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CM RATING 45 /100

Behari Lal Engineering

India's largest metal rolls producers

Focus on precision engineering products catering to wide variety of industrial applications.

Behari Lal Engineering (BLEL), promoted by Parkash Chand Garg, is an integrated iron and steel manufacturing company specializing in customized engineering solutions. It have a broad product portfolio comprising inter alia alloy steel products, metal rolls, engineering casting and forging ingots and forged shafts/blocks. BLEL is one of India's largest metal rolls producers and a leading player in the metal rolls meeting 10.00-11.5% of the country's demand in Fiscal 2026.

BLEL's precision engineered products cater to a wide variety of industrial applications and it cater to vast array of industries including automobiles, steel, cement, mining, infrastructure and construction, power, aerospace and defence. In FY26 revenue from operations, about 38.65% is from automobiles, 20.68% from infrastructure, 18.35% from aggregate crusher manufacturers, 16.85% from industrial equipment manufacturers and 5.47% from others that includes aerospace, defence, cement and power. It intend to target customers in new end-use industries such as automobile OEM, plastic moulding, oil and gas, chemical processing, and forging industry by offering new products by leveraging its strong product developing capabilities.

The company manufacture metal rolls for rolling mills across various grades including alloy cast steel rolls, alloy steel base adamite rolls, graphitic steel rolls, S. G. Iron Pearlitic Rolls, S. G. Iron Bainitic/Accicular Rolls, alloyed indefinite chill rolls, forged rolls etc. Metal rolls are used in rolling processes to produce finished steel products such as TMT Rebar, Structural Steel etc. Engineering castings manufactured by the company are of special grades with per unit weight ranging from 500 kilogrammes (Kg) to 20 metric tonnes (MT) in various grades for industries like steel, iron, mining and aggregate crushers, power, sugar etc.

The company manufacture carbon, alloy steel, and stainless steel bars in various sections such as rounds, round corner square, flats and hex, with different sizes and widths 6 millimetre (mm) to 230 mm. It have also recently introduced tool steel and valve steel.

Forging ingots are semi-finished steel products cast into specific shapes and sizes, primarily used as raw material for open die or closed die forging applications. These ingots are designed to withstand high compressive forces and are ideal for producing critical components requiring superior mechanical properties, structural integrity, and grain refinement. Forging ingots are available in round, square, rectangular, and custom shapes and weights ranging from 500 kg to 15 tons across various grades such as carbon steels, alloy steels, stainless steels, and special tool steels.

Of the FY26 revenue from operations, about 45.81% was from alloy steel products, 26.35% from metal rolls, 19.54% from engineering castings, 4.4% from forging ingots/shafts/blocks, job work income and others.

The broad range of industrial applications enabled the company to cater to a large number of domestic and international customers numbering more than 1825. Since April 1, 2024, in addition to domestic customers the company have exported its precision engineered components across 5 continents and in 21 countries viz., Afghanistan, Brazil, Finland, France, Germany, Ireland, Mexico, Nepal, Nigeria, South Africa, Tanzania, Togo, Uganda, UAE, USA, Kenya, Ghana, Mozambique, Cote D' Ivoire, Zimbabwe and Djibouti.

In FY26 revenue from operations, domestic market accounts for 91.02% and overseas 8.98% [Enginering castings 6.55%, metal rolls 2.27% and others 0.16%].

Top 10 customers of the company for Fiscal 2026 have been with it for an average duration of 6 years. The durability of its customer relationships is further demonstrated by the fact that during Fiscal 2026, Fiscal 2025 and Fiscal 2024, 364 customers, 378 customers and 366 customers, respectively, were repeat customers.

BLEL have in-house capabilities and proficiency in engineering, design, tooling, material development coupled with a range of finishing and assembly operations focussed on continuous improvements to its manufacturing and quality processes.

With over 2 decades of experience in the steel industry, the company have over the years honed its product development capabilities which combined with a modern and fully integrated digital steel melting shop with ladle refining furnace (LRF), vacuum degassing (VD), foundry, heat treatment, machine shops, rolling mills and a skilled workforce, enable it to provide customized components tailored to meet the specific needs of its customers.

Currently it has two manufacturing facilities both located at Mandi Gobindgarh (Punjab). Combined installed capacity of both plants stand at 119,690 MT [steel processing capacity being 54690 MT and that of rolling mill capacity being 65000 MT] and spread across 790,000 square feet (approx.). BLEL has recently commenced construction of its third manufacturing facility (Upcoming Manufacturing Facility) at Village Salani, Tehsil Amloh, Mandi Gobindgarh, District Fatehgarh Sahib, Punjab.

Towards its strategic objective of streamlining its operations and enhancing manufacturing efficiency the company completed the merger of Belco Special Steels (BSSPL) and Parkash Multimetals (PMPL) with the company, through a scheme of amalgamation. As a result of this consolidation, the business of BSSPL is now the Rolling Mill Division, while PMPL’s operations are part of its SMS and Foundry Division and following the amalgamation, the entity is rebranded as Behari Lal Engineering(BLEL).

BLEL propose to upgrade its melting and machining capacity to improve its product mix by manufacturing more of high value rolls and castings. The company expect that optimising its product mix by focussing on garnering orders for high value products such as metal rolls, engineering casting, tool steel and die steel, will improve its operational profit margin and, company’s profitability apart from broaden its customer base within and outside India. It is planning to install a hydraulic open die forging press of 1600T and a hydraulic open die forging hammer having capacity of 2 MT with manipulator of 7 MT and 5 MT, respectively, for manufacturing of forged rolls and high value alloy steel forged products. This new high-quality technology will help in establishing its forged products installed capacity of 15,000 MT annually and increase its quality significantly which would help it add better value-added grades to its alloy steel products portfolio. Further, this will ensure that the company will not need to outsource its forging process which ought to help in reducing cost. BLEL intend to utilize an estimated amount of Rs 21.88 crore from the net proceeds towards forging press equipment and machinery.

The company is entitled to subsidies under the Invest Punjab Scheme by the Government of Punjab pursuant to which it receive benefits specifically subsidy to compensate the company for certain electricity duty expenses on eligible power consumption, refund of GST paid under the Invest Punjab Scheme for eligible purchases and assistance for technology enhancement and operational efficiency initiatives.

The issue and object of the offer

The issue comprises of both offer for sale of 25931407 equity shares of Rs 10 faces value and fresh issue of equity shares aggregating upto 25931407. The offer for sale comprises sales by promoters numbering 4587246 equity shares [Rajesh Garg 1943623 shares, Lovlish Garg 350000 equity shares, Yogita Garg 2143623 equity shares, Dinesh Kumar Garg HUF 150000] and SG Tech Engg, an investor selling shareholder numbering 2732755 equity shares.

Of the net proceeds from fresh issue, the company intend to use 1) Rs 19.589 crore and Rs 36.650 crore for purchase and installation of new equipment along with civil works for such installation at manufacturing facility 1 and 2 respectively; 2) Rs 3.4 crore and Rs 3.4 crore towards purchase and installation of new roof top solar panels at manufacturing facility 1 & 2 respectively; 3) Rs 0.57 crore towards repayment of borrowings and balance towards general corporate purposes.

Outstanding balance of secured fund based borrowings (long term and short term, but excluding vehicle loans) as of May 31, 2026 was Rs 10.116 crore.

Strengths

Wide product basket and customised engineered components catering to varied industrial applications.

Strong product development capability and technology focus.

Long standing relationships with a large number of customers spread across a wide array of end-user industries. Revenue from repeat customers forms significant majority at about 84.69%/86.10% in FY26 and FY25 respectively of total revenue from operations.

Customers approvals, typically involves stringent qualification processes, long gestation periods, and consistent adherence to high quality and compliance standards that deter new entrants.

Order Book as of May 31, 2026 stood at 178.569 crore.

Share of high value products [engineering casting and metal rolls and alloy steel grades such as valve steel, die steel and tool steel] out of its wide product portfolio stands at 57.78% in FY26 revenue from operations up from 45.45% in FY25.

Weaknesses

Pricing in the steel industry is subject to market demand, volatility and economic conditions. Thus any reduction in steel prices may have a material adverse impact on business of the company.

No long term contracts with suppliers of raw materials such as scrap, ingots, alloys and billets.

Operate in a competitive industry and it compete in a highly competitive business environment with a large number of entities across different segments of its product categories.

There have been certain delays in payment of statutory dues in the past.

The company has filed statutory forms with incorrect information in the past and there has been variation in the corporate records of the company.

Manufacturing operations of the company are power and fuel intensive. Thus any significant increase in power cost or lack of adequate constant supply could adversely affect operation and profitability.

Manufacturing operations are all based out of one single geography/area i.e. Mandi Gobindgarh, Punjab.

There are common pursuits amongst BLEL and one of Group Companies i.e., BLC Metals Private Limited by virtue of engagement in similar business activities.

Majority of its directors including independent directors do not have any experience of being a director in a listed company.

Valuation

Consolidated re-stated revenue for the fiscal ending March 2026 stood higher by 5% to Rs 534.03 crore. With the OPM expand by 220 bps to 16.6%, the growth of OP was 22% to Rs 88.83 crore. Finally, net profit after MI was up by 22% to Rs 64.64 crore.

On expanded equity, the EPS for FY2026 was Rs 15.3. The issue price (on the upper price band) discounts the FY26 EPS by 18.6 times. The P/BV stood at 1.9 times and EV/Sales stood 2.2 times.

In comparison, Jayaswal Neco, Steelcast and Vardhman Special Steels quotes at a PE of 15.5 times, 37.1 times and 22.8 times respectively of their TTM EPS for period ended Jun 2026.

Behari Lal Engineering : Re-stated Consolidated Financials			
	2403 (12)	2503 (12)	2603 (12)
Sales	446.08	507.91	534.03
OPM (%)	12.8	14.4	16.6
OP	57.11	72.93	88.83
Other income	3.87	8.39	12.49
PBIDT	60.99	81.31	101.33
Interest	2.31	1.36	1.49
PBDT	58.68	79.95	99.84
Depreciation	8.76	10.59	13.25
PBT	49.92	69.36	86.58
EO Exp	0.00	0.00	0.00
PBT after EO	49.92	69.36	86.58
Tax	14.13	16.41	21.95
PAT	35.79	52.95	64.64
Share of Profit from Associates	0.00	0.00	0.00
Minority Interest	0.00	0.00	0.00
Net profit after MI	35.79	52.95	64.64
EPS (Rs)*	8.5	12.5	15.3
* on post IPO fully diluted equity (on upper price band) of Rs 42.30 crore. Face Value: Rs 10			
EPS is calculated after excluding EO and relevant tax			
Figures in Rs crore			
Source: Capitaline Corporate database			

Behari Lal Engineering : Issue Highlights	
Fresh Issue (Rs crore)	93
Offer for sale (in nos.)	25931407
Price band (Rs.) **	
Upper	285
Lower	271
Post-issue equity (Rs crore)	42.30
Post-issue promoter (including promoter group) stake (%)	70.84
Minimum Bid (in nos.)	52
Issue Open Date	12-08-2026
Issue Close Date	14-08-2026
Listing	BSE, NSE
Rating	45 /100