

Shayona Engineering IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127

Reviewed on 17 January 2026

- The company is engaged in customized castings of various grades for varied industries.
- It is providing all related offerings under one roof and leads the curve.
- It posted consistent growth in its top and bottom lines.
- Its higher debt equity and net debt/ebitda ratio raise concern.
- Based on its recent financial, the IPO appears fully priced.
- Well-informed/cash surplus investors can park funds for medium to long term.

About the Company

Shayona Engineering Ltd. (SEL) is focused on becoming the industry leader in machining, dies and moulds, industrial automation, heavy fabrication, casting, forging, reverse engineering, and turnkey project machinery. At SEL, it manufactures precision metal, rubber and plastic parts, assemblies, and fixtures with exceptional quality. Its value-engineered products consistently meet and exceed client expectations.

SEL's development process focuses on client requirements with a customer-centric strategy. From basic turning and milling to advanced CNC operations, SEL has demonstrated its engineering capabilities by producing components for diverse industries. The company provides customized solutions for precision castings in special grades, with weights ranging from a few grams to 3 metric tons in a single piece. Through its strategic business alliances with several companies, it can produce single-piece castings ranging from a few grams (using Lost Wax Investment/Lost Foam Casting) to 1,500 kg (using Sand/Centrifugal Castings). This makes it a one-stop shop for all casting need. To emerge as a global market leader in the foundry industry and become a major player in all market segments by offering world-class products.

Since 2010, it has specialized in customized castings and developed expertise across various grades. The company strives to be a reliable global supplier of foundry items for automobiles, pumps, valves, mining equipment, power plants, and other engineering industries. The company specializes in reverse engineering, professional consultation, and complete turnkey solutions for the PVC pipe and tyre industry. As of the date of this offer document, it had 22 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book-building route IPO of 1032000 equity shares of Rs. 10 each to mobilize Rs. 14.86 cr. The company has announced a price band of Rs. 140 – Rs. 144 per share. The IPO opens for subscription on January 22, 2026, and will close on January 27, 2026. The

minimum application to be made is for 2000 shares and in multiple of 1000 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 26.51% of post-IPO paid-up equity capital of the company. From the net proceeds of the fresh equity issue, the company will utilize Rs. 3.79 cr. for capex on purchase of plant and machinery for existing line of business, Rs. 2.17 cr. for prepayment/repayment of certain borrowings, Rs. 4.00 cr. for working capital, and the rest for general corporate purpose.

The issue is solely lead managed by Horizon Management Pvt. Ltd. and KFin Technologies Ltd. is the registrar to the issue. Horizon Group's Horizon Financial Consultants Pvt. Ltd. is the market maker.

The company has issued initial equity shares at par value, it has issued further equity capital at a fixed price of Rs. 90.00 per share in September 2024. It has also issued bonus equity shares in the ratio of 1 for 1 in January 2024. The average cost of acquisition of shares by the promoters is Rs. 7.50, Rs. 8.33. and Rs. 10.00 per share.

Post-IPO, company's current paid-up equity capital of Rs. 2.86 cr. will stand enhanced to Rs. 3.89 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 56.05 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total revenue/net profit, of Rs. 12.63 cr. / Rs. 0.61 cr. (FY23), Rs. 15.28 cr. / Rs. 1.71 cr. (FY24), Rs. 23.18 cr. / Rs. 2.42 cr. (FY25). For 8M - FY26 ended on November 30, 2025, it earned a net profit of Rs. 2.45 cr. on a total revenue of Rs. 19.15 cr. The company has posted growth in its top and bottom lines for the reported periods.

For the last three fiscals, the company has reported an average EPS of Rs. 9.83, and an average RoNW of 43.33%. The issue is priced at a P/BV of 3.33 based on its NAV of Rs. 43.21 as of November 30, 2025, and at a P/BV of 2.06 based on its post-IPO NAV of Rs. 69.93 per share (at the upper cap).

Its debt/equity ratio of 1.83 as well as its Net Debt/EBITDA at 5.52 as of November 30, 2025 raises concerns. According to the management, this jump in borrowing is attributed to its undergoing expansion plan that will take care of repayments as the facility will help it more than doubling its revenue with commensurable margins. It has tied with few big customers for long term supply contracts with a rising quantum. Its unique status as all related services provider under one-roof is the key element for higher top and bottom lines for coming years.

If we attribute its FY26 annualized earnings on post-IPO expanded equity base, then the asking price is at a P/E of 15.25, and based on its FY25 earnings, the P/E stands at 23.15. Thus, the issue appears fully priced.

The company has posted PAT margins of 4.81% (FY23), 11.18% (FY24), 10.44% (FY25), 12.80% (8M-FY26), and RoCE Margins of 27.12 %, 37.92%, 29.03%, 13.05%, respectively for the referred periods.

Dividend Policy

The company has not declared any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performances and future prospects.

Comparison with Listed Peers

As per the offer document, the company has no listed peers to compare with.

MERCHANT BANKER'S TRACK RECORDS:

This is the 24th mandate from Horizon Management in the last three fiscals. From the last 10 listings, 4 opened at discount, 1 at par, and the rest with premium ranging from 3.08% to 90.00% on the listing date.

Conclusion / Investment Strategy

SEL is engaged in customized castings of various grades for varied industries. It is providing all related offerings under one roof and leads the curve. It posted consistent growth in its top and bottom lines. Its higher debt equity and net debt/ebitda ratio raise concern. Based on its recent financial, the IPO appears fully priced. Well-informed/cash surplus investors can park funds for medium to long term

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

Disclaimer: The information provided herein is solely for educational and informational purposes and does not constitute an offer, solicitation, or recommendation to buy or sell any securities. Readers are advised to consult a qualified financial advisor before making any investment decisions. Investments in the securities market are subject to market risks. The author does not intend to invest in the securities discussed.