ArihantCapital
Generating Wealth

IPO Note
11th August, 2026

BEHARI LAL ENGINEERING Ltd

Subscribe

Rating: Subscribe	
Issue Offer	

Total issue size:
Fresh - INR 930 Mn (3.26 Mn shares)
OFS – INR 2,086 Mn (7.32 Mn shares)

Issue Summary	
Price Band (INR)	271-285
Face Value (INR)	10
Implied Market Cap (INR Mn)	12,056.20
Market Lot	52
Issue Opens on	12th August, 26
Issue Close on	14th August, 26
No. of share pre-issue	3,90,39,325
No. of share post issue	4,23,02,482
Listing	NSE, BSE

Issue Break-up (% of Total Issue)	
QIB Portion	50
Retail Portion	35
NII Portion	15

Book Running Lead Managers
Emkay Global Financial Services Limited
Systematix Corporate Services Limited

Registrar
MUFG Intime India Private Limited

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	88.51%	64.38%
Public & Others	11.49%	35.62%

Objects of the Issue	
Funding capital expenditure requirement for:	
i. purchase and installation of new equipment / machinery (including computers, printers and computer peripherals) along with civil work for such installation at Manufacturing	195.89
ii. purchase and installation of new roof-top solar panels at Manufacturing	34.00
iii. purchase and installation of new equipment / machinery along with civil work for such installation at Manufacturing	366.50
iv. purchase and installation of new roof-top solar panels at Manufacturing	34.00
Repayment and/ or pre-payment, in full or part, of certain borrowings availed by our Company	5.70

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Behari Lal Engineering Ltd. (BLEL) is an integrated steel manufacturer based in Mandi Gobindgarh, Punjab, engaged in manufacturing alloy steel products, engineering castings, metal rolls, forging ingots and rolled steel products. The company caters to diverse industries including steel, power, cement, mining, automotive, railways, oil & gas and general engineering. Its manufacturing capabilities span steel melting, casting, rolling, heat treatment and machining, enabling BLEL to offer customised and value-added engineering products. The company has gradually expanded from conventional steel products towards specialised and higher-value engineering products, which has supported its improvement in operating profitability.

Investment Rationale:

Strong Earnings Growth
Revenue increased from ₹446.1 Cr in FY24 to ₹534.0 Cr in FY26, registering ~9.4% CAGR. Despite relatively moderate revenue growth in FY26, EBITDA increased from ₹61.0 Cr to ₹101.3 Cr, while PAT rose from ₹35.8 Cr to ₹64.6 Cr, translating into ~34% PAT CAGR over FY24–FY26.

Sharp Improvement in Margins
BLEL's EBITDA margin expanded from 13.7% in FY24 to 16.0% in FY25 and 19.0% in FY26, an improvement of ~530 bps over two years. The expansion was supported by improved product mix, operating efficiencies and greater contribution from value-added products. PAT margin similarly improved from 8.0% to 12.1%.

Integrated Manufacturing Platform
The company's integrated manufacturing setup covers melting, casting, rolling, heat treatment and machining, providing greater control over production and enabling customised specifications. This integrated model allows BLEL to serve specialised applications across multiple industrial sectors.

Diversified Product & End-Market Mix
BLEL's product portfolio includes metal rolls, alloy steel, engineering castings, forging products and rolled steel products. Its presence across steel, mining, power, cement, automotive, railways and oil & gas provides diversification and reduces dependence on any single end-market.

Increasing Value-Added Product Focus
The company is increasingly focusing on customised engineering products and specialised steel grades, which offer better realisations and potentially higher margins compared with standard steel products. Continued improvement in product mix remains a key driver for future profitability.

Capacity & Growth Opportunity
BLEL's expansion of manufacturing and machining capabilities provides scope to increase capacity utilisation and cater to growing demand from industrial and infrastructure sectors. Further capacity additions, if supported by healthy utilisation, could provide operating leverage and support earnings growth.

Valuation & Outlook:

At the upper price band of INR 285/share, the IPO implies a post-issue market capitalisation of approximately INR 120.6 Bn. Based on FY26 PAT of INR 6.46 Bn and estimated post-issue equity of ~0.42 Bn shares, the IPO is valued at approximately 18.7x FY26 P/E. Strong revenue growth, expanding EBITDA margins and an integrated product portfolio support the growth outlook; however, exposure to steel price volatility, raw-material costs and the cyclical nature of industrial demand remains a key risk. At the upper band of INR 285, the issue is valued at a P/E ratio of 18.7x, based on annualized EPS of INR 16.56. Weare recommending a "Subscribe" rating for this issue.

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	3649.71	4664.72	7295.33
Growth (% YoY)		*27.81%*	*56.39%*
EBITDA	609.86	813.12	1013.28
Margins	*16.71%*	*17.43%*	*13.89%*
PAT	357.91	529.51	646.36
Margins	*9.81%*	*11.35%*	*8.86%*

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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