BEHARI LAL ENGINEERING LTD

Price Band	Issue Opens
₹271 to ₹285	12 Aug to 14 Aug, 2026

Face Value	Issue Size	Lot Size	Listing At
₹10	₹302 cr	52 Shares	NSE, BSE

Behari Lal Engineering Ltd Info

Issue Size	1,05,83,158 shares / ₹302 Cr
Fresh Issue	32,63,157 shares / ₹93 Cr
Offer for Sale	73,20,001 shares of ₹10 / ₹209 Cr
Retail Quota	Not less than 35% of the Net Issue
Retail Min/Max	₹14,820 / ₹1,92,660

Behari Lal Engineering ltd Timeline

Tentative Allotment	Mon, Aug 17, 2026
Initiation of Refunds	Tue, Aug 18, 2026
Credit of Shares to Demat	Tue, Aug 18, 2026
"Behari Lal Engineering ltd" Listing Day	Wed, Aug 19, 2026

Objects of The Offer

The Net Proceeds from the Fresh Issue will be utilised for:

1. **Capital Expenditure:** Investment of approximately ₹630.39 million towards new machinery, equipment, civil works and rooftop solar installations at the company's two manufacturing facilities in Punjab. The investments are aimed at increasing forging and heat-treatment capacity, improving quality and reducing power costs.
2. **Debt Repayment:** Approximately ₹5.70 million will be used for repayment/prepayment of existing borrowings, helping improve the company's leverage and capital structure.
3. **General Corporate Purposes:** The balance proceeds will be utilised for working capital, business development and other general corporate and operational requirements.

About The Company and Business Overview

Behari Lal Engineering Limited is an integrated iron and steel manufacturing company offering customised engineering solutions. With over 79 years of experience through the Behari Lal Group, the company has evolved from a steel trading business into an integrated manufacturer serving multiple industrial sectors.

Key Product Segments

- **Metal Rolls:** Manufactures alloy cast steel, adamite and graphitic steel rolls used in rolling mills for producing finished steel products such as TMT rebars.
- **Engineering Castings:** Produces specialised castings ranging from 500 kg to 20 MT, primarily for the steel, mining and power industries.
- **Alloy Steel Products:** Manufactures carbon, alloy and stainless-steel bars in round, square, flat and hexagonal sections, catering mainly to automobile and bearing manufacturers.
- **Forging Ingots & Forged Products:** Manufactures forging ingots, forged shafts and blocks designed for high-load and critical industrial applications.

Source: RHP

Manufacturing Operations
The company operates two integrated manufacturing facilities in Mandi Gobindgarh, Punjab, comprising:

1. **Steel Melting Shop (SMS) & Foundry Division –** steel melting, casting and specialised foundry operations.
2. **Rolling Mill Division –** manufacturing of flats, rounds and squares through iron and steel re-rolling.

The company is also developing a third manufacturing facility in the same region to expand its production capacity. Its manufacturing process uses technologies such as Argon Purging Stations and Vacuum Degassing Units to improve steel quality.

Market Presence
Behari Lal Engineering has a pan-India presence across 21 states and 6 Union Territories and exports its products to 21 countries across five continents, including the USA, Germany, UAE and South Africa.

Its products serve 10+ end-user industries, including automobile, aerospace, infrastructure, construction, mining, power, railways, cement and sugar.

Key Business Strengths

- Diversified product portfolio serving multiple industrial applications.
- 1,700+ customers across domestic and international markets.
- High capacity utilisation of 87.71% in FY2026.
- Direct sourcing of raw materials from automobile companies and PSUs, helping reduce intermediary costs.
- Integrated manufacturing capabilities covering steel melting, casting, rolling and forging.

In short: Behari Lal Engineering is an integrated, multi-product steel manufacturer focused on value-added steel products and customised engineering components, with a diversified industrial customer base and an expanding manufacturing footprint.

FINANCIAL RATIOS

Financial Ratios	ROCE	ROE	P/E	INDUSTRY P/E	EV / EBITDA
Jayaswal Neco Industries Limited	20.70	18.00	15.60	31.36	7.55
AIA Engineering Limited	21.10	17.00	35.00	31.36	25.40
Steelcast Limited	32.30	24.00	36.60	31.36	24.50
RHI Magnesita India Limited	6.52	2.91	77.60	31.36	18.80
Vardhman Special Steels Limited	15.40	11.80	22.60	31.36	13.80
IFGL Refractories Limited	4.92	3.22	36.60	31.36	3.22
Kennametal India Limited	17.60	12.90	52.20	31.36	29.80
Behari Lal Engineering Limited	***27.11***	***23.60***	***17.21***	***31.36***	***N/A***

Source : RHP

Brief profile of the Directors

- **Parkash Chand Garg** is the Chairman and Non-Executive Director and one of the Promoters of the Company. He holds a Degree in Arts from Government Mohindra College, Patiala. He has been associated with the Company since incorporation and has around 30 years of experience in the steel industry.
- **Rajesh Garg** is the Vice Chairman and Non-Executive Director and one of the Promoters of the Company. He holds a Bachelor's Degree in Arts from DAV College, Chandigarh. He has previously served as a director of the Company and is currently associated with BLC Metals Private Limited as a director. He has around 28 years of experience in the steel industry.
- **Dinesh Garg** is the Managing Director and one of the Promoters of the Company. He holds a Bachelor's Degree in Commerce from Panjab University and a certificate in Management (Owner Manager Programme) from S.P. Jain Institute of Management and Research. Associated with the Company since 1995, he oversees its day-to-day business operations and has around 30 years of experience in the steel industry.
- **Lovlish Garg** is the Whole-time Director and one of the Promoters of the Company. He holds a Bachelor's Degree in Arts from the University of Delhi and has completed post-graduation in Family Managed Business from S.P. Jain Institute of Management & Research. He has been associated with the Company since 2016 and is responsible for overall management and administration. He has around 13 years of experience in steel manufacturing.
- **Manvinder Partap Singh** is the Executive Director of the Company. He holds a Bachelor's Degree in Science from Mahatma Jyotiba Phule Rohilkhand University. He joined the Company as General Manager – Steel Melting Shop in 2014 and was appointed Executive Director in May 2025. He is responsible for scheduling and managing processes at the steel melting shop and has around 11 years of experience in the steel industry.
- **Anil Dhawan** is an Independent Director of the Company. He holds bachelor's and master's degrees in Science and a Ph.D. from the University of Delhi. He has also completed an Executive Development Programme from the Indian Institute of Foreign Trade and a course in Economics of the Steel Industry from Fordham University. He was previously associated with Steel Authority of India Limited as a director and has around 36 years of experience in the steel industry.
- **Anil Kumar Bansal** is an Independent Director of the Company. He holds a Bachelor's Degree in Commerce from Punjabi University and is a Certified Associate of the Indian Institute of Bankers. He also holds a Certificate in Commercial Credit from Moody's Analytics. He was previously associated with State Bank of India and has around 39 years of experience in banking.
- **Ayussh Mittaal** is an Independent Director of the Company. He is a member of the Institute of Chartered Accountants of India and has held a certificate of practice since 2017. He is currently associated with M/s S M A & Associates as a partner and has around 8 years of experience in accounting and finance.
- **Meena Rohilla** is an Independent Director of the Company. She holds a Bachelor's Degree in Business Administration from Kurukshetra University and is an Associate Member of the Institute of Company Secretaries of India. She is a practising Company Secretary and has around 14 years of experience in secretarial, regulatory, and statutory compliance.
- **Rajesh Kumar Sinha** is an Independent Director of the Company. He holds a Bachelor's Degree in Engineering from Rajasthan University and a provisional Master's Degree in Engineering from Regional Institute of Technology, Jamshedpur. He has previously been associated with Rajinder Steels Limited, Usha Martin Industries Limited, Monnet Ispat & Energy Limited, and Sunflag Iron & Steel Co. Ltd. He has around 22 years of experience in the steel and metals industry.

Source : RHP

Profit and loss Statement

Particulars	Year ended March 31,	Year ended March 31,	Year ended March 31,
Income:			
Revenue from operations	5,340.25	5,079.12	4,460.84
Other income	124.94	83.87	38.74
Total Income	5,465.19	5,162.99	4,499.58
Expenses:			
Cost of materials consumed	2,806.58	2,716.46	2,745.21
Purchase of stock-in-trade	147.94	291.93	153.04
Changes in inventories of finished goods, work in progress and stock in trade	(144.54)	(125.41)	(50.93)
Employee benefits expense	421.40	326.14	187.29
Finance cost	14.90	13.58	23.09
Depreciation and amortization expense	132.54	105.91	87.58
Other expenses	1,220.53	1,140.75	855.11
Total expenses	**4,599.35**	**4,469.36**	**4,000.39**
Profit before exceptional items and tax	**865.84**	**693.63**	**499.19**
Exceptional items	-	-	-
Profit before tax	865.84	693.63	499.19
Tax expense:			
Current tax	219.01	175.45	125.54
Deferred tax	0.29	(13.49)	15.58
Earlier Year Tax	0.18	2.16	0.16
Total tax expense	**219.48**	**164.12**	**141.28**
Profit for the period	**646.36**	**529.51**	**357.91**
Other Comprehensive Income:			
Re-measurement gain/(loss) of defined benefit obligation	(2.04)	(0.62)	0.75
Income tax relating to items that will not be reclassified to profit or loss	0.51	0.16	(0.19)
Total other comprehensive income/(loss) for the year, net of tax	(1.53)	(0.46)	0.56
Total Comprehensive Income for the period	644.83	529.05	358.47
Earnings per equity share of ₹10/- each (Without adjusting for bonus shares):			
Basic EPS (₹)	16.56	67.82	50.33
Diluted EPS (₹)	16.56	67.82	50.33
Earnings per equity share of ₹10/- each (After adjusting for bonus shares):			
Basic EPS (₹)	16.56	13.56	10.07
Diluted EPS (₹)	16.56	13.56	10.07

Source : RHP

Strengths

- **Long-standing Customer Relationships:** The company has a diversified customer base of 1,700+ customers, including BMW Industries, Metso India and Shyam Metalics. Around 84.69% of FY2026 revenue came from repeat customers, while long-standing relationships and approved-vendor status with marquee clients create a significant entry barrier.
- **Diversified Product and Industry Portfolio:** Behari Lal Engineering manufactures Metal Rolls, Engineering Castings, Alloy Steel Products and Forging Ingots, serving 10+ industries including automobiles, aerospace, infrastructure, mining and power. Its ability to provide customised products across multiple SKUs reduces dependence on any single end-use segment.
- **Strategically Located Manufacturing Facilities:** Its facilities in Mandi Gobindgarh, Punjab, benefit from proximity to major steel-producing clusters, national highways, dry ports and the Amritsar-Kolkata Industrial Corridor. The company achieved 87.71% aggregate capacity utilisation in FY2026, supported by overlapping manufacturing processes.
- **Advanced Manufacturing Capabilities:** The company uses technologies such as Argon Purging Stations and Vacuum Degassing Units, enabling improved steel cleanliness and product quality. These capabilities support the manufacturing of specialised, high-value steel products.
- **Experienced Management and Strong Legacy:** The Behari Lal Group has over 79 years of experience in the steel industry. The promoter-led management brings significant domain expertise, while the involvement of the fourth generation supports continued expansion and innovation.

Key Risk Factors

- **Customer and Industry Concentration:** The company remains dependent on a relatively limited customer base, with its top 10 customers contributing 38.00% of FY2026 revenue. Further, automobiles and infrastructure accounted for 38.65% and 20.68% of revenue, respectively. A slowdown in these sectors could materially affect demand.
- **Limited Long-Term Customer Contracts:** The company primarily operates through purchase orders rather than long-term contracts. Given the volatility in steel prices, customers may alter or reduce orders, resulting in limited revenue visibility.
- **Raw Material Price and Supplier Risk:** Steel scrap and ferro alloys represented 61.02% of total expenses in FY2026, making profitability sensitive to raw material prices. The top 10 suppliers accounted for 49.00% of purchases, while the company does not have long-term supply agreements with them.
- **Single-Location Manufacturing Concentration:** All manufacturing operations are concentrated in Mandi Gobindgarh, Punjab. Any natural disaster, local disruption, regulatory change or other operational issue in the region could affect the company's entire production base.
- **High Dependence on Machinery and Capacity Utilisation:** The business involves significant fixed costs and relies heavily on specialised machinery. Equipment breakdowns could result in production delays, higher maintenance costs and potential penalties from customers.
- **Dependence on Third-Party Logistics:** The company relies entirely on third-party logistics providers for transportation of raw materials and finished products, without formal long-term arrangements. Any disruption or increase in logistics costs could impact operations and margins.

Source: RHP

Valuation and Outlook

Behari Lal Engineering Limited IPO is expected to be priced between **₹271 to ₹285** per share. At this price, the Company's **Price-To-Earning-Ratio (P/E)** is **17.21x . Industry (P/E)** Price-To-Earning-Ratio is **31.36x.**

Name of Company	Latest Financial Year	Face Value (₹ per share)	P/E	Basic EPS (₹)	Diluted EPS (₹)	RoNW (%)	NAV (₹ per share)	EV/EBITDA	Total Income (₹ million)
Behari Lal Engineering Limited	***Standalone***	***10.00***	***N/A***	***16.56***	***16.56***	***21.12***	***78.41***	***NA***	***5,340.25***
Jayaswal Neco Industries Limited	Standalone	10.00	15.60	4.77	4.77	16.39	29.26	6.52	71,318.20
AIA Engineering Limited	Consolidated	2.00	35.00	136.11	136.11	15.53	859.98	24.04	44,198.64
Steelcast Limited	Standalone	1.00	36.60	8.58	8.58	21.89	39.03	22.50	4,231.66
RHI Magnesita India Limited	Consolidated	1.00	77.60	(18.54)	(18.54)	(10.83)	172.42	16.35	40,199.45
Vardhman Special Steels Limited	Consolidated	10.00	22.60	13.15	13.13	9.59	132.11	13.10	17,544.33
IFGL Refractories Limited	Consolidated	10.00	36.60	4.81	4.83	7.93	163.00	9.59	18,942.50
Kennametal India Limited	Standalone	10.00	52.20	46.82	46.82	13.70	340.02	35.81	11,703.00

Behari Lal Engineering has a positive but cyclical outlook, supported by its diversified product portfolio, strong customer relationships and expansion in manufacturing capacity. The company is positioned to benefit from long-term demand across automotive, infrastructure, mining, power and other industrial sectors.

The planned capacity expansion and modernisation of its manufacturing facilities should improve production capabilities, particularly in forging and heat treatment, while the installation of rooftop solar can help rationalise power costs. The company's focus on higher-value products such as ICDP and HSS rolls could also support better realisations and margins over time.

The business has demonstrated healthy profitability growth, with PAT growing at a 34.38% CAGR between FY2024 and FY2026, despite relatively moderate revenue growth. Its 87.71% capacity utilisation in FY2026 indicates that the existing facilities are being utilised efficiently, while the proposed expansion provides scope for further volume growth.

However, the outlook remains exposed to steel-price volatility, automobile and infrastructure sector cycles, raw-material costs and working-capital requirements. The increase in inventory days and dependence on purchase-order-based business mean earnings may remain somewhat cyclical.

Overall: The outlook is constructive, with capacity expansion, higher-value products and established customer relationships providing growth opportunities. The key monitorables will be capacity utilisation, margin improvement, working-capital efficiency and the ability to manage raw-material price volatility.

"Call us on 8448899576" to find out whether or not you should apply.

Source : RHP

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