), Rs. 49.15 cr. / Rs. 4.33 cr. (FY25 – consolidated). For 3Qs of FY26 (consolidated) ended on December 31, 2025, it posted a net profit of Rs. 6.00 cr. on a total income of Rs. 48.97 cr. The company posted growth in its top and bottom lines for the reported periods post consolidation.

For the last three fiscals, the company has reported an average EPS of Rs. 4.91, and an average RoNW of 31.63%. The issue is priced at a P/BV of 4.37 based on its NAV of Rs. 24.69 per share as of December 31, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 14.57, and based on FY25 earnings, the P/E stands at 26.93. The issue

appears greedily priced.

For the reported periods, the company has posted PAT margins of 2.72% (FY23), 11.63% (FY24), 8.81% (FY25), 12.29% (3Qs-FY26), and RoCE margins of 17.83%, 34.03%, 30.57%, 26.32% respectively, for referred periods.

Dividend Policy

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

Comparison with Listed Peers

As per the offer document, the company has shown Rossari Bio, Fineotex chem., and Indian Emulsifiers, as its listed peers. They are currently trading at a P/E of 21.5, 25.7, and 8.74 (as of January 23, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the20th mandate from Smart Horizon in the last two fiscals. From the last 10 listings, 2 listed at discount, 1 at par, and the rest with premium ranging from 2.14% to 6.36% on the date of listing. The Lead Manager has an average track record.

Conclusion / Investment Strategy

BCL is engaged in the manufacturing, trading and distribution of specialty chemicals. Its product portfolio has 66 products with major range for silicon based products. The company marked growth in its top and bottom lines for the reported periods. The boosted performance in pre-IPO period raise concern. Based on its recent financial data, the issue appears greedily priced. Only well-informed/cash surplus investors may park moderate funds for long term, others may stay away.

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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