



DARING TO BE DIFFERENT

Ranjit Dhuru's dream is driven by his ferocious passion for wines. **Sonal Holland** interviews the chairman and CEO of Château d'Ori wines

As the head of Aftek India, a 900 people-strong technology services company, what prompted you to take the daring step of going into the totally different business of wine production?

Building a software business requires technical intelligence. The business of wine requires a lot more passion; it is a complex yet an exhilarating business to be in. During my travels to different countries, I was introduced to the wine culture in the West. Back home, I found that there was a distinct opportunity to capitalise on India's unique geographical and consistent climatic advantages to make a good quality wine comparable to anywhere else in the world. I want my wines to be absolutely top class, both in India and internationally. They should be delicious and fantastic. It is only madness that has me driving tirelessly down to Dindori in Nashik over most weekends, through rain and unending road glitches. But the wine business takes me back to my roots. I find my peace here.

Viticulture and winemaking require a lot of technical know-how. How did you acquire expertise in wine production?

Again, it was my unrelenting passion and desire to learn that led me to acquire all that I needed to know about

the art of growing grapes and making wine. As a business entrepreneur, you have to enter projects with a sense of conviction. Although I come from a family of lawyers and am a qualified corporate lawyer, I built Aftek – today a successful software company – from scratch. My ability to go in-depth into any subject and do a hands-on job gave me the confidence to build Château d'Ori as well.

What is your opinion of the Nashik-Dindori terroir?

Nashik and Dindori account for 80% to 90% of grape production in India, including table and grape varieties. The Dindori region is about 2,200ft above sea level and has a climate very similar to regions like Cahor located in the south of Bordeaux. The soil in Dindori is perfect – not too rich, gravelly and with good drainage. This allows roots to penetrate deeper into the soil in search of moisture and nutrients, thereby making the vine plant strongly embedded into the soil. I am confident about suitability of the Dindori terroir for viticulture.

Why did you choose the name Château d'Ori?

The name comes from the hill of Ori situated in Dindori. In fact, the name Dindori is also inspired from the name of

this hill. The word 'château' in French has come to define a piece of land used for growing grapes and making wine – and everyone is well aware of my love for French wines.

Can you highlight the social, economic and legal challenges involved in setting up a winery in India?

I find that the concept of wine is still not fully understood in India. You may find it hard to believe, but even qualified and top-notch executives in the Banking industry do not fully appreciate the business of wine and the opportunity it offers. I realised this when I applied for a business loan and discovered that it was far easier to get a loan to start a software business than trying to convince the banks about making and selling wine. Lack of awareness, inadequate exposure to international wine culture combined with restrictions on advertising alcoholic drinks has led to a major socio-economic hurdle in the promotion of wines. Our liquor shops have been called wine shops long before we even knew what wine meant. So wine today is associated by most people with hard liquor.

I really long for smoother excise regulations with less cumbersome movement in the sale of wine between states in India. I am hopeful that the Government will eventually allow wine producers the ownership of their land as this will encourage experimentation and better quality control.

It is commonly said, 'to make a small fortune in wine, you need to start with a large one'. What are your thoughts on achieving profitability?

That dictum is true, globally, as the return on investments in highly competitive and fragmented markets can be quite narrow. However, I remain optimistic about the Indian market. China has shown remarkable progress in wine consumption over the last five years. Today, its per capital annual consumption is a litre of wine, and I am confident that India will follow a similar trend. We need better support from the Government in providing waivers in inter-state excise duties, some of which are already seen to be happening. I find that if you maintain better control over your capital expenditure, use technology intelligently and engage in effective marketing strategies, the business margins in India can be quite healthy.

Last year your promotional campaign of Buy One, Get One Free earned the negative market perception that Château d'Orï had a huge surplus and was in financial trouble. Is this true?

At the time when we introduced the promotion, we were relatively new in the market and our intention was to get as many consumers to sample the product as possible. So we introduced this offer at some key retail outlets in Mumbai. Many consumers did try our wines and liked them. Soon the word got round and all the retailers wanted us to offer

a similar scheme. However, no promotion can make your product better than it is. The fact that people appreciated the wine was all that mattered to us.

Are you seeking strategic investments in your wine business?

A strategic investor would be someone who understands and appreciates the quality of our product, brings intellectual know-how and credibility along with wide access to markets both locally and internationally. We have very ambitious plans for the company and it is important that these plans are shared and believed in totally. The cultural match therefore is more important to me than raising the money. I would welcome discussions with such a potential investor.

What has been the impact of the economic slowdown and what has been your strategy to survive the downturn?

The economic slowdown has been all pervasive and we are no exception to that. Worse, after the Mumbai terror attacks, the best season of the year (November and December) was badly affected in Mumbai along with Goa, Pune and Thane. Mumbai city constitutes the most significant market for us and therefore there were challenges.

However we choose to look at the broader picture and keep our eye on our long-term goals. Our focus right now is on continuing to improve the quality of our wines and push sales. We have introduced the Viva range of wines which retail at Rs 325 a bottle, slightly less expensive than our regular range. This is a blend of our 2008 and 2009 vintage. The 2008 vintage is still going strong and blended with the 2009 vintage, the wine makes for a great drink at an attractive price.

Mass market or niche player? What is your vision for Château d'Orï?

I would say, neither. I would rather be seen as a quality player. To bring this into some perspective, we have a total production capacity of 1.5 million bottles, of which we are currently utilising about 25% with 400,000 bottles released annually. 20,000 sq ft of space allows us ample scope for expansion. My vision is that in under a decade, Château



Bottles of Château d'Orï wines

d'Ori be seen as the leading quality wine brand in India and be recognised for this quality internationally too.

What can the consumer expect in terms of price, style and quality?

The consumer should expect an uncompromising quality of wines priced slightly above the average. Our single-varietal wines are priced between Rs 350 to Rs 550, which is above the mass-market pricing. Keeping the consumption price pyramid in mind, it is our conscious decision to be placed towards the tip of the pyramid. Our premium wines (Cabernet Merlot and Cabernet Shiraz blends) are priced at Rs 750 and up. We will introduce one more category of top-end exclusive wines perhaps in early 2010. These wines are currently being aged in French oak barrels. Our expectation is that these wines will be exceptional and will compete with fine wines globally.

Do your wines age well?

The ageing ability of a wine depends on the quality of the grape, the age of the vineyard, maceration techniques and the amount and quality of barrel fermenting and ageing. Our reserve blends age for about three to four years and we do not doubt that our limited-edition wines will have better ageing potential. Every year, we intend to grow one notch higher in terms of quality.

What in your opinion needs to be done for Indian wines to go global?

Indian wine companies must invest in more research in viticulture to ensure that the grape varieties chosen are perfectly matched to the soil, climate and topography. Even something as seemingly insignificant as the direction of the wind must be kept in mind while deciding on the plantations. The adage that 'wine is made in the vineyard' cannot be truer, as it's the amount of time you spend planning the viticulture that will directly impact on the quality of your wines.

As a winemaker the biggest challenge is balancing

commercial interests and ensuring quality. A balance is difficult to maintain but a passionate wine producer must always keep his focus and eye towards maintaining both quality and consistency.

Wine education and wine tourism are said to be the new sunrise industries. Do you believe in their future in India?

Yes, I have no doubt that wine tourism in India will be the next thing. The infrastructure of our country continues to improve, we now have better airports in most tier 1 and tier 2 cities, new hotels are being built and people are becoming more upwardly mobile. All this will eventually lead to more travel for Indians within their own country and more foreign tourists visiting India. The wine regions will attract their fair share of this tourism pie.

What are your plans for Château d'Ori over the next 12 to 18 months?

We are continuing to focus on investing in the quality of our wines, listing our wines at key retail outlets, in hotels and restaurants and building a demand for our wines through intelligent marketing strategies. I am also conscious of how more and more people are visiting our winery year after year. Our four-bedroom guest house is perpetually booked and we have to sometimes turn visitors away. I, therefore, feel encouraged to take this to a whole new level. We are currently working on an exciting plan to build a state-of-the-art wine tourism resort that will cater to the discerning global wine traveller in a way India has never witnessed before!

The design is likely to be inspired by 17th century European baroque architecture. With a luxurious health and beauty spa, a restaurant serving world cuisine created by an internationally renowned chef, a spacious wine shop selling personalised and branded Château d'Ori wine accessories and well-appointed tastefully designed guestrooms, this resort is sure to draw top-end clientele. With this, I aim to go for gold. My dream is to put Château d'Ori on the world map. ●



A panoramic view of the Château d'Ori vineyards in Dindori with the winery in the distance