



Date: August 17, 2026

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

Scrip Code: 541741

Subject : Transcript of investors and earnings call held on Friday, August 14, 2026

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we are enclosing herewith the transcript of investor and earnings call, held on Friday, August 14, 2026 at 04:00 PM on the unaudited Financial Results and operational performance of Fratelli Vineyards Limited for the first quarter ended on 30th June, 2026 (Q1/FY 2026-27).

The aforesaid transcript is also available on Company's website at following link:-

<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]

MONIKA

GUPTA

Monika Gupta

Company Secretary

FCS 8015

Digitally signed by
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Date: 2026.08.17
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[Formerly known as TINNA TRADE LIMITED]

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“Fratelli Vineyards Limited
Q1 FY '27 Earnings Conference Call”
August 14, 2026



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: **MR. AADITH – GO INDIA ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Fratelli Vineyards Limited Q1 FY27 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand over the conference to Mr Aadith. Thank you, and over to you, sir.

Aadith: Thank you, Pari. Good afternoon, everyone. It is my pleasure to welcome you on behalf of Fratelli Vineyards Limited. Thank you for joining us today for Q1 FY27 Earnings Call. We have on the 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. Please note that today's call discussion may include certain forward-looking statements and must therefore be viewed in conjunction with the risks that the company faces.

I would now like to hand it over to the management for opening remarks. Thank you, and over to you, sir.

Gaurav Sekhri: Thank you, and a very warm welcome to everyone joining us today. Am I audible?

Moderator: Yes, sir, you're audible please, proceed.

Gaurav Sekhri: Yes. Good afternoon, everyone. With India approaching its 80th Independent Day, there is a strong sense of optimism around the country's growth story, and my best wishes to all proud Indians on the Independent Day tomorrow. At Fratelli, we are immensely proud to be an Indian wine brand that is building a strong presence across the domestic market and on the global stage.

It was a particularly proud quarter for Fratelli and Indian wine as Fratelli became the first Indian winery to get 5 wines with 90-plus points at the prestigious Decanter World Wine Awards, further validating the quality of Indian wines and the strengthening and credibility of our brands, both in India and internationally.

We have started FY27 on a positive note, expanding our presence into 2 new geographies and building on the positive EBITDA momentum achieved in FY26. We delivered a resilient start to the year, reporting a positive EBITDA of INR1.1 crores in Q1 FY27. Turning to 2 growth engines of our business, wines and the RTD segment, both delivered healthy momentum in the first quarter. Core wine business grew by approximately 8%, while the RTD business more than doubled. Overall revenue grew by 22% year-on-year.

Our premium and above portfolios contributed 71% of bottle revenue in Q1 FY27, a mix we have been able to maintain consistently. Super Premium category grew by approximately 7% year-on-year during the quarter, where our flagship brand, J'NOON, growing over 36% year-on-year, driven by strong momentum across the portfolio.

Within the Luxury segment, Fratelli continues to maintain its market leadership. This performance reaffirms Fratelli's position as a category creator and a leading player in India's luxury wine segment. We are also seeing encouraging traction from the brands we launched last fiscal, particularly in terms of geographic expansion.

The Sette 15th Anniversary Limited Edition in collaboration with Manish Malhotra is now present across 7 states since its launch in January. Fratelli Brut has expanded from 4 states to 9 states, and we will expand it to 15 states by end of H2. Once these brands gain distribution, they can build good traction in the market, so expanding their geographic presence will remain an important growth lever for us.

In addition, Shiraz Cabernet, which was launched in April 2026, is already registered across 11 states and seeing very good response. Coming to our Value portfolio. This segment delivered strong growth of 26%. The Value portfolio helps us maintain our presence in Tier 2 and Tier 3 cities, while giving consumers an entry point into the Fratelli portfolio with the opportunity to trade up over time.

Coming to our RTD business, which has really emerged as a success story for us and is becoming an important growth engine for the company, Shotgun sold approximately 50,000 cases in Q1 and continues to deliver strong market traction, doubling sales year-on-year basis.

During the quarter, we added Chhattisgarh and Karnataka, taking our footprint to 22 states. So a large part of our runway here is simply about taking Shotgun deeper into the distribution network that we already have. We now have 4 unique favors, and Shotgun Jamun is slated to be launched in Q2 of FY27.

Overall, we remain well on our way towards our ambition of crossing 200,000 cases of sale of Shotgun this financial year versus about 80,000 cases in the last year. I should also reiterate the success we are seeing with our CSD listings. The Army Canteen or the CSD business contributed approximately 8% of our top line in Q1. Tilt Red, Tilt Bubbly Rosé and Shiraz Rosé, which were listed in Q4 in the Army Canteen have debuted strongly.

Tilt is particularly significant for us as it is the first wine in a can product to be listed in the Army Canteen. Merlot and Noi sparkling wine will begin from Q2, while Shotgun Strong is expected in H2, so we expect CSD to become an increasingly meaningful contributor through the year.

Internationally, we are now present in 17 countries where exports of Tilt and Shotgun have also commenced along with our bottles business. Overall, we are encouraged by the way FY27 has started. The wine business continues to strengthen its premium positioning. RTD business is helping us give us scale. Our distribution footprint is expanding, and we are beginning to see the benefits of efficiency and scale come through in profitability.

With that, I hand over to Aditya to take you through the operating and financial details. Thank you.

Aditya Sekhri:

Thank you, and good afternoon, everyone. Let me take you through the financial performance for the quarter. We delivered robust revenue growth in Q1 despite temporary regulatory challenges in Delhi and Uttar Pradesh. Delhi was impacted by delays in label registrations while Uttar Pradesh saw some changes in the excise policy during the quarter. These are essentially procedural matters, importantly not a reflection of any weakness in demand.

Strong performance across Chandigarh, Haryana, Telangana, Odisha and Pondicherry offset some of that impact. With these temporary headwinds largely behind us, we remain confident in the strength of our underlying business and our growth trajectory remains firmly intact.

Net revenue from operations increased to INR46 crores approximately in Q1 FY27 from INR37 crores, representing approximately 22% year-on-year growth and approximately 25% sequential growth over INR36.3 crores recorded in Q4 FY26. The growth was driven by both parts of the business. The wine business grew approximately 8%, while RTD more than doubled.

We largely maintained a gross margin at 80% despite the change in product mix. EBITDA for the quarter stood at roughly INR1 crores compared to an EBITDA loss of INR2.3 crores in Q1 FY26. Brand investments remained disciplined during the quarter with the focus weighted towards the RTD portfolio as we continue to build Shotgun and continue to launch it in more markets.

Depreciation was INR2.5 crores compared to INR2.3 crores in the same quarter last year, broadly in line. Finance cost was INR3.8 crores compared to INR3.1 crores, primarily reflecting borrowings taken for working capital as the business continues to scale.

Overall, with revenue continuing to grow at over 20%, gross margins at the upper end of our guided range and our cost base already geared up for a much larger business, we remain on track towards our Vision 2030. We believe Q1 is an encouraging first step towards our objective, and we remain focused on delivering profitable growth as the business scales.

With that, I would request the moderator to open the floor for future questions. Thank you.

Moderator:

Thank you very much. We will now begin the answer and question session. The first question is from the line of Heer Gogri from Choice Institutional Equities. Please proceed with your question.

- Heer Gogri:** Hello. Thank you for the opportunity. Wanted to ask with the RTD sales doubling Y-o-Y, what revenue contribution are we expecting from Shotgun at the year-end FY27?
- Gaurav Sekhri:** Shotgun on its own should roughly contribute about 10% of our overall top line by end of this year.
- Heer Gogri:** Okay. Got it. And what EBITDA margin are we expecting for this year and next year as well?
- Gaurav Sekhri:** Gross margin for Shotgun?
- Heer Gogri:** Yes.
- Gaurav Sekhri:** Gross margin for Shotgun will be along the lines of about 70%.
- Heer Gogri:** Okay. Got it. And I was asking about the EBITDA margin, the outlook for the same for FY27 and 2028.
- Gaurav Sekhri:** Our EBITDA margin for the year projected is around 5% to 6% for the year.
- Heer Gogri:** Okay. Got it. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Randhir Kumar Singh from Randhir HUF. Please proceed with your question.
- Randhir Kumar Singh:** Hello?
- Gaurav Sekhri:** Yes, please go ahead.
- Randhir Kumar Singh:** Thanks for taking my question. Sir, I want to know one thing, in our wine segment, is it fermented wine or fruit-flavored wine, sir?
- Gaurav Sekhri:** I think your question, sir, is whether we do fortified wine or not. Wine is all made from fermentation only, but I think your question is, are our wines fortified or not. Is that your question?
- Randhir Kumar Singh:** No, sir. My question is, sir, one wine segment, there is a flavor called Jamun. So, is it aromatized or fermented? Because regarding this, some regulation has come from FSSAI that you have to sell it with labeling.
- Gaurav Sekhri:** We have no impact, sir, as part of those regulations, there's no impact on our wine business at all. It is there for other categories that you are talking about.
- Randhir Kumar Singh:** Okay. And sir, one thing, our EBITDA margin, as you just said, 5% to 6%, can we scale it further or is this from the conservative side?

- Gaurav Sekhri:** Sir, the margin we have given guidance for EBITDA, it is with the expectation of a certain scale to be achieved in this financial year. And of course, that is a little bit we are giving guidance with what we expect to achieve. And it's a efficiency now of scale where Fratelli is poised at. So as the top line growth efficiency in expenses will be there, and as a result, it will have a positive impact on EBITDA margins. But this guidance is where we expect to be in this financial year.
- Randhir Kumar Singh:** Okay, sir. One thing, sir, in the last PPT, last quarter PPT, there was a guidance of 30% on the top line from your side. So, we have missed it somewhere in this quarter. So, going forward from Q2, Q3, can we further improve this, sir?
- Gaurav Sekhri:** Sir, we are going to do our best always. As you know, for alcobev business, usually Q1 is a slightly weaker quarter. But in that also, we have delivered a 22% growth year-on-year. So I'm optimistic that in the year that we will see it should be better than this.
- Randhir Kumar Singh:** Thank you, sir. That's it.
- Gaurav Sekhri:** You're welcome.
- Moderator:** Thank you. The next question is from the line of Akshat from AJ Capital. Please go ahead.
- Akshat:** Hello?
- Gaurav Sekhri:** Yes, please go ahead.
- Akshat:** Thank you for taking my question, sir. Sir, my first question will be, as you have already completed 1.5 months of your quarter 2, sir, could you give us some early color on the demand environment, sir?
- Gaurav Sekhri:** Sir, we resist from giving such granular kind of forecast. These have to be taken in a slightly more generic and general manner. So at this stage, to answer your question will be a bit premature.
- Akshat:** Okay. Sir, my next question will be, are you seeing ready-to-drink demand strengthen further from Q1 levels, sir? And how is the demand environment for the luxury wine segment, sir?
- Aditya Sekhri:** So, sir, for the further Shotgun portfolio, the demand continues to grow. As we mentioned already, we are right now in the process of, again, widening our distribution. That is the first thing that we are looking to do. We have achieved inclusion of Shotgun in more than 20 states already. So the first goal for Shotgun is to widen our entire distribution scale across the network that we have already in the country.
- And demand continues to grow. That's why we've had a much better quarter 1 as well than last year. So we will be able to give better clarity on these factors after H1 ends as that momentum continues

to grow. On the luxury portfolio, our performance has been very robust. J'NOON, which is our flagship brand, continues to grow north of 30%. So the demand is very favorable in that category, too.

Akshat: Okay, sir. Understood. Sir, my next question is, sir, could you give us some more colors on your export business, sir? Like what is the total revenue currently coming from your export, sir?

Aditya Sekhri: Export business revenue still is at roughly about 1.5% to 2% of overall net sales. It's still very small. In exports, one very good development at our end is that we still continue to get into new geographies. We've added 2 new geographies already in quarter 1 of this year. And we still look to add some more growing geographies in quarter 2 as well.

So export is at a very small base at the moment, but still, we are seeing very good traction in a lot of newer geographies. And also one update in exports is that we've also commenced exports for our RTD segment, both in cans and in the Shotgun.

Akshat: Okay, sir. Sir, which is the major export market right now for you, sir?

Aditya Sekhri: We have 5 or 6 core export markets, all having a good export contribution from us. A large part of it at the moment is coming from Asia and European market for us.

Akshat: Okay, sir. Understood. And sir, further continuing with this question, how do you see the growth and profitability of this export business, sir?

Aditya Sekhri: Export business is profitable. And I think it's more of a factor of scale now in exports for us. But I expect it to be a good contributor in the coming years for the business.

Akshat: Okay, sir, that would be all, sir. Thank you

Aditya Sekhri: Thank you.

Moderator: Thank you. The next question is from the line of Deepesh from Maanya Finance. Please proceed with your question.

Deepesh: Yes. Hi. Am I audible?

Aditya Sekhri: Yes, please go ahead.

Moderator: Yes, sir.

Deepesh: Yes. How much of our total expenses are currently allocated towards brand building as a percentage of the revenues? And how do you see this spending evolving going forward?

- Aditya Sekhri:** Yes. So roughly, if you see a trajectory for the last couple of years, we've been spending between 5% to 7%, looking at our entire portfolio performance. This year, again, the guidance remains at around 5% of net sales.
- Deepesh:** 5%. Okay. So given the approximately 20% EBITDA margin guidance, could you help us understand the key levers that will drive this margin expansion?
- Aditya Sekhri:** So for us, as you know, the EBITDA guidance that we've given for FY 2030, in that perspective, now as our gross margins are extremely healthy. In fact, we have industry-leading gross margins that about 79% to 80%, that's been the range for us. So a lot of the EBITDA expansion that you see will come as the business grows in scale.
- So as the business both RTD and the bottles business, as you see more scale in the business, you will see these EBITDA expansion in the coming years up to FY2030, which is the guidance we've given.
- Deepesh:** Okay. And you've also guided for INR500 crores of revenues. What contribution do you expect from hospitality business? And what will be the overall revenue and margin mix, I mean, which will be looked into this hospitality?
- Gaurav Sekhri:** This is Gaurav Sekhri. Yes, we have declared our ambition and aspiration to reach INR500 crores, and that does have a contribution from the hospitality business as well. But as we have guided over the last 2 or 3 quarters, due to last 2 financial years being flat for the overall bottles business, we are taking our own time to roll out hospitality.
- As you know, it is capital expenditure heavy. And we have taken a call to focus on our core business of selling wine to strengthen that first, and that is a priority for us. Therefore, we are fast tracking and rollout of the RTD. So those are the businesses where we see a better reward and return for the company.
- So to answer your question, yes, in the INR500 crores revenue forecast, we do have hospitality as part of the plan, but that may be slightly delayed. Saying that, we expect to achieve INR 500 crores top line even from our core business of selling wine, whether it comes RTD, core business of bottles or possibly even a third new element that we may add to our business within the next year or so.
- Deepesh:** Right. And now you already have about 400 acres of vineyards. How much of our production comes from our captive -- I mean, for the support of our captive grapes? And at what production level do we need to source grapes from the open market?
- Gaurav Sekhri:** So this ratio changes a little bit year-on-year, but we are approximately one-third of our grape requirements come from our own vineyards, one-third comes from our contract farming arrangements and the balance comes from just spot buy-sell transactions with farmers.

- Deepesh:** Right. But since the grape prices have almost doubled recently, must be putting significant pressure on industry margins. Given our captive sourcing advantage, how sustainable is the margin resilience towards the higher prices of grapes?
- Gaurav Sekhri:** So we have been able to manage our gross margin quite well because of this hedge that we've had from the inception of business of having our own vineyards. But more importantly, what motivates us to be farmers ourselves is the quality of wine that we are able to produce by undertaking active farming ourselves. Our primary motivation is that, sir.
- Deepesh:** Right. And all these 400 acres, approximately right now, what is the value of this land?
- Gaurav Sekhri:** So, the vineyards do not sit on the balance sheet of Fratelli, so I must clarify that. So, it is, you know, not so relevant for Fratelli. These are where we have farming arrangements. These are lands which we have taken under long-term lease on a dry lease basis where Fratelli undertakes all the farming.
- Deepesh:** Right. And the hospitality which we are planning to do, I mean, that is on the same land or that is on our own land?
- Gaurav Sekhri:** Very good question. For the hospitality, 10 acres has been acquired within these vineyards by Fratelli. That sits on Fratelli's balance sheet.
- Deepesh:** Okay, so 10 acres is what is on Fratelli's balance sheet, right?
- Gaurav Sekhri:** That's right, that's right, which is earmarked for hospitality project.
- Deepesh:** Great, great. Thank you, thank you so much.
- Moderator:** Thank you. The next question is from the line of DVM Teja, an individual investor. Please proceed with your question.
- DVM Teja:** Jai Hind, team Fratelli Vineyards. I am Wing Commander DVM Teja from Indian Air Force and I want to congratulate the team for good set of numbers with the ready-to-drink products in the army and also various other canteens. My question is, what is the growth guidance or the profitability that is expected from the CSD sales henceforth?
- Gaurav Sekhri:** Sir, Gaurav Sekhri here. Firstly, thank you for your service to the nation and thank you for your compliment to the company as well. Regarding the forecast, we are expecting this financial year we want to maintain this growth trajectory of about 20% plus that we have already achieved in Q1. And with that, we are fully expecting to be net-net break-even in this financial year.
- DVM Teja:** Okay, thank you, thank you. I have another question related to your partnership with the Blue Tokai coffee. So, what is the cross-demographic synergy or the partnership that can enable both the brands

grow together? Because I believe Blue Tokai is planning for an IPO next year. So, how will Fratelli get an advantage on the sale?

Gaurav Sekhri: Sir, the Blue Tokai partnership was an opportunistic arrangement which worked well for both of us for that period of time. It is not an ongoing relationship as of now. So, you know, we do not have any positive or negative impact whether the way their business is proceeding.

DVM Teja: Understood, understood. Thank you, thank you very much and best wishes to all team Fratelli Vineyards and Happy Independence Day in advance. Thank you.

Gaurav Sekhri: Thank you, sir, and Jai Hind.

DVM Teja: Jai Hind.

Moderator: Thank you. Before we take the next question, a gentle reminder to participants that you may press star and one to ask a question. The next question is from the line of Irikaa from Chompi Enterprises. Please proceed with your question.

Irikaa: Hello, am I audible?

Moderator: Yes, you're audible. Please proceed.

Gaurav Sekhri: Yes ma'am. Yes, yes.

Irikaa: Yeah, I just had two questions. How many touchpoints were added during the quarter? And what is our distribution expansion target for the financial year?

Gaurav Sekhri: So, on the touchpoints, we do not give an exact number of how many we've added over a quarter, but we have added more than 6,000 touchpoints just on account of having the new RTD business in the overall mix of our business. And in terms of overall touchpoints, we are north of 30,000 across the country now.

Irikaa: Okay, thanks. And any, like, your distribution expansion target?

Gaurav Sekhri: Distribution expansion target for us this year again, firstly I can't give an exact number on touchpoints at the moment, but we are looking to have Shotgun in more than 23 states by end of this financial year.

Irikaa: Okay, okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Sujit, an individual investor. Please proceed with your question.

- Sujit:** Am I audible?
- Moderator:** Yes, sir, you're audible.
- Gaurav Sekhri:** Yeah, yeah.
- Sujit:** Good evening, Gaurav and Aditya. My question has already been answered by you and I mean both Chairman and MD, Director. But my only question is related to two questions, that is, whether wine tourism will be available in the future? Second question is related, which part of India is top contributor to your revenue? North India, South India, as you have mentioned the states, Western or Eastern India? That's all I need.
- Aditya Sekhri:** So, sir, thank you for the question. Aditya here, I can provide you an understanding of our regional mix. North accounts for about 23% of our net sales, South accounts for about 30%, West is roughly 25%, Defence contributes about 8%, and East is at about 11% and exports is about 2%. So, this is where we are across all the distribution centers.
- Sujit:** Okay. Sir, I want to know what is the ratio of offline and online market in the domestic part, not in the international part, export part.
- Aditya Sekhri:** So, for us in the liquor business, for us the main classification is to check what the HoReCa versus the retail business is. So, HoReCa contributes about 35% of our net sales and retail is about 65%.
- Sujit:** Okay, the most of the sales are offline part, I mean, online is not at all present you are trying to say? E-commerce or something?
- Aditya Sekhri:** Online for Alco-Bev still in India is in very, very limited states and therefore the contribution is extremely minimal. West Bengal is a market where online sales are going now in traction. However, that is also a very small component of the overall sales of the state.
- Sujit:** Okay. The last question, whether already you have mentioned about that hospitality, whether wine tourism will be coming in the current year or after you suggested that INR500 crores cross only you will start wine tourism?
- Gaurav Sekhri:** Gaurav Sekhri here, sir. we do run a small wine hospitality business even today. We have a wine experience center and we have a four-bedroom place to stay at our property which we sell on our website, but that's a very small-scale business. A proper hospitality rollout is certainly on the cards, but I don't see it impacting our or showing in any meaningful way in revenue for the next two years.
- Sujit:** Okay, okay. Thanks a lot. Thanks for answering all my queries.

- Moderator:** Thank you. The next question is from the line of Parson, an individual investor. Please proceed with your question.
- Parson:** Hi, thank you so much for giving me a chance to ask. My questions are related to Shotgun only. With the expansion and the outlook related to Shotgun, how exactly are we measuring the repeat purchase from existing outlet versus the new one which are coming? And I would try to ask that how exactly we are measuring that existing outlet, the number of cases in the Shotgun are selling more?
- Gaurav Sekhri:** So, repeat purchases in Shotgun are only growing, sir. As I just said, we are currently right now in the midst of making sure that our product is available across the entire universe in every state. Repeats are growing and only if repeats grow do the numbers grow.
- So, we are seeing a very healthy repeat ratio across all the markets. Tier 2 and Tier 3 repeat ratios are also very, very healthy at the moment. In terms of the exact figure, we will be able to give you a better idea, but we've been ranging at around 55% to 60% for the last two or three quarters on Shotgun already. But a more accurate figure will be provided after H1.
- Parson:** Okay, great. One more thing, sir, I wanted to ask related to this only, that is there a market where we are currently planning to expand where which is not a traditional wine market? Let's assume Fratelli's wines are not selling there, it is basically mostly a whiskey or a beer market.
- Hemant Arora:** Hi, Hemant this side, Chief Business Officer. Yes, we are looking for a further expansion of our distribution of Shotgun in Jammu & Kashmir and Tamil Nadu. And in talks for Telangana based on the excise policies if it allows.
- Parson:** My question actually was related to that if there are outlet, let's assume we are expanding to outlet which are not traditional wine market, let's assume Fratelli was not selling wines in that particular outlet and now we are selling just Shotgun RTD.
- Gaurav Sekhri:** Hi, Gaurav Sekhri here. I think if I've understood correctly, as we mentioned earlier, the addition of 6,000 new touchpoints that we spoke about earlier are touchpoints that have got added to our portfolio because of Shotgun. So, these were outlets where over last 10 years wine sales were either minimal or zero and therefore there was no sense for Fratelli to be present there. But now with Shotgun, it does make sense for us to be there and we have added 6,000 such touchpoints.
- Parson:** Okay, got it. Thank you so much for answering it. And how exactly Shotgun are performing in those outlets?
- Gaurav Sekhri:** Very well. The repeat ratios are a sign of, you know, the acceptance of the product. We are at 50% plus and that's a healthy sign we believe for a product which is just one year old. That is why we have

now expanded our range as we mentioned in our opening remarks. We now have total of four Shotgun variants in the market and a fifth one to be added soon.

Parson: Thank you, sir. And what is the total market? Last time you have said that it's around INR600 crores and expanding by 25% annually. Is it still the same?

Gaurav Sekhri: Yes, that's correct, please.

Parson: And it would be -- we are expecting it to be expanding till 2030 by 25%?

Gaurav Sekhri: Yes, yes. I mean, 2030 for an outlook for the RTD industry is a little far away to give, but the way the trajectory has been for the last 1.5 to 2 years, it's about a 25% increase that we're seeing essentially on a year-on-year basis.

Parson: Okay, thank you. That's all from my side.

Moderator: Thank you. The next question is from the line of Akshat from AK Capital. Please proceed with your question.

Akshat: Hello, thank you so much. Sir, your gross profit margin is coming at around 80% and your EBITDA margin comes at around 2.4%. Sir, what is this gap, sir? it's a bit difficult for me to understand how we would be able to achieve 20% EBITDA margin going forward, sir.

Gaurav Sekhri: Sir, Gaurav Sekhri here. The efficiency in EBITDA margins will come with scale and Fratelli even last year was only INR180, INR181, INR185 crores in sales. And this year with even a 20% growth over previous year, we should be at around INR220 crores. So, this is where the efficiency starts coming in where the higher sales will translate into higher EBITDA margins. We have seen that happen and it is visible in our month-on-month accounting as well. So, it will definitely improve the EBITDA margins and it's just a function of scale.

Akshat: Okay, sir, understood. Sir, my second question is, sir, what about the effect of FTA? Would there be any change on the business or the industry? Can you elaborate it a bit?

Gaurav Sekhri: See, FTA is happening, it's coming. The duty reductions that have been negotiated by Government of India, there is some protection built in for Indian wines. Any imported wine which is more than USD5 US dollars in context of Australia, the duty remains 150% and in case of Europe, that threshold is USD2.5. After USD2.5 is where the duty drops to 75%.

So, we believe that there is still sufficient protection and what this should help in is actually growing the category. I think with imported wines now coming, maybe better quality wines at a slightly better price, it will help grow the category. The main issue with the wine business over last decade has been that the category has not expanded as we expected.

So, we hope that this will lead into category expansion and of course, for makers like us frankly who are making good quality wines, this is an opportunity to showcase how we are making very good wines at very good price.

Akshat: Okay, sir, understood. Thank you.

Moderator: Thank you. The next question is from the line of Kiran, an individual investor. Please proceed with your question.

Kiran: Hello, sir. Sir, I have few questions. The very first question is with respect to the working capital. As we know that our interest cost is also high and we are also planning to grow the revenue around 20%. Can you please throw some light like what could be our debt levels? Is it going to increase from now on or are we going to optimize our working capital so that the operating cash flows can actually fund the future growth?

Aditya Sekhri: Sure, very good question. Our total loans and borrowings are at around INR130 crores, out of which approximately INR35 crores is, you know, long-term borrowing. And, you know, we are looking at various options to bring in some liquidity into the company just for more efficiency and the company is considering various options. It's a bit premature to talk of it today, but as we decide, we will surely inform you.

Kiran: Okay, sir, thank you. Sir, another question with respect to the competitive intensity. One of your competitors said that in the mid-price segment and low-priced products, the competitive intensity is so high that it is very much unviable and it may lead to the disaster. Could you please throw some light on the what's exactly happening? Is there any consolidation across the industry? Could you please share your thoughts on this?

Aditya Sekhri: Yeah, so Aditya here. This competitive pressure and especially high discounting is mostly prevalent in the state of Maharashtra, especially in the economy segment. As you know, in terms of the economy segment, there are multiple players that are present in Maharashtra as Maharashtra is a dominant state for manufacturing of wines.

Therefore, the pressure is extremely high in that segment. We frankly have been quite conscious of our discounts in the market and have been taking calibrated efforts to make sure that we are consistent with what we require to maintain our margins. However, we are also and we have been okay to let go of that sale where competitors have been giving very, very high schemes in a state like Maharashtra, especially on port wines.

Kiran: Okay, okay, sir. Sir, one last question again with respect to the debt. What could be our peak debt from here on? Is it like it will be within INR130 crores or do you expect that it will go up in future?

- Gaurav Sekhri:** Hi, Gaurav Sekhri here again. We don't expect our debt levels to go up in any meaningful way from the current level.
- Kiran:** Okay, sir. Okay, sir. Thank you, all the best.
- Gaurav Sekhri:** Thank you.
- Moderator:** Thank you. The next question is from the line of Randhir Kumar Singh from Randhir HUF. Please proceed with your question.
- Randhir Kumar Singh:** Thanks for again giving me a chance. Sir, I want to understand one question. Gross margin is more than 80% and while industry leader is not able to maintain this high gross margin. So, what is the uniqueness in our company that we are able to maintain this gross margin and is it sustainable, sir?
- Gaurav Sekhri:** Sir, Gaurav Sekhri here. We won't comment on other competition. Regarding us, we have always been around 74%, 75% in that range and sometimes, you know, with product mix change also, it has some impact on gross margin. But we are fairly consistent at the current levels which is around 78% to about 80%.
- Randhir Kumar Singh:** And sir, what is the EBITDA margin for ready-to-drink, sir?
- Gaurav Sekhri:** We can't comment on the EBITDA margin for the RTD business at the moment, but we can tell you that the gross margin of the RTD business is at roughly 70%.
- Randhir Kumar Singh:** Sir, going forward in FY27, how much target is kept for export revenue contribution, sir?
- Gaurav Sekhri:** Sir, it will remain between 1.5% to 2%.
- Randhir Kumar Singh:** And sir, is there any plan for equity dilution in the near future?
- Gaurav Sekhri:** Sir, that will be speculation, cannot comment on that on this call.
- Randhir Kumar Singh:** Thank you, sir.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question from the participants. I now hand over the conference to management for their closing remarks. Thank you, and over to you, sir.
- Gaurav Sekhri:** Thank you very much. On behalf of the entire team at Fratelli Vineyards, I would like to thank all of you for joining us today and for your continued interest and support. We truly value your engagement and the opportunity to interact with you. We look forward to staying connected and sharing our progress with you in the quarters ahead. Have a wonderful evening. Thank you.



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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.