Academic Research Project –Not a Recommendation

SHAYONA Engineering Ltd.

Retail Research	**: IPO Note**
Sector	**: Manufacturing / Industrial**
Price Band (INR)	**: ₹140 to ₹144**
Issue Type	**: Bookbuilding IPO**

About The Company

Shayona Engineering Limited ki journey 2010 me ek chhoti si proprietorship firm ke roop me shuru hui thi, jise Vipul Bhikhabhai Solanki ne basic machining aur fabrication services ke saath establish kiya. Time ke saath company ne apni capabilities ko continuously upgrade kiya aur 14 February 2017 ko Private Limited company me convert hokar ek structured aur scalable corporate setup adopt kiya, jisse capital investment aur technology upgradation possible hui.
Aage chal kar 20 July 2024 ko company Public Limited Company bani, jo is baat ka signal hai ki business ab next growth phase ke liye ready hai. Shayona ka registered office aur main manufacturing plant GIDC Makarpura, Vadodara me hai, aur Vadodara region me strategically located total 3 manufacturing units ke saath company operational efficiency aur logistics advantage enjoy karti hai.
Management aur promoter strength Shayona Engineering ka ek major positive factor hai, jahan teen individual promoters company ko lead kar rahe hain aur koi corporate promoter nahi hai. Managing Director Vipul Bhikhabhai Solanki ke paas 69.73% stake hai, jabki Whole-Time Directors Gaurav Ratukumar Parekh aur Kinnariben Vipulbhai Solanki ke paas respectively 12.24% aur 5.31% stake hai, jisse total pre-issue promoter holding 87.28% banti hai. Pichhle paanch saalon me management me koi badlav nahi hua, jo stability, long-term vision aur execution capability ka strong indicator hai.
Business evolution ki baat karein to 2010–2016 ke dauraan company ne manual lathe aur drilling operations se start karke dheere-dheere precision engineering, dies & moulds aur turnkey machinery solutions tak apna portfolio expand kiya. Private Limited banne ke baad Shayona ne CNC, VMC aur precision lathe machines me invest kiya, automation adopt ki aur complex, high-value engineering projects execute karne ki capability develop ki. Aaj Shayona ek diversified engineering aur manufacturing solutions provider ke roop me positioned hai, jo casting & forging se lekar heavy fabrication, pre-engineered buildings, industrial automation aur industrial design & reverse engineering tak end-to-end solutions offer karti hai.
Company ka core strength uska "one-stop solution" approach hai, jisme few grams se lekar 3 metric ton tak single-piece casting, sand, centrifugal aur investment casting ke through ki ja sakti hai, jiska use auto, pumps & valves, mining, power, oil & gas, aerospace aur defence jaise sectors me hota hai. Iske alawa heavy fabrication aur structural engineering me columns, tanks, gantries, heat exchangers aur pressure vessels jaise large structures banane ki capability hai, jahan site par 50+ welders deploy karne ki capacity Shayona ko large projects ke liye competitive edge deti hai. Pre-engineered buildings aur industrial automation projects company ko infrastructure aur manufacturing capex cycle ka direct beneficiary banate hain.

Issue Details	
IPO Open Date	22-Jan-26
IPO Close Date	27-Jan-26
Price Band (Rs)	₹140 to ₹144
Lot Size	1,000 Shares
Issue Size (Rs Cr)	10,32,000 shares
Face Value	RS 10 per share
Sales Type	Fresh Capital
Issue Type	Bookbuilding IPO
Listing At	BSE SME
Share Holding Pre Issue	28,60,268 shares
Share Holding Post Issue	38,92,268 shares
QIB	1.16%
Retail Share	29.07%
NII Share	64.73%
Promoter Holding Pre Issue	87.29%
Promoter Holding Post Issue	

Shareholding Pattern (%)	
Vipul Bhikhabhai Solanki	69.73
Gaurav Ratukumar Parekh	12.24
Kinnariben Vipulbhai Solanki	5.31

Objects of the Issue	Estimated Amount (INR Cr.)
Purchase of Plant and Machinery for the existing line of our business	3.79
Repayment of secured loan availed by our Company from Financial Institution	2.17
Funding of working capital requirements of our Company	4

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SHAYONA ENGINEERING

About The Company

Future growth ke liye company ne PVC aur HDPE pipe manufacturing ko ek strong growth engine ke roop me identify kiya hai. Unit-3 ke under lagbhag ₹30 crore ka capex plan kiya gaya hai, jo Vadodara se kareeb 25 km door located hoga aur March 2025 se commercial production expected hai. Is unit me HDPE pipes & fittings aur PVC pipes jaise elbows, tees aur couplings banaye jaayenge, jinka use agriculture, water supply, sewage aur infrastructure projects me hota hai. Construction, agriculture aur utilities jaise high-demand sectors ko target karna Shayona ki long-term scalability ko support karta hai.
Capacity utilization data clearly dikhata hai ki demand strong hai aur existing capacity tight ho rahi hai, jahan Makarpura unit ki utilization FY22 ke 56.9% se FY24 me 84.9% tak pahunch chuki hai aur Vadsala unit FY24 me 95.8% utilization par operate kar rahi hai. Company ISO 9001:2015 certified hai, jisme raw material inspection se lekar in-process aur final testing tak strict quality controls follow kiye jaate hain. Power aur water supply Gujarat government utilities se aane ki wajah se infrastructure risk low hai, jabki 20 tons per month metal consumption aur 1-month buffer inventory strategy supply chain continuity ensure karti hai.
Market presence Gujarat aur Maharashtra me strong hai, saath hi Canada me limited export (~USD 65,000 annually) ke saath company ne international exposure bhi start kar diya hai. Diversified business model, turnkey execution capability, high promoter holding, demand-aligned capacity expansion aur fast-growing HDPE/PVC segment me entry Shayona Engineering ko investor perspective se ek structurally strong aur scalable manufacturing story banate hain. Vision 2025 ke tahat company ₹50 crore revenue target, 50+ professionals ki workforce aur automation-driven, eco-friendly engineering solutions par focus kar rahi hai, jo long-term sustainable growth ka clear roadmap dikhata hai.

RISK

1️⃣ Customer Concentration Risk: Company ka kaafi bada revenue limited customers se aata hai, isliye agar koi major customer chala jaata hai ya order size kam karta hai to revenue aur profitability par direct negative impact pad sakta hai.

2️⃣ Customer-Specific Design Risk: Company customers ke exact specifications par kaam karti hai, jisme chhoti si design deviation ya frequent spec change se cost badh sakti hai aur margins pressure me aa sakte hain.

3️⃣ Supplier Dependency Risk: Raw material ke liye limited suppliers par dependence hone ki wajah se agar supply, quality ya timing me issue aata hai to production aur sales disrupt ho sakti hai.

4️⃣ Raw Material Price & Availability Risk: Steel aur metal prices volatile hain, aur agar company sahi time par sahi quality ka raw material sahi price par procure nahi kar paayi to margins negatively impact ho sakte hain.

5️⃣ Demand Forecasting & Inventory Risk: Agar demand ka accurate forecasting nahi hua to excess ya insufficient inventory se working capital block, delivery delays aur reputation damage ho sakta hai.

6️⃣ Industry Trend & Preference Risk: Engineering sector cyclical hai, aur agar company automation ya eco-friendly jaise naye trends time par adopt nahi karti to competitiveness kam ho sakti hai.

7️⃣ Regulatory & License Risk: Factory licenses, environmental approvals aur statutory permissions me delay ya non-renewal hone par operations restricted ya temporarily shut ho sakte hain.

8️⃣ Project Execution & Delay Risk: Turnkey aur project-based kaam me execution delays se penalties, client relationship damage aur cash flow delays ka risk hota hai.

9️⃣ No Long-Term Contract Risk: Zyadatar business purchase-order basis par hone se revenue visibility kam rehti hai aur orders achanak ruk sakte hain.

🔟 Competition Risk: Engineering aur PVC/HDPE space me intense competition hone ke kaaran pricing pressure aur market share loss ka risk bana rehta hai.

1️⃣1️⃣ Geographic Concentration Risk: Company ki saari manufacturing units Gujarat me hone se policy change, natural calamity ya power disruption ka impact poore business par pad sakta hai.

1️⃣2️⃣ Payment Delay & Working Capital Risk: Customer payment delays ya defaults se cash flow stress badh sakta hai aur company ko zyada borrowing karni pad sakti hai.

1️⃣3️⃣ New Order Acquisition Risk: Agar company naye customers ya contracts secure nahi kar paayi to future growth slow ho sakti hai.

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RISK

1️⃣4️⃣ Statutory Dues Delay Risk: Past me GST delays rahe hain, aur agar future me bhi statutory non-compliance hui to penalties aur legal issues aa sakte hain.

1️⃣5️⃣ ROC Filing Delay Risk: ROC filings me delays se governance image par negative impact aur penalties ka risk hota hai.

1️⃣6️⃣ Logistics & Transportation Risk: Transport strikes, fuel cost spikes ya supply chain disruptions se delivery delays aur cost escalation ho sakti hai.

1️⃣7️⃣ Financing & Covenant Risk: Loan covenants breach hone par lenders early repayment demand kar sakte hain ya future funding restrict ho sakti hai.

1️⃣8️⃣ Legal Proceedings Risk: Promoters ya directors ke against pending legal cases adverse verdict aane par financial aur reputational damage kar sakte hain.

1️⃣9️⃣ Creditor Dues Finalisation Risk: Creditors ke outstanding figures me mismatch ya dispute liquidity aur trust par impact daal sakta hai.

2️⃣0️⃣ Order Execution Delay History Risk: Past delays agar repeat hue to client confidence aur repeat business par negative effect padega.

2️⃣1️⃣ Product Defect & Recall Risk: Latent defects nikalne par replacement, recall aur after-sales cost badhne ke saath reputation damage ho sakta hai.

2️⃣2️⃣ Key Management & Skilled Manpower Risk: Senior management ya skilled workforce ka attrition execution quality aur growth ko impact kar sakta hai.

2️⃣3️⃣ Working Capital Funding Risk: Short-term funds timely arrange na hone par production aur order execution slow ho sakta hai.

2️⃣4️⃣ Earnings Volatility Risk: Cyclical nature ke kaaran year-to-year earnings fluctuate ho sakti hain, jisse share price volatile rahega.

2️⃣5️⃣ Customer Claim & Early Termination Risk: Performance issues par customer claims ya contract termination se revenue aur legal cost ka risk hota hai.

2️⃣6️⃣ Related Party Transaction Risk: Agar related party transactions arm’s length par nahi hue to governance concerns aur minority shareholder risk badh sakta hai.

2️⃣7️⃣ Technology Obsolescence Risk: Rapid tech changes ke saath pace maintain na karne par competitiveness aur margins dono gir sakte hain.

2️⃣8️⃣ Acquisition & Partnership Risk: Future acquisitions ya partnerships expected synergy na de paaye to cost aur management distraction badh sakta hai.

2️⃣9️⃣ Labour Dispute Risk: Labour unrest ya strikes se production halt aur delivery delays ho sakte hain.

3️⃣0️⃣ Growth Management Risk: Bahut fast growth ke saath systems scale na hone par execution failure aur margin pressure aa sakta hai.

3️⃣1️⃣ Negative Cash Flow History Risk: Agar future me bhi cash flows weak rahe to debt dependency aur financial stress badhega.

3️⃣2️⃣ DRHP Commissioned Report Risk: DRHP me mentioned reports company-commissioned hone ke kaaran investors ko independent verification ki zarurat hai.

3️⃣3️⃣ Dividend Uncertainty Risk: Dividend payout future profits, cash flows aur capex needs par depend karega aur guaranteed nahi hai.

3️⃣4️⃣ IPO Proceeds Utilisation Risk: IPO funds ke utilisation par management ka discretion hoga, jisme objectives timely achieve hone ki guarantee nahi hai.

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RISK

3️⃣5️⃣ Insurance Coverage Risk: Insurance sabhi operational risks cover nahi karti, bade accident par company ko direct loss uthana pad sakta hai.

3️⃣6️⃣ Promoter Control Risk: IPO ke baad bhi promoters ka strong control rahega, jisse minority shareholders ka influence limited hoga.

3️⃣7️⃣ Listed Company Compliance Risk: Listing ke baad compliance cost aur governance burden badhega, aur preparedness kam hone par penalties lag sakti hain.

3️⃣8️⃣ Environmental Compliance Risk: Hazardous materials aur environmental laws ka non-compliance fines, shutdown ya legal action laa sakta hai.

3️⃣9️⃣ IT System & Cyber Risk: IT failure ya cyber attack se operations disrupt aur costs badh sakti hain.

4️⃣0️⃣ Geographic & International Expansion Risk: Naye regions ya international markets me expansion fail hone par long-term growth limited ho sakti hai.

4️⃣1️⃣ Future Fund Raising & Dilution Risk: Future equity raise ya unfavorable debt terms se shareholder dilution aur interest burden badh sakta hai.

4️⃣2️⃣ Increasing Debt & Repayment Risk: Rising debt levels timely repayment failure par financial stress aur default risk create kar sakte hain.

4️⃣3️⃣ Fraud, Theft & Negligence Risk: Manufacturing setup me fraud ya employee errors se financial loss aur reputation damage ho sakta hai.

4️⃣4️⃣ IPO Fund Raising Delay Risk: IPO funds timely na milne par expansion projects delay aur cost overruns ho sakte hain.

4️⃣5️⃣ Post-Listing Share Price Volatility Risk: Listing ke baad share price volatile reh sakta hai aur listing gains guaranteed nahi hote.

4️⃣6️⃣ Immediate Liquidity Risk: IPO investors listing se pehle shares sell nahi kar sakte, jisse short-term liquidity risk hota hai.

4️⃣7️⃣ Future Promoter Share Sale Risk: Promoters ya large shareholders ke future share sales se stock price par pressure aa sakta hai.

4️⃣8️⃣ Foreign Investor Restriction Risk: FDI rules aur sectoral caps ke kaaran foreign demand limited reh sakti hai.

4️⃣9️⃣ Shareholder Rights Limitation Risk: Indian company laws me minority shareholder rights kuch global markets se comparatively limited hote hain.

5️⃣0️⃣ Macroeconomic & Geopolitical Risk: Economic slowdown, political instability, war, terrorism, inflation ya regulatory changes se company ke business aur stock price dono par adverse impact aa sakta hai.

SHAYONA ENGINEERING

TOP 5 AND TOP 10 CREDITORS & DEBTORS

Particulars	*FY 2021-22 (₹ in lakhs)*	*Percentage*	*FY 2022-23 (₹ in lakhs)*	*Percentage*	*FY 2023-24 (₹ in lakhs)*	*Percentage*	*October 31, 2024 (₹ in lakhs)*	*Percentage*
Top 5 Creditors	214.17	59.03%	629.66	57.38%	589.26	55.52%	306.60	61.55%
Top 10 Creditors	280.81	77.40%	846.94	77.19%	725.81	68.39%	407.10	81.72%
Top 5 Debtors	374.80	81.89%	1050.35	83.74%	1033.96	68.25%	584.23	79.71%
Top 10 Debtors	422.03	92.20%	1,200.51	95.71%	1,277.58	84.33%	708.21	96.62%

(₹ in Lacs)

Financial Year	*Domestic Revenue*	*Export Revenue*	*Total Revenue*
2021-22	441.47	16.24	457.71
2022-23	1,110.54	145.05	1,255.59
2023-24	1,383.53	140.89	1,524.42
Up to 31.10.2024	690.70	47.90	738.60

DETAILS OF SECTOR – WISE SALES

(₹ *in lakhs*)

Sector	*March 31, 2022*	*March 31, 2023*	*March 31, 2024*	*October 31, 2024*
INDIA				
GOVT.	-	-	-	-
PRIVATE	441.47	1,110.54	1,383.53	690.70
EXPORT				

Sector	*March 31, 2022*	*March 31, 2023*	*March 31, 2024*	*October 31, 2024*
GOVT	-	-	-	
PRIVATE	16.24	145.05	140.89	47.90
TOTAL	**457.71**	**1,255.59**	**1,524.42**	**738.60**

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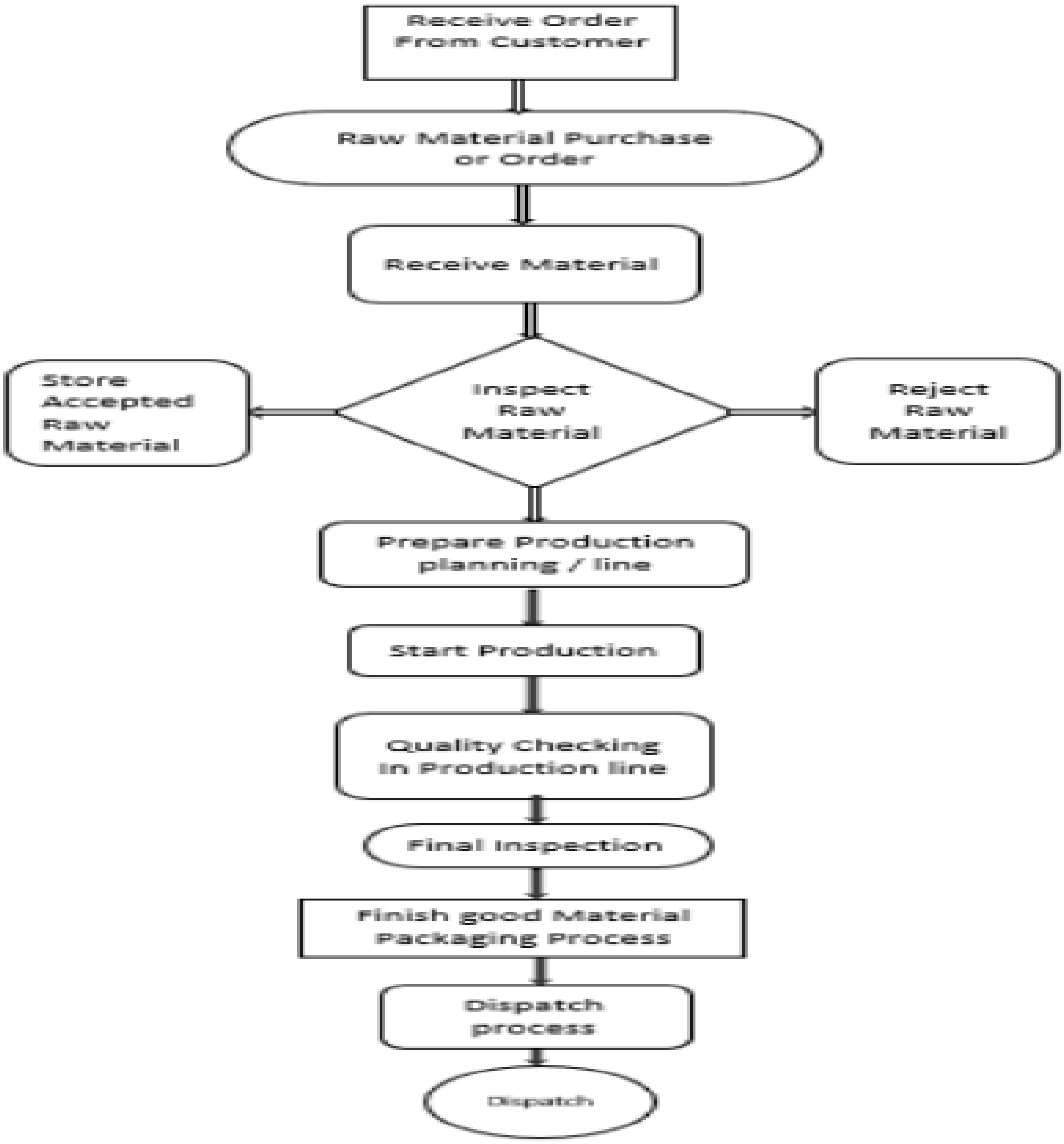
PROCESS FLOW CHART



GEOGRAPHICAL BREAKUP OF SALES

Details of sales in each state are as follows: **(₹ in lakhs)**

STATE	***March 31, 2022***	***March 31, 2023***	***March 31, 2024***	***FY 24-25 (upto 31.10.2024)***
GUJARAT	387.52	743.96	1,383.53	688.12
MAHARASHTRA	53.95	366.58	-	2.58
TOTAL	**441.47**	**1,110.54**	**1,383.53**	**690.70**

Details of Export sales (country-wise) are as follows **(₹ in lakhs):**

COUNTRY	***March 31, 2022***	***March 31, 2023***	***March 31, 2024***	***FY 24-25 (upto 31.10.2024)***
CANADA	16.24	145.05	140.89	47.90
TOTAL	**16.24**	**145.05**	**140.89**	**47.90**

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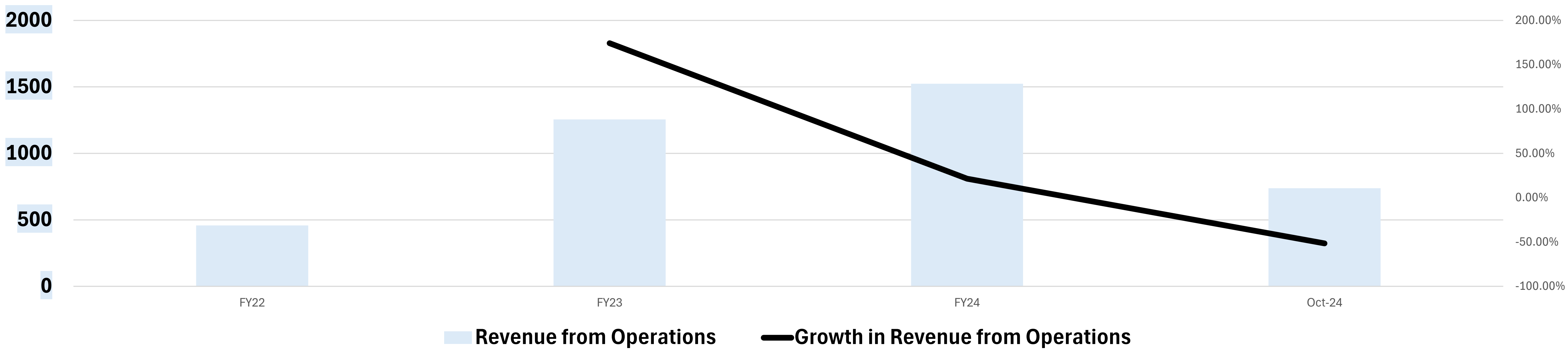
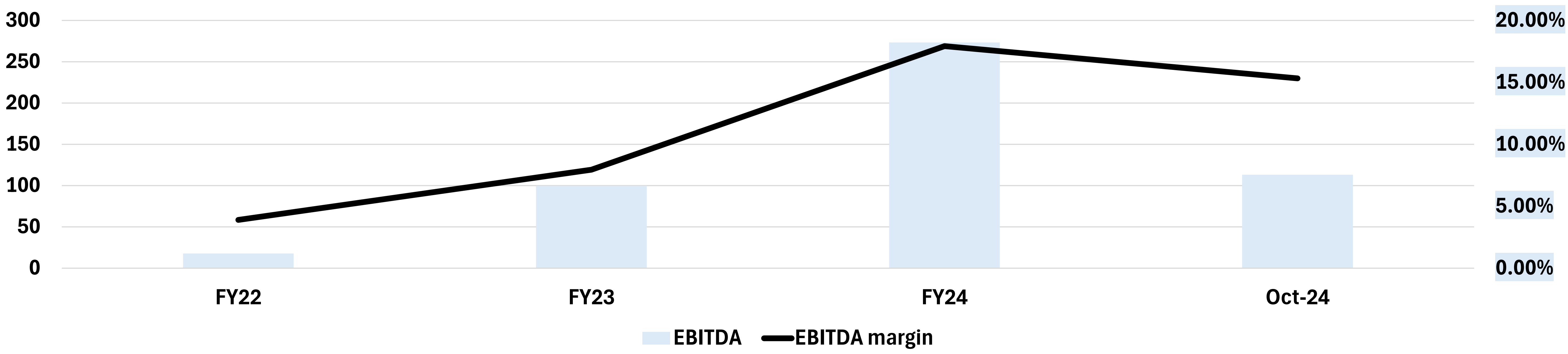
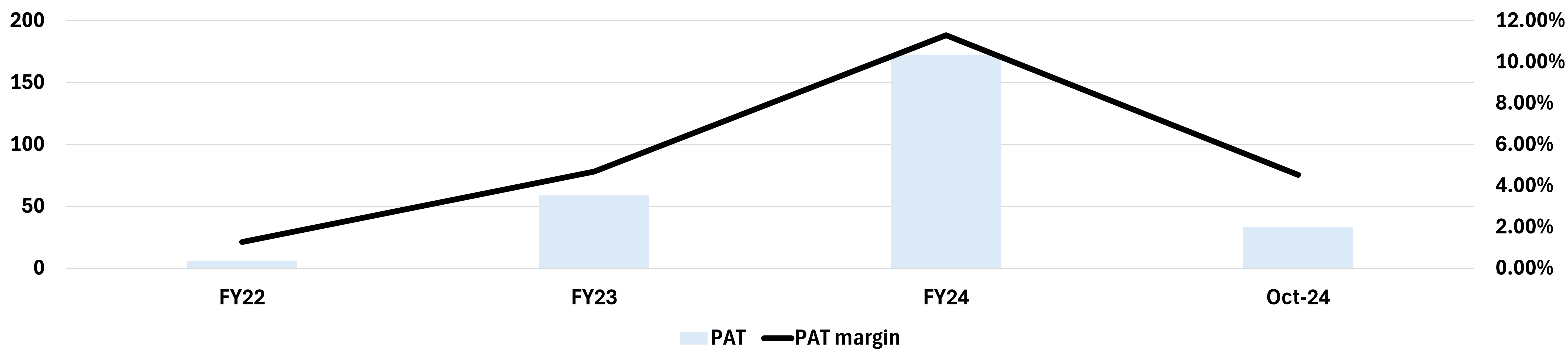
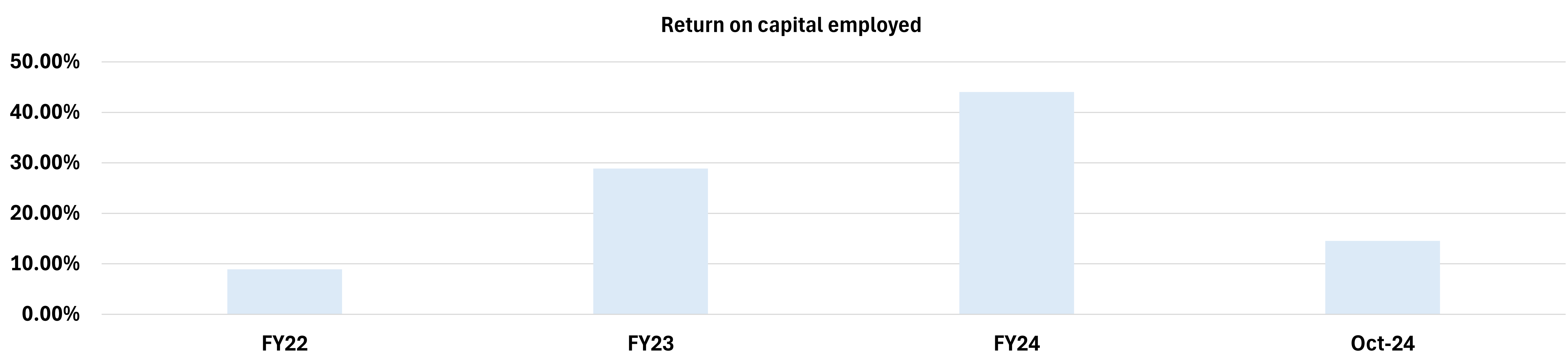
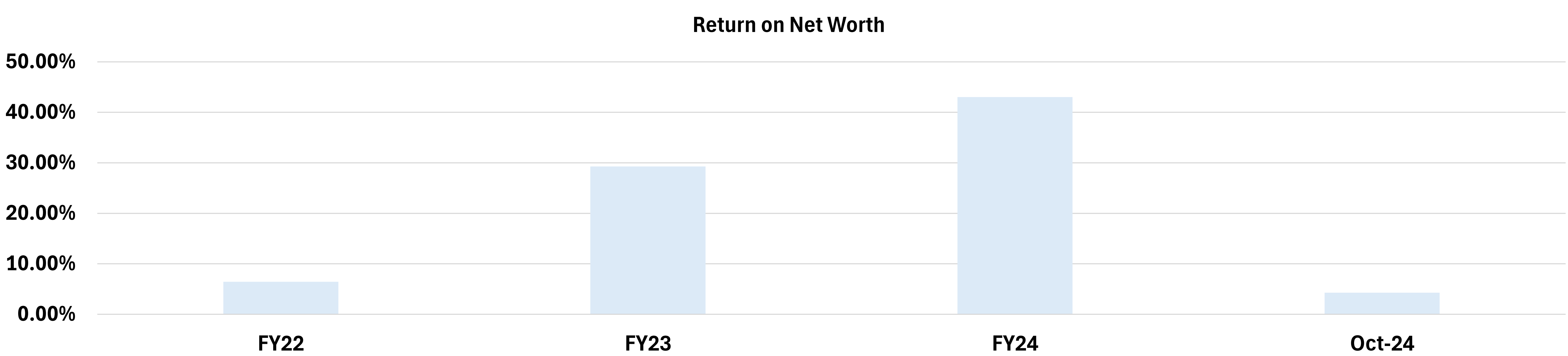
FINANCIAL ANALYSIS











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