

Farm Peace IPO

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- The company is an integrated contract farming company specializing in processed-grade potato varieties.
- It is fully dependent on third-party contracts for its business.
- Based on its recent average financial data, the issue appears fully priced.
- Well-informed investors may park moderate funds for long term.

About the Company

Farm Peace Ltd. (FPL) is an integrated contract farming company specializing in processed-grade potato varieties like Santana, Frysona, Innovators, Lady Rosetta, and Chipsona, supplying processing companies for manufacturing French fries, chips, and other potato-based products. It offers comprehensive support to farmers, including seed selection, soil preparation, irrigation, pest management, and harvesting guidance. By aligning with regional agro-climatic conditions, the company helps farmers adopt suitable varieties, boosting productivity and reducing post-harvest losses.

FPL's buy-back arrangements and technical consultancy ensure a stable supply chain, improving farmer income and strengthening the processed potato value chain. Its story began in October 2021 with a simple idea: to build a farming model that reduces uncertainty for farmers while ensuring consistent, quality raw material for processors. From the start, it chose to focus on processing grade potato varieties which in turn are the key ingredients for frozen products like French fries, potato chips, and other value-added products. Contract farming is defined as an agreement between farmers and processing or marketing firms for the production and supply of agricultural products, frequently at predetermined prices.

As on date, FPL operates primarily in Gujarat, India, under the "Farm Peace" brand cultivating over 5,660 acres and producing 61,680 metric tonnes of potatoes annually. Supported by its proprietary Farm Peace mobile application, it ensures transparency, traceability, and efficiency across the entire crop cycle. With a dedicated team and strong farmer partnerships, it has been executing large-scale farming contracts for processors in sectors such as frozen foods, quick service restaurants and snack manufacturing, while embedding sustainability at the core of its operations.

It operates over a structured buy-back model under which the company provides farmers with certified seed varieties, agronomic support, and technical assistance throughout the life cycle of growing the processed-grade potatoes, while assuring them of buying their produce at pre-agreed prices. By combining traditional farming practices with modern agricultural techniques and digital

tools, FPL helps them improve yield quality, reduce post-harvest losses, and ensure consistent supply of quality raw material for processing applications.

It does not presently execute formal written contracts with farmers; instead, the arrangements are communicated through a written one pager circular/note in local language (i.e., Gujarati) that is published and distributed among participating farmers at the beginning of each cultivation season. This note specifies the applicable varieties of seeds, indicative price and delivery timelines, and serves as the basis of mutual understanding between the company and farmers. The communication is acknowledged verbally by farmers and evidenced through participation in seed distribution and harvest collection processes. As of July 31, 2026, it had 14 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden IPO of 5424000 equity shares of Rs. 10 each at a fixed price of Rs. 59 per share to mobilize Rs. 32.00 cr. The minimum application to be made is for 4000 shares and in multiples of 2000 shares thereon, thereafter. The issue opens for subscription on September 01, 2026 and will close on September 03, 2026. The shares will be listed on BSE SME. The IPO constitute 26.36% of the post-IPO paid-up capital of the company. The company is spending Rs. 4.20 cr. for this IPO process, and from the net proceeds of the issue, the company will utilize Rs. 23.00 cr. for working capital, and Rs. 4.80 cr. for general corporate purposes. Over 13% spending for IPO process indicates fully structured mode of the IPO.

The IPO is solely lead managed by Socradamus Capital Pvt. Ltd., while Bigshare Services Pvt. Ltd. is the registrar to the issue. Shreni Shares Ltd. is the market maker.

After issuing initial equity capital at par value, the company issued further equity shares in the price range of Rs. 150 – Rs. 222 between June 2024, and December 2024. It has also issued bonus shares in the ratio of 3 for 1 in August 2025. The average cost of acquisition of shares by the promoters is Rs. 7.90, Rs. 9.18, Rs. 10.03, and Rs. 13.18 per share.

Post-IPO, company's current paid-up equity capital of Rs. 15.16 cr. (15155296 equity shares) will stand enhanced to Rs. 20.58 cr. (20579296 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 121.42 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/net profit, of Rs. 62.75 cr. / Rs. 6.16 cr. (FY24), Rs. 79.98 cr. / Rs. 6.66 cr. (FY25), Rs. 90.84 cr. / Rs. 7.53 cr. (FY26). The company posted steady 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. 5.05 and an average RoNW of 26.20%. The issue is priced at a P/BV of 2.06 based on its NAV of Rs. 28.69 per share as of March 31, 2026 , but its post IPO NAV data is missing from the offer documents.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 16.12, and based on FY25 earnings, the P/E stands at 18.21. The issue appears fully priced based on its recent average earnings.

The company has posted PAT Margins of 9.85% (FY24), 8.41% (FY25), 8.29% (FY26) and RoCE margins of 88.04%, 33.74%, 26.64%, respectively for referred periods.

Dividend Policy

While the company has not paid any dividends for the reported periods of the offer document, it has already adopted a dividend policy in June 2025, 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 6th mandate from Socradamus Capital Pvt. Ltd., in the last three fiscals (including the ongoing one). Out of the last 5 listings, 3 opened at discount, and the rest listed with a premium ranging from 17.65% to 75.93% on the listing date.

Conclusion / Investment Strategy

FPL is an integrated contract farming company specializing in processed-grade potato varieties. It is fully dependent on third-party contracts for its business. It is spending around 13% for its IPO process, indicating fully structured mode of the IPO. Based on its recent average financial data, the issue appears fully priced. 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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