IPO REVIEW

Peshwa Wheat IPO

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- The company is engaged in the business of processing wheat based products and trading in vegetables.
- It is operating in a highly competitive and fragmented segment.
- The company reported growth in its top and bottom lines for the referred periods.
- Based on its recent average financial data, the issue appears fully priced.
- Well-informed investors may park moderate funds for medium term.

About the Company

Peshwa Wheat Ltd. (PWL) is engaged in the business of processing of wheat based products such as Atta – wheat flour, Sortex Wheat, Broken Wheat and processing of other flour products such as Gram Flour (Besan) and Maize Flour. The Company has presence in packing product segment (50 kg and 30 kg). It also utilizes the by-products and waste materials, such as wheat bran generated during manufacturing process for cattle feed. This approach ensures that its processing unit operates with zero waste and zero discharge. PWL currently operates with a modern, integrated flour processing unit equipped with advanced milling and cleaning technology located at Plot No.5, Industrial Area, Apparel Cluster, Bijepur, Indore, Madhya Pradesh-452002 with an installed capacity of 56100 MTPA, where the production of products is carried out.

Its operations are rooted in delivering good quality and hygienically processed flour products, supported by stringent quality control measures. The Company is accredited with State License under Food Safety and Standard Authority of India (FSSAI) and Centre License under Food Safety and Standard Authority of India (FSSAI). To demonstrate food safety commitment, it has received ISO 22000 -2018, for food safety management. Its in-house processing enables it to minimize production time, bring cost effectiveness, have an effective control over every stage of production process that allows continuous monitoring of product’s quality.

PWL markets and sells its products in B2B segment majorly in the states of Madhya Pradesh, Maharashtra, Karnataka and Gujarat. Its products are sold to Super Stockists who supplies to wholesalers and further the same is distributed among retailers and to customers who purchase its products in bulk quantity. This model allows it to cater to the needs of large scale buyers and establish long term business relationships.

Wheat, Chana Dal and Maize grains processing into flour involves several key steps. First, harvested grains are cleaned to remove impurities such as stones, chaff, and other foreign materials. The

cleaned grains are then tempered with water to achieve the desired moisture content, making it easier to separate the bran and germ from the endosperm. Next, the grains are milled through a series of rollers that progressively break down the grain into finer particles. The endosperm is ground into flour, while the bran and germ are sifted out and collected as by-products. The resulting flour is then subjected to quality control checks to ensure it meets specified standards before packaging and distribution.

The by-product of the aforesaid process, primarily wheat bran, is not wasted. Bran, rich in fiber, is often sold as a nutritional supplement for animal feed. The by-products are valuable commodities, generating additional revenue streams and contributing to waste minimization in the wheat processing. The Company is also engaged in the business of trading of vegetables such as potatoes and tomatoes. The supply and distribution of vegetables is carried out within the state of Madhya Pradesh. The Company sources these vegetables from suppliers, ensuring good quality and consistent supply. Its operations include procurement, quality control and distribution to meet the needs of market. As of March 31, 2026, it had 24 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 5299200 equity shares of Rs. 10 each to mobilize Rs. 53.52 cr. at the upper cap. The company has announced a price band of Rs. 95 – Rs. 101 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on September 24, 2026 and will close on September 28, 2026. The shares will be listed on BSE SME. The IPO constitute 27.85% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 26.50 cr. for working capital, Rs. 6.69 cr. for capex on purchase of plant and machineries, Rs. 5.01 cr. for capex on civil construction, and the rest for general corporate purposes.

The IPO is solely lead managed by Finaax Capital Advisors Pvt. Ltd., while Maashitla Securities Pvt. Ltd. is the registrar to the issue. Bhansali Value Creations Pvt. Ltd. is a market maker. Motisons Shares Ltd. is a syndicate member.

After issuing initial equity capital at par value, the company also issued further equity shares at a fixed price of Rs. 44.00 per share in January 2024. It has also issued bonus shares in the ratio of 1 for 1 in July 2024. The average cost of the acquisition of shares by the promoters is Rs. - (13.57), Rs. 2.40, Rs. 3.28, and Rs. 5.00 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 13.73 cr. (13728996 equity shares) will stand enhanced to Rs. 19.03 cr. (19028196 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 192.18 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 88.14 cr. / Rs. 5.74 cr. (FY24-two broken periods), Rs. 171.55 cr. / Rs. 11.84 cr. (FY25), Rs. 215.96 cr. / Rs. 15.81 cr. (FY26). The company posted growth in its top and bottom lines for the reported periods. Rising trade receivables year-on-year, raise alarms. Its contingent liability stood at Rs. 4.76 cr. as of March 31, 2026.

For the last three fiscals, the company has reported an average EPS of Rs. 9.39 and an average RoNW of 39.04%. The issue is priced at a P/BV of 3.22 based on its NAV of Rs. 31.37 per share as of March 31, 2026 , but its post-IPO NAV data is missing from the offer documents.

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 12.54, and based on FY25 earnings, the P/E stands at 16.24. The issue appears fully priced based on its recent average earnings. Bumper profits in pre-IPO Year (FY26), appears a window dressing to fetch fancy valuations for IPO.

The company has posted PAT Margins of 1.20% n 11.90% (FY24 – two broken periods), 6.90% (FY25), 7.32% (FY26) and RoCE margins of 10.33% n 29.24%, 34.44%, 33.44%, respectively for referred periods.

Dividend Policy

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

Comparison with Listed Peers

As per the offer document, the company has shown Baba Foods, Megastar Foods, as its listed peers. They are currently trading at a P/E of NA, and 32.0 (as of September 23, 2026). However, they are not truly comparable on an apple-to-apple basis.

Merchant Banker's Track Record

This is the 4th mandate from Finaax Capital, in the last two fiscals (including the ongoing one). Out of the last 3 listings, 1 opened at discount, and the rest listed with a premium ranging from 6.02% to 14.14% on the listing date. The merchant banker has an average track record.

Conclusion / Investment Strategy

PWL is engaged in the business of processing wheat based products and trading in vegetables. It is operating in a highly competitive and fragmented segment. The company reported growth in its top and bottom lines for the referred periods. Based on its recent average financial data, the issue appears fully priced. Well-informed investors may park moderate funds for medium 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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