

## Company Business

Monika Alcobev Limited is a **leading player in the imported liquor sector**. The company specializes in **importing, sales, distribution, and marketing for luxury spirits, wines, and liqueurs** throughout India and the Indian Subcontinent, including Travel Retail Duty Free Shops. Key aspects of their business include:

- ✦ **Comprehensive Supply Chain Solution** : Monika Alcobev provides a complete supply chain solution through its robust distribution network. This operational framework includes managing the entire process from import, followed by sales and distribution across the region.
- ✦ **Brand Development and Marketing** : The company handles pricing, strategic planning, brand development, and marketing to ensure that each brand effectively reaches its target audience and achieves growth in the Indian and Indian subcontinent markets.
- ✦ **Exclusive Selling Rights** : Monika Alcobev holds exclusive selling rights for **more than 70 renowned global brands** for India and Indian Sub-continent countries. They serve as the key intermediary between these international products and Indian consumers.
- ✦ **Market Share** : The company maintains a 1.9% share in gin and geneva imports and is the top importer in the rum segment with a 12.3% market share, according to the Technopak Report.
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- ✦ **Geographic Reach** : Monika Alcobev operates both domestically within India, covering **more than 20 Indian states & Union Territories**, and internationally across countries in the Indian Subcontinent such as Nepal, Sri Lanka, and the Maldives.
- ✦ **Founding and Leadership** : The company was originally formed as a partnership firm named ‘M/s Monika Enterprise’ on February 12, 2015, and converted into a public limited company, Monika Alcobev Limited, on January 17, 2022. It was founded by Bhimji Nanji Patel and operates under the leadership of its Managing Director, Kunal Bhimji Patel, consistently working towards reshaping the alcoholic beverage landscape

Their business model and strategies emphasize expanding into new product categories by partnering with established international and emerging brands. They aim to drive higher consumption, tap into underserved urban and affluent segments, and achieve sustainable growth in both domestic and regional markets.

## Short Summary of the Industry

Monika Alcobev Limited operates within the **imported liquor sector** in India and the Indian Subcontinent. This industry is characterized by its focus on **premium and luxury alcoholic beverages**. Key aspects of the industry include:

- ✦ **Significant Growth** : India's premium and luxury alco-beverage segment has shown remarkable growth, expanding from **INR 12,291 Crores in 2019 to INR 28,751 Crores in 2024**. It is projected to reach **INR 50,000 Crores by 2029**, indicating a strong Compound Annual Growth Rate (CAGR) of 18.5% (2019–24), followed by sustained growth of 11.7% (2024–29).

## IPO Details

- ✦ Total Issue Size : 57,91,200 shares (Rs. 165.63 Cr.)
- ✦ Fresh issue : 47,91,200 shares (Rs. 137.02 Cr.)
- ✦ OFS : 10,00,000 shares (Rs. 28.60 Cr.)
- ✦ Issue Price Band : ₹271 to 286 per share
- ✦ Lot Size : 400 shares
- ✦ IPO Date : July 16–18 2025
- ✦ Pre IPO Promoters Holding : 79.96%
- ✦ Post IPO Promoters Holding : 62.09%

## Objects of the issue

- ✦ Funding working capital requirements of the Company : **Rs. 100.63 Cr.**
- ✦ Pre-payment or repayment of certain outstanding borrowings : **Rs. 11.45 Cr.**
- ✦ General corporate purposes.



- ✦ **Premiumization Trend** : There's a **shifting consumer preference toward premiumization** in the market, leading to an increased market share for premium and luxury segments, rising from 5.6% in 2019 to 8.8% in 2024 and expected to hit 10.0% by 2029. This trend presents significant opportunities for international liquor companies and importers.
- ✦ **Spirits Dominance** : In FY 2024, **spirits remain the dominant segment** in India's alco-beverage market, accounting for 66.3% of total consumption by volume.
- ✦ **Regulatory Framework** : The industry operates under a **complex licensing and excise framework**, with stringent regulations. State governments have the power to legislate and regulate the production, manufacture, possession, transport, purchase, and sale of intoxicating liquor and levy excise duties. This includes varied distribution models across states, from private distributor networks to state-controlled corporations.
- ✦ **High Barriers to Entry** : Due to the **complex and cost-intensive process of obtaining licenses and managing distribution** across multiple states, the industry has high barriers to entry for new companies.
- ✦ **Competitive Landscape** : The market is dominated by established domestic and international players, such as United Spirits (Diageo) and Pernod Ricard. Monika Alcobev has carved out a distinct position in the **premium imported spirits segment**.

Overall, the industry is dynamic, driven by evolving consumer preferences for high-quality brands and influenced by a diverse regulatory environment.

Financials of the company

(Fig. in Cr)

Particulars	March 31, 2025	March 31, 2024	March 31, 2023
Revenue from Operations	236.14	189.2	139.77
EBITDA	46.19	32.14	24.67
EBITDA Margins	19.56%	16.99%	17.65%
PAT	23.11	16.59	13.02
PAT Margins	9.79%	8.77%	9.32%
ROCE	16.21%	16.19%	25.92%
Debt to Equity Ratio	1.81	2.1	4.21
Operating Cash Flows	-25.92	-53.63	-6.15

Comparison with Peers

As per RHP no listed peers of the company.



## Risks

### Pros (Advantages & Strengths)

- ✦ **Leading Market Position** : Monika Alcobev is a leading player in the imported liquor sector, specializing in importing, sales, distribution, and marketing of **premium and luxury spirits, wines, and liqueurs**.
- ✦ **Extensive Brand Portfolio & Exclusive Rights** : The company holds **exclusive selling rights for more than 70 renowned global brands** in India and the Indian Subcontinent. This includes iconic names like Jose Cuervo (Tequila), Bushmills (Irish Whisky), and Rémy Martin (Cognac).
- ✦ **High Realization Per Case** : In FY 2024, Monika Alcobev achieved the **highest realization per case at INR 17,017** among comparable companies, reflecting its focus on a curated premium and luxury portfolio.
- ✦ **Strong Market Shares in Key Segments** : The company is the top importer in the rum segment with a 12.3% market share and holds a 19.0% share in tequila imports, along with significant shares in liqueurs (7.5%) and gin/geneva (1.9%).
- ✦ **Robust Distribution Network** : Monika Alcobev provides a comprehensive supply chain solution through its robust distribution network, operating in **more than 20 Indian states & Union Territories** and internationally in countries like Nepal, Sri Lanka, and the Maldives. They also operate **six strategically located bonded warehouses** in key Indian states, enhancing supply chain efficiencies and reducing dependency on third parties.
- ✦ **High Barriers to Entry** : The industry has high barriers to entry due to its **complex and cost-intensive licensing and excise framework** across various Indian states, which gives Monika Alcobev a competitive advantage due to its established presence and expertise.
- ✦ **Strong Financial Performance** : The company has shown significant growth in Revenue from Operations and Profit after Tax.

### Cons (Challenges & Risks)

- ✦ **Dependence on Exclusive Agreements** : The company relies heavily on **exclusive distribution agreements** for its portfolio of international brands. Modification, non-renewal, or termination of these agreements could significantly impact sales and profitability.
- ✦ **Receivables Management** : The business depends on the successful collection of payments from clients, and there have been delays, with Trade Receivable Days being 157 in FY2025.
- ✦ **Regulatory & Compliance Challenges** : The industry operates under a **complex licensing and excise framework** in India. There have been **certain delays in secretarial filings** which may be subject to regulatory actions and penalties.
- ✦ Negative operating Cash flows.
- ✦ High Debts





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