



Fratelli Wines is a joint Indo-Italian venture that marries Italian wine brewing tradition to favourable Indian cultivation conditions. Kapil Sekhri, co-owner, Fratelli Wines, tells us of the Fratelli story and the future of wine in India.

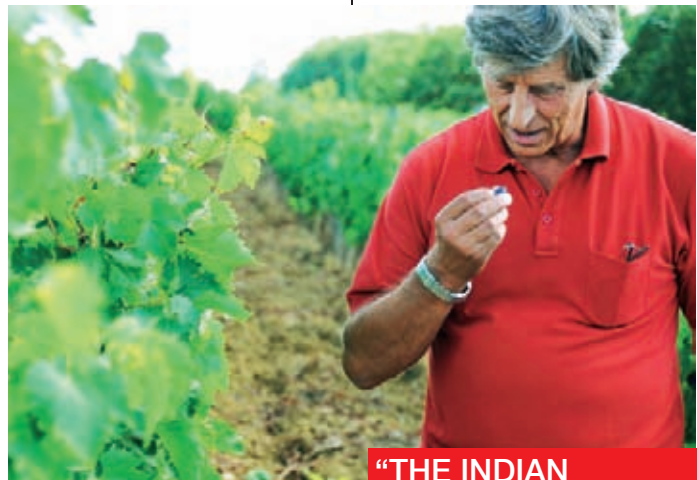
Interviewed by Nisha Samson

Un brindisi **all'Italia**

Can you elaborate on the Fratelli-India story, please? The entry in the Indian market, its growth since then, and the path the company will take in the next five years, considering the growing potential for wine in India.

"In wine there is truth, let the wines speak for itself"—A philosophy that brought wine enthusiasts together to pursue their passion for wine-making, with a dream to nurture it into a product that is par excellence. Rooted in Italian tradition and cultivated in Indian terrains, Fratelli Wines is a product of passionate labour, emotional toil and enthusiastic entrepreneurial spirit.

'Fratelli', which in Italian means 'brothers' was conceived in the hearts and minds of three families—the Secchi brothers, Alessio and Andrea; the Sekhri brothers, Kapil and Gaurav; and the Mohite-Patil brothers, Ranjit and Arjun, who



"THE INDIAN ALCOHOL CONTROL LAWS ARE A SYSTEM WE HAVE TO WORK WITH, AND WE COMPLETELY ABIDE BY THE LAID DOWN RULES."

formed a joint Indo-Italian venture that gave birth to what we know as 'Fratelli Wines'. The partnership brought in business and distribution capabilities along with the expertise of a long and historical association with the wine business in Tuscany.

Compared to the other countries of the world, consumption of wine in India is minimal, however, with increased awareness, exposure to the wine culture abroad and joint efforts by industry and corporates on wine education, consumption is growing at a healthy rate every year. This encouraged us to look at India as an important wine market with long term investment goals and highest levels of commitment, prompting us to ensure that every stage of winemaking in India is undertaken with the same zest and passion as that of an Italian winemaker.

We plan to achieve our installed capacity within the next three years of 80,000 cases of wine. Our aim at the moment is to better the quality rather than look at expanding after that.

Today, we are present in five markets with nine labels.

The Fratelli vineyards are planted with 12 different grape varieties. Can you elaborate on the terroir in Motewadi, Nimgaon and Garwad? Please give us details regarding the type of terroir in relation to the variety of grape Fratelli grows.

The minerality and porosity of Akluj soil helped Piero Masi, winemaker from Tuscany, in choosing this site. We have ensured from Piero's vast experience that the soil was further graded and worked upon as per the characteristic of the variety planted. Generally, more clay soils were chosen for white varieties and rocky mineral soils for reds.

Gentle slopes were carved out to let the soil breathe by avoiding dampness.



Please give us an insight into market and category level information on value, volume, and expenditure and consumption on wine in India and other emerging markets. Tell us your views on the last five years in the industry and then a forecast that covers the following five years.

The last five years have been a mixed bag, starting on a high and then finding it difficult to sustain the momentum with economic recession, and other factors. Also, a lot of substandard produce was out in the market that hampered the image of Indian wines across the globe. Thankfully, 2011 has

What's your wine market potential in India?

India is roughly a 1.4 million 9lts case market.

What are the opportunities and challenges you face with wine in emerging markets?

Lack of knowledge in wine consumers becomes an opportunity for non-serious players and a challenge to overcome for serious players.

Please give us details and numbers on Fratelli wine's investment and outlook for India in comparison to other emerging wine markets.

Capital for the vineyards has come from Sekhri and Mohite-Patil families, while capital for the winery has come from Sekhri, Mohite-Patil and Secci families. Banks have been supportive and given us financial closures in-time. We expect to retire all debt by 2015, though return on capital initially is low due to long-term gestation. But we're aware about the replacement cost of asset and low maintenance. Free cash being

“BY 2014, INDIA WILL BECOME THE TENTH LARGEST GROWTH NATION FOR WINE CONSUMPTION IN THE PERIOD, BOTH IN TERMS OF VOLUME AND VALUE.”

generated from 2014 onwards is very healthy.

What are the key consumer drivers of growth of wine sales in India?

The cultural shift seeing wine as a lifestyle product rather than an alcohol has been a key driver as per our feel of the market. Inquisitiveness to know more about wine has been phenomenal. Wine is definitely touching every urbanised Indian in some form or the other—be it consuming, serving or gifting.

Besides this, socio-economic changes across India's population base, growing international exposure, increasing awareness in print, television and social media, rise of modern retail and now gourmet retail, and growth of tourism and hospitality industry have boosted wine sales in India.





“IN SPITE OF INDIA’S HIGH IMPORT DUTIES, 2011 HAS SEEN PHENOMENAL GROWTH IN WINE CONSUMPTION COMPARED TO THE PREVIOUS TWO YEARS.”

been a year of resurgence for Indian wines and has closed on a very promising note.

Please give us details on how Fratelli Wines complement Indian food.

Like it complements other foods and cuisines, Fratelli Wines pair with Indian food very well. From tikkas, to heavy curries and biryanis that go well with our reds—Sangiovese, Merlot, Cabernet Sauvignon and Cabernet Franc Shiraz, the whites – Chenin Blanc, Sauvignon Blanc, Chardonnay, are perfect for, vegetarian meals and lighter meats. They also make a great aperitif.

Please elaborate on the various other regions you are present in.

We are currently present in Maharashtra, Punjab, Delhi, Rajasthan, and Chandigarh, and we are aiming to expand in 2012, into markets such as Goa, UP, Haryana, West Bengal, and Karnataka, etc.

Please give us key target markets/ geographies for Fratelli Wines.

Each market brings new sets of opportunities and challenges, and the way forward is carved keeping this in account. Mumbai and Delhi take a major share of the market, and these are places where Fratelli is already present.

However, the entire consuming class is evolving with tier-two cities having the same aspirations as tier one. Today, the Indian consumer is looking forward to new experiences and value for money across all categories of products.

For Fratelli, newer markets will be Haryana and UP (Gurgaon and Noida) that will give us the NCR coverage followed by Goa, Karnataka and West Bengal. Fratelli has a range of wines created for different audiences starting from ₹400 to ₹850. We will be also focusing on exports and targeting international markets, especially countries that are big on wine consumption but not known for wine production. 🍷

