

India

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Overweight (no change)**Highlighted Companies****Globus Spirits Ltd****ADD, TP Rs1646, Rs1163 close**

The broad policy requirements prevents Globus Spirits from entering the MML segment.

India Glycols Ltd**ADD, TP Rs2768, Rs1741 close**

The broad policy requirements prevent India Glycols from entering the MML segment.

Radico Khaitan Ltd**ADD, TP Rs3405, Rs2824 close**

Although the broad policy requirements prevent Radico Khaitan from entering the MML segment, the company's joint venture, which is operational in Aurangabad, could fulfil the requirements laid down by the Maharashtra government to operate in the MML segment.

Summary Valuation Metrics

P/E (x)	Mar26-F	Mar27-F	Mar28-F
Globus Spirits Ltd	15.8	10.6	9.1
India Glycols Ltd	22.0	17.7	15.5
Radico Khaitan Ltd	68.0	49.8	42.4
P/BV (x)	Mar26-F	Mar27-F	Mar28-F
Globus Spirits Ltd	2.8	2.2	1.8
India Glycols Ltd	2.1	1.8	1.6
Radico Khaitan Ltd	11.6	9.4	7.7
Dividend Yield	Mar26-F	Mar27-F	Mar28-F
Globus Spirits Ltd	0.3%	0.4%	0.4%
India Glycols Ltd	0.0%	0.0%	0.0%
Radico Khaitan Ltd	0.0%	0.0%	0.0%

Brewers

MML segment to redefine liquor landscape

- Maharashtra Made Liquor (MML) isn't just a new category, it's a strategic pivot.
- While media headlines were fixated on excise duty hike, MML quietly reshaped the state's excise policy to boost revenue and the local industry.
- MML could redefine the liquor landscape. We have done a study of the top 12 listed market-cap liquor companies and their potential to enter MML (Page 2).

Policy proposals

- To augment state excise duty revenue and modernize the liquor industry, the Maharashtra government constituted a committee under the Additional Chief Secretary (Home) to review successful excise duty models across India.
- Based on the recommendations submitted in the committee's report dated **22 Apr 2025**, the state government has introduced **Maharashtra Made Liquor (MML)** as a distinct sub-category under Indian Made Foreign Liquor (IMFL).

This strategic move aims to:

- Generate employment opportunities within the state.
- Enhance excise duty revenue.
- Revive and utilize dormant or underperforming distillery units.
- Bridge the price gap between traditional country liquor and premium IMFL products.

Licensing criteria for MML manufacturers

To ensure local economic benefits, the following production conditions must be followed:

- The registered head office of the company must be in Maharashtra.
- The company must have domestic investment, directly or indirectly.
- At least 25% of promoters/licensees must be Maharashtra residents.
- If a proposed IMFL brand is already being manufactured in another state, it is ineligible for MML production in Maharashtra.
- Leased units are allowed, but sub-leasing of manufacturing capacity is prohibited.
- Tie-up arrangements are permitted only for valid licence holders and under defined terms.

Our view

- The creation of the **MML segment** marks a watershed moment in the state's liquor policy, balancing **economic objectives** with **public health, local investment, and industrial revival**.
- We have done a study of the top 12 listed market-cap liquor companies and their potential to enter the MML segment (Page 2).
- If implemented effectively, MML could follow RML (Rajasthan Made Liquor) & UPML (Uttar Pradesh Made Liquor) as replicable models for other Indian states seeking to reform their liquor excise duty system.
- And for those who overlooked its significance way back in Jun 2025 — well, **we told you so**.

Figure 1: MML logo

SOURCE: MAHARASHTRA STATE EXCISE

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MML segment to redefine liquor landscape

Manufacturing and sales

Product-specific conditions for MML ➤

The state government has instituted several additional regulations to protect the integrity and identity of the MML category:

1. MML brands cannot simultaneously exist in other liquor categories (e.g., country liquor, beer, and wine).
2. Trademark registration must be completed under the Trademark Act, 1999 within a year of approval.
3. Only self-owned brands are allowed; third-party branding is prohibited.
4. Bottles must prominently display the MML logo, with design specifications issued by the Excise Commissioner.
5. All MML labels must state 'For Sale In Maharashtra State Only'.
6. Alcohol content:
 - MML Standard: 42.8% v/v (25 UP)
 - Vodka/gin variants: 37.5%–42.8% v/v (35–25 UP)

Licencing and sales channels ➤

- MML production can only begin after the state government's approval to the manufacturing process.
- Brand label registration may proceed after submitting proposals to the Excise Commissioner.
- MML will be sold via existing FL-2 (sealed bottle) and FL-3 (on-premises) licensees, just like IMFL.

Major listed liquor companies with MML potential

Figure 2: Top 12 companies by MCap along with MML policy requirements

No.	Company	Registered/Head Office in Maharashtra	CMP (Rs)	M-cap (Rs m)	Foreign Ownership	25% shareholding by Maharashtra residents
1	United Spirits	Bengaluru, Karnataka	1,291	9,39,373	Yes	No
2	United Breweries	Bengaluru, Karnataka	1,920	5,07,684	Yes	No
3	Radico Khaitan	Rampur, Uttar Pradesh	2,824	3,78,055	No	No
JV: Radico	Radico NV Distill. Maharashtra	Solapur, Maharashtra	-	-	No	Yes
4	Allied Blenders	Mumbai, Maharashtra	496	1,38,848	No	Yes
5	Tilaknagar Industries	Ahmednagar, Maharashtra	470	91,054	No	Yes
6	Piccadilly Agro	Karnal, Haryana	634	60,242	No	No
7	India Glycols	Kashipur, Uttarakhand	1,741	53,895	No	No
8	Globus Spirits	New Delhi	1,163	33,673	No	No
9	Som Distilleries	Bhopal, Madhya Pradesh	148	28,815	No	No
10	Sula Vineyards	Mumbai, Maharashtra	263	22,225	No	Yes
11	Associated Alcohols	Indore, Madhya Pradesh	1,029	19,732	No	No
12	GM Breweries	Mumbai, Maharashtra	678	15,501	No	Yes

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.