BLS Polymers Limited

Red Herring Prospectus dated 17 October 2026 | Mainboard | ₹142 – ₹150 | Report date: 22 October 2026

ACFSL VIEW
SUBSCRIBE

Why: A 35-year-old maker of polymer compounds for cables and pipeline coating, with CPSE product approvals that take years to win. Profit rose from ₹7.5 Cr in FY24 to ₹27 Cr in FY26, Q1 FY27 alone earned ₹10 Cr, and debt-to-equity fell from 2.05 to 0.61. At ₹150 the P/E is about 25x FY26 earnings (34x on the enlarged equity), close to the peer average of 25x. Best suited to investors who can hold for the long term while the Goa plant expansion is built; the risks are the low-margin resin trading, one supplier for most raw material and a negative cash flow in Q1 FY27.

In Plain Words

What it does

BLS Polymers mixes plastic resins with additives to make ready-to-use 'compounds' in pellet form. Cable makers melt these pellets to form the insulation and outer sheath of power, telecom and railway cables; pipe coaters use its HDPE and adhesive grades to wrap oil, gas and water pipelines against corrosion. It makes 127 grades at one plant in Goa and sells to about 190 customers. Roughly a third of FY26 revenue came from simply buying and reselling resin.

What looks good

Profits have climbed fast: PAT went from ₹7.5 Cr (FY24) to ₹27 Cr (FY26), about 3.6 times, and operating margin from 5.5% to 12%. The new pipe-coating line (27% of Q1 FY27 sales) is lifting margins further. Debt has fallen from twice equity to about 0.6 times, and return on net worth was 28% in FY26. Product approvals from large public-sector buyers are a real entry barrier.

What worries us

Sales of its own manufactured compounds fell slightly from FY24 to FY26 (₹254 Cr to ₹237 Cr); the growth came from low-margin resin trading. One supplier provided 72% of FY26 purchases, and the top five customers were 53% of sales. The plant runs at only about two-thirds of capacity, yet the company plans to grow capacity about 2.5 times. Operating cash flow was negative in Q1 FY27 as customer dues rose.

What to watch

Whether the Q1 FY27 jump (₹107 Cr revenue, 14.5% operating margin in one quarter) holds for the full year, how fast the new capacity fills, whether pipe-coating and export orders grow, and whether receivables and the share of traded resin come down.

ACFSL Research view based on the RHP; figures explained in the sections below. Valuation at the advertised price band.

Valuation Snapshot

Metric	@ ₹142	@ ₹150
Post-issue market capitalisation (₹ Cr; 6,20,31,834 shares)	881	930
Fresh issue size (₹ Cr)	241.40	255.00
P/E on FY26 EPS (₹5.99, pre-issue shares)	23.7x	25.0x
P/E on FY26 PAT, post-issue diluted (EPS ₹4.35, ACFSL calc.)	32.6x	34.5x
P/E on Q1 FY27 EPS annualised (₹9.08 pre / ₹6.60 post)	15.6x / 21.5x	16.5x / 22.7x
Pre-money EV / FY26 operating EBITDA (Jun-26 net debt ₹62 Cr)	16.7x	17.6x
Post-issue market cap / FY26 revenue	2.5x	2.7x
Price / NAV – pre-issue (₹23.35, Jun-26) / post-issue (ACFSL calc.)	6.1x / 2.5x	6.4x / 2.6x
Promoters' average cost per share (certified)	₹2.13 – ₹14.93	₹2.13 – ₹14.93

In simple terms: at ₹150 you pay about ₹25 for every ₹1 of BLS Polymers' FY26 profit per share, in line with the ₹25 average for its listed peers. That average is pulled up by Kingfa (₹46); the two closer peers, DDev Plastiks and Plastiblends, trade at ₹13–15. After the new shares are issued, FY26 profit is spread over 38% more shares, so the P/E rises to about 34x. If the Q1 FY27 run-rate holds for the year, it falls to about 23x even after dilution. The price assumes the recent jump in profit continues. *P/E* = share price ÷ yearly earnings per share; *NAV* = book value per share.

Source: RHP – Basis for Issue Price (p. 139–149), Summary of Financial Statements (p. 84–86); ACFSL Research calculations. EPS adjusted for the 369:100 bonus issue of May 2025. Post-issue NAV adds the gross issue proceeds to Jun-26 net worth (issue expenses are [●]). There were no primary issues for cash in the last three years; the last secondary deals (Jan-2025, promoters buying from a group company) were at ₹70 per share, or ₹14.93 after the bonus, about a tenth of the cap price.

Disclaimer: *Investment in securities market are subject to market risks. Read all the related documents carefully before investing. This report is for informational purposes only and does not constitute an offer or solicitation for the purchase or sale of any financial instrument.*

Listed Peers (FY26)

Company	Revenue (₹ Cr)	Diluted EPS (₹)	NAV (₹)	P/E (x)	RoNW (%)
BLS Polymers (at ₹150, pre-issue EPS)	349.43	5.99	21.08	25.04	28.45
Kingfa Science & Technology (India)	1,995.55	144.10	1,155.40	46.25	13.24
DDev Plastiks Industries	2,947.87	19.50	97.93	12.97	19.92
Plastiblends India	788.66	14.12	172.78	14.53	8.17

Source: RHP – Basis for Issue Price, Comparison with listed industry peers (p. 141). Peer P/E on NSE closing prices of 12 Oct 2026; consolidated where available; converted from ₹ lakh. Kingfa mainly makes automotive compounds and DDev and Plastiblends are much larger, so the comparison is broad rather than exact.

IPO at a Glance

Offer Period	Tue, 27 Oct 2026 – Thu, 29 Oct 2026
Anchor Bidding	Mon, 26 Oct 2026
Price Band (₹)	142 – 150 per share
Bid Lot	100 shares and in multiples thereof
Listing	NSE & BSE (NSE designated)
Issue Size (no. of shares)	Up to 1,70,00,000
Issue Size (₹ Cr)	**255.00** at the upper band; 241.40 at the lower band
Fresh Issue / OFS	100% fresh issue; no offer for sale
Face Value (₹)	10
Pre / Post-issue Shares	4,50,31,834 / 6,20,31,834
Issue Type	100% book-built issue
Basis of Allotment	Fri, 30 Oct 2026 (tentative)
Refunds / Demat Credit	Mon, 2 Nov 2026 (tentative)
Listing Date	Tue, 3 Nov 2026 (tentative)
BRLM	Unistone Capital Pvt. Ltd.
Registrar	KFin Technologies Ltd.

Application	Lots	Shares	Amount (₹)
Retail (Min)	1	100	15,000
Retail (Max)	13	1,300	1,95,000
S-HNI (Min)	14	1,400	2,10,000
S-HNI (Max)	66	6,600	9,90,000
B-HNI (Min)	67	6,700	10,05,000

Category	Shares offered	% of Issue	Max. applicants*
QIB (incl. anchor up to 60%)	85,00,000	50.00%	–
of which anchor (up to)	51,00,000	30.00%	–
Non-Institutional (NII)	25,50,000	15.00%	–
S-HNI / B-HNI	8,50,000 / 17,00,000	1/3 / 2/3	607 / 1,214
Retail (RII)	59,50,000	35.00%	59,500
Total Issue	**1,70,00,000**	**100.00%**	

*Amounts at the ₹150 upper band. Category share counts as published by the IPO tracker site supplied by the user; they tie to the RHP structure (QIB not more than 50%, NII not less than 15%, retail not less than 35%). The full anchor portion would be worth ₹76.50 Cr at ₹150. *Approximate maximum number of applicants who can get an allotment if the category is oversubscribed: retail at 1 lot; S-HNI and B-HNI at the minimum NII application of 14 lots (1,400 shares).*

Source: RHP cover page, The Issue (p. 81), Terms of the Issue – tentative timetable (p. 456–461). The RHP leaves price and lot as [●]; the ₹142–150 band and 100-share lot are as advertised and tie to the RHP share count (1,70,00,000 × ₹150 = ₹255.00 Cr). The share count is fixed, so the post-issue equity (6,20,31,834 shares) and holdings are the same at both ends of the band; only the ₹ raised changes.

Objects of the Issue

All the money raised goes to the company. About 30% pays for a bigger Goa plant, about 35% funds working capital (stock and customer credit), and the rest covers general corporate purposes (capped at 25% of the issue) and issue expenses. The expansion adds 52,050 tonnes a year of PE and XLPE capacity, taking the plant from 35,251 to 87,301 tonnes by FY28. ₹11.79 Cr has already been spent from internal funds and loans and will be repaid from the issue.

Object	₹ Cr	% of issue	FY27	FY28
Capex: expansion of the Goa plant (civil & utilities ₹42.93 Cr; plant & machinery ₹34.63 Cr)	77.56	30.4%	35.00 + 11.79*	30.77
Funding working capital requirements	89.50	35.1%	39.00	50.50
General corporate purposes and issue expenses (balance)	87.94	34.5%	[●]	–
Gross proceeds at ₹150	**255.00**	**100.0%**		

*Source: RHP – Objects of the Issue (p. 121–138). *₹11.79 Cr already deployed by 31 Aug 2026, to be recouped. The split between general corporate purposes and issue expenses is [●]; the balance row is an ACFSL calculation at the upper band (at ₹142 it would be ₹74.34 Cr). Capex costs certified by an independent chartered engineer; orders for part of the equipment are yet to be placed (Risk Factor 35).*

Disclaimer: *Investment in securities market are subject to market risks. Read all the related documents carefully before investing. This report is for informational purposes only and does not constitute an offer or solicitation for the purchase or sale of any financial instrument.*

Shareholding – Pre and Post Issue

Shareholder	Pre-issue shares	Pre %	Post-issue shares	Post %
Vinod Aggarwal	72,78,880	16.16%	72,78,880	11.73%
Sushil Aggarwal	63,87,780	14.19%	63,87,780	10.30%
Madhukar Aggarwal	46,29,030	10.28%	46,29,030	7.46%
Diwakar Aggarwal	72,37,139	16.07%	72,37,139	11.67%
Karan Aggarwal (CMD)	44,82,392	9.95%	44,82,392	7.23%
Total promoters	**3,00,15,221**	**66.65%**	**3,00,15,221**	**48.39%**
Promoter group (9 family members and investment companies)	1,43,55,462	31.88%	1,43,55,462	23.14%
Promoters + promoter group	**4,43,70,683**	**98.53%**	**4,43,70,683**	**71.53%**
Public (existing holders + IPO allottees)	6,61,151	1.47%	1,76,61,151	28.47%
Total	**4,50,31,834**	**100.00%**	**6,20,31,834**	**100.00%**

Source: RHP – Capital Structure (p. 114–115). Post-issue holdings are [●] in the RHP; they are ACFSL calculations assuming the full fresh issue is allotted. Promoter-group entities include Intime Finance & Investment, Wonder Rock Finance, V. S. Estates and Fragrance Credit & Securities. Lock-in: 20% of post-issue capital held by promoters for three years and the rest of their holding for one year; anchors 50% for 30 days and 50% for 90 days.

Company Overview

BLS Polymers Ltd. was incorporated in New Delhi on 16 January 1991 as a public limited company and is part of the Aggarwal family's BLS Group, whose listed companies include BLS International Services and BLS E-Services. It is a **manufacturer** of custom polymer compounds: it melts and mixes polyethylene and other resins with stabilisers, flame retardants and colours, and sells the result as pellets that customers process into cable insulation, cable sheathing and pipeline coatings.

Products. It makes 127 grades across six product families: PE compounds (HDPE, MDPE, LLDPE; 43 grades) for cable jackets and sheaths; XLPE (7 grades), the heat-resistant insulation used in power cables; HFFR (12 grades), halogen-free, low-smoke compounds for building wires; PVC (60 grades, being phased out); cable-filling compound; and, since 2022, HDPE and adhesive grades for 3-layer polyethylene (3LPE) coating of oil, gas and water pipelines. It also buys and resells HDPE and LLDPE resin, which was ₹111 Cr or 32% of FY26 revenue.

Plant and capacity. All manufacturing is at one plant at Verna Industrial Estate, Goa (about 24,220 sq m, eleven lines). Installed capacity is 35,251 tonnes a year; overall use was 66% in FY26 (PE 75%, XLPE 73%, PVC 12%) and 73% in Q1 FY27 (PE 90%). The IPO-funded expansion more than doubles capacity to 87,301 tonnes by FY28. The pollution board's consent to operate covers 38,400 tonnes; the consent to establish covers 87,600 tonnes.

Customers. Mainly private cable makers and pipe coaters: it served about 190 customers in FY26, 91% of them repeat buyers; the top five were 53% of FY26 revenue and the top ten 67%. Sales are almost all direct; tenders and government buyers are now negligible (₹1 Cr in FY26 versus ₹12 Cr in FY24). Its products are enlisted with a Maharatna power-transmission CPSE, a Navratna engineering-consultancy CPSE, a Miniratna telecom CPSE and the Government of Gujarat; the pipe-coating approval took almost five years (applied Jan-2020, approved Oct-2024). Exports were about 5% of revenue (Middle East, Bangladesh, Africa, USA).

Management. Karan Aggarwal (40), Chairman and Managing Director, runs manufacturing, product development and exports; Dinesh Sharma (Executive Director, with the company since 1991) heads marketing. Vinod Aggarwal is a non-executive director. The board has independent directors, some of whom also sit on other BLS Group boards. The company had 175 employees at 31 August 2026.

Industry. CRISIL (paid by the company) puts the Indian polymer compounding market at about USD 9.9 bn in 2025, growing to about USD 16.5 bn by 2031. Demand for BLS's products follows spending on power transmission, telecom fibre, railways and city gas and water pipelines.

Source: RHP – Our Business (p. 247–277), Objects of the Issue (p. 123–124), Our Management (p. 288–301), Industry Overview (p. 160–246), Risk Factors (p. 25–80).

Disclaimer: *Investment in securities market are subject to market risks. Read all the related documents carefully before investing. This report is for informational purposes only and does not constitute an offer or solicitation for the purchase or sale of any financial instrument.*

Company Snapshot

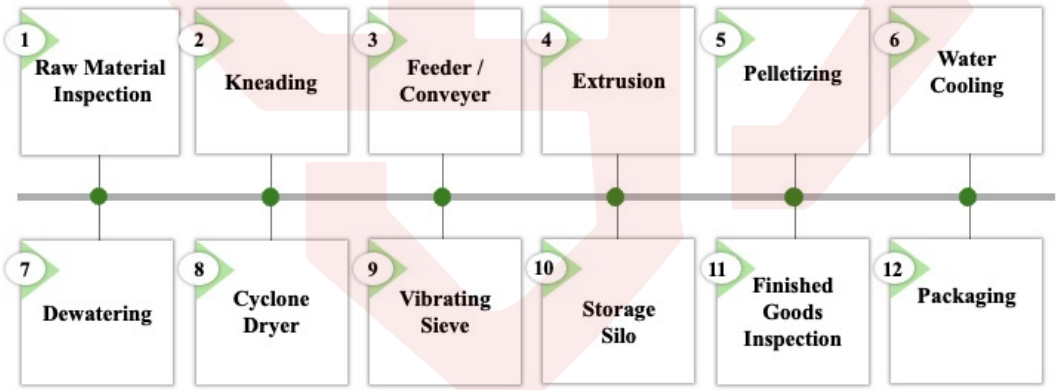
Incorporation	16 January 1991, New Delhi (CIN U24111DL1991PLC042745); public limited company since incorporation
Registered office	604, Indra Prakash, 21 Barakhamba Road, New Delhi 110 001
Promoters	Vinod Aggarwal, Sushil Aggarwal, Madhukar Aggarwal, Diwakar Aggarwal, Karan Aggarwal
Plant	Verna Industrial Estate, Goa; 35,251 TPA installed (87,301 TPA after expansion); 175 employees (Aug-26)
Scale (FY26)	₹349 Cr revenue; 127 grades; ~190 customers in 23 states and union territories; exports 5.5%
Financial position (Jun-26)	Net worth ₹105 Cr; borrowings ₹63 Cr (mostly working-capital loans); debt-to-equity 0.61; no dividend paid in the period

Source: RHP cover page, Our Business, Restated Financial Statements, KPIs (p. 143).

Key Products

Product family	What it does	Grades	FY26 revenue (₹ Cr / %)
PE compounds (HDPE/MDPE/LLDPE, HFFR, CFC, pipe coating)	Jackets and sheaths for telecom and power cables; halogen-free flame-retardant grades for building wires; HDPE and adhesive layers of 3LPE pipeline coating	43 + 12 + 4 + 1	184.17 (52.7%)
XLPE compounds	Cross-linked insulation that lets power cables run hot and at high voltage	7	48.91 (14.0%)
PVC compounds	Insulation and sheathing for low-voltage house wires; being phased out	60	5.12 (1.5%)
Others – mainly traded HDPE/LLDPE resin	Buying resin in bulk and reselling it to other processors	–	111.22 (31.8%)

Source: RHP – Our Business, Our Products (p. 252–255). The RHP does not include product photographs; the process below is from the offer document.



Manufacturing process: raw-material check, kneading, feeding, extrusion, pelletising, cooling, drying, sieving, storage, inspection and packing (RHP p. 267).

Revenue Mix and Concentration (₹ Cr)

Particulars	FY24	FY25	FY26	Q1 FY27
Manufactured compounds (polymer division)	254.42 (85.8%)	241.62 (73.6%)	237.00 (67.8%)	88.06 (82.3%)
Traded resin and commission (trading division)	41.94 (14.2%)	86.81 (26.4%)	112.43 (32.2%)	18.97 (17.7%)
Revenue from operations	**296.36**	**328.44**	**349.43**	**107.03**
Wire & cable compounds	238.53 (80.5%)	267.98 (81.6%)	282.80 (80.9%)	78.34 (73.2%)
Pipeline coating compounds	57.83 (19.5%)	60.45 (18.4%)	66.63 (19.1%)	28.68 (26.8%)
Telecom end-use	130.19 (43.9%)	119.12 (36.3%)	122.66 (35.1%)	45.68 (42.7%)
Power end-use	63.86 (21.5%)	61.91 (18.8%)	48.91 (14.0%)	13.69 (12.8%)

Disclaimer: *Investment in securities market are subject to market risks. Read all the related documents carefully before investing. This report is for informational purposes only and does not constitute an offer or solicitation for the purchase or sale of any financial instrument.*

Particulars	FY24	FY25	FY26	Q1 FY27
Water and oil & gas distribution	57.83 (19.5%)	60.45 (18.4%)	66.63 (19.1%)	28.68 (26.8%)
Exports	11.95 (4.0%)	27.68 (8.4%)	19.08 (5.5%)	5.70 (5.3%)
Top 5 / top 10 customers (% of revenue)	36.9% / 50.5%	50.9% / 64.4%	53.5% / 66.8%	43.2% / 61.3%
Largest supplier (% of purchases)	38.3%	60.7%	71.7%	64.7%
Capacity utilisation (production, tonnes)	66.2% (23,343)	67.9% (23,930)	66.0% (23,265)	73.2% (6,451)

Source: RHP – Our Business (p. 248–250), MD&A (p. 404–409), Risk Factors 2 and 17, Objects (p. 123). Q1 FY27 trading-division figure is traded goods plus commission; the RHP prints telecom as 48.34% of Q1 FY27 revenue but its own ₹ figure gives 42.7%, which we use. 'Others' end-use (mostly traded resin) is not shown.

Financials (Restated)

Key Drivers Behind the Numbers

- **Growth came from trading, not from the plant.** Revenue grew 10.8% in FY25 and 6.4% in FY26, but sales of manufactured compounds fell 5.0% and then 1.9% (₹254 Cr to ₹237 Cr). Resin trading doubled in FY25 and rose another 29.5% in FY26 to ₹112 Cr. Exports more than doubled in FY25 and fell 31% in FY26.
- **Margins rose on cheaper raw material and a better mix.** Materials and traded goods fell from 84% of revenue in FY24 to 78% in FY26 and 77% in Q1 FY27. The company credits bulk buying from a few suppliers under volume-discount agreements, switching between Indian and imported resin, and selling surplus stock when prices suit. Pipe-coating grades, which earn more, rose to 27% of sales in Q1 FY27.
- **Other income flattered FY24–FY25.** Write-backs of old unpaid liabilities added ₹2.8 Cr (FY24), ₹4.1 Cr (FY25) and ₹1.0 Cr (FY26) to profit. Excluding them, FY25 pre-tax profit was about ₹24 Cr, not ₹28 Cr. Finance cost fell each year as bank borrowings were cut from ₹94 Cr to ₹52 Cr.
- **Q1 FY27 was much stronger.** Revenue of ₹107 Cr in three months (31% of FY26), with manufactured sales of ₹88 Cr against ₹237 Cr in all of FY26 and an operating margin of 14.5%. Resin prices also rose (cost per tonne ₹1.13 lakh vs ₹0.85 lakh in FY26). One strong quarter is not yet a trend.

Source: RHP – MD&A (p. 404–410), KPIs (p. 143), Summary Cash Flow (p. 86).

Income Statement (₹ Cr)

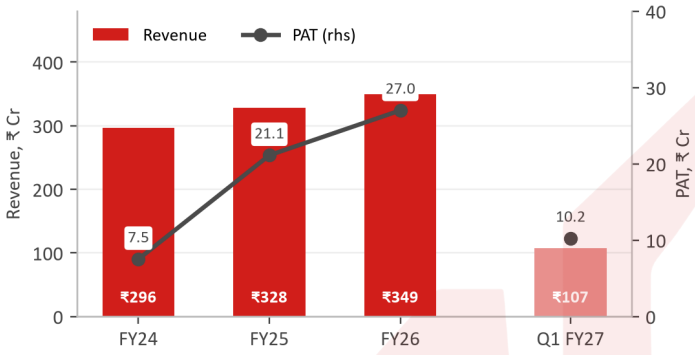
Particulars (₹ Cr)	FY24	FY25	FY26	Q1 FY27
Revenue from operations	296.36	328.44	349.43	107.03
Revenue growth %	–	10.8%	6.4%	–
Cost of materials consumed	209.94	189.32	169.97	63.39
Purchase of traded goods	40.97	76.60	109.22	18.45
Change in inventories	(2.27)	(0.39)	(6.17)	0.16
COGS	248.65	265.54	273.02	82.01
% to revenue	83.9%	80.8%	78.1%	76.6%
Gross profit	**47.71**	**62.90**	**76.41**	**25.02**
Gross margin %	16.1%	19.2%	21.9%	23.4%
Employee cost	7.24	7.15	8.49	2.18
% to revenue	2.4%	2.2%	2.4%	2.0%
Other expenses	24.07	23.98	26.02	7.36
% to revenue	8.1%	7.3%	7.4%	6.9%
EBITDA (excl. other income)	**16.41**	**31.77**	**41.90**	**15.47**
EBITDA margin %	5.5%	9.7%	12.0%	14.5%
Add: Other income	5.15	8.26	4.98	0.78
of which liabilities written back	2.80	4.14	1.00	–
Less: Depreciation & amortisation	2.71	3.07	2.88	0.76
EBIT	**18.85**	**36.95**	**44.00**	**15.49**
EBIT margin %	6.4%	11.3%	12.6%	14.5%
Less: Finance cost	9.15	8.68	8.02	1.81
PBT	**9.69**	**28.27**	**35.99**	**13.68**
PBT margin %	3.3%	8.6%	10.3%	12.8%
Less: Tax	2.17	7.13	8.98	3.45
Tax rate %	22.4%	25.2%	24.9%	25.2%

Disclaimer: *Investment in securities market are subject to market risks. Read all the related documents carefully before investing. This report is for informational purposes only and does not constitute an offer or solicitation for the purchase or sale of any financial instrument.*

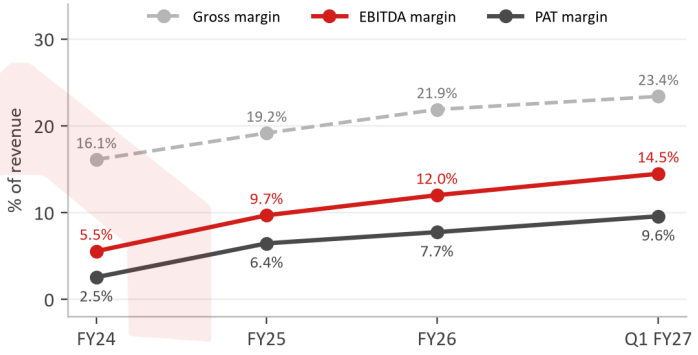
Particulars (₹ Cr)	FY24	FY25	FY26	Q1 FY27
PAT	**7.52**	**21.14**	**27.01**	**10.23**
PAT growth %	–	181.0%	27.8%	–
PAT margin %	2.5%	6.4%	7.7%	9.6%
EPS (₹, basic = diluted)	1.67	4.69	5.99	2.27
Memo: EBITDA as defined in the RHP (incl. other income)	21.05	39.66	46.60	16.21

Source: RHP – Summary of Restated Statement of Profit and Loss (p. 85), KPI reconciliation (p. 401). Q1 FY27 = three months to 30 Jun 2026, not annualised. EBITDA here excludes other income (ACFSL); the RHP's KPI EBITDA is PBT + interest + depreciation and so includes other income (FY26: ₹46.6 Cr, 13.3%). FY24 is a low base (PAT ₹7.5 Cr), so FY25 growth percentages look very large. Converted from ₹ lakh.

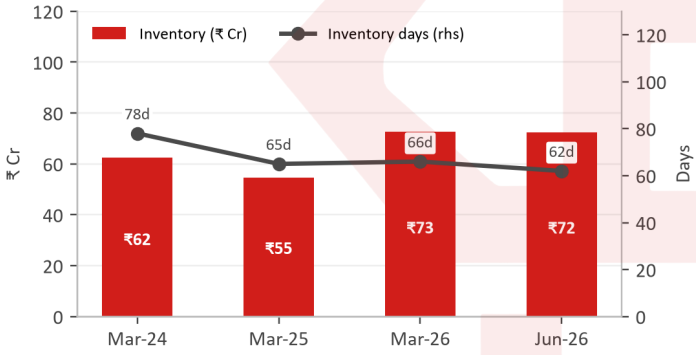
Charts



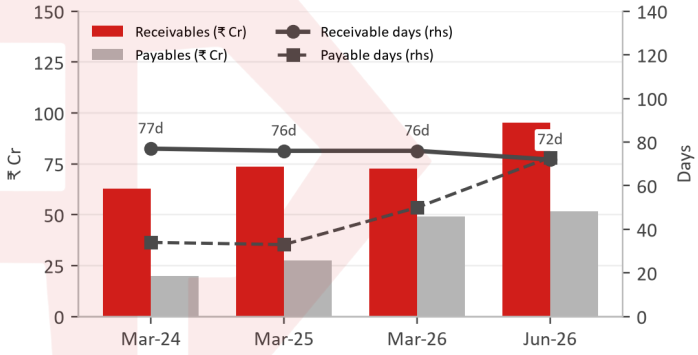
Revenue & PAT (₹ Cr); Q1 FY27 bar shaded lighter (3 months)



Gross, EBITDA & PAT margin trend



Inventory (₹ Cr) and inventory days



Receivables & payables (₹ Cr) and days

Source: RHP – Restated Financial Statements; holding days as certified by the statutory auditor (Objects of the Issue, p. 134), Jun-26 annualised.

Working Capital (₹ Cr)

Why this matters: working capital is the cash tied up in stock and unpaid customer bills, less what the company owes suppliers. BLS's cash cycle has shortened from about 120 days to about 60, but in the latest quarter that came from paying suppliers more slowly (73 days) while customer dues jumped ₹22 Cr. The company itself plans to pay suppliers faster again (55 days), which is why it is asking for ₹89.5 Cr of working capital from the issue. *Receivable days* = how long customers take to pay; *inventory days* = how long stock sits before it is sold.

Particulars	Mar-24	Mar-25	Mar-26	Jun-26
Inventories	62.44	54.62	72.59	72.48
Trade receivables	62.69	73.73	72.71	95.15
Trade payables	19.98	27.47	49.20	51.68
Net trade working capital	**105.15**	**100.89**	**96.09**	**115.95**
Inventory days	78	65	66	62
Receivable days	77	76	76	72
Payable days	34	33	50	73
Cash conversion cycle (days)	121	108	92	61
Borrowings (long + short term)	93.77	73.92	51.72	62.91
Cash and bank balances	2.55	1.72	2.43	1.82

Disclaimer: *Investment in securities market are subject to market risks. Read all the related documents carefully before investing. This report is for informational purposes only and does not constitute an offer or solicitation for the purchase or sale of any financial instrument.*

Source: RHP – Summary Balance Sheet (p. 84), Objects of the Issue – holding levels (p. 133–135). Days as certified by the statutory auditor; Jun-26 annualised. Planned holding levels for FY27/FY28: inventory 63/65 days, receivables 73/77 days, payables 55/55 days. Some cable customers get 60–90+ days' credit.

Balance Sheet (₹ Cr)

Particulars (₹ Cr)	Mar-24	Mar-25	Mar-26	Jun-26
Property, plant and equipment	18.24	17.59	20.24	24.27
Capital work-in-progress	–	–	1.74	3.46
Right-of-use assets	2.98	2.28	2.27	2.11
Other intangible assets	0.02	–	–	–
Other non-current financial assets	0.27	0.31	0.22	0.45
Other non-current assets	0.14	1.61	4.34	1.78
Total non-current assets	**21.65**	**21.79**	**28.81**	**32.07**
Inventories	62.44	54.62	72.59	72.48
Trade receivables	62.69	73.73	72.71	95.15
Cash and cash equivalents	0.02	0.01	0.67	0.04
Other bank balances	2.53	1.71	1.76	1.78
Other current financial assets	3.33	12.58	17.66	14.12
Other current assets	15.83	14.70	11.93	15.70
Total current assets	**146.84**	**157.35**	**177.32**	**199.27**
Total Assets	**168.49**	**179.14**	**206.13**	**231.34**
Equity share capital	9.60	9.60	45.03	45.03
Other equity	37.23	58.34	49.90	60.14
Total equity	**46.83**	**67.94**	**94.93**	**105.17**
Borrowings (non-current)	3.00	0.66	2.84	5.32
Lease liabilities, provisions and deferred tax (non-current)	1.94	1.40	1.58	1.56
Total non-current liabilities	**4.94**	**2.06**	**4.42**	**6.88**
Borrowings (current)	90.76	73.26	48.87	57.59
Lease liabilities (current)	0.84	0.93	0.42	0.40
Trade payables	19.98	27.47	49.20	51.68
Other current financial and other liabilities	3.50	4.14	2.55	4.12
Provisions (incl. current tax liabilities)	1.64	3.34	5.73	5.50
Total current liabilities	**116.72**	**109.13**	**106.78**	**119.29**
Total Equity and Liabilities	**168.49**	**179.14**	**206.13**	**231.34**

Source: RHP – Summary of Restated Statement of Assets and Liabilities (p. 84). Converted from ₹ lakh. Share capital rose in FY26 with the 369:100 bonus issue of May 2025 (paid out of reserves, so net worth did not change). For the March year-ends the RHP's current-tax line sits inside provisions (its totals and the Objects working-capital table confirm this); at Jun-26 it is shown separately and added here. Other current financial assets are mainly volume discounts receivable from suppliers.

Cash Flow Statement (₹ Cr)

Particulars (₹ Cr)	FY24	FY25	FY26	Q1 FY27
Profit before tax	9.69	28.27	35.99	13.68
Depreciation and amortisation	2.71	3.07	2.88	0.76
Finance cost (incl. lease interest)	8.65	8.32	7.73	1.76
Interest income	(1.45)	(2.52)	(2.80)	(0.55)
Liabilities and provisions written back	(2.80)	(4.14)	(1.00)	–
Other non-cash items (net)	0.28	0.75	0.04	0.78
Operating profit before working capital changes	**17.08**	**33.74**	**42.84**	**16.45**
(Increase) / decrease in inventories	2.16	7.28	(18.02)	(0.52)
(Increase) / decrease in trade receivables	(1.12)	(11.06)	0.64	(22.57)
Increase / (decrease) in trade payables	(6.24)	7.49	22.74	2.48
Other working-capital items (net)	(7.05)	(7.04)	(3.13)	1.17
Cash generated from operations	**4.83**	**30.42**	**45.07**	**(3.01)**
Direct taxes paid	(2.18)	(5.29)	(7.01)	(3.63)

Disclaimer: *Investment in securities market are subject to market risks. Read all the related documents carefully before investing. This report is for informational purposes only and does not constitute an offer or solicitation for the purchase or sale of any financial instrument.*

Particulars (₹ Cr)	FY24	FY25	FY26	Q1 FY27
Net cash from operating activities (A)	**2.65**	**25.13**	**38.06**	**(6.64)**
Capex incl. CWIP (net of asset sales)	(2.84)	(2.49)	(6.46)	(6.17)
Deposits and other non-current assets (net)	0.70	0.51	(2.70)	2.34
Interest received	1.42	2.57	2.80	0.60
Net cash from / (used in) investing activities (B)	**(0.72)**	**0.58**	**(6.36)**	**(3.23)**
Short-term borrowings raised / (repaid), net	8.92	(13.46)	(22.91)	8.69
Long-term borrowings raised / (repaid), net	(2.04)	(2.34)	0.71	2.51
Interest and lease payments	(9.11)	(9.92)	(8.84)	(1.96)
Net cash from / (used in) financing activities (C)	**(2.24)**	**(25.72)**	**(31.05)**	**9.24**
Net increase / (decrease) in cash (A+B+C)	**(0.31)**	**(0.01)**	**0.66**	**(0.63)**
Cash and cash equivalents – closing	0.02	0.01	0.67	0.04

Source: RHP – Summary of Restated Statement of Cash Flow (p. 86). Minor lines grouped by ACFSL; converted from ₹ lakh. Over FY25–FY26 the company generated ₹63 Cr of operating cash and used most of it to repay about ₹36 Cr of short-term debt. In Q1 FY27 operating cash flow turned negative (₹6.6 Cr) as receivables rose ₹22.6 Cr, and borrowings went up again. No dividends were paid.

Key Risks

- **One supplier for most raw material.** The largest supplier provided 71.7% of FY26 purchases (64.7% in Q1 FY27; 38.3% in FY24), mostly without long-term contracts. The second largest is group company Vinsul Makardi (11.6% in FY26). A supply break or price change would hit output and margins.
- **Thin-margin trading is a third of revenue.** Traded resin was 32% of FY26 revenue and drove all the growth in FY25–FY26, while manufactured sales fell. Trading volumes depend on resin price swings and can reverse quickly.
- **Customer and sector concentration.** The top five customers were 53% and the top ten 67% of FY26 revenue, with no firm long-term orders. About 81% of FY26 revenue came from cable compounds, so a slowdown in telecom or power cable demand would hurt directly.
- **Large expansion, partly idle plant.** Capacity rises about 2.5 times to 87,301 tonnes by FY28, but overall use has stayed at 66–68% in FY24–FY26. Some equipment orders are yet to be placed, and capex is not appraised by a bank. If demand does not follow, fixed costs and depreciation rise without matching sales.
- **Cash flow and receivables.** Operating cash flow was negative ₹6.6 Cr in Q1 FY27 as receivables rose to ₹95 Cr. Auditors flagged foreign receivables of about ₹0.5 Cr overdue beyond nine months (emphasis of matter in every period), and the company has filed 15 cheque-bounce cases against customers.
- **Raw-material price swings.** Materials and traded goods are about 77–78% of revenue, and polymer prices move with crude oil and imports. Part of recent margin gains came from supplier volume discounts that may not last.
- **Single plant in Goa.** All production is at one site; any shutdown, power cut or regulatory action there would stop output.
- **Group links and governance.** Group company Vinsul Makardi trades polymers and has no non-compete. The promoters bought shares from a group company at ₹14.93 (bonus-adjusted) in January 2025, about a tenth of the cap price. Records before 2013 are untraceable, and there were past delays in statutory dues and GST/EPF filings. SEBI summoned group company BLS International in 2023 in a trading investigation (no further action reported).
- **Earnings quality.** Write-backs of old liabilities were 29% of FY24 and 15% of FY25 pre-tax profit. The very strong Q1 FY27 is a single quarter and partly reflects higher resin prices.

Source: RHP – Risk Factors 1, 2, 4, 5, 8, 14, 17, 19, 20, 21, 24, 29, 30, 35, 44, 53–55 (p. 25–80), Basis for Issue Price (p. 148), Summary Cash Flow (p. 86).

Disclaimer: *Investment in securities market are subject to market risks. Read all the related documents carefully before investing. This report is for informational purposes only and does not constitute an offer or solicitation for the purchase or sale of any financial instrument.*

Amrapali Capital and Finance Services Ltd. (ACFSL)

Office: Amrapali House, Opp. Monte Cresto, Nr. Taj Hotel, Sindhu Bhavan Road, Bopal, Ahmedabad – 380058

SEBI Registration No.: Stock Broker – **INZ000269735** | Direct member of the stock exchanges (not a sub-broker)

For any information contact us: research@amrapali.com | chirag@amrapali.com

Disclaimer: Investments in securities market are subject to market risks, read all the related documents carefully before investing. | This is for education/information purposes only.

DISCLOSURES & DISCLAIMERS

Analyst Certification: The views expressed in this research report ("Report") accurately reflect the personal views of the research analysts ("Analysts") employed by ACFSL about the subject company and its securities. This Report has been prepared from information available to the public, chiefly the company's Red Herring Prospectus dated 17 October 2026 ("RHP"), and from sources believed to be reliable. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific views expressed in this Report.

The Analysts engaged in preparation of this Report or their relatives:

(a) do not have any financial interest in the subject company mentioned in this Report;

(b) do not own 1% or more of the equity securities of the subject company as of the last day of the month preceding the publication of this Report;

(c) do not have any material conflict of interest at the time of publication of this Report.

The Analysts engaged in preparation of this Report:

(a) have not received any compensation from the subject company in the past twelve months;

(b) have not managed or co-managed a public offering of securities for the subject company in the past twelve months;

(c) have not received any compensation for investment banking, merchant banking or brokerage services from the subject company in the past twelve months;

(d) have not received any compensation for products or services other than investment banking, merchant banking or brokerage services from the subject company in the past twelve months;

(e) have not received any compensation or other benefits from the subject company or any third party in connection with this Report;

(f) have not served as an officer, director or employee of the subject company;

(g) are not engaged in market-making activity for the subject company.

Disclaimer

This Research Report has been prepared by Amrapali Capital & Finance Services Ltd. (“Amrapali Capital”), a SEBI-registered Research Analyst, and is intended solely for the personal information of the authorized recipient. This document is for informational purposes only and does not constitute, nor should it be construed as, an offer, invitation, or solicitation to buy or sell any securities or financial instruments.

Amrapali Capital has exercised due diligence in the preparation of this report, and the information contained herein has been obtained from sources believed to be reliable. However, no representation or warranty, express or implied, is made as to the accuracy, completeness, or adequacy of such information. The views expressed are based on current market conditions and are subject to change without prior notice.

This report does not take into account the specific investment objectives, financial situation, or particular needs of any individual recipient. Investors are advised to seek independent financial, legal, and tax advice before making any investment decisions. The securities discussed in this report may not be suitable for all investors.

Amrapali Capital, its affiliates, directors, employees, or representatives shall not be liable for any direct, indirect, incidental, or consequential loss or damage arising from the use of this report or its contents. The firm does not undertake any obligation to update, revise, or correct the information contained herein.

This document is confidential and proprietary to Amrapali Capital and shall not be reproduced, distributed, or published, in whole or in part, without prior written consent. Unauthorized use, disclosure, or copying of this report is strictly prohibited.

Investments in securities are subject to market risks, including price volatility and liquidity risks. Past performance is not indicative of future results. There is no assurance or guarantee of returns.

Registration granted by SEBI and certification from NISM do not guarantee the performance of the intermediary or provide any assurance of returns to investors.

Research Team

Name	Designation	E-mail
Chirag Thakkar	Director	chirag@amrapali.com
Akash Dubey	Equity Research Analyst	research@amrapali.com

Disclaimer: *Investment in securities market are subject to market risks. Read all the related documents carefully before investing. This report is for informational purposes only and does not constitute an offer or solicitation for the purchase or sale of any financial instrument.*