

BLS Polymers Limited – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
27 October 2026	29 October 2026	₹142-150	Neutral

Investment Summary

BLS Polymers Limited is a New Delhi-based specialized polymer compounding company that manufactures customized plastic compounds used in wire and cable insulation, sheathing, jacketing and industrial pipeline coatings, catering to critical industries including power, telecommunications, railways, water, oil and gas distribution. The company operates a manufacturing facility in **Goa** and offers over **127 grades of polymer compounds**, including PE, XLPE, PVC and flame-retardant compounds. In FY26, the wire and cable segment contributed **80.93%** of revenue, while industrial pipeline applications accounted for **19.07%**. The company also undertakes raw material trading, contributing 31.86% of FY26 revenue. Revenue from Operations increased from ₹296.36 Cr in FY24 to ₹328.44 Cr in FY25 and ₹349.43 Cr in FY26, while EBITDA margins improved from 7.10% to 12.08% and 13.33%, respectively. Profit After Tax (PAT) increased from ₹7.52 Cr in FY24 to ₹21.14 Cr in FY25 and ₹27.01 Cr in FY26, while Q1 FY27 recorded revenue of ₹107.03 Cr and PAT of ₹10.23 Cr. The IPO comprises a Fresh Issue of 1,70,00,000 shares aggregating up to ₹255 Cr at the upper price band of ₹150 per share, with no Offer for Sale component. Fresh proceeds will primarily fund ₹77.56 Cr towards manufacturing capacity expansion and ₹89.50 Cr towards working capital requirements. Supported by rising infrastructure demand and planned capacity expansion, the company offers growth opportunities, although customer concentration, raw-material price volatility, manufacturing concentration and the increasing share of trading revenue remain key monitorables.

Company Overview

BLS Polymers Limited, incorporated on January 16, 1991, is a New Delhi-based specialized polymer compounding company engaged in manufacturing customized polymer compounds for wire and cable insulation, sheathing, jacketing and industrial pipeline coatings. The company caters to critical industries including power, telecommunications, railways, water distribution, oil and gas infrastructure. Its product portfolio comprises over 127 grades of compounds, including high-density polyethylene (HDPE), medium-density polyethylene (MDPE), linear low-density polyethylene (LLDPE), cross-linked polyethylene (XLPE), halogen-free flame-retardant (HFFR) compounds, PVC, cable-filling compounds and specialized adhesives for three-layer polyethylene (3LPE) pipeline coatings. The company operates a manufacturing facility in Goa, spread across approximately 24,220 sq. meters, supported by in-house product development and quality-testing capabilities. In FY26, wire and cable applications contributed 80.93% of revenue, while industrial pipeline applications accounted for 19.07%. The company also undertakes trading of polymer resins, contributing 31.86% of FY26 revenue. Its customer base expanded to 190 customers in FY26, including 172 domestic and 18 international customers. Financially, the company reported Revenue from Operations of ₹349.43 Cr and Profit After Tax (PAT) of ₹27.01 Cr in FY26. The company belongs to the BLS Group and is promoted by Vinod Aggarwal, Sushil Aggarwal, Madhukar Aggarwal, Diwakar Aggarwal and Karan Aggarwal.

Business Model

BLS Polymers Limited operates a polymer compounding and raw-material trading business, manufacturing customized plastic compounds used in wire and cable insulation, sheathing and industrial pipeline coatings. The company procures polymer resins such as HDPE, MDPE and LLDPE, blends them with additives and processes them into specialized compounds based on customer requirements, catering to power, telecommunications, railways, water, oil and gas industries. In FY26, wire and cable applications contributed 80.93% of revenue, while industrial pipeline applications accounted for 19.07%. The company also trades polymer resins, contributing 31.86% of FY26 revenue. These classifications overlap as they represent end-use applications and business activities, respectively. The company operates a manufacturing facility in Goa and primarily supplies products through customer purchase orders. Its growth strategy focuses on capacity expansion, specialized pipeline coating compounds and expansion into domestic and international markets.

Investment Rationale

Diversified Product Portfolio Across Critical Industries: BLS Polymers manufactures 127 grades of polymer compounds across six product categories, catering to power, telecommunications, railways, water, oil and gas industries. Its products provide insulation, fire resistance and corrosion protection, supporting demand from infrastructure development.

Established Industry Position and High Entry Barriers: The company has over three decades of operating experience and product approvals from prominent government and public-sector organisations, including power transmission, telecommunications and engineering agencies. Stringent product testing, quality certifications and customer qualification requirements create entry barriers for new competitors.

Long-Standing Customer Relationships: BLS Polymers served 190 customers in FY26, with approximately 90.84% of customers served over FY24–FY26 being repeat customers on a year-on-year basis. Its established relationships and customised product formulations support customer retention and recurring orders.

Significant Manufacturing Capacity Expansion: The company plans to increase manufacturing capacity from 35,251 MTPA to 87,301 MTPA by FY28, adding 52,050 MTPA of PE and XLPE compound capacity. The proposed ₹77.56 Cr investment will support higher production volumes and potential growth across domestic and export markets.

Improving Profitability and Financial Performance: Revenue from operations increased from ₹296.36 Cr in FY24 to ₹349.43 Cr in FY26, while EBITDA grew from ₹21.05 Cr to ₹46.60 Cr and PAT from ₹7.52 Cr to ₹27.01 Cr. EBITDA margins improved from 7.10% to 13.33%, reflecting stronger profitability despite relatively moderate revenue growth.

Key Risk Factors

High Dependence on Wire and Cable Industry: BLS Polymers derived 80.93% of FY26 revenue from polymer compounds used in wire and cable applications. Any slowdown in power, telecommunications or railway infrastructure spending, or reduced demand from cable manufacturers, could adversely affect sales, capacity utilization and profitability.

High Customer Concentration Risk: The top five customers contributed 53.45% of FY26 revenue, while the top ten accounted for 66.81%. The largest customer alone contributed 31.74%. Moreover, the company primarily operates through purchase orders without long-term customer agreements, exposing it to order cancellations, pricing pressure and revenue volatility.

Raw-Material Price Volatility and Trading Dependence: The company depends on petroleum-derived polymer resins such as HDPE and LLDPE, whose prices are influenced by crude oil prices and global supply conditions. Raw-material trading contributed 31.86% of FY26 revenue, increasing from 13.83% in FY24, exposing the business to commodity price fluctuations and potentially lower-margin sales.

Manufacturing Concentration and Expansion Risk: BLS Polymers operates from a single manufacturing facility in Goa, creating exposure to operational disruptions, equipment breakdowns and regional infrastructure issues. The proposed capacity expansion from 35,251 MTPA to 87,301 MTPA involves execution risks, including project delays, cost overruns and potential underutilization if demand growth falls short of expectations.

Corporate Governance and Regulatory Compliance Risk: The company has disclosed missing historical corporate records, discrepancies in statutory filings and past non-compliance with certain Companies Act provisions. Additionally, 46 shareholders holding 3,32,851 shares remain untraceable or unresponsive. Any regulatory proceedings, penalties or unresolved compliance issues could adversely affect investor confidence and the company's reputation.

Financial Snapshot

Metric	FY24	FY25	FY26
Revenue from Operations	296.36	328.44	349.43
EBITDA	21.05	39.66	46.60
EBITDA Margin	7.10%	12.08%	13.33%
Profit After Tax (PAT)	7.52	21.14	27.01
PAT Margin	2.54%	6.44%	7.73%
Basic EPS (₹)	1.67	4.69	5.99

IPO Details and Use of Proceeds

Parameter	Details
Issuer	BLS Polymers Limited
IPO Issue Size	1,70,00,000 shares (aggregating up to ₹255 Cr) 100% Fresh issue
Price Band	₹142-150 per share
Face Value	₹10 per share
IPO Opening Date	27 October 2026
IPO Closing Date	29 October 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: 98.53% → Post-IPO: ~71.53%
Book Running Lead Managers	Unistone Capital Private Limited
Use of Proceeds	₹77.56 Cr towards expanding the existing manufacturing facility in Goa by increasing PE and XLPE compound capacity; ₹89.50 Cr towards funding working capital requirements; balance towards general corporate purposes and issue expenses.

Valuation and Outlook

At the upper price band of **₹150**, BLS Polymers Limited is valued at an **FY26 P/E** of approximately **34.45x**, based on a post-issue **market capitalization** of **~₹930.5 Cr**, compared with an average listed peer P/E of ~24.58x. The company benefits from its diversified polymer compound portfolio, established customer relationships, improving profitability and exposure to growing power, telecommunications and pipeline infrastructure demand. FY26 EBITDA margins improved to 13.33%, while PAT increased by 27.79% to ₹27.01 Cr. The proposed capacity expansion from 35,251 MTPA to 87,301 MTPA provides significant growth potential. However, manufacturing revenue declined in FY26, while raw-material trading contributed 31.86% of total revenue, raising concerns over the sustainability of margins and the quality of revenue growth. Considering the premium valuation, high customer concentration and execution risks associated with the expansion, we recommend a **Neutral stance**, preferring to monitor manufacturing-led growth, capacity utilization, working-capital efficiency and upcoming quarterly results before considering a long-term investment.

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