

BEHARI LAL ENGINEERING LIMITED

CIN-U27109PB1995PLC016490

REGD OFFICE: VILLAGE - SALANI AMLOH ROAD, MANDI GOBINDGARH, PUNJAB,
147301

EMAIL: - cs@beharilalgroup.com

DIRECTORS' REPORT

To,

The Members,

The Directors have pleasure in submitting their 31st Annual Report on the business and operations of the company together with the Audited Statements of Accounts for the year ended 31st March, 2026. Further, in compliance with the Companies Act, 2013 the company has made all requisite disclosures in the Board's Report with the objective of accountability and transparency in its operations and to make you aware about its performance and future perspective.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Company's financial performances for the year under review along with previous year's figures are given hereunder:

(Amount in INR lakh)

PARTICULARS	2025-26	2024-25
Revenue from Operations	53402.62	50791.22
Other Income	1249.47	838.64
Gross Income	54652.09	51629.86
Profit before Exceptional Items and Taxation	8658.96	6936.20
Add: Exceptional Items	-	-
Profit before Taxation	8658.96	6936.20
Current Tax	2190.25	1754.47
Deferred Tax	3.13	(134.92)
Tax related to previous year	1.77	21.61
Profit for the year	6463.80	5295.05
Earnings per share (Basic)	1.65	67.82
Earnings per Share(Diluted)	1.65	67.82

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review, the company has achieved a sales turnover of Rs. **53402.62** lakh for the year ended on 31st March 2026 as compared to Rs. **50791.22** lakh for the previous year ended on 31st March 2025. The company has earned Net profit of Rs. **6463.80** lakh for the year ended as

on 31st March 2026 as compared to Rs. **5295.05** lakh for the previous year ended on 31st March 2025. Directors expect better results in future.

3. BUSINESS OVERVIEW

Behari Lal Engineering Ltd. operates as a fully integrated steel manufacturing and trading enterprise with a Pan-India presence. Its group company, BLC Metals Pvt. Ltd., continues to supply steel billets, coal, sponge iron, and Ferro alloys across the country. Meanwhile, Behari Lal Engineering Ltd., through its SMS & Foundry Division and Rolling Mill Division, produces a wide range of high-quality iron and steel products tailored to industry-specific requirements. With a legacy of trust, quality, and customer focus, the Company has emerged as one of India's leading integrated foundries.

4. CHANGE IN BUSINESS:

During the year, the Company has not changed its business or object and continues to be in the same line of business as per the main objects of the Company.

5. DIVIDEND

With a view to conserve and save the resources for future prospects of the Company, the Board of Directors do not recommend any dividend for the year under review.

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, there is no amount of dividend remaining unclaimed / unpaid and / or unclaimed Equity Shares which are required to be transferred to the Investor Education and Protection Fund (IEPF)

6. TRANSFER TO RESERVE

During the year under review, the Company has not transferred any amount to the General Reserve. The entire profit for the year has been retained in the Profit & Loss Account under the "Reserves and Surplus" head of the Balance Sheet as on 31st March, 2026.

7. CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business during the year under review.

8. MATERIAL CHANGES AND COMMITMENTS

There has been no change in the nature of business of the Company during the Financial year 2025-26.

9. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

During the year 2025-26, the company has no subsidiary, joint ventures or associate companies.

10. DEPOSITS

In term of section 73 of the Companies Act 2013 read with companies (acceptance of deposits) rules 2014. The company has not invited/accepted any deposits from the public during the year under review. There were no unclaimed or unpaid deposits as on 31st March 2026.

11. AUDITORS

STATUTORY AUDITORS

The Auditors, M/s Ashwani & Associates, Chartered Accountants (Firm Registration No. 000497N), were appointed for a period of five years in the Annual General Meeting held on 30.09.2024 who hold office till AGM to be held in the year 2029

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 and The Companies (Accounts) Rules, 2014, Internal Audit is applicable to company for the year 2025-2026.

Mr. Rahul Bassi, was appointed as an internal auditor of the company for a period of three years till 2026-27. The company has well-structured internal audit function, to review the various operation & to improve efficiency in operations

SECRETARIAL AUDITOR AND THEIR REPORT:

For the Financial Year 2025–26, M/s. Reecha Goel & Associates, a firm of Peer Reviewed Practising Company Secretaries, was appointed as the Secretarial Auditor of the Company by the Board of Directors to carry out the Secretarial Audit in accordance with the provisions of the Act. The Secretarial Audit Report for the Financial Year 2025–26 is annexed as “Annexure–A” to this Report.

The Board has duly reviewed the Secretarial Audit Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks made by the auditors in their reports. The comments on the auditor report read with the notes are self-explanatory and do not call for further explanation.

13. SHARE CAPITAL

During the year under review, pursuant to the Scheme of Merger and conversion of Preference Shares into Equity Shares, and upon obtaining the approval of the members at the meeting held on 17 April 2025, the Authorised Share Capital of the Company was increased to ₹47.00 crores.

Consequently, the Memorandum of Association of the Company was altered to reflect the revised capital structure. The entire authorised share capital of the Company presently comprises Equity Shares having details as below:

Authorized Capital: The Authorized Capital of the Company is ₹ 47,00,00,000 (Rupees Forty Seven Crores Only) divided into 4,70,00,000 (Four Crore Seventy Lakhs Only) Equity Shares of ₹ 10 (Rupees Ten Only) each.

Bonus Issue

During the year under review, the Company capitalized a part of its free reserves and issued 31,231,460 (Three Crore Twelve Lakh Thirty-One Thousand Four Hundred Sixty) fully paid-up Equity Shares of face value ₹10/- each as bonus shares to the existing shareholders of the Company in the ratio of 4 (Four) Equity Shares for every 1 (One) Equity Share held. The bonus shares were allotted on 1 May 2025, and rank pari passu in all respects with the existing Equity Shares of the Company.

Consequent to the said allotment, the paid-up equity share capital of the Company increased from Rs.7,80,78,650/- comprising 78,07,865 Equity Shares of Rs. 10/- each to Rs. 39,03,93,250/- comprising 3,90,39,325 Equity Shares of Rs. 10/- each as below.

Issued, Subscribed and Paid-Up Capital: The present Paid-up Capital of the Company is ₹ 39,03,93,250 (Rupees **Thirty-nine crore, three hundred ninety-three thousand, two hundred fifty**) divided into 3,90,39,325 (Three Crore Ninety Lakhs Thirty Nine Thousand Three Hundred Twenty Five Only) Equity Shares of ₹ 10 (Rupees Ten Only) each.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In pursuance of provisions of Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the provisions of CSR became applicable for the FY 2025-26. A Detailed CSR Report is annexed as Annexure B with this Report.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A) CHANGE IN THE BOARD COMPOSITION

▪ Appointment of Directors during the Financial year 2025-26.

- a. Mr. Manvinder Partap Singh was appointed as an additional director of the company w. e. f. 01.05.2025.
- b. Mr. Rajesh Kumar Sinha was appointed as an Independent director of the company w. e. f. 01.05.2025.

▪ Change in Designation of Directors during the Financial year 2025-26:

- a. Mr. Manvinder Partap Singh and Mr. Rajesh Kumar Sinha were confirmed as directors by the members in the AGM held on 10.09.2025.

- b. Sh. Rajesh Garg was appointed as Non Executive Vice Chairman of the company w.e.f. 31.05.2025 by the members in the Extra ordinary General Meeting held on 17.07.2025
- c. Mr. Parkash Chand Garg who is the promoter director of the company, his designation was reclassified as Non-Executive, Non Independent Director and Chairman of the company by the members in the Extra ordinary General Meeting held on w.e.f 23.09.2025

▪ **Resignation of Directors during the Financial Year 2025-2026: Nil**

▪ **Retirement by rotation and subsequent reappointment:**

Sh. Rajesh Garg, Director of the company retires by rotation at the ensuing Annual General meeting and is eligible for re-appointment.

▪ **Appointment of Key Managerial Personnel during the Financial Year 2025-2026:**

Mr. Manvinder Partap Singh who was appointed as an additional director of the company was appointed as an Executive director of the company w. e. f. 01.05.2025 by the members in the AGM held on 10.09.2025.

Mr. Rajesh Kumar Sinha who was appointed as an additional Independent director of the company w. e. f. 01.05.2025 was confirmed by the members in the AGM held on 10.09.2025

▪ **Resignation of Key Managerial Personnel during the Financial Year 2025-2026 and upto the date of this Report: Nil**

B) DISCLOSURE BY DIRECTORS

The Directors on the Board have submitted notice of interest under Section 184(1) of the Companies Act, 2013 i.e. in Form MBP-1, intimation under Section 164(2) of the Companies Act, 2013 i.e. in Form DIR-8 and declaration as to compliance with the Code of Conduct of the Company.

C) INDEPENDENT DIRECTORS

In terms of Section 149 of the Companies Act, 2013 and Rules made there under, the Company has five Non- Promoter Non-Executive Independent Directors in line with the Companies Act, 2013 as on 31.3.2026.

The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Act. Further, all the Independent Directors of the Company have registered themselves in the Independent Director Data Bank.

16. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, Sixteen Board Meetings were convened and held. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013 and Secretarial Standards issued by ICSI.

S.No.	Date of Board meeting
1.	16.04.2025
2.	17.04.2025
3.	01.05.2025
4.	31.05.2025
5.	23.06.2025
6.	24.07.2025
7.	14.08.2025
8.	08.09.2025
9.	10.09.2025
10.	26.09.2025
11	27.09.2025
12	18.11.2025
13	13.12.2025
14	17.01.2026
15	20.03.2026
16	31.03.2026

The Details of Attendance of each Director at Board Meetings is as below:

Sr No	Name of Director	Date of Appointment	Number of Board meetings eligible to attend	Number of Board meetings attended
1.	Dinesh Garg	07.06.1995	16	16
2.	Parkash Chand Garg	23.05.1995	16	16
3.	Lovlish Garg	01.04.2016	16	16
4.	Rajesh Garg	25.02.2025	16	16
5.	Ayussh Mittal	25.02.2025	16	16
6.	Anil Dhawan	25.02.2025	16	10
7.	Anil Kumar Bansal	25.02.2025	16	6
8.	Meena Rohilla	25.02.2025	16	16
9.	Manvinder Partap singh	01.05.2025	13	13
10.	Rajesh Kumar Sinha	01.05.2025	13	9

17. NUMBER OF GENERAL MEETINGS.

During the year, the AGM of the Company was held on 10/09/2025. Three Extra Ordinary General Meetings were also conducted on 17.04.2025, 20.08.2025 and 23.09.2025 .

18. COMMITTEES OF BOARD

The Board of Directors, in line with the requirement of the Companies Act, 2013, has formed various committees, details of which are given hereunder:

Audit Committee:

The Audit Committee comprises of 3 Non-Executive Independent Directors and 1 Executive Director, out of which 3 are Independent Directors. The composition of the Audit Committee is in conformity with the provisions of the Companies Act, 2013. During the year under review, 6 (Six) meetings of the Committee were held on 17.04.2025, 24.07.2025, 08.09.2025, 26.09.2025, 18.11.2025 and 10.03.2026,

The Company Secretary acts as the Secretary to the Audit Committee. The Executive Director attends the Audit Committee meetings. Representatives of the Internal Auditors, Statutory Auditors, and Business Unit/Operation Heads are invited to the meetings as and when required.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of 4 Directors. Out of that 3 are Independent Directors and one is Non Executive Non Independent Director. The Company Secretary acts as Secretary to the Committee. During the year under review, 4 (Four) meetings of the Committee were held on 01.05.2025, 31.05.2025 , 12.06.2025 and 08.09.2025

The composition of the Committee and attendance at its meetings as at 31st March, 2026, are given below:

Nomination and Remuneration Policy

The Company has in place a duly approved Nomination and Remuneration Policy in accordance with the provisions of Section 178 of the Companies Act, 2013. The Policy lays down the criteria for identifying and appointing Directors, Key Managerial Personnel (KMP), and Senior Management and provides a framework for their remuneration and evaluation.

It aims to ensure that the level and composition of remuneration is reasonable, sufficient to attract and retain talent, and aligned with the Company's performance and industry benchmarks. The Policy provides for a balance between fixed and performance-linked variable pay and considers external competitiveness, internal equity, the role and responsibilities of the individual, and the Company's overall performance.

The Policy also includes provisions for Board diversity and criteria for determining qualifications, positive attributes, and independence of Directors, as well as guidelines for the evaluation of the Board, its Committees, and individual Directors.

Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises 5 Directors. Out of that 3 are Independent Directors and one is Non Executive Non Independent Director and one is Executive Director .The Company Secretary acts as Secretary to the Committee.

The Company has constituted Stakeholder's Relationship Committee mainly to focus on the redressal of Shareholders'/ Investors' Grievances, if any, like Transfer/Transmission/Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc.

During the year under review, 2 (Two) meetings of the Committee were held on 17.04.2025 and 31.05.2025.

Constitution of Independent Directors Committee

The Company is required to undertake and complete various legal, statutory and procedural formalities in connection with the proposed Initial Public Offer (IPO), including the appointment of intermediaries, filing of the Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) and the Stock Exchanges, and filing of the Red Herring Prospectus (RHP) and the Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies, Punjab at Chandigarh (RoC), as well as with such other statutory authorities and regulatory bodies as may be required, and to deal with all matters incidental or ancillary thereto.

In view of the foregoing, the Board considered it expedient to constitute and empower a committee of directors, to be known as the "IPO Committee", comprising Mr. Ayussh Mittaal, Mr. Dinesh Garg and Mr. Lovlish Garg, for overseeing and carrying out all activities and matters relating to the proposed IPO and matters connected therewith.

During the year under review, 1 (one) meetings of the Committee were held on 08.09.2025 .

RISK MANAGEMENT

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks associated with its business and operations. The Board of Directors periodically reviews the key risks and the measures adopted to address and minimize such risks.

In view of the proposed Initial Public Offering of the equity shares of the Company and in order to align with the corporate governance requirements applicable to listed entities, the Board has constituted a Risk Management Committee and adopted a Risk Management Policy for effective identification, assessment and mitigation of risks associated with the business and operations of the Company.

Risk Management Committee comprises members of the Board and senior management personnel. The Committee is entrusted with the responsibility of formulating, implementing and monitoring the risk management policy and framework of the Company and reviewing key business, operational, financial, regulatory and strategic risks on a periodic basis.

The Risk Management Committee comprises 5 Directors. Out of that 3 are Independent Directors and one is Non Executive Non Independent Director and one is Executive Director .The Company Secretary acts as Secretary to the Committee.

The Board is of the opinion that there are no risks which, in its assessment, may threaten the existence of the Company.

During the year under review, 2 (Two) meetings of the Committee were held on 31.05.2025 and 18.11.2025.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee comprises 5 Directors. Out of that 3 are Independent Directors and one is Non Executive Non Independent Director and one is Executive Director. The Company Secretary acts as Secretary to the Committee.

The Company recognizes its responsibility towards society and remains committed to contributing to sustainable development and the welfare of the communities in which it operates. The Corporate Social Responsibility (CSR) initiatives of the Company are guided by the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

The Company has constituted a Corporate Social Responsibility Committee of the Board and has adopted a CSR Policy outlining the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013. The CSR Policy is available on the website of the Company at www.beharilalengineering.com

During the financial year 2025-26, the Company was required to spend ₹ **Rs. 89,03,389.58/-** towards CSR activities. The Company has undertaken CSR initiatives in accordance with its CSR Policy and the applicable provisions of the Companies Act, 2013.

The Annual Report on CSR Activities containing the details of composition of the CSR Committee, CSR Policy, prescribed CSR expenditure, amount spent during the year, and other relevant disclosures forms part of this Board's Report as **Annexure A**.

The Board confirms that the implementation and monitoring of CSR activities are in compliance with the CSR Policy and the objectives and requirements of Section 135 of the Companies Act, 2013.

During the year under review, 1 (One) meeting of the Committee were held on 18.11.2025.

19. PARTICLUALRS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5, of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

Details of remuneration are as follows:

(In Rs.)

NAME OF DIRECTOR	REMUNERATION PAID
1. Sh. Dinesh Garg	18,00,000/-
2. Sh. Lovlish Garg	20,40,000/-
3. Sh. Manvinder Partap Singh	14,86,600/-

20. VIGIL MECHANISM

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There were no loans and guarantees by the Company under Section 186 of the Companies Act, 2013 during the year under review.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, other designated persons which may have potential conflict with interest of the company at large. Particulars of Transactions with related parties made pursuant to Section 188 are furnished in Form No. AOC -2 attached to this report.

23. CHANGE IN REGISTERED OFFICE

During the year under review, there was no change in the Registered Office of the Company

24. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement: —

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profits of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. MAINTENANCE OF COST RECORDS AS MANDATED BY THE CENTRAL GOVERNMENT:

Pursuant to the provisions of Section 148(1) of the Companies act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company had appointed M/s. Gurvinder Chopra & Co., Cost Accountants as Cost Auditor of the Company for the Financial year 2025-26.

26. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per section 271 (l) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the directors' report for the year ended 31st March, 2026.

CONSERVATION OF ENERGY

The Company has taken various measures in conservation of energy. The thrust is to measure the existing system parameters and then implement improvements. Emphasis is also given to optimize the operation of various equipment which leads to energy conservation

TECHNOLOGY ABSORPTION

Efforts made towards technology absorption are as under:

RESEARCH AND DEVELOPMENT

The company has made continuous efforts for the development of new lines of activities. The Company is adopting the most suitable manufacturing technology for saving in the cost of production, electricity consumption and personnel.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company is adopting the well- established technology with the scope of savings in the cost of production, energy consumption and capital cost in terms of the quantum of production. The Company is making continuous efforts towards the product development, product improvement in the shape of quality and cost reduction

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings and outgo		FY 2025-26 (In Lakh)
a	Foreign Exchange Earnings	3880.84 lakh
b	Value of imports (C.I.F Value)	384.82 lakhs
c	Expenditure in Foreign Currency	5.70 lakhs

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

During the year under review, the Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act").

However, since the Company does not have any women employees during the year, the requirement relating to the constitution of an Internal Complaints Committee (ICC) was not applicable. No complaints were received during the year under review.

28. INTERNAL FINANCIAL CONTROL

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

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29. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

During the Financial Year 2025-26, there were no Significant and Material Orders Passed by the Regulators, Courts and Tribunals.

30. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016, DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

During the Financial Year 2025-26, there was no application made and proceeding initiated / pending under the Insolvency and Bankruptcy Code, 2016, by any Financial and / or Operational Creditors against your Company. As on the date of this Report, there is no application or proceeding pending against your Company under the Insolvency and Bankruptcy Code, 2016.

31. DISCLOSURE REGARDING PENDING CASES UNDER IBC, 2016

Company has not made any application or any proceeding is pending under the Insolvency and Bankruptcy Code (IBC), 2016 during the Financial Year 2025-26.

32. ONE TIME SETTLEMENT WITH BANK

There was no instance of onetime settlement with any Bank or Financial Institution.

33. ACKNOWLEDGEMENT

The Director would like to place on record its gratitude for valuable guidance and support received from, Central & State Govt. departments / agencies, bankers and wish to convey its appreciation to customers, dealers, vendors, and all other business associates for their continuing support during the year. The Directors would also like to express their appreciation of the commitment and dedication of employees for their significant contribution during the year.

Date:11.06.2026

Place: MANDI GOBINDGARH



Lovlish Garg
Whole Time Director
02000916

Dinesh Garg
Managing Director
00215117

By Order of the Board of Directors
For BEHARI LAL ENGINEERING LIMITED