IPO REVIEW

H. R. HYGIENE PRODUCTS IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 27 July 2026

- The company is engaged in the manufacturing and marketing of hygiene products under its own brands like Femiss, Womanica, ElderFit and Bloom Baby.
- It serves both B2B and B2C segments with network across 28 states and 8 union territories.
- The company posted growth in its top and bottom lines for the reported periods.
- Based on its recent financial data, issue appears aggressively priced.
- Only well-informed/cash surplus investors may park moderate funds for long term.

About the Company

H. R. Hygiene Products Ltd. (HRHPL) is a manufacturer of hygiene products with a growing presence in the Indian market. Under its brand framework, it has developed Femiss, Womanica, ElderFit and Bloom Baby, each designed to address consumer needs across the hygiene care spectrum, from babies to young women and the elderly.

While its core focus has been on sanitary napkins, the company has progressively diversified its portfolio to include a broader range of female care and wellness products, with Femiss catering to the economic segment through affordable and reliable sanitary napkins, Womanica offering premium high-absorbency solutions, ElderFit extending specialized hygiene care to the elderly, and Bloom Baby focusing on safe and comfortable baby care.

HRHPL also manufactures its product sanitary napkin on white label for few customers. Its products are distributed pan-India through a dual-channel strategy comprising an extensive offline retail presence with network of dealers and e-commerce platforms including Meesho, Amazon, GlowRoad, Flipkart, Snapdeal and JioMart, catering to both B2B and B2C customers. As on May 31, 2026 it had 25 SKUs across product range.

It had a diversified customer base of more than 227 customers in 28 states and 8 union territories in India for period ended March 31, 2026 and in the last three Fiscals, which enables it to de-risk and reduce its dependency on any customer or group of customers. The company focuses on marketing and distributing products to match the needs and preferences of consumers across various brands. Its brands presence is particularly strong in western India, with Gujarat as the dominant market followed by its presence in Maharashtra and Rajasthan. As of May 31, 2026, it had 144 employees on its payroll (including 99 sales and marketing persons).

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 6131200 equity shares of Rs. 10 each to mobilize Rs. 53.95 cr. The company has announced the price band of Rs. 83 – Rs. 88 per share. The IPO consists of fresh equity issue of 4905600 equity shares (worth Rs. 43.17 cr. at the upper cap), and an Offer for Sale (OFS) of 1225600 equity shares (worth Rs. 10.78 cr. at the upper cap). The minimum application to be made is for 3200 shares and in multiples of 1600 shares thereon, thereafter. The issue opens for subscription on July 29, 2026 and will close on July 31, 2026. The shares will be listed on BSE SME. The IPO constitute 27.00% of the post-IPO paid-up capital of the company. From the net proceeds, the company will utilize Rs. 31.36 cr. for capex on setting up a new manufacturing facility at Unit 2, Rs. 3.57 cr. for repayment/prepayment of certain borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Marwadi Chandarana Intermediaries Brokers Pvt. Ltd., and Purva Sharegistry (India) Pvt. Ltd. is the registrar to the issue. SMC Global Securities Ltd., is the market maker. SMC Global Securities Ltd., and Marwadi Chandarana Intermediaries Brokers Pvt. Ltd. are syndicate members.

After issuing initial equity capital at par value, the company issued further equity shares at a fixed price of Rs. 165 per share between November 2024 and December 2024. The company has also issued bonus shares in the ratio of 25 for 10 in September 2024, and 15 for 10 in September 2025. The average cost of acquisition of shares by the promoter’s is missing from the offer documents.

Post-IPO, company’s current paid-up equity capital of Rs. 17.81 cr. will stand enhanced to Rs. 22.71 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 199.87 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 85.33 cr. / Rs. 4.66 cr. (FY24), Rs. 115.16 cr. / Rs. 9.08 cr. (FY25), Rs. 131.90 cr. / Rs. 11.41 cr. (FY26). Boosted profits for FY25 and FY26 raise eyebrows as it is operating in a highly competitive and fragmented segment.

For the last three fiscals, the company has reported an average EPS of Rs. 5.43 and an average RoNW of 36.27%. The issue is priced at a P/BV of 3.70 based on its NAV of Rs. 23.80 per share as of March 31, 2026, but its post-IPO NAV data is missing from the offer documents. The IPO price band ad is missing its EPS as well as pre/post IPO NAV data.

If we attribute FY26 earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 17.53, and based on FY25 earnings, the P/E stands at 22.00. The issue appears aggressively priced based on its recent super earnings.

The company has posted PAT Margins of 5.53% (FY24), 7.92% (FY25), 8.73% (FY26), and RoCE margins of 23.10%, 25.48%, 24.86%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in November 2024, based on its financial performance 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 Record

This is the 12th mandate from Marwadi Chandarana Intermediaries in the last three fiscals (including the ongoing one). Out of the last 11 listings, 2 opened at par, and the rest with premium ranging between 0.45% and 90.00% on the date of listing.

Conclusion / Investment Strategy

HRHPL is engaged in the manufacturing and marketing of hygiene products under its own brands like Femiss, Womanica, ElderFit and Bloom Baby. It serves both B2B and B2C segments with network across 28 states and 8 union territories. The company posted growth in its top and bottom lines for the reported periods. Based on its recent financial data, issue appears aggressively priced. Only well-informed/cash surplus investors may park moderate funds for 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.