



**FRATELLI**  
• VINEYARDS •

**Date: November 26, 2025**

**To,**  
**The Listing Compliance Department**  
**BSE Limited**  
P. J. Tower, Dalal Street  
Mumbai – 400001

**To,**  
**The Secretary**  
**Calcutta Stock Exchange Limited**  
7, Lyons Range, Kolkata 700001

**Scrip Code: 541741**

**Subject : TRANSCRIPT OF INVESTORS AND EARNINGS CALL HELD ON TUESDAY,  
NOVEMBER 18, 2025**

**Dear Sir/ Madam,**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation to our letter dated November 18, 2025, please find attached the Transcript of investor and earnings concall, held on Tuesday, November 18, 2025.

<https://investor-relations.fratelliwines.in>

This is for your information and records.

Thanking You,

**Yours Faithfully,**  
**For FRATELLI VINEYARDS LIMITED**  
**[formerly known as Tinna Trade Limited]**

**Mohit Kumar**  
**Company Secretary**  
**ACS 38142**

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**[Formerly known as TINNA TRADE LIMITED]**  
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## “Fratelli Vineyards Limited Q2 FY’26 Earnings Conference Call”

**November 18, 2025**



**MANAGEMENT:** **MR. GAURAV SEKHRI – CHAIRMAN AND MANAGING  
DIRECTOR, FRATELLI VINEYARDS LIMITED**  
**MR. ADITYA SEKHRI – DIRECTOR, FRATELLI  
VINEYARDS LIMITED**  
**MR. RAJESH GARG – CHIEF FINANCIAL OFFICER,  
FRATELLI VINEYARDS LIMITED**  
**MR. HEMANT ARORA – CHIEF BUSINESS OFFICER,  
FRATELLI VINEYARDS LIMITED**

**MODERATOR:** **MS. RIDDHI SHAH – GO INDIA ADVISORS**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Fratelli Vineyards Limited Q2 and H1 FY '26 Earnings Conference Call.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Riddhi Shah from Go India Advisors. Thank you, and over to you.

**Riddhi Shah:** Thank you, Steve. Good afternoon, everybody, and welcome to the Fratelli Vineyards Limited Earnings Conference Call to discuss the Q2 and H1 FY26 Results.

We have on call Mr. Gaurav Sekhri – Chairman and Managing Director, Mr. Aditya Sekhri – Director, Mr. Rajesh Garg – Chief Financial Officer, and Mr. Hemant Arora – Chief Business Officer.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be, therefore, viewed in conjunction with the risks that the company faces. May I now request Mr. Gaurav Sekhri to take us to the company's business outlook and the performance subsequently to which we will open the floor for Q&A.

Thank you, and over to you, sir.

**Gaurav Sekhri:** Thank you. This is Gaurav Sekhri. Good afternoon, everyone, and thank you for joining us today. It's always a pleasure to connect with all of you and share Fratelli's progress. As we look back at the first half of FY '26, the Indian wine industry has been facing some near-term headwinds. That said, our continued innovation is driving us forward.

Our latest launch in the wine-based Ready-To-Drink segment Shotgun is showing great promise. It is seeing encouraging traction, and within just 6 months of launch, it has already taken 6% market share and is steadily expanding the consumer base amidst industry headwinds.

By investing ahead of the curve and building a brand that resonates with Gen Z and millennials, we are strengthening a category that is now translating into solid traction in the market. As per the recent article published in the newspaper, RTD segment is poised to grow at 20% and Shotgun is very well positioned to capitalize on this opportunity.

We are also cautious of the ongoing FDA discussions, including the Australia agreement and the negotiations with the EU. We expect Indian government to not make any further concessions beyond what has been made to Australia, and we are already preparing our business ahead of time for this.

India may still be one of the most underpenetrated wine markets globally, and that is where lies the opportunity for companies like Fratelli. Consumer interest in wine continues to deepen. Premiumization is accelerating, and the category is steadily becoming a part of mainstream urban consumption. Over the last few years, we have completed majority of our core CAPEX, strengthened our vineyards and production capabilities and built a fully integrated value chain. This gives us scale, flexibility and cost structure, needed to operate confidently. More importantly, it enables us to deliver best-in-class wines to our customers and build strong brand loyalty.

Fratelli has remained focused on strengthening its core business and expanded its reach. In Q2, our revenue remained stable at approximately INR 46 crores. Even with temporary pressures in select markets, our business has turned EBITDA positive in Q2. And this has been brought about by our premium mix of products and efficiency initiatives. Our luxury range continued to perform exceptionally well in Q2, maintaining more than 50% market share in the segment delivering 18% year-on-year growth.

I am pleased to share with you that Fratelli Wines now is 1/3 of the Indian wine market. Our Luxury segment reflects the strength of Indian winemaking, and its highest expression, and we are encouraged by the consistent demand for labels such as J'NOON and Sette across key markets.

Our new launch Pinot Noir has been extremely well accepted, and it is now available in more than 1,450 outlets, further strengthening our presence in the premium space. On the domestic front, H1 FY '26 marked a period of steady progress. We expanded into Chhattisgarh, taking our footprint to 29 states and union territories.

UP, one of our most important growth markets delivered strong double-digit gains, and our CSD business continued its upward trajectory. Telangana and Karnataka saw a moderate decline due to industry-wide reset I mentioned earlier. But the underlying consumption trends remain healthy, and we are hopeful of good demand coming from these states as we get into the festive season.

Internationally, we expanded into new markets, including Australia, Mauritius and the Maldives. Exports contributed close to 3% of revenue in Q2, compared to 1% in the last year. And we see meaningful headroom from exports as Indian wines gain more recognition globally.

Margins remain steady and resilient. Gross margins for the quarter stood at approximately 79%, reflecting stable performance despite a shifting product mix. Our focus on operational discipline and a premium debt portfolio continues to support long-term margin health. Sustainability remains a core principle for us.

At our Akluj Winery, 45% of our energy requirements are now met through solar power, contributing in a meaningful way to cost efficiency as well as long-term environmental responsibility.

Beyond the core Wine business, innovation continues to be a key driver. We are preparing to launch a new sparkling wine in the Super Premium segment and a port style wine in the Value segment in Q3.

These additions will broaden our offering and cater to distinct consumption occasions. We are finalizing plans to build a boutique high-end resort on our 170-acre vineyard property in Garwad village, very close to our winery. We hope we can begin work in early 2026, and we hope that we will be able to open the resort in 2028. The first half of FY '26 has given us a steady foundation, and we look forward to building on this momentum in the months ahead.

With that, I will now hand over the call to Hemant, our Chief Business Officer, to take you through the operational and financial performance for the quarter. Over to you, Hemant.

**Hemant Arora:**

Thank you, sir. Thank you, everyone, for joining the call. Let me take you through our financial and operational performance for Q2 FY '26. Net revenue for Q2 stood at INR 46.3 crores, broadly in line with the INR 46.4 crores in Q2 FY '25. Despite the flat Y-o-Y number, underlying demand remained healthy, supported by our premium wine and steady attraction in RTD.

Shotgun has scaled well across the key states, backed by strong repeat offtake. As mentioned earlier, within 6 months of a launch, it has captured a 6% market share in track states and is now available across more than 6,000 touch points. The brand is present in 11 states with the expansion to 15 state target by end of FY '26. As our distribution widens, RTD are set to deepen our reach, bringing in the new cohorts, add incremental volumes.

Premium and super premium wines remained steady contribute through the quarter and supported overall margin stability. Gross margin for Q2 was 79% compared to 80% in Q2 FY '25, reflecting a marginal mix impact, but healthy margin performance overall.

From a profitability standpoint, Q2 EBITDA stood at INR 1.47 crores, compared to INR 1.32 crores in Q2 FY '25, reflecting an improvement despite continued investment in Shotgun, brand initiatives and systems.

Depreciation increased to INR 2.3 crores versus INR 1.9 crores over last year with the new assets coming online, while finance costs rose to INR 3.4 crores versus INR 2.8 crores owing to borrowing taken for expansion.

On the market side, the temporary disruption in Telangana due to retail license transition affected industry-wide volumes during the quarter. With the transition now complete, we expect a more normalized movement in H2.

As we look ahead, we expect the second half to benefit from our strongest season demand, improving state dynamics and the establishment of Telangana. Our priorities remain scaling Shotgun, strengthen our premium wine portfolio and driving operating leverage as volume build.

With that, we can now open the floor for questions. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Chetan with Systematix Group. Please go ahead.

**Chetan Sharma:** Thank you for the opportunity. Firstly, sir, we saw an impact in the business in Telangana and Karnataka. So, can you tell us how much is the share of revenue from these 2 states?

**Hemant Arora:** Hi, Hemant, this side. Telangana and Karnataka are a very high contributor for our business, around 20% contribution in our business. And that's why overall business impacted due to change in licensing policies.

**Chetan Sharma:** Got it. And sir, my question is on CAPEX now. So, this INR 100 crores CAPEX will be utilized for Hospitality business and brand building for RTD, right?

**Gaurav Sekhri:** Hi, Gaurav here. That's correct. We are envisaging this INR 100 crore CAPEX, the large part of it is for the hospitality project, because the bulk of our CAPEX for our core business of wine is already done.

**Chetan Sharma:** Okay. So, sir, can you specify like how much will be for RTD brand building?

**Gaurav Sekhri:** See, I think we will be able to give you more accurately in the next earnings call. We are still finalizing our budget. But my expectation is out of the INR 100-odd crores, about 70% will go towards CAPEX and the balance 30% will go towards brand building, just strengthening the balance sheet with some cash and liquidity.

**Chetan Sharma:** Okay. Got it, sir. And sir, again, on RTD, so for wine RTD, the TAM is say around INR 500 crores and our share is 6%. So, what is the target say for the next 2 to 3 years in terms of market share gain? And if you have any number at what rate this industry is growing?

**Gaurav Sekhri:** Hi, Gaurav again. So, as per a very recent article published in the newspaper, various agencies and consultants are predicting RTD market to grow at a clip of 15% to 20% year-on-year. In regards to our own projections, since we have only just launched and its early days, but we do expect our business, basis the response that we are getting and the repeat ratios to be double next year.

**Chetan Sharma:** Okay, sir. Sir, and just one last question. Does the 29% contribution from Value segment include Shotgun?

- Hemant Arora:** Hemant this side. In the bottle division, our premium consists more than 70% and 29% is value contribution.
- Gaurav Sekhri:** So, to answer your question, it does not include Shotgun.
- Chetan Sharma:** Okay, sir. Got it. Thank you so much.
- Gaurav Sekhri:** Thanks.
- Moderator:** The next question comes from the line of Deepesh Sancheti with Maanya Finance. Please go ahead.
- Deepesh Sancheti:** What is the current market share in wine in the Can segment, tilt? And how has this category evolved since launch?
- Hemant Arora:** Hi, Hemant this side. Like in wine category, we are present in almost 17 states, and we are a market leader because we have presence in more than 17 states now.
- Gaurav Sekhri:** Gaurav here, I would like to add that the sales for the wine in a can business or can sales are stable. They have not yet grown in any remarkable fashion. I must share that with you. And I think a large part of that is because we are the dominant players in this category. I think it would be good to see some other players also enter, so then category expansion happens. But at this point of time, this format is a little bit lost between the people who consume wine still are taking time to accept that it can also be consumed out of a can.
- And the people who don't really consume wine, for them, these cans are not an option. So, I think it's going to take a little bit more time. We are, I think, a little ahead in time with the cans category for Indian market. Saying that, this year, we have seen some very interesting response for export on the cans. And we have now sent 2 consignments into Europe and the response seems quite encouraging.
- Deepesh Sancheti:** How will your wine tourism strengthen the Fratelli brand over the medium term? And also, you mentioned that you are looking out for someone for the resort partnership. The whole CAPEX will be done by the person who's coming in? Or will it be done on the Fratelli side?
- Gaurav Sekhri:** So, on the wine tourism side, wine tourism is a very well-established concept globally, whether it is South Africa, Italy, France, etc. Even in India, there are good example of success in wine tourism. I think the brand building that happens, and the brand connect that develops is noteworthy. That is our primary attraction to get into this business.
- In regards to CAPEX, the CAPEX will be undertaken by Fratelli. And most likely, we will get an operator to come and operate the property as hospitality is not really our core business or our area of expertise.

- Deepesh Sancheti:** Right. And what revenue potential do you foresee in the Wine Tourism business over the next maybe 2 to 3 years and if not 2 to 3 years, then going ahead?
- Gaurav Sekhri:** I think it's a little premature to get into that today because, like I said, at this point of time, we have not completely committed to this. I think we can give you more clarity of this in our next earnings call.
- Deepesh Sancheti:** Okay. But you mentioned that you are planning to have a INR 100 crore CAPEX. What will be your debt situation? And how do you plan to put this kind of a CAPEX? Were you looking for a fundraise or something?
- Gaurav Sekhri:** We are thinking along the lines of doing a fundraise. So, we are still working on that idea. We are not intending to take any more substantial debt on our balance sheet.
- Deepesh Sancheti:** What is the debt situation right now? And what is the cost of debt?
- Gaurav Sekhri:** We have approximately INR 120 crores of total debt on our balance sheet, INR 37-odd crores is long-term debt, and the balance INR 83 crores is working capital and short term. Our average borrowing cost is approximately 10%.
- Deepesh Sancheti:** Okay. Let me come back in the queue for any further questions. Thank you so much guys.
- Gaurav Sekhri:** Sure. Thanks.
- Moderator:** The next question comes from the line of Manan Pamani with Mission Street. Please go ahead.
- Manan Pamani:** Thanks for the opportunity, sir. So, sir, firstly, on the impact of FTA now that we have some history. So, what is your observation on the market evolution, post the deal with U.K. And do we stick to the fact that the Indian domestic wine consumption will grow at a faster clip than, say, imports or some general industry observations that you might have. Then I will ask my second question.
- Gaurav Sekhri:** Sure. Thanks for the question. Firstly, in the U.K. FTA, Government of India has not made any concession for wine. Any concessions made is only on spirit. That's point number one. If we go by the FTA India has signed with Australia, there is protection for wines up to \$5 value per bottle. The duty remains unchanged at 150%.
- So, to that extent, we believe the Indian Wine business should continue to not face any unfair competition. There is that element that India is not really known for making wines. And if there is a flood of imported wines at very low value, then that can possibly adversely impact the business because of perception, not for any other reason. So, at this point of time, the FTA, what has been negotiated, what is under negotiation, I think the Indian Wine industry is okay with that.

I also think that there is a big challenge in the way wine is traveling and handled. And I think that works to the advantage of Indian origin wine, because the wines we are able to get to the market are very fresh and better handled versus wines which are traveling in containers and then lying around in ports and bonded warehouses, et cetera.

And I think the consumers, as they are getting more educated are realizing that just because something is imported, it is not necessarily of high quality. And I think handling of those wines also plays a role in it. So, these are some things to keep in mind in relation to the competition that exists between India and imported wines. I hope this helps your understanding.

**Manan Pamani:**

Certainly, certainly. Thanks sir. And sir, secondly, on the margin trajectory, I know we have been guiding for some numbers and solar, etc., would help us. So, over the quarter, are you on track to have further cost optimization that you had laid out? And are you guiding for any margin or may not be in the shorter term, but let's say, FY '27 or '28.

**Gaurav Sekhri:**

So, firstly, we are confident of achieving between 12% to 15% growth over the previous year in the current financial year. And if you see our performance quarter-on-quarter as well for the previous 3 quarters, our Q4 sales were INR 32 crores. Q1 was INR 37 crores. And now in Q2, it is INR 46 crores. So, we are acutely aware of how the business and the top line, etc., is performing.

And every business reaches an inflection point where the benefits of scale start showing in the operational efficiency. And I believe for Fratelli, that number is around INR 210 crores, INR 215 crores of top line. So, we are heading in that direction.

**Manan Pamani:**

Thank you, sir. And lastly if I may, on the Maharashtra WIPS, is there any change? And are we getting those benefits? And now that we are about to enter December-Jan, so for FY '27, again, should we expect similar number as FY '26?

**Gaurav Sekhri:**

Sure. My colleague, Rajesh, our CFO, is besides me. He will take this question.

**Rajesh Garg:**

Hi Rajesh, this side. Good afternoon, everybody. So, this benefit is continued, and we are getting this benefit in this year also. And this policy is up to March '28. So, like earlier, it was up to, let's say, March '23, and we got extension. So, we are hoping so, and we are in the same direction actually.

**Manan Pamani:**

Yes. So, we have only 1 unit, right, which has benefited, because we get benefit of what is sold in Maharashtra only, right? So, that number was somewhere around INR 8 crores to INR 12 crores, what you had said on the last call.

**Rajesh Garg:**

Yes, yes, yes, that's correct.

**Manan Pamani:**

Okay. Good. Thanks a lot sir, and best of luck.

**Rajesh Garg:** Thank you.

**Gaurav Sekhri:** Thank you.

**Moderator:** The next question comes from the line of Yash Bajaj with Lucky. Please go ahead.

**Yash Bajaj:** Yes. Thanks for the opportunity, and good evening. Sir, my first question is on just the overall wine industry is kind of going through, if I can say, like tough times in terms of growth if you compare to other categories in alco-bev. So, can you help us understand, is there any change in customer preferences? Yes, that's my first question.

**Gaurav Sekhri:** Hi. Gaurav here. I think you are absolutely right in your assessment. There has been some headwind in the overall growth of the wine sector, but I believe this is temporary. We are seeing pockets of growth which are showing excellent trends. And I think some regions take off a little bit earlier and some will follow later. Overall, I think the lifestyle associated with wine, that whole personality of consumption of wine is very much intact. We believe in it.

And I think in order for us to shorten the time period between us reaching our consumers and them graduating to having finer wines, our launch of Shotgun, which is a wine-based product is a way to attract and recruit consumers at an early stage when they come of legal drinking age, and they start drinking alcohol. And we firmly believe that the overall dynamics and factors relating to wine consumption in India is still intact, and we will see a revival within the next maybe 2 or 3 quarters.

**Yash Bajaj:** Understood. Understood. And just a follow-up to that, sir, so is there any kind of impact we face when it comes to shelf space at any of the outlets when other categories in alco-bev, suppose like whiskey, gin, vodka, when they become relatively more aggressive when it comes to pushing products, are we facing something around that?

**Gaurav Sekhri:** Not necessarily. I mean if you go to premium outlets in Indore city, you will see that a large amount of space is still given to wine, simply because of the depth of choice. So, I don't think wine is fighting for space with other spirits or beer.

We have seen growth in consumption in India in tequila, for example. So, a lot of young consumers are enjoying tequila, 2, 3, 4 years ago, they were enjoying gin, then they shifted to premium rums and that was a shorter phase and now they have sort of taken a shine to tequila. So, I think consumers will flirt with various options.

But I think when it comes to alcohol beverage to enjoy with your meal, it is still really wine. People drink spirits anywhere in the world with their food. So, I think wine has its own very unique spot within the alco-bev space.

- Yash Bajaj:** Okay. Understood, sir. Sir, my second question is, as of today what is our touch number in terms of point of sales today? And what do we expect in the next 2, 3 years? How should we think about increasing our point of sales?
- Hemant Arora:** Yes. Hi, Hemant this side. Currently, we have a touch point of 25,000 as of now, but yes, with the help of RTD Shotgun within the launch, we reached 6,000 touch points alone as a Shotgun. And within Shotgun, we have increased our WT15 touch points. So, our estimation will be soon to reach between around 28,000 to 30,000 touch points.
- Yash Bajaj:** Okay. Understood. Understood, sir. And how should this number look like in the next 2, 3 years?
- Hemant Arora:** Definitely it will grow further. But can't give a guidance, but definitely we will grow further because the Shotgun is a product which we can sell to even like a C and B class category of the shops where we are not available as a wine category.
- Gaurav Sekhri:** Yes. Gaurav here. I just want to little add to what Hemant just said in the end, the last sentence that within the touch points for alcohol, wine is a premium product and only the premium outlets is where typically historically, we only get placed there. But now with Shotgun, we have a very interesting opportunity to penetrate into the other non-premium outlets as well and at least some of our value wines can go along with Shotgun, and that increases our reach.
- Yash Bajaj:** Understood. And the last question is 3%, 3.5% EBITDA margin, and we are a healthy 80% gross margin. So, which line items are in P&L where you see benefit kicking in because of operating leverage once you reach INR 250 crores, INR 300 crores kind of revenue run rate?
- Gaurav Sekhri:** Like any other business, even in our business, there are many fixed costs relating to brand investments, relating to money paid to retail outlets for shelf displays or for listings in hotels and restaurants. So, that gets spread much, much more efficiently as the top line increases, and that benefit should accrue.
- We are, I think, more efficient than our peers when it comes to gross margin level, our administrative costs and things like that. So, I think some of those benefits also we will start seeing as the top line grows, we will be able to translate that into a higher degree of conversion to a better EBITDA margin.
- Yash Bajaj:** Understood. Understood. Sorry, just one final question is of our total revenue, how much will be off and on-premise?
- Gaurav Sekhri:** We have been very consistent as a business actually on that front. About 65% of our revenue is from retail and about 35% is from on-trade.
- Yash Bajaj:** Okay. That's all from my side. Thank you so much for answering my questions.

**Gaurav Sekhri:** Thank you.

**Moderator:** The next question comes from the line of Smith Gala with RSPN Ventures. Please go ahead.

**Smith Gala:** Thanks for the opportunity. My concern was that we are into the business of wines, it's a very dynamic business, the impact which we saw in Telangana or there will be some elections going around was there in Maharashtra, the BMC elections coming, West Bengal is around the corner. So, there will be kind of impacts.

I think we should be more proactive in terms of our planning. So, these kind of outside events don't impact our business potential and UK FTAs around the corner, etc. So, what is your view on it? Can the company or the business be more proactive to using the impact on these kind of events.

**Gaurav Sekhri:** Your voice sort of comes and goes. So, I didn't fully understand your question. But let me attempt to answer to the extent I have understood. As a business, you see there are some external factors, events like FTA, etc. These are larger macro government level events, state elections or those kind of disruptions. We can at best prepare ourselves and be ready for such events. But I don't think there is a way to avoid these events, because it is not in our hand.

**Smith Gala:** Okay. And on the business, also since this is a kind of a market which is evolving, it is gaining traction. So, there is this need of entering into newer products is required. And the balance sheet at this point in time does not show that kind of strength. We have been gaining market share, etc., in the products which we launched, but it seems the continuous process seems to stick for a longer term. So, how do we look at that?

**Gaurav Sekhri:** Again, your audio is not very clear. But I think when it comes to innovation, I think you were sort of talking about how one company can innovate to have more reach. I think that is how I understood your question. I mean there, whether it was wine in a can or it is launching of an RTD, we are ahead of the curve.

Even in terms of the Bottles business, Fratelli was the company which first launched a wine at around INR 2,000 MRP with Sette, then launched J'NOON at INR 4,000 MRP, which today is still the most premium and the second most premium Indian origin wine. So, we have always tried our best to remain ahead of the curve. And at this point of time, we are not missing any opportunities for lack of whether will or manpower or financial bandwidth.

**Smith Gala:** Okay. That's all from my side.

**Moderator:** Thank you. The next question comes from the line of Nitin from Emkay Global. Please go ahead.

**Nitin:** My first question is around the RTD segment, which is sized at INR 500 crores. So, can you throw some light around who all are the bigger players in this market?

- Gaurav Sekhri:** RTD segment, our product is called Shotgun, which has just been launched. Here, the market leader by a long shot is a product called Bro Code, which was launched at least 5 or 6 years ago. And everyone else, I think, are, in our view, regional and not really so relevant. Therefore, we see a clear opportunity and us having the assets and the capability to manufacture and make this product in-house, we feel we have a clear edge. And certainly, we would like to believe that our product is superior and offers a far greater customer experience. So, that's what I can share with you on the RTD category for wine.
- Nitin:** Sure sir, this is helpful. And with respect to Shotgun, so like I have seen Bro Code is a mix of beer and wine. So, I am not able to see the formulation. So, just a thought around the formulation and plus how is the taxation for this product?
- Gaurav Sekhri:** So, I can't comment on Bro Code and its formulation, but I do believe that is a wine-based product. There is no beer in it. And our product Shotgun is also 100% wine based, yes.
- Nitin:** So, it is only wine you are saying? It's not a mix of drinks.
- Gaurav Sekhri:** No, no.
- Nitin:** Okay. All right. This is really helpful. The second question pertains to like in the low alcoholic beverages, we see that the beer as a market is quite big compared to the wine, one sort of consumption trend, what we have seen is like the pint bottle of beer is like have seen a good adoption by the single consumer, like a one-time consumer. So, while in case of wine, like for an individual consuming the entire bottle at one go is not viable. So, don't you think if we can sort of introduce pint bottles that will help develop the category?
- Gaurav Sekhri:** So, in the Wine business, we do have pint size bottle as well. We do 180 ml and 375 ml bottles. And of course, the regular wine bottle is 750 ml. So, we already have that.
- Nitin:** What would be the salience of that, 180 ml and 375 ml?
- Hemant Arora:** Frankly, the large chunk is contribution from 750 ml, which should be around 75% then pint and nips.
- Nitin:** Okay. So, that way, like even the SKUs are available in the market, but it does not help much in terms of...
- Hemant Arora:** No, no, but you can get that in the market, because pint is there and the nips is there. The Shotgun is 330 ml.
- Nitin:** Shotgun anyway is like, yes, 330 ml, yes. And my last question pertains to your Luxury segment. How big is the Luxury segment where we have more than 50% market share?

- Hemant Arora:** Yes. In the Luxury segment, from our top line, it contributed around 13% of our total topline.
- Nitin:** 13% to our top line. So, we will have to double it to get the overall category size, the Luxury segment?
- Hemant Arora:** No, no. Our Luxury and Super, total contribution is 13%.
- Nitin:** Yes. So, I was just referring to like since we have highlighted more than 50% market share, we have in this Luxury segment, so what would be the size of the Luxury segment in wine?
- Hemant Arora:** You can say it's in the Luxury segment above INR 2,000 only Fratelli is available, then there is a product like Moët & Chandon sparkling category is there. But in the red and wine category, we are dominating.
- Gaurav Sekhri:** But yes, I think your math is right. The total category probably is about INR 50 crores for wines which are above the INR 2,000.
- Nitin:** Okay. So, this is really helpful. Thanks a lot. All the very best.
- Moderator:** Thank you. The next question comes from the line of Abhishek Benkar with Genuity Capital. Please go ahead.
- Abhishek Benkar:** I have few questions. My first question is how is the wine culture in India evolving? And what initiatives are companies taking to deepen awareness and expand the consumer base?
- Gaurav Sekhri:** Fratelli since inception has done and continues to do a lot of programs like wine tasting, we have brand ambassadors who are doing sessions for bringing more knowledge around wine, making people more familiar around wine as a product. So, we participate in various culinary events as well, because the connect of wine with food is very strong. So, Fratelli does a lot of work in this area, and it is showing results.
- And we have seen pockets or smaller towns like Lucknow a few years ago started showing a very good trend of increase in consumption, we have seen that in other smaller cities as well. Major cities, of course, already has a reasonable degree of awareness. So, these are the kind of efforts Fratelli does almost on a monthly basis.
- Abhishek Benkar:** Okay. And also, now that we are EBITDA positive, so how do you think EBITDA will progress in the future? And what margin expansion initiatives are underway?
- Gaurav Sekhri:** We are looking to grow about 10% to 15% this year versus last year. And this will, of course, bring operating efficiencies to the bottom line. And next year, along with Shotgun, we expect to continue with this trajectory of growth. It is, I think, premature to predict and tell you today what

it will do to our EBITDA in percentage terms. But definitely, that benefit will be visible even after Q3 and even more after Q4.

**Abhishek Benkar:** Okay. Yes. Thanks. And another question, like you have mentioned in your opening remarks that there were some new launches. So, which markets are we targeting first? And also currently, which markets we are earning revenues a major portion from?

**Gaurav Sekhri:** So, in terms of new launches, as I mentioned in my opening remarks, we started Chhattisgarh state where we were not present. Also in new launches, I would include and inform you that we launched Pinot Noir wine, which is a great varietal wine, which we did not have in our portfolio, and we launched that a few months ago.

We have a few other projects like that in the works to complete the gaps, some of them we will see in very early part of next year. So, this is as regards to new launches of products and in territory. And what was the second part of your question?

**Abhishek Benkar:** Which markets do we have the largest revenue contribution?

**Gaurav Sekhri:** So, in terms of the largest revenue, it is the same as for everybody in the Wine business, places like states like Maharashtra, Karnataka, Delhi, Telangana. These are states which have higher wine consumption. As a result, we also have higher sales in these states.

**Abhishek Benkar:** Okay. Yes. That answers my question. Thank you, sir.

**Gaurav Sekhri:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Prathna Paris with Altis. Please go ahead.

**Prathna Paris:** Sir, my first question is how the Shotgun performed since launch? What consumer traction are we seeing, and which markets is it currently available in? And what is the rollout plan from here for Shotgun?

**Hemant Arora:** Yes, sure. Hi, Hemant this side. We have launched Shotgun 11 states. We started from Kerala and West Bengal. And total touch points as of now for Shotgun, is 6,000 touch points we have as of now, and our target to reach by end of Q3 15 states. And this RTD product with 15% alcohol and 330 ml.

**Prathna Paris:** Okay. All right. My next question is what is the current revenue rate of the RTD Shotgun portfolio? And how should we review the RTD segment contribution to overall revenue for the next 2 to 3 years.

- Hemant Arora:** As of now, RTD revenue approximately in H1 is INR 10 crores, and definitely it will continue to see improving trend. And next 2, 3 years we definitely expect a good growth in this segment, around 20% plus.
- Prathna Paris:** Okay. All right. Two more questions. What was the volume growth trend in the premium and super premium categories in Q2 FY '26 and which core markets are driving this momentum?
- Hemant Arora:** As we mentioned that in the Luxury segment, we grew by 18%. In the super premium, we are single-digit growth. But in Premium segment, it's remained flat as of now.
- Prathna Paris:** Okay. Just one last question, what has been the revenue impact of the Telangana disruption? And when do we anticipate normalization?
- Hemant Arora:** It will be normalized by 1st December, because all the licenses will be allotted by end of November. And from 1st December, the operation will be normalized and the impact in the top line is around 4% to 5%.
- Prathna Paris:** Okay. Just one last question. How are you going to raise the money for the CAPEX.
- Gaurav Sekhri:** So, Gaurav, Sekhri here, ma'am. We are considering some sort of widespread is our initial thought, but it's early days. We are looking to do it via equity and not by debt. Like I said, the majority part of the CAPEX is for the hospitality project, because most of the CAPEX, bulk of our CAPEX for our core business is now done.
- Prathna Paris:** All right. Thank you for taking my question. Thank you very much.
- Moderator:** Prathna ma'am does that answer your question.
- Prathna Paris:** Yes. I am done.
- Moderator:** Thank you. We have a follow-up question. It's from the line of Yash Bajaj with Lucky. Please go ahead.
- Yash Bajaj:** Yes. Thanks for the follow-up. Just one question was, can you give the volume number for first half for this year versus also last year?
- Gaurav Sekhri:** What do you mean by volume number, can you clarify?
- Yash Bajaj:** Number of cases.
- Gaurav Sekhri:** Our Shotgun business already is around 50,000 cases. And our Bottles business is approximately about 175,000 cases.
- Yash Bajaj:** Okay. Sorry, just a clarification, volume number would have been flat on a Y-o-Y basis broadly?

**Gaurav Sekhri:** Yes. For the Bottles business, it is a flat number. And of course, Shotgun is incremental numbers.

**Yash Bajaj:** Got it. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, this was the last question. I would like to hand the conference over to the Management for closing comments.

**Gaurav Sekhri:** Thank you, everyone, who have joined us today and for sparing your valuable time and the interest in our company. We wish you a wonderful day ahead and look forward to connecting again in our next earnings call. Thank you.

**Moderator:** Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.