

Analyst Name – Jeet B Bhayani

SEBI Registration No- INH000018142

Trade View Report-



Published Date	March 6 th , 2026
Rating	BUY
Trade Type	Short Term
Stock Name	GMBREW
Entry Price	995-1000
Target	1100
Stop Loss Price	950
Target%	11%
SL%	5%

Rationale-

GM Breweries Ltd (GMBREW) is a leading Maharashtra-based manufacturer of country liquor (CL) and Indian-made foreign liquor (IMFL), holding a monopoly in key districts like Mumbai, Thane, and Palghar. Recent financials show robust quarterly growth in FY26, driven by margin expansion and volume gains, positioning it as a strong player in the regional alcohol market.

Registered Address- 37, Joy Narayan Santra Lane, Howrah 711101
Principal Officer- Jeet B Bhayani
Email- jeetbhayani2017@gmail.com

Updated Financials

- Market Cap: ₹2,388 Cr; Current Price: ₹1,045; P/E: 14.7x; Book Value: ₹431; Dividend Yield: 0.72%; ROCE: 18.1%; ROE: 14.6%.
- FY25 Revenue: ₹637 Cr (up from ₹615 Cr in FY24); Net Profit: ₹129 Cr (EPS ₹56.48); OPM: 18%; TTM Revenue: ₹715 Cr; TTM Profit: ₹163 Cr (EPS ₹71.44).
- Q3 FY26: Revenue ₹202 Cr (+22% YoY); Net Profit ₹42 Cr (+91% YoY); EBITDA Margin 26% (up from 17.7%); 9M FY26 Net Profit ₹103 Cr (+50% YoY).
- Almost debt-free; Cash Conversion Cycle: 21 days; Promoter Holding: 74.4%; Operating Cash Flow FY25: ₹162 Cr.

Growth Drivers

- Strong regional dominance as largest country liquor producer in Maharashtra with sizable market share.
- Capacity utilization ~55-56%, enabling operating leverage; plans for deeper distribution in interior Maharashtra.
- Recent momentum: 4 straight quarters of growth; Q3 FY26 revenue +25% gross, margins expanding via efficiency and pricing.
- Healthy cash flows and ROCE averaging 19% over 5 years; compounded profit growth 13% over 3-5 years.

Product Mix

- Primarily Country Liquor (CL): G.M. Santra (No.1 in Maharashtra for 12 years, premium molasses-based); G.M. Doctor (25-year market leader, sugarcane juice spirit).
- Flavored variants: Orange-flavored blends; Lemon-lime punch with spices/herbs (0.4 micron filtered).
- IMFL: Brandy (Pioneer Doctor, Special Doctor), Rum (Hot Shot), Whisky (Reporter Choice).

Investment Rationale

- Attractive valuation (P/E 14.7x vs. peers ~36x median); undervalued per intrinsic models with strong fundamentals.
- Margin durability from operational leverage and market moat; low dividend payout (11%) supports reinvestment.

Disclaimer-

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Intraday- Not more than one day

Short term – 0-15 days

Medium term – 1- 3 months

Long term – more than a Year

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