IPO REVIEW

BLS Polymers IPO

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- The company is a manufacturer of multiple grades of custom formulated polymer compounds catering to diversified industries with major focus on telecommunication.
- However, boosted bottom lines from FY25 onwards raise eyebrows and concern over its sustainability, as it operates in highly competitive and fragmented segment.
- Based on its recent average financial data, the issue appears aggressively priced.
- Well-informed /cash surplus investors may park moderate funds for long term.

About the Company

BLS Polymers Ltd. (BPL) is a manufacturer of multiple grades of custom formulated polymer compounds, catering to diversified critical industries such as telecommunication, power, railways, water, oil and gas distribution, among others. As per CRISIL Report, polymer compounds are used as an essential raw material for sheathing, jacketing and insulation of wires and cables used in power, telecommunication and railway industries as well as coating of underground oil, gas and water pipelines, in order to provide a protective infrastructure from corrosion and external environmental factors.

Its product portfolio is well diversified to offer varied solutions in the wire and cables and infrastructure industry, and included products such as, high density polyethylene compounds (“HDPE”), medium-density polyethylene compounds (“MDPE”) and linear low-density polyethylene compounds (“LLDPE”), cross-linked polyethylene compounds (“XLPE”), halogen free flame retardant compounds (“HFFR”), polyvinyl chloride compounds (“PVC”), cable filling compounds (“CFC”) and adhesive coating compounds. As per CRISIL Report, HDPE, MDPE and LLDPE compounds are used in the wire and cable industry which offer insulation, sheathing and jacketing based on the indicative requirement of the customer.

While, XLPE, HFFR, PVC and CFC compounds add qualities such as strength, high voltage insulation and resistance, fire resistance and moisture resistance, as per the application of the end use product. In the wire and cable industry, polymers serve crucial functions in electrical insulation, mechanical protection, and overall cable performance. HDPE and adhesive coating compounds are key layers of 3LPE (three-layer polyethylene) system (“3LPE Coating” i.e. Pipe Coating) used for coating of oil, gas and water distribution pipelines. 3LPE Coating is an effective solution for protecting high-capital-intensive pipelines from corrosion, chemicals and moisture, thereby ensuring long-term durability. Telecommunication has a lion share in its revenue, followed by Water Distribution, Power, and Oil and Gas distribution.

Owing to its longstanding market presence and diversified product portfolio, the company has established a PAN-India market presence. During the three months period ended June 30, 2026 and the preceding three Fiscals, its operations were spread across 23 states/union territories. The company is enlisted with Maharatna, Navratna, Miniratna CPSE companies in power, telecom and engineering consultancy and Government of Gujarat. It has also established an international market presence by exporting to countries such as, Bangladesh, Egypt, Oman, Saudi Arabia, Turkey, United Arab Emirates, United States of America and Zambia. While its revenue has lion share from domestic markets (around 95%0, the rest is coming from exports earnings. As of August 31, 2026, it had 175 employees on its payroll, and additional 97 contract labourers in various departments.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 17000000 equity shares worth Rs. 255 cr. at the upper cap. The company has announced a price band of Rs. 142 – Rs. 150 per equity shares of Rs. 10 each. The issue opens for subscription on October 27, 2026, and will close on October 29, 2026. The minimum application to be made is for 100 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 27.41% of the post-IPO paid-up equity capital. From the net proceeds of the IPO, the company will utilize Rs. 77.56 cr. for capex on expansion of its manufacturing facility, Rs. 89.50 cr. for working capital, and the rest for general corporate purposes.

The sole Book Running Lead Manager (BRLM) to this issue it Unistone Capital Pvt. Ltd., while KFin Technologies Ltd. is the registrar to the issue. L. F. C. Securities Pvt. Ltd.is a syndicate member.

The company has issued its entire initial equity shares at par value; the company has also issued bonus shares in the ratio of 369 for 100 in May 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 2.13, Rs. 6.91, and Rs. 14.93 per share.

Post-IPO, its current paid-up equity capital of Rs. 45.03 cr. (45031834 equity shares) will stand enhanced to Rs. 62.03 cr. (62031834 equity shares). Based on the upper cap of the price band, the company is looking for a market cap of Rs. 930.48 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 301.50 cr. / Rs. 7.52 cr. (FY24), Rs. 336.70 cr. / Rs. 21.14 cr. (FY25), and Rs. 354.41 cr. / Rs. 27.01 cr. (FY26). ForQ1 of FY27 ended on June 30, 2026, it earned a net profit of Rs. 10.23 cr. on a total income of Rs. 107.81 r. The company posted growth in its performances for the reported periods. Boosted margins from FY25 onwards raise eyebrows and concern over its sustainability going forward.

Its trade receivables of Rs. 95.15 cr. as of June 30, 2026, raise alarm. Its contingent liabilities stood at Rs. 14.15 cr. as of June 30, 2026.

For the last three fiscals, the company has posted an average EPS of Rs. 4.84 and an average RoNW of 27.27 %. The issue is priced at a P/BV of 6.42 based on its NAV of Rs. 23.35 as of June 30, 2026, (as per info on page no. 143), and at a P/BV of 2.66 on the basis of post-IPO NAV of Rs. 56.41 per share at the upper cap. Its NAV data as of June 30, 2026, is missing from its NAV data info on page no. 141 of the offer document.

If we attribute FY27 annualized earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 22.73. Based on FY26 earnings, the P/E stands at 34.48. The issue appears aggressively priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 2.54% (FY24), 6.44% (FY25), 7.73% (FY26), 9.56% (Q1-FY27), and RoCE margins of 12.84%, 25.46%, 29.51%, 9.11%, respectively, for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has adopted a dividend policy in April 2025, based on its earnings and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Kingfa Science, DDev Plastiks, Plastiblends India, as its listed peers. They are currently trading at a P/E of 38.7, 11.8, and 9.10 (as of October 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

The sole BRLM associated with this issue has handled 23 public issues in the past three fiscals, out of which 7 issues closed below the offer price on listing date.

Conclusion / Investment Strategy

BPL is a manufacturer of multiple grades of custom formulated polymer compounds catering to diversified industries with major focus on telecommunication. The company marked growth in its top and bottom lines for the reported periods. However, boosted bottom lines from FY25 onwards raise eyebrows and concern over its sustainability, as it operates in highly competitive and fragmented segment. Based on its recent average financial data, the issue appears aggressively priced. Well-informed /cash surplus investors may park moderate funds for 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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