IPO REVIEW

PAN HR Solutions IPO

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- The company is operating comprehensive man-power solutions on a B2B model.
- The company marked growth in its top and bottom lines for the reported periods.
- It has 10374 employees deployed at various clients' places.
- Based on recent financial data, the issue appears reasonably priced.
- Well-informed investors may park moderate funds for long term.

About the Company

PAN HR Solutions Ltd. (PHSL) is operating on a B2B model and provides comprehensive manpower solutions, catering to a range of roles from unskilled to skilled blue-collar workers. The company has a PAN India presence and provide human resource, staffing services and compliance solutions to customers in E-commerce, logistics, manufacturing, information technology and other sectors which enables them in streamlining the hiring process, reduces administrative burden, and ensuring suitable candidates.

The company offers range of services i.e., Manpower services, Payroll services, Facility management, staffing solutions, Compliance Audit and E-commerce Logistics which enables it to design and deliver a range of customized solutions suited to the specific needs of customers, which strengthens its customer acquisition and retention capabilities. As a part of facility management services, PHSL provides personnel for roles such as housekeeping staff, pantry boys, office assistants, and other support roles. The company currently operates under a "Collect and Pay" Model, wherein the Company raises invoices on its Customers/Principal Employers for services rendered in accordance with the applicable terms and subsequently receives payment.

The payments are then disbursed to the employees deployed at the client place. In addition, the Company is in process of gradually implementing "Pay and Collect" model wherein the Company shall make disbursements in advance to the concerned personnel or beneficiaries followed by the raising of invoices and recovery of the corresponding amounts from the Client/Principal Employer in accordance with agreed contractual terms. As on November 30, 2025, it had 10,374 personnel (non-core employees) deployed at various locations of our customers.

Till date, it has served to approximately 25 customers, who are well-established and renowned companies having presence in national and regional operations. PHSL has been awarded from its clients for providing the services. As of November 30, 2025, it had 178 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book-building route combo IPO of 2184000 equity shares of Rs. 10 each to mobilize Rs. 17.04 cr. at the upper cap. The company has announced a price band of Rs. 74 – Rs. 78 per share. The issue consists 1800000 fresh equity shares (worth Rs. 14.04 cr. at the upper cap), and an Offer for Sale (OFS) of 384000 equity shares (worth Rs. 3.00 cr. at the upper cap). The IPO opens for subscription on February 06, 2026, and will close on February 10, 2026. The minimum application to be made is for 3200 shares and in multiple of 1600 shares thereon, thereafter. Post allotment, shares will be listed on BSE SME. The issue constitutes 30.29% of post-IPO paid-up equity capital of the company. From the net proceeds of the issue, the company will utilize Rs. 9.75 cr. for working capital, and the rest for general corporate purpose.

The IPO is solely lead managed by Marwadi Chandarana Intermediaries Brokers Pvt. Ltd., and Maashitla Securities Pvt. Ltd. is the registrar to the issue. Giriraj Stock Broking Pvt. Ltd., is the market maker. Marwadi Chandarana and Giriraj Stock Broking are the syndicate members.

After issuing the initial equity shares at par value, the company issued further equity shares in the price range of Rs. 919 – Rs. 6123 per share between October 2020, and March 2025. It has also issued bonus shares in the ratio of 250 for 1 in September 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 2.02, and Rs. 4.54 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 5.41 cr. will stand enhanced to Rs. 7.21 cr. Based on the upper price band of the IPO, the company is looking for a market cap of Rs. 56.25 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 256.36 cr. / Rs. 3.88 cr. (FY23), Rs. 281.92 cr. / Rs. 4.20 cr. (FY24), Rs. 283.69 cr. / Rs. 5.02 cr. (FY25). For 8M - FY26 ended on November 30, 2025, it earned a net profit of Rs. 5.13 cr. on a total income of Rs. 154.23 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. 9.25, and an average RoNW of 29.05%. The issue is priced at a P/BV of 1.80 based on its NAV of Rs. 43.23 as of November 30, 2025, but its post-IPO NAV data is missing from the offer documents.

If we attribute its FY26 annualized super earnings on post-IPO expanded equity base, then the asking price is at a P/E of 7.31, and based on its FY25 earnings, the P/E stands at 11.21. Thus, the issue appears reasonably priced.

The company has posted PAT margins of 1.52% (FY23), 1.50% (FY24), 1.77% (FY25), 3.33% (8M-FY26), and RoCE Margins of 42.51%, 40.35%, 38.30%, 26.76%, respectively, for the referred periods.

Dividend Policy

The company has paid dividends of 3571.43% (FY23), 11734.69% (FY24), and 10204.08% (FY25). It has adopted a dividend policy based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown ITCons E-Solu., Happy Square, Spectrum Talent, as its listed peers. They are currently trading at a P/E of 76.2, 11.4, and 32.8 (as of February 03, 2026). However, they are not comparable on an apple-to-apple basis. This comparison appears to be an eyewash.

MERCHANT BANKER'S TRACK RECORDS:

This is the 9th mandate from Marwadi Chandarana in the last two fiscals. Out of the last 8 listings, 2 opened at par, and the rest with premiums ranging from 1.20% to 90.00% on the listing date.

Conclusion / Investment Strategy

PHSL is operating comprehensive man-power solutions on a B2B model. The company marked growth in its top and bottom lines for the reported periods. It has 10374 employees deployed at various clients' places. Based on recent financial data, the issue appears reasonably priced. Small paid-up equity post-IPO indicates longer gestation for migration. Well-informed 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.

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