IPO NOTE

Kantilal Chhaganlal
Since 1954

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Behari Lal Engineering Ltd. - is an integrated iron and steel manufacturing company and ranks amongst India's largest metal rolls producers, meeting 10.0-11.5% of the country's demand in FY26

BEHARI LAL ENGINEERING LIMITED – IPO

Behari Lal Engineering Ltd.

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Behari Lal Engineering Ltd.

Kantilal Chhaganlal Since 1954

ONE Page Summary

Behari Lal Engineering Limited

IPO Details

Issue Opens	Wed, Aug 12, 2026
Issue Close	Fri, Aug 14, 2026
Total Size	₹ 302 Crs.
Price Band	₹ 271– ₹ 285
Face Value	₹ 10/- Per Eq. Shares
Implied Market cap at Lower Band	₹ 1151Crs
Implied Market cap at Upper Band	₹ 1206 Crs.

Recommendation:

“Subscribe,,

Company Background

BEHARI LAL ENGINEERING LIMITED is an integrated iron and steel manufacturing company specializing in customized engineering solutions. According to CRISIL, they are 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. With over 2 decades of experience in the steel industry, they have over the years honed their 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 them to provide customized components tailored to meet the specific needs of their customers. Their precision engineered products find application across diverse industries such as automobile, steel, mining, infrastructure and construction, power, aerospace and defence and cement. The broad range of industrial applications has also enabled them to cater to a large number of domestic and international customers and they have, as of March 31, 2026, **catered to 1,825 customers.** Since April 1, 2024, in addition to domestic customers they have exported their 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.
They have over the time built long term relationships with their customers and their wide customer base includes Amba Shakti Industries Limited, BMW Industries Limited, Embross Autocomp Ltd, Shyam Metallics And Energy Ltd, Forge Auto International Ltd, Hailstone Innovations Private Ltd, Jai Balaji Industries Ltd, KL Rathi Steels Ltd, Laxcon Steels Ltd, MSP Steel & Power Ltd, Maithan Steel & Power Limited, Metso India Private Limited, Orissa Metallurgical Industry Private Limited, Preet Brothers Ltd, Propel Industries Private Limited, SPS Steels Rolling Mills Limited, SRMB Srijan Private Ltd, Shri Bajrang Power & Ispat Limited

Investment Rationale & Recommendation

The company is an integrated iron and steel manufacturer offering customized engineering solutions and is among India’s leading metal roll producers, catering to ~10–11.5% of domestic demand in FY26, Revenue grew at a 9.4% CAGR over FY24–FY26 to ₹534 crore, while PAT grew at a robust 34.4% CAGR to ₹64.6 crore, Reflecting improving profitability.
As of Mar’26, the company catered to 1,825 customers, with exports to 21 countries Order also improving ,
At the upper price band, the IPO is valued at **18.7x PE post-issue** , which appears reasonable considering its growth profile and peer comparison , The company plans to deploy fresh IPO proceeds toward **capex at existing facilities and the development of its third manufacturing plant**. Increasing the contribution of higher-value products, along with capacity expansion, should support **better operating leverage, product mix and profitability** over the medium term.
Hence, **We Recommend Investors to Subscribe issue**.

Mahesh M. Ojha ||Vice President – Research & Business Development ||Email – mahesh.ojha@kcsecurities.com 022-6723 6126

Behari Lal Engineering Ltd.

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DETAILED NOTE

Anchor Bid on : Tue, Aug 11, 2026
Issue Opens on : Wed, Aug 12, 2026
Issue closes on : Fri, Aug 14, 2026

Fresh Issue of 32,63,157 equity shares amounting to ₹ 93 Crs. @ upper price band. & Offer for sale of Up to 73,20,001 amounting to Rs. 208.62/- crs. @ upper price band.
Total Issue size Rs. 301.62/- crs. @ upper price band.

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	17-08-2026
Refunds/Unblocking ASBA Fund	18-08-2026
Credit of equity shares to DP A/c	18-08-2026
Trading commences	19-08-2026

Issue - Break up

Issue Break Up	No. Of Eq. Shares		Issue Size In Crs.	
Category	@Lower	@Upper	@Lower	@Upper
QIB - (50%)	5,375,867	5,291,578	146	150.81
NIB - (15%)	1,612,760	1,587,473	44	45.24
NIB 2	1,075,173	1,058,315	29	30.16
NIB 1	537,587	529,158	15	15.08
RET - (35%)	3,763,108	3,704,107	102	105.57
Total	10,751,735	10,583,158	291	302

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Issue Details

Issue Size - ₹ 302 Crs

Face Value - ₹ 10/-

Price Band - ₹ 271-285

Bid Lot - 52 Shares and in multiples thereof

Post Issue Implied Mkt. Cap - ₹ 1151 Crs. –1206 Crs

Shareholding (No. of Shares)

Pre-issue	Post-issue*	Post-issue^
3,90,39,325	4,24,71059	4,23,02,482

*@Lower price Band ^@ Upper Price Band

BRLM's - **Emkay** Global Financial Services Limited/ **Systematix** Corporate Services Limited

Registrar – MUFG Intime India Pvt Ltd

Shareholding (%)

Shareholder	Pre Issue	Post Issue
Promoters	47.39%	38.31%
Promoters Group	41.12%	32.52%
Public – Others	11.49%	29.17%
Total	100.00%	100.00%

Category	Retail Category	Small HNI 2 - 10 Lakhs	Big HNI > ₹ 10 Lakhs
Min. Bid Lot	52 Shares	728 Shares	3536 Shares
Min. Bid	₹ 14,820^	₹ 2,07,480^	₹ 10,07,760^
Appl for 1x	71,233 Apps	727 Apps	1454 Apps

Issue highlights

IPO Funds Utilization : Funding capital expenditure requirement: purchase and installation of new equipment / machinery/ new roof top solar panel ₹ 63.04 Crs. / Repayment and/ or pre-payment, in full or part, of certain borrowings availed by the Company 0.57 Crs.

Share Holding Pattern

Shareholders	Pre-offer		Fresh Issue and Offer for Sale Shares	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoters	1,85,01,145	47.39%	22,93,623	1,62,07,522	38.31%
Promoter Group	1,60,52,340	41.12%	22,93,623	1,37,58,717	32.52%
Total for Promoters and Promoter Group	3,45,53,485	88.51%	45,87,246	2,99,66,239	70.84%
Public – Investor Selling Shareholders	39,03,935	10.00%	27,32,755	11,71,180	2.77%
Public - Others	5,81,905	1.49%	32,63,157	1,11,65,063	26.39%
Total for Public Shareholders	44,85,840	11.49%	59,95,912	1,23,36,243	29.16%
Total Equity Share Capital	3,90,39,325	100.00%		4,23,02,482	100.00%

Behari Lal Engineering Ltd.

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Back Ground

The company was originally incorporated as 'Behari Lal Ispat Private Limited', at Jalandhar on May 23, 1995. Parkash Chand Garg, Rajesh Garg, Dinesh Garg, Lovlish Garg, and Bhuvnesh Garg are the Promoters of the company. Currently, the promoters hold 18,501,145 Equity Shares constituting 47.39% of the issued, subscribed and paid-up Equity Share capital of the company .

Brief about Directors

Parkash Chand Garg is the Chairman and Non-Executive Director and one of the Promoters of the company. He has been associated with the company since its 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 was previously associated with the company as a director and has around 28 years of experience.

Dinesh Garg is the Managing Director and one of the Promoters of the company. He has been associated with the company since 1995 and has around 30 years of experience. \

Lovlish Garg is the Whole-time Director and one of the Promoters of the company. He has been associated with the company since 2016, and has around 13 years of experience.

Manvinder Partap Singh is the Executive Director of the company. He has been associated with the company since January 1, 2014 and has around 11 years of experience.

Bhuvnesh Garg is the Chief Executive Officer and one of the Promoters of the company. He has been associated with the company since October 1, 2019. He has around 8 years of experience.

Anil Dhawan is an Independent Director of the company. He was previously associated with Steel Authority of India Ltd and has around 36 years of experience.

Anil Kumar Bansal is an Independent Director of the company. He was previously associated with State Bank of India and has around 39 years of experience.

Ayussh Mittaal is an Independent Director of the company. He is currently associated with SMA & Associates as a partner and has around 8 years of experience.

Meena Rohilla is an Independent Director of the company. She was associated with M. R. Chechi & Associates and has around 14 years of experience.

Rajesh Kumar Sinha is an Independent Director of the company. He was previously associated with Rajinder Steels Ltd, Usha Martin Industries Ltd, Monnet Ispat & Energy Ltd, and Sunflag Iron & Steel Co. Ltd. and has around 22 years of experience in the steel and metals industry.

Aakarsh Goyal is the Chief Financial Officer of the company. He was appointed as Chief Financial Officer on September 23, 2024. He has around 7 years of experience.

Sanjeev Kumar Sehgal is the Company Secretary and Compliance Officer of the company. He was appointed as Company Secretary on November 4, 2024 and as Compliance Officer on March 26, 2025. He has over 11 years of experience.

Source: RHP

Behari Lal Engineering Ltd.

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Business Overview

Behari Lal Engineering is an integrated iron and steel manufacturing company specializing in customized engineering solutions. As per CRISIL, the company is one of India's largest metal rolls producers, meeting 10.00–11.5% of national demand in Fiscal 2026.
Metal Rolls: The company manufactures metal rolls across grades including alloy cast steel, alloy steel base adamite, graphitic steel, S.G. Iron Pearlitic, S.G. Iron Bainitic/Accicular, alloyed indefinite chill, and forged rolls. These rolls are used in rolling processes to produce finished steel products such as TMT Rebar and Structural Steel.

Engineering Castings – manufactured in special grades with unit weights ranging from 500 kg to 20 MT, serving industries such as steel, iron, mining, aggregate crushers, power, and sugar.

Alloy Steel Products – production includes carbon, alloy steel, and stainless steel bars in sections like rounds, round corner square, flats, and hex, with sizes from 6 mm to 230 mm. Recently introduced tool steel and valve steel.

Forging Ingots and Forged Shafts/Blocks – semi-finished steel products cast into specific shapes and sizes, used as raw material for open die or closed die forging. Designed to withstand high compressive forces, available in round, square, rectangular, and custom shapes, with weights from 500 kg to 15 MT. Manufactured across grades such as carbon steels, alloy steels, stainless steels, and special tool steels. Applications include automotive, aerospace, oil & gas, energy, and heavy engineering.

The break-up of the revenue from the different product verticals based:

(₹ in Crs.)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue	% of Revenue	Revenue	% of Revenue	Revenue	% of Revenue
Alloy Steel Products	244.61	45.81%	258.21	50.84%	227.75	51.06%
Metal Rolls	140.74	26.35%	124.77	24.56%	113.19	25.37%
Engineering Castings	104.34	19.54%	90.11	17.74%	79.68	17.86%
Forging Ingots & Shafts	23.48	4.40%	11.63	2.29%	2.15	0.48%
Job Work Income	12.57	2.35%	13.26	2.61%	12.89	2.89%
Others	8.29	1.55%	9.95	1.96%	10.43	2.34%
Total Revenue	534.03	100.00%	507.91	100.00%	446.08	100.00%

With over two decades of experience in the steel industry, the company has honed its product development capabilities. Supported by 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, the company provides customized components tailored to customer needs. Its precision-engineered products find application across diverse industries including **automobile**, **steel**, **mining**, **infrastructure and construction**, **power**, **aerospace and defence**, and **cement**.
The company has built its reputation over the years in the steel industry by combining advanced technology with a strong product development team.

Its manufacturing capabilities include technologically advanced machines such as **CNC Lathes**, Heavy Duty All Geared Lathes, **CNC Boring Machines**, Roll Grinding Machines, Vertical Turning Lathe (VTL), CNC VTL, Radial Drills, Plano Milling Machines, and **CNC Vertical Milling Machines**.

As a qualified supplier to global OEMs, the company undergoes rigorous selection processes including facility assessments, process audits, and product testing. Adherence to stringent quality standards ensures long-term customer relationships, with repeat orders serving as a testament to the precision and reliability of its engineered components The company has developed expertise in design, engineering, assembly, and testing, enabling supply of critical engineered equipment across industries. Strong quality control systems ensure adherence to customer requirements and high product standards.

Source: RHP

Behari Lal Engineering Ltd.

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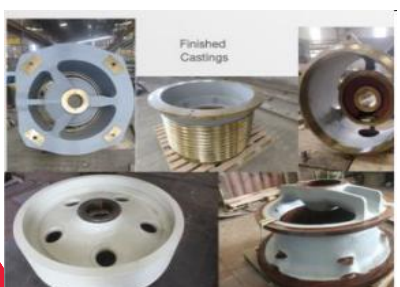
Product Portfolio

Product Segment	Product	End-user Industry
Metal Rolls	Alloy Cast Steel Rolls, Alloy Steel Base Adamite Rolls, Graphitic Steel Rolls, High Speed Steel (HSS) Rolls, S.G. Iron Ferritic Rolls, S.G. Iron Pearlitic Rolls, S.G. Iron Bainitic-Acicular Rolls, Alloyed Indefinite Chill Rolls, ICDPRolls etc.	Finished steel manufacturers, Infrastructure, Automotive, and Engineering
Engineering Castings	Adjustment Ring, Base Plate, Bearing Block, Bearing Housing, Bed Casting, Bed Plate, Bell, Bonnet, Bottom Shell, Bowl, Bull Gear, Bush Bearing, Bushing Retainer, Caps, Carrying Roller, Chocks, Clay Barrel, Column, Counter Shaft, Cross Slide, Diaphragm Plate, Dies, End Cup, Trunnion Hub, Tyre, Upper Frame, etc.Floor Plate, Fly Wheel, Front End Frame, Full Mould, Gantry Project, Gear, Girth Gear, Head, Head Stock, Hopper, Hub, Journal Head, Journal Housing, Lower Frame, Lower Journal Bearing Retainer, Main Beam, Main Frame, Mill Cap, Mill Frame, Mill Head, Mill Housing, Mill Liner, Mill Stand, Nozzle Ring Segment, Pinion, Piston Housing, Pitman, Plates, Rake Wheel, Rear End Frame, Reducing Pipe, Reduction Gear, Retainer, Ring, Roller, Roller Shell, Rope Drum, Slag Pots, Socket, Sprocket, Spur Gear, SS Pin, Support Roller, Surface Plate, Table, Tail Stock, Toggle Beam, Top Shell, Trunnion,	Aggregate Crusher Manufacturing, Cement, Engineering, Infrastructure, Mining, Power, Sponge iron plant and Sugar.
Alloy Steel Products	Round, Square, Flat & Hex of Carbon Steel, Carbon Manganese Steel, Chromium Steel, Chromium Manganese Steel, Chromium Molybdenum Steel, Chromium Molybdenum Nickel Steel, Ball Bearing Steel, Free Cutting Steel, Spring Steel, Stainless Steel, Tool steel, High steel, Vanadium steel, Micro alloyed steel, Nitriding steel.temperature	Aerospace & Defence, Automobile, Bearing, Engineering, Oil & Gas, and Railways
Forging Ingots and Forged Shafts / Blocks	Forges blocks, Rolls, Shafts, Rolled Rings, Rectangular Bars, discs etc.	Aerospace & Defence, Automobile, Engineering and Oil & Gas

Metal Rolls

Finished Castings



Engineering Castings

Alloy Steel Products

Forging Ingots and Forged Shafts / Blocks

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Global Presence :

As of March 31, 2026, the company catered to 1,825 customers. Since April 1, 2024, it has exported precision-engineered components across 5 continents and 21 countries, including 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. Their global geographical presence in terms of the countries in which they have supplied their products during the last 3 Fiscals

Client Base

company has over the time built long term relationships with its customers and their wide customer base

Customer	Duration of relationship (in years)	Customer	Duration of Relationship (in years)	Customer	Duration of Relationship (In Years)
Madhav KRG Ltd	14	• Shyam Steel Industries Ltd	11	• A to Z Steel Alloys Pvt. Ltd.	10
• Mangala Ispat Jaipur Pvt. Ltd	12	• SRMB Srijan Pvt. Ltd.	10	• BMW Industries Ltd.	9
• Shyam Metalics and Energy Ltd	12	• Maithan Steel & Power	10	• Embross Autocomp Pvt. Ltd.	9
• Kashmir Ispat	12	• Vardhman Special Steels Ltd	10	• RB Forgings Pvt. Ltd.	10
• Jai Balaji Industries Ltd	11	• Propel Industries Pvt Ltd	9	• Shri Bajrang Power & Ispat Ltd	9
• MSP Steel & Power Ltd	10	• Laxcon Steels Ltd	9	• Metso India Pvt Ltd	8
• Hariom Pipe Industries	11	• SPS Steel Rolling Mills	9	• JB Rolling Mills Ltd	6

As of March 31, 2026, the company has catered to 1,825 customers, spanning both domestic and international markets. Since April 1, 2024, products have been exported across 5 continents and 21 countries. The customer base covers multiple industries including automobile, steel

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue	Revenue (₹ Cr)	% of Revenue
Top 3 Customers	94.18	17.64%	97.57	19.21%	84.49	18.94%
Top 5 Customers	136.12	25.49%	141.31	27.82%	124.28	27.86%
Top 10 Customers	202.92	38.00%	202.72	39.91%	168.65	37.81%

Order Book

The company's top 10 customers for Fiscal 2026 have been with them 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.
Further, **as of May 31, 2026, they had an Order Book of ₹ 178.57 crore.**

Order Details

(₹ in Crs)

Particulars	As on March 31,		
	2026	2025	2024
Order Book (₹ Crore)	118.29	93	85.55

Revenue From Operations

(₹ in Crs)

Particulars	For the year ended March 31,		
	2026	2025	2024
Sale of Products	516.7	492.58	429.59
- Sale of Products-Domestic	466.08	463.13	401.75
- Sale of Products-Deemed Export	7.72	3.19	1.12
- Sale of Products-Exports	39.37	18.38	19.9
- Sale-Others	3.53	7.87	6.83
Other operating revenue	17.33	15.33	16.49
- Sale of Scrap	3.8	1.44	3.02
- Sale of Consumables	0.07	0.23	0.03
- Export Benefits	0.89	0.4	0.55
- Job Work Income	12.01	12.64	12.89
- Job Work-Unbilled Revenue	0.56	0.61	-
Total Revenue from Operations	534.03	507.91	446.08

Behari Lal Engineering Ltd.

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Segment Wise Revenue

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ Cr)	% of Revenue	Amount (₹ Cr)	% of Revenue	Amount (₹ Cr)	% of Revenue
Automobiles	206.39	38.65%	247.59	48.75%	248.07	55.61%
Infrastructure	110.45	20.68%	93.99	18.51%	90.68	20.33%
Aggregate Crusher Manufacturer	98.02	18.35%	89.43	17.61%	74.73	16.75%
Engineering – Industrial Equipment	90	16.85%	66.69	13.13%	20.98	4.71%
Others	29.18	5.47%	10.21	2.00%	11.62	2.60%
Total	534.03	100.00%	507.91	100.00%	446.08	100.00%

COMPETITION

The company competes with a large number of entities across different segments of their product categories

Product Category	Company Name
Metal Rolls	Bharat Roll Industry Pvt Ltd., IFGL Refractories Ltd., RHI Magnesita India Ltd.
Engineering Castings	Kennametal India Ltd., Peekay Steel Castings (P) Ltd., AIA Engineering Ltd., Steelcast Ltd
Alloy Steel products	Jailaxmi Casting & Alloys Pvt Ltd., Jayaswal Neco Industries Ltd, Vardhman Special Steel Ltd.

Competitive Strength

Long standing relationships with a large number of customers spread across a wide array of end-user industries with stringent qualification processes

The revenue from the repeat customers during Fiscal 2026, Fiscal 2025, and Fiscal 2024, was ₹ 452.28 crore, ₹ 437.30 crore and ₹ 357.05 crore comprising of 84.69%, 86.10% and 80.04% of their total revenue from operations

Diversified product portfolio catering to varied application industries

The company has a diverse product portfolio and they have the ability to manufacture a vast array of products with the ability to customise products in accordance with the requirement of customers. The top 3 product segments to which they cater i.e., Alloy Steel Products, Metal Rolls, and Engineering Casting contributed ₹ 244.61 crore, ₹ 140.74 crore and ₹ 104.34 crore constituting 45.81%, 26.35% and 19.54% of their total revenue from operations during Fiscal 2026.

Strategically located Manufacturing Facilities with advanced equipment and robust overlapping processes which enables high-capacity utilisation

The company has 2 Manufacturing Facilities in Mandi Gobindgarh, Punjab which are spread across ~790,000 square feet with a combined installed capacity of 119,690 MT, comprising finished steel processing capacity of 54,690 MT and rolling mill capacity of 65,000 MT. Their total capacity utilisation during Fiscal 2026, Fiscal 2025 and Fiscal 2024 was 87.71%, 90.30% and 85.47%, respectively. Further, they have recently commenced construction for their third upcoming manufacturing facility at Village Salani, Tehsil Amloh, Mandi Gobindgarh, District Fatehgarh Sahib, Punjab.

Robust presence in the steel manufacturing industry leveraging on the legacy and experience of their Promoters and strong domain expertise of the management team

The company's experience of over 2 decades in the steel industry has helped them develop robust manufacturing processes. The company was founded by one of their Promoters, Parkash Chand Garg, who has nurtured their business and has spearheaded their growth. He has been a director of the company for 30 years. As on May 31, 2026, they had a workforce of 667 trained employees and 359 persons engaged on contract basis

Track record of financial performance and consistent growth

The company has demonstrated consistent growth in financial performance in line with the expansion of their customer base. For the year ended March 31, 2026, their revenue from operations was ₹534.03 crore, EBITDA was ₹101.33 crore, PAT was ₹64.64 crore, and net worth stood at ₹306.10 crore.

Business Strategies

Augmenting increasing the installed capacity in line with their expected business growth

The company plans to expand production capacity to meet rising demand, enabling economies of scale and wider geographic reach while offering value-added products and services. They see strong industry growth potential and intend to leverage design capabilities and manufacturing expertise to develop advanced products that reduce costs and broaden the customer base. They continue to invest in research and development, focusing on prototypes and product quality improvements to meet customer requirements, minimize costs, and maintain competitiveness.

Optimizing the product portfolio to cater more to higher value products and value-added products

The company proposes to upgrade melting and machining capacity to produce higher-value rolls and castings, expanding the customer base in India and abroad. They plan to install a 1600T forging press and a 2 MT forging hammer with manipulators, creating an annual forged products capacity of 15,000 MT. This technology will enhance quality, add value-added alloy steel grades, and eliminate outsourcing of the forging process, thereby reducing costs.

Broaden the end-user industries base and export market by capitalizing on growth in the metal rolls and engineering casting industry

The company caters to industries such as automobile, steel, mining, infrastructure, power, aerospace, defence, and cement in India. They plan to target new sectors like automobile OEM, plastic moulding, oil and gas, chemical processing, and forging, supported by government initiatives including the China+1 strategy, the National Steel Policy aiming for 30 crore tonnes by 2030, and the Market Access Initiative with an export promotion budget of about ₹2 billion annually. With enhanced capacities and precision engineering, they propose to bid for high-value tenders from large steel manufacturers and public sector undertakings, including defence entities.

Increasing the wallet share with their customers by introducing new products and grades

The company proposes to manufacture new grades such as ICDP rolls and HSS rolls, which offer high durability, wear resistance, and longer pass-life, with HSS rolls not currently produced in India. They also plan to produce high temperature/creep resistant steels alloyed with metals like chromium and molybdenum, suitable for service up to 650° Celsius. These advanced grades are intended for injection moulding, defence, aerospace, and cutting industries, enabling higher revenues and improved margins.

Peer Comparison

Company	Consolidated / Standalone	Face Value (₹)	P/E	EPS		RoNW (%)	NAV (₹/share)	EV/EBITDA	Total Income (₹ Cr)
				Basic (₹)	Diluted (₹)				
Behari Lal Engineering	Standalone	10	NA	16.56	16.56	21.12	78.41	NA	534.03
Jayaswal Neco Industries	Standalone	10	18.48	4.77	4.77	16.39	29.26	6.52	7,131.82
AIA Engineering	Consolidated	2	34.43	136.11	136.11	15.53	859.98	24.04	4,419.86
Steelcast Ltd	Standalone	1	37.99	8.58	8.58	21.89	39.03	22.5	423.17
RHI Magnesita India	Consolidated	1	-	-18.54	-18.54	-10.81	172.42	16.35	4,019.95
Vardhman Special Steel	Consolidated	10	23.19	13.15	13.13	9.59	132.11	13.1	1,754.43
IFGL Refractories	Consolidated	10	43.46	4.81	4.81	7.93	163	9.59	1,894.25
Kennametal India	Standalone	10	62.02	46.82	46.82	13.7	340.02	35.81	1,170.30

Source: RHP; P/E Ratio has been computed based on the closing market price of equity shares on August 3, 2026,

Source: RHP

Behari Lal Engineering Ltd.

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Restated Consolidated Statement of Profit & Loss

(₹ in Crs.)

Particulars (Rs cr)	FY26	FY25	FY24
Revenue from Operations	534	508	446
YoY growth (%)	5.1%	13.9%	-
COGS (incl Stock Adj)	281	288	285
Gross Profit	253	220	161
Gross margin (%)	47.4%	43.2%	36.2%
Employee Cost	42	33	19
Other Operating Expenses	122	114	86
EBITDA	89	73	57
EBITDA margins (%)	16.6%	14.4%	12.8%
Other Income	12	8	4
Interest Exp.	1	1	2
Depreciation	13	11	9
PBT	87	69	50
Tax	22	16	14
PAT	65	53	36
PAT margin (%)	12.1%	10.4%	8%
EPS (Rs)	16.6	13.6	9.2

Restated Consolidated Statement of Cash Flow

(₹ in Crs.)

Particulars	Year ended March 31,		
	2026	2025	2024
Profit before tax	86.58	69.36	49.92
Adjustments Related to Non-Cash & Non-Operating Items	11.57	8.22	9.7
Operating Profits before Working Capital Changes	98.15	77.58	59.62
Adjustments for Changes in Working Capital	-48.86	3.31	-11.42
Net cash generated from operations before tax	49.29	80.89	48.2
Income tax (paid)/Refund, (net)	-21.75	-19	-11.06
Net cash generated from operating activities	27.54	61.89	37.14
Net cash used in investing activities	-37.57	-19.68	-52.38
Net cash used in financing activities	8.71	-40.22	13.77
Net (decrease)/ increase in cash and cash equivalents during the period	-1.32	1.99	-1.47
Cash and Cash Equivalents at the beginning of the year	2.46	0.47	1.94
Cash and cash equivalents as at the end of the period	1.14	2.46	0.47

Source: RHP

Behari Lal Engineering Ltd.

Kantilal Chhaganlal Since 1954

Restated Consolidated Statement of Assets and Liabilities

(₹ in Crs.)

Particulars	FY26	FY25	FY24
Assets			
Net Block	95	82	67
Capital WIP	4	4	4
Intangible Assets	0	0	0
Other Non current Assets	17	12	13
Current Assets			
Inventories	104	81	62
Current Investment	-	-	3
Trade receivables	96	78	81
Cash and Bank Balances	43	33	29
Other Current Assets	8	5	2
Total Current Assets	251	197	178
Current Liabilities & Provisions			
Trade payables	20	24	11
Other current liabilities	20	20	12
Short-term provisions	1	1	0
Total Current Liabilities	41	45	24
Net Current Assets	210	152	154
Total Assets	327	251	238
Liabilities			
Share Capital	39	8	5
Reserves and Surplus	267	234	189
Total Shareholders Funds	306	242	194
Total Debt	18	8	41
Long Term Provisions	2	1	1
Net Deferred Tax Liability	1	1	2
Total Liabilities	327	251	238

Source: RHP

Behari Lal Engineering Ltd.

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KC Securities (Kantilal Chhaganlal Securities) Outlook

➢ Rating - Subscribe

- **Valuation:** At the upper price band, the company is valued at 18.7x FY26E P/E, Post issue which is fairly valued compared to peers
- **Growth** : Among India's leading metal roll producers, catering to ~10–11.5% of domestic demand in FY26, Revenue grew at a 9.4% CAGR over FY24–FY26 to ₹534 crore, while PAT grew at a robust 34.4% CAGR to ₹64.6 crore
- **Customer Base :**As of March 31, 2026, the company catered to 1,825 customers. Since April 1, 2024, it has exported precision-engineered components across 5 continents and 21 countries
- **Order Book :** as of May 31, 2026, they had an Order Book of ₹ 178.57 crore.in 2024 it was ₹ 85.55 Crs.

- **Key Risks**

Steel Price Volatility: A sustained decline in steel prices could adversely impact BLEL's revenue and profitability. Given the cyclical nature of the steel industry, price corrections during economic downturns may not be fully recovered during subsequent upcycles, potentially resulting in prolonged pressure on earnings.

Automotive Sector Concentration: The automobile industry contributed ~39% of BLEL's revenue in FY26, making the company's performance meaningfully exposed to the sector's demand cycle. Any slowdown in automotive production, weakening demand, or loss of key customers could negatively impact revenue growth and capacity utilisation.

Raw Material Procurement Risk: BLEL primarily relies on scrap and ferro alloys, sourced from both domestic and international suppliers. Any disruption in supply, procurement delays, or volatility in raw material availability and costs could increase production costs, constrain operations, and affect the company's ability to meet customer requirements.

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