

'Affordable wine can expand domestic market'

Kapil Sekhri, Managing Director, Fratelli Wines, speaks about their efforts to give India quality wines that are value for money while talking to *Shalini Kumar*.

Wine lovers of India, get ready to raise your glasses to the latest offering from Fratelli Wines, the MS label. The offering aims at bringing young wine drinkers into the fold, and its USP would be affordability. Fratelli's iconic wine maker Piero Massi and British wine expert Steven Spurrier, have joined hands to create MS whites (Chardonnay & Sauvignon Blanc) and MS reds (Sangiovese, Cabernet Franc and Syrah blends) under the MS label, which will be priced within three digits in Mumbai. (Steven, former merchant in Paris, has been described as a champion of French wine.)

The new wine label is one of the many new things shaking up Fratelli, a leading wine company of India. Fratelli has embarked on a multi-pronged expansion plan aimed at enlarging its wine portfolio, increasing its grape supply and the number of vineyards and also expanding its list of imported wines.

Kapil Sekhri, who also heads the marketing wing of Fratelli, says that there are two broad



factors that set them apart from the rest of the wine players in India, "First, we control our vineyards, and two, we give consistent quality."

Fratelli is able to achieve this distinction because all its four wineries – Akluj with 6 lakh litre capacity, two wineries focused on their budget brands with a capacity of 3 lakh litres each and a new winery in Bijapur, Karnataka which has a capacity of 4 lakh litres – are overseen by its Italian winemaker Piero Massi.

Kapil met Piero while on a holiday in Italy with his wife. "We were not in the wine business at that time. But I wanted to meet the best wine maker in the region. Allesio (now a partner in Fratelli, whose father at that time was the agent for the footwear business run by the Sekhri family) mentioned that a wine maker who consulted with the best wineries was a member of their church. And, he was Piero. We met him, and his wines were fabulous. His wife told us that Piero travels only to countries that have vineyards," shares Kapil.

A SYMBOL OF FRATERNAL FEELING

Kapil told Piero India had vineyards and invited him to the country. Soon Piero decided to join Kapil. It took about 8-9 months for Fratelli to take shape. A noteworthy aspect of the seeding of their partnership was that "for three years, Piero kept working, and we did not pay him a single penny. It was only after the first bottle was on the table that we paid him. And he did not ask for salary. He sought a stake according to our valuation of his contribution. Even today, he owns a stake in the company," says Kapil.

Like Piero, other partners in the company also do not take salary. They all are stakeholders. According to Kapil, the very name of the company – Fratelli – is symbolic of the fraternal feeling among all the partners who are three sets of brothers – Andrea & Alessio Secci, Ranjitsinh & Arjunsinh Mohite-Patil, and Kapil & Gaurav Sekhri.

Each director or partner brings his special expertise to the table. Kapil explains the roles of all partners, "Piero is the main creator behind Fratelli. All the technical decisions regarding the vineyards and the winery are his prerogative. We can give him suggestions and feedbacks, but it is up to him what he implements. Alessio is the holding factor because he has to do a little bit of everything. He is the brand ambassador of Fratelli and he works very closely with Piero. Piero travels six times in a year but Alessio travels every month. He is the extended arm to help in operations. Alessio assists me in marketing because the way he can explain wines, I can't. Arjun takes care of all the local issues which are aplenty because we have not left any department out, from FSSAI to excise. Marketing, finance, business development strategy are my areas."

Fraternity of three families

Fratelli as a brand grew out of the shared love for wine among three sets of brothers, hence the name. Kapil Sekhri's family was in the footwear export business and Alessio Secci's father was the family's agent in Europe, based in Italy. When Kapil finished his graduation in the UK, he started looking after international development of his family business and travelled extensively in Italy.

While working for the family business, he developed a love for wine. But for him, wine was not about alcohol, it was about culture. "I found a great connect with wines. A wine drinker does not drink wine to get high. It's a product to be shared. You open a bottle and have it with people. You have memories attached to it. That's what got me into wines. I became a regular consumer. But I was not mad about it as my choice of alcohol. When I got married, even my wife felt about wine the same way. Wine got us connected. It was a good topic to talk about whenever we used to go to a restaurant," says Kapil.

So when Kapil wanted to start his own business, he automatically thought of wine. A meeting with iconic wine maker Piero Massi in Italy and his subsequent visit to India sealed the deal. And when he saw the same passion and fire for wine in Andrea and Alessio Secci and Ranjitsinh and Arjunsinh Mohite-Patil, he knew he had also found his business partners.

"We three families who had the same fire got into the business. We found the place Akluj, it is a very positive place, it will give you more and take less," he says fondly.

And so Fratelli was born and has been going from strength to strength since its inception in 2006. Today Fratelli wines are popular in 16 States in India with Delhi being the best market. Internationally, Fratelli is available in the UK and Japan. By next year they plan to enter the American market as well.





FIRST WINERY TO CONDUCT VERTICAL TASTING

So confident are the Fratelli partners of their product quality and so committed to self-improvement that they are the first winery in India to conduct a vertical tasting of their vintages. "We are open to challenges. We have now got a vertical box tasting. We got people to compare 2009, 2010, 2011 and 2012. This is the first time any company has done this," says Kapil.

According to Kapil, their 2012 vintage has been an outstanding success. "We have got great accolades for 2012 from the UK. It is doing very well in the restaurants there. We have been hearing that 2012 is getting the maximum amount of appreciation followed by 2010, 2009 and 2011 in that order from wine connoisseurs. But when you come to consumers, the biggest earliest sell-out was 2011. Vitae Chardonnay is also bang on," says Kapil.

Fratelli also had a great vintage with white wine. Talking about their white wines, Kapil says, "I think Piero, like we have seen him, is not a white wine maker by default, so he takes time to understand the wine. The last vintage was the first barrel-fermented Chardonnay. I think there was a little bit of imbalance in that vintage which he corrected in the current one."

Being a company with ambitious growth plans, Fratelli is alive to the need of ensuring the grape supply required in future. "We are covered up till 2020. Given our current growth rate, beyond 2020 will be a challenge. So we have already started to focus on increasing the grape production. This year we are planning to bring in another 100 acres under our direct control. We did about 40 acres last year. Those farms will start

producing grapes after two years. If this 100 acres comes in then we are covered for another couple of years," says Kapil.

Fratelli is trying to develop a system where "if we realize that our brands are growing at 18-20% then that much extra grape produce must come from our land every year. The idea is to get better rather than bigger," says Kapil.

Kapil is happy at the way the wine market is shaping up in India. "Wine is growing up. I have been told foreign tourist numbers are down this year, for example, in Jaipur and Goa. But wine consumption has grown. This is only because Indians are increasingly taking to wine," he says.

DIFFICULT TO SELL AT EUROPEAN RATES

Pricing is indeed a factor to be taken into consideration for successfully tapping the domestic market. According to Kapil, for bringing "a paradigm shift in wine drinking we have to provide wine at Rs 500 or below. Only then people will be able to afford and drink wine. Otherwise, it will always be an occasional or weekend drink. For everyday drinking, we can't expect an average Indian to spend much on wine."

Growing grapes in India has its own challenges which prevent selling wine at European rates in the country. Kapil explains, "There are a couple of reasons why we can't match the European pricing. First, it is expensive to grow grapes in India than in Europe because land prices in India are exorbitant in comparison to European land prices. Second, because of high ambient temperatures in India, we have to work more on the plants. We can't leave them unattended. For instance, in India, the tractor running time for grape cultivation is ten times that of Europe."

He also mentions other factors like fertilizer and fungus control expenses, power and raw material cost, tax structure and government policies which make the Indian wine costlier than the European wine.

However, despite financial constraints, "Gradually our plants are getting better though we are way below European standards," he says. ☺