# BEHARI LAL ENGINEERING LIMITED

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## IPO Report

12th Aug 26

## Snapshot

Company is an integrated iron and steel manufacturing company specializing in customized engineering solutions.According to CRISIL, company 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.

**VALUATION**

Company is bringing the issue at price band of Rs 271-285 per share at p/e multiple of 18.6x on post issue FY26 basis.

Company has long standing relationships with a large number of customers spread across a wide array of end-user industries with stringent qualification processes. Also, company has diversified product portfolio catering to varied application industries with strategically located manufacturing facilities with advanced equipment and robust overlapping processes which enables high capacity utilisation. Company has robust presence in the steel manufacturing industry leveraging on the legacy and experience of its promoters and strong domain expertise of company's management team with track record of financial performance and consistent growth.

Hence, we recommend "Subscribe" to issue.

| | |
|---|---|
| **Price Band (Rs./Share)** | **271-285** |
| **Opening date of the issue** | **12th Aug '2026** |
| **Closing Date of the issue** | **14th Aug '2026** |
| **No of shares pre issue** | 3,90,39,325 Eq Shares |
| **Issue Size** | Rs 291-302 Cr |
| **Fresh Issue** | Rs 93 Cr |
| **OFS** | 73,20,001 Eq Shares |
| **Face Value (Rs/ share)** | Rs 10/share |
| **Bid Lot** | 52 |
| **BIDDING DETAILS** | |
| **QIBs (Including Anchor)** | 50% of the offer (Approx 52,91,578 eq Shares) |
| **Non-Institutional** | 15% of the offer (Approx 15,87,483 eq Shares) |
| **Retail** | 35% of the offer (Approx 37,04,107 eq Shares) |
| **Lead managers** | Emkay Global, Systematix Corporate Services |
| **Registrar to the issue** | MUFG Intime Indi Pvt Ltd |

## WHAT WE LIKE

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

Company's wide product basket and customised engineered components enable it to service a broad spectrum of customers and are key to company's ability in maintaining long term relationships with its customers. During Fiscal 2026, Fiscal 2025 and Fiscal 2024, 364 customers, 378 customers and 366 customers, respectively, were repeat customers *(Repeat customers are customers which have at least given 1 order in the previous financial year)*

***Diversified product portfolio catering to varied application industries***

Company's diversified product portfolio is broadly classified into the four categories viz., Metal Rolls, Engineering Castings, Alloy Steel Products and Forging Ingots and Forged shafts/blocks and company's precision engineered products find application in over 10 industries including aerospace and defence, aggregate crusher manufacturing,mautomobile, cement, defence, engineering, finished steel manufacturing, infrastructure, power and railways.

***Robust presence in the steel manufacturing industry leveraging on the legacy and experience of company's Promoters and strong domain expertise of its management team***

Company commenced its journey in the steel industry in 1995 as a steel trader and, subsequently, established itself as a steel manufacturer. Company's experience of over 2 decades in the steel industry has helped it develop robust manufacturing processes which regularly withstand the inspections conducted by, and the scrutiny, of company's discerning customers.

## COMPANY BACKGROUND

Company's precision engineered components for critical industrial applications comprise:
• ***Metal Rolls*** – 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.
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• ***Engineering Castings*** – Company manufacture engineering castings in 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.
• ***Alloy Steel Products*** – 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. Company have also recently introduced tool steel and valve steel.
• ***Forging Ingots and Forged Shafts/ Blocks*** – 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. These find application in industries such as automotive, aerospace, oil & gas, energy, and heavy engineering.

With over 2 decades of experience in the steel industry, 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 company to provide customized components tailored to meet the specific needs of its customers. Com 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 company to cater to a large number of domestic and international customers and company have, as of March 31, 2026, catered to 1,825 customers. Since April 1, 2024, in addition to domestic customers 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.

Company have over the time built long term relationships with its customers and its wide customer base includes Amba Shakti Industries Limited, BMW Industries Limited, Embross Autocomp Limited, Shyam Metallics And Energy Limited, Forge Auto International Limited, Hailstone Innovations Private Limited, Jai Balaji Industries Limited, KL Rathi Steels Limited, Laxcon Steels Limited, MSP Steel & Power Limited, Maithan Steel & Power Limited, Metso India Private Limited, Orissa Metallurgical Industry Private Limited, Preet Brothers Limited, Propel Industries Private Limited, SPS Steels Rolling Mills Limited, SRMB Srijan Private Limited, Shri Bajrang Power & Ispat Limited, Shyam Steel Industries Limited, Shyam Sel & Power Limited and Vardhman Special Steels Limited.

## OBJECTS OF OFFER

The Offer comprises the Fresh Issue and an Offer for Sale by the Selling Shareholders.
**Requirement of Funds**
Company proposes to utilise the Net Proceeds towards the following objects:
1. Funding capital expenditure requirement for:
a. purchase and installation of new (i) equipment / machinery (including computers, printers and computer peripherals) along with civil work for such installation; (ii) roof-top solar panels at Village Salani, Amloh Road, Mandi Gobindgarh, Punjab-147 301, India (Manufacturing Facility 1); and
b. purchase and installation of new (i) equipment / machinery along with civil work for such installation; (ii) roof-top solar panels at Village Turan, Amloh Road, Mandi Gobindgarh, Punjab 147 301, India
(Manufacturing Facility 2).

## RISKS

Company generate significant revenues from its top 10 customers, and in Fiscals 2026, 2025 and 2024, revenue from its top 10 customers was ₹ 2,029.21 million, ₹ 2,027.16 million and ₹ 1,686.51 million constituting 38.00%, 39.91% and 37.81%, respectively, of company'srevenue from operations. Company do not enter into long term contracts with its customers and the loss of such customers or a significant reduction in its revenue from such customers will have a material adverse impact on company's business and financial condition.

Source:RHP

## Consolidated Financials (Rs in Mn)

| Financials | FY24 | FY25 | FY26 |
|---|---|---|---|
| Total Revenue (A) | 4460.84 | 5079.12 | 5340.25 |
| Total Expenditure (B) | 3889.72 | 4349.87 | 4451.91 |
| EBIDTA | 571.12 | 729.25 | 888.34 |
| EBIDTA Margin | 12.80 | 14.36 | 16.63 |
| Other Income | 38.74 | 83.87 | 124.94 |
| Depreciation | 87.58 | 105.91 | 132.54 |
| EBIT | 522.28 | 707.21 | 880.74 |
| Interest | 23.09 | 13.58 | 14.90 |
| PBT | 499.19 | 693.63 | 865.84 |
| Share of profit in Asso | 0.00 | 0.00 | 0.00 |
| PBIT | 499.19 | 693.63 | 865.84 |
| Exceptional | 0.00 | 0.00 | 0.00 |
| PBT | 499.19 | 693.63 | 865.84 |
| Tax | 141.28 | 164.12 | 219.48 |
| PAT | 357.91 | 529.51 | 646.36 |
| NPM | 8.02 | 10.43 | 12.10 |
| ROE% | 18.48 | 21.92 | 21.12 |
| EPS | 10.07 | 13.56 | 16.56 |
| Eq Cap | 48.59 | 78.08 | 390.39 |
| Net Worth | 1,909.92 | 2,416.16 | 3,060.99 |

(Source: RHP)

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