Mohan Meakin Limited

COMPANY NOTE · ALCOHOLIC BEVERAGES & CONSUMER PRODUCTS · EST. 1855 · JUNE 2026 · CONFIDENTIAL

Promoted by the Mohan family (~67–68%) · Listed on the Calcutta Stock Exchange (thinly traded; trades chiefly in the unlisted / grey market) · CIN L15520HP1934PLC000135 · Regd. office: Solan Brewery, Shimla Hills, HP

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Summary

Mohan Meakin Limited (MML) — maker of **Old Monk**, India's iconic dark rum — is one of the country's oldest brewer-distillers, tracing to Asia's first brewery set up at Kasauli in 1855. In FY26 the company grew Revenue from Operations to **₹2,302 Cr (+7.0% YoY)** and Profit After Tax to **₹156.75 Cr (+52.7% YoY)**, with EPS of ₹184.23. It carries a fortress balance sheet — roughly **₹394 Cr of net cash & investments** (~18% of market capitalisation), near-zero debt, and net worth of ₹626 Cr. At the indicated market capitalisation of **₹2,169.66 Cr**, MML trades at ~13.8x FY26 earnings and ~3.5x book — a steep discount to listed spirits peers, reflecting its illiquidity, concentrated family ownership and thin public float rather than business quality.

₹2,302 Cr	₹156.8 Cr	~13.8x	~₹394 Cr	~25%
FY26 REVENUE	FY26 PAT (+53%)	P/E (FY26)	NET CASH & INV.	ROE (FY26)

Metric	Value
Market capitalisation (indicated)	₹2,169.66 Cr
Implied price per share (₹5 face value)	~₹2,550
Revenue from Operations, FY26	₹2,302 Cr · +7.0% YoY
Profit After Tax, FY26	₹156.75 Cr · +52.7% YoY
EPS (basic & diluted), FY26	₹184.23
Net worth, FY26	₹626 Cr · +33% YoY
Net cash & investments, FY26	~₹394 Cr (near debt-free)
Return on equity, FY26	~25% (on year-end equity)
P/E (FY26 · FY25)	~13.8x · ~21.1x
P/B (FY26)	~3.5x
EV / EBITDA (FY26, reported)	~8.1x
Promoter (Mohan family) holding	~67–68%

Per-share and valuation figures derive the ~85.08 lakh shares outstanding from paid-up capital of ₹425.42 lakh at ₹5 face value. FY24–FY26 financials are from the audited results for the year ended 31 March 2026 (auditor: Haribhakti & Co. LLP). Market capitalisation is as supplied; MML is not actively quoted on NSE/BSE, so no continuous market price exists.

— The thesis in three lines

1. **An iconic, under-monetised brand.** Old Monk — for decades among the world's largest-selling dark rums — anchors a heritage portfolio (Solan No. 1, Colonel's Special, Golden Eagle, Lion, Meakin 10000). The brand famously grew for generations on word-of-mouth with almost no advertising, leaving latent pricing, premiumisation (e.g. Solan Gold single malt) and re-marketing optionality that larger, marketing-led peers have already spent to capture.

2 **A fortress balance sheet earning high returns, priced cheaply.** MML holds ~₹394 Cr of net cash & investments (~18% of market cap), is effectively debt-free, and delivered ~25% ROE with FY26 PAT up 53%. Strip out the cash and the operating business trades at roughly 11x earnings — versus listed peers at 44–88x. The company is also asset-rich, sitting on legacy real estate at Solan, Mohan Nagar, Kasauli and Lucknow that is not marked to market.

3 **A model shift is lifting margins, and catalysts exist.** A growing franchisee / royalty and trading mix (excise expense fell sharply while purchases of stock-in-trade rose) improved gross margin ~270 bps to ~17.9%. Reported intent to re-list on NSE/BSE, continued premiumisation and export growth are potential re-rating triggers — but illiquidity, thin float, concentrated control, limited disclosure and a negligible dividend payout are genuine constraints, not footnotes.

1 Business Overview

MML is one of India's oldest continuously operating consumer-products companies. Its origins go back to **1855**, when Edward Dyer established a brewery at Kasauli in the hills of present-day Himachal Pradesh — Asia's first — later expanded and merged into the London-linked Dyer Meakin Breweries. In **1949**, industrialist Narendra Nath Mohan acquired control from the British shareholders; the flagship **Old Monk rum was launched in 1954** and grew into a cult brand. The company was renamed Mohan Meakin Breweries in 1966 and dropped "Breweries" in 1980 to reflect its diversification. It remains promoter-run under the third generation, with Hemant Mohan as Managing Director.

Brand portfolio. The alcoholic range spans rum (Old Monk and its extensions — Supreme, Gold Reserve, The Legend, Deluxe, plus Old Monk Cola/Cranberry/Mojito; Colonel's Special), whisky (Solan No. 1, Black Knight, Colonel's Special, and the premium Solan Gold Indian Single Malt), beer (Golden Eagle, Lion — one of Asia's oldest beer brands, Meakin/OM 10000, Asia 72), and gin/vodka/brandy (Triple Crown, Doctor's Reserve). A small non-alcoholic line covers Gold Coin juices, corn flakes, wheat porridge, vinegar, malt extract and glass bottles.

> **How the business actually earns.** MML runs three revenue streams: (i) own manufacturing at Mohan Nagar (Ghaziabad, UP) and Kasauli/Solan (HP), with bottling at Mohangram (Punjab) and Solan; (ii) **franchisee / tie-up manufacturing** across India, where third parties bottle MML brands and MML books largely royalty income — so reported revenue understates the true retail scale of the brands; and (iii) exports to roughly 13–21 countries (~18% of volumes in recent years). This franchisee-and-royalty tilt is a key reason margins can rise without proportionate top-line growth.

Segment mix (FY26). Alcoholic products contributed ~99% of revenue (₹2,287 Cr) and effectively all of the profit (segment PBIT ₹224 Cr, ~9.8% margin). The non-alcoholic segment remains small (₹15 Cr) and loss-making (segment PBIT −₹3.4 Cr) — a modest drag and, arguably, a candidate for turnaround or rationalisation.

Segment (FY26)	Revenue (₹ Cr)	% of revenue	Segment PBIT (₹ Cr)
Alcoholic products	2,287.3	99.3%	224.1
Non-alcoholic products	15.1	0.7%	−3.4
Total	**2,302.4**	**100%**	**220.7**

2 Financial Performance

The audited FY26 results show modest top-line growth but a sharp step-up in profitability, driven by mix, a shift toward the franchisee/trading model, and operating leverage. Reported profit includes a small one-off net exceptional gain of ₹1.71 Cr (₹2.10 Cr gain on sale of land at Kalka, less ₹0.39 Cr past-service cost from the new Labour Codes).

Profit & Loss (₹ Cr)	FY25	FY26	YoY
Revenue from Operations	2,151.3	2,302.4	+7.0%
Other Income	15.2	31.2	+105%
Gross margin (%)	~15.2%	~17.9%	+270 bps
EBITDA (reported, incl. other income)	~149	~219	+47%
Depreciation	9.9	10.5	+6%
Finance costs	0.7	0.8	—
Profit Before Tax (before exceptional)	138.2	207.5	+50%
Exceptional items (net)	—	1.7	—
Profit Before Tax	138.2	209.2	+51.4%
Tax	35.6	52.5	+48%
Profit After Tax	**102.6**	**156.8**	**+52.7%**
EPS (₹)	120.62	184.23	+52.7%

Balance sheet (₹ Cr)	FY25	FY26
Net worth (equity)	470.2	626.1
Borrowings (total)	4.3	4.3
Cash, bank & current investments	219.9	388.3
Inventories	150.5	161.3
Trade receivables	112.1	82.3
PP&E + CWIP	103.3	110.3
Total assets	651.9	814.0

Cash flow (₹ Cr)	FY25	FY26
Operating cash flow	96.5	167.8
Capex (PP&E purchase)	17.1	18.3
Free cash flow (approx.)	~79	~149
Investing cash flow	−89.5	−170.2
Dividend paid	0.8	1.3
Dividend proposed (/sh)	—	₹2.50
Payout ratio	low	~1.4%

FY26 investing outflow reflects cash being redeployed into current investments (₹124 Cr) and bank deposits rather than operating needs — i.e. the business generates far more cash than it spends. Revenue trajectory for context (approx., public/grey-market research; FY25–FY26 audited): FY21 ~₹1,099 Cr → FY23 ~₹1,771 Cr → FY25 ₹2,151 Cr → FY26 ₹2,302 Cr.

3 Peers & Valuation

Listed spirits companies are typically valued on earnings and cash-flow multiples (P/E, EV/EBITDA) rather than the price-to-premium metric used for insurers. On that basis MML sits at the very bottom of the peer range — closer to turnaround or deep-value names than to the premiumisation leaders — despite owning one of India's most recognisable brands. The gap is largely a **liquidity and control discount**: MML is not actively traded on NSE/BSE, the float is thin, disclosure is limited, and the promoter holds ~two-thirds.

Company	Mkt cap (₹ Cr)	P/E (approx.)	P/B (approx.)	Note
Mohan Meakin	~2,170	~13.8x	~3.5x	Old Monk; unlisted-market
United Spirits (Diageo)	~1,00,700	~55x	~11.5x	Premium leader
Radico Khaitan	~52,900	~88x	~16x	High-growth premiumisation
Tilaknagar Industries	~2,170	~44x	mod.	Post-restructuring turnaround

Peer multiples are approximate and indicative, drawn from public market data around June–July 2026; they move daily and should be verified before use. MML's ~13.8x is on audited FY26 earnings; peer figures are on trailing consensus earnings.

Illustrative valuation scenarios. Applying a range of P/E multiples to FY26 PAT of ₹156.75 Cr (~85.08 lakh shares) frames what a re-rating toward peers could imply. The ladder runs up to Tilaknagar (~44x) and United Spirits (~55x) parity; Radico Khaitan's ~88x is treated as a high-growth outlier and deliberately excluded as the ceiling. These are illustrative, not price targets, and do not adjust for the illiquidity/control discount that the market currently applies.

P/E multiple	Implied market cap (₹ Cr)	Implied per share (₹)
13.8x — current (indicated)	~2,170	~2,550
20x	~3,135	~3,685
30x	~4,700	~5,525
44x — Tilaknagar parity	~6,900	~8,105
55x — United Spirits parity (bull)	~8,620	~10,135

Cross-checks: EV (market cap less ~₹394 Cr net cash) ≈ ₹1,776 Cr, i.e. ~8x reported EBITDA and ~11x earnings ex-cash. Any monetisation of surplus real estate would be additive and is not captured above.

4 Key risks & what to watch

- **Illiquidity & price discovery.** No active NSE/BSE quote; shares change hands in the unlisted/grey market, so the "market cap" is indicative and exit can be slow. A genuine re-listing would be the single biggest re-rating catalyst — and its absence, the biggest overhang.
- **Concentrated control & governance.** ~67–68% promoter holding, limited public disclosure and a family-run structure mean minority interests depend heavily on promoter intent.
- **Capital allocation.** A large and growing cash pile with a ~1.4% payout raises the question of what the cash is ultimately for; low payout depresses the appeal for income-oriented holders.
- **Regulation & taxation.** State-level excise, licensing, periodic prohibition risk, advertising bans and exclusion from GST make the sector structurally high-friction.
- **Brand concentration & competition.** Heavy reliance on Old Monk; non-alcoholic drag; and well-capitalised, marketing-led rivals (United Spirits, Radico, Allied Blenders) contesting share.
- **Earnings quality nuance.** Part of the FY26 margin optics reflects a lower excise gross-up as volumes shift to the franchisee model, rather than pure volume/price gains — worth tracking in the disclosures.