



Storm in a wine glass

The potential capacity of the Indian wine industry is somewhere around Rs 1,700 crore, out of which the current standing is Rs 450 crore only. With the rise of wine as a lifestyle drink, the industry might even overtake the speculations

/Arunjana Das

Somebody once called wine bottled poetry. Slick fragrant wine swirling elegantly in clinking curvy glasses tells a story that no other drink does – a story of its life, starting right from its origins through to the very moment it is served on your table. It is this story that had enchanted Ranjit Dhuru, owner of a Rs. 400 crore IT enterprise, into starting Chateau d’Ori, a vineyard and a winery, from a wasteland in Dindori in Nasik. Dhuru is just one of the many entrepreneurs who had fallen in love with the Indian wine story.

A glass of wine spells culture and class. Considered the drink of the gods, it finds mention in Bhagwad Gita

as Sura and the Last Supper of Jesus, “representing all things spiritual!” Appreciating wine, hence, requires fine sensibilities. Making it requires even finer ones. Wine-making dates back to the very genesis of human race, with Noah as the very first winemaker the world had ever known! Not many would know that Noah was the man who, after the proverbial Great Flood, started life anew on earth by planting the first vineyard and making wine!

Whereas, as his father said, Noah did it for “bringing us relief and comfort from our work and the toil of our hands,” the Indian entrepreneurs are doing it for exploiting the Rs 1,700 crore worth market that remains to be exploited.

DARE/what is wine?

Wine, derived from vin - the Latin word for vine - is an alcoholic beverage made from the correct fermentation of grapes. Wine can also be produced from other fruits, such as apples, pineapples, berries, plums, starch products such as rice, and a few varieties of nuts.

Constituents of Wine

Acidity that gives wine its kick, tannins help wine mature, grape sugar ferments into alcohol

There are currently around 125,000 hectares of land under grape-cultivation in Maharashtra, out of which around 1000 hectares is for wine-grapes. In Bangalore, there is around 200 hectares.



RANJIT CHOUGULE
CHATEAU INDAGE

Chateau Indage, formerly Champagne India Limited, was started in 1982 and is one of the oldest and biggest players in the wine-scene of India. Chateau Indage, headed by Shamrao Chougule, Founder Chairman of the group, and his two sons, Ranjit and Vikrant Chougule, also operates an upscale hotel group, the Indage Group. Chateau Indage grows some 68 varieties of grapes, for trials and for commercial purposes, in their vineyards in Narayanqaon.

How popular is Indian wine in the domestic and international markets?

Wine is a rapidly growing category within the Indian alcohol industry. With urbanization and

hedonism emerging in the Indian consumer, wine is one of the new categories that have grown as a result of this. With increased focus from governments, both state and central, as well as a widening base of producers in states such as Maharashtra, there is wider visibility and availability of wines throughout the country as well as widening price points and product types within the wine category. This has allowed for a rapid growth in the interest levels and consumption of wine in metros as well as semi-urban areas in the country.

Internationally, wine continues to be a growth area in a large majority of the wine-consuming countries with ours being the fastest growing market in the world with annual sales exceeding 330 million cases. Traditionally, older regions of wine consumption such as France have shown some decline in overall consumption, but this is merely on account of a shift to consumption of higher quality wine and reduction in the production of lower quality ones. Asia as a whole is registering good growth overall with China now reaching almost 0.5 liters of per capital consumption.

How did your strategic partnerships and acquisitions come about?

Indage has already taken steps to transform itself from a single vineyard and winery company in a single geographical location to multi-vineyard, multi-winery and multi-location company, with production and vineyard facilities in various parts of the country and, now, in various parts of Australia. This transformation will now increase its pace over this calendar year with South Africa, New Zealand, United States, France and Italy being added to this global portfolio. This allows Indage to strategically offer a range of wines from various parts of the world at varying price points and allows it to differentiate both at a product and brand level.

What are the current bottlenecks in the industry?

Within India, glass manufacturers, corks, skilled wine-makers and skilled viticulturists are potential bottlenecks as the industry grows. Globally, differentiation in products and brands within the wine category is a major challenge that all producers face.

What are the downstream opportunities?

We have already invested heavily into forward integration through a group company, Indage Hotels, since the year 2000. The company has steadily built up a portfolio of F&B (food and beverage) outlets that all focus heavily on wine and communication to the consumers of Indage brands. We have also heavily invested into wine retail with a variety of formats in standalone stores, supermarkets and shop-in-shops to ensure greater visibility of wine in comparison to a normal alcohol retail environment, as well as maximizing communication and feedback opportunities for category growth within the wine consumer.

How do you see this industry evolving in the future?

A large degree of consolidation will occur within India with a majority of inefficient producers at lower scales of operation becoming merged into larger, more efficient businesses while more boutique wineries will also emerge within India. There will also be a greater focus on regional vineyards and its impacts on quality and styles of wine within India and the globe for Indian wines. At a global level, consolidation and efficiency of production are key factors to success.

Of this, 70% is already yielding and 30% will start yielding in a span of 2-3 years, totaling the annual wine grape yield to around 15,000 tons and an average annual yield of around 0.9 crore liters of wine. Agreed, compared with its counterparts in Europe and Australia the Indian wine industry is still a colt. However, with an annual growth rate of 25-30% that the Indian wine industry is enjoying, wine experts speculate the colt to grow up soon to a racing stallion, strong enough to give the French Bordeaux a run for its money.

Weaving the Wine Story

There are currently around 40-odd wineries in the country, with a total annual production of 0.62 crore liters. The prominent players in the business are Sula, Grover and Chateau Indage, who, having recognized the opportunity early-on, cashed in by setting up vineyards, importing machinery and bringing in world-class wine experts to deliver quality wine with all its kicks.

Compared to these big daddies of the industry, who have been around

DARE/potential market size

Area under grape cultivation in India: 60,000 Hectares (Ha)	
Assumption: 1% used for wine-grape cultivation	
Area available for wine-grape cultivation	: 600 Ha
Average return per hectare per harvest	: 20,000 kg
Total wine-grape production	: 6,000,000 kg
Wine to wine-grape conversion ratio	: 0.94635 liters/kg
Total wine capacity	: 11,356,200 liters
Average market price per 0.1 liter (100 ml)	: Rs 150
Potential wine production capacity	: Rs 17034300000 (Rs 1700 crore)

for the last 10-20 years, there are also those who have jumped into the business only some 3-4 years back, and are doing well. They got allured into this business by the aura of elegance and the 'greens' that the industry promised them. Most of them belong to the ilk of those who jumble successful corporate careers or those who have quit their corporate careers altogether to delve into it as a full-time occupation. Whereas Ranjit Dhuru of Chateau D'Ori and Ramesh Rao of Mandala Valley Vineyards belong to the first, Yatin Patil of Vintage Wines belongs to the latter.

Ranjit Dhuru describes himself as a person who is passionate about wine and interested in making wine the right way. Founder of a Rs 400 crore IT enterprise, Aftek, he started Chateau D'Ori out of personal interest and a hunch that the wine market was going to explode. He got his license a year and a half ago and did his first crush last year. Chateau D'Ori launched five brands last year and Dhuru is optimistic that more and more professionals

with a flair for wines will get into this business in the next five years.

Another professional who juggles a corporate career with winemaking is Ramesh Rao of Mandala Valley Wines. Rao owns Scion Advertising, an advertising and brand-management company based in Bangalore, and got introduced to good wines over business lunches and dinners in India and overseas. He started Mandala a few years back in Bangalore and tied up with a few grape growers in Maharashtra for supplying wine grapes.

Yatin Patil of Vintage Wines is credited with having grown Italian wines in India. Yatin and his wife, Kiran, quit their corporate careers, bought some land in Nasik and started Vintage Wines in 2000. The popularity of their flagship brand Reveilo can be judged by the fact that their Reveilo Chenin Blanc 2005 was awarded a bronze medal in the recently concluded India Wine Challenge. Their Cabernet Sauvignon, Syrah and late harvest Chenin Blanc were also awarded Seals of Approval in the same event, which cor-

roborates the high standards of quality that Yatin and Kiran have maintained in their wines.

There are also those who source wine grapes from local growers in addition to in-house harvesting. Pralhad Khadangale of Sankalp Winery and Shivaji Aher of Renaissance Winery, to name a couple of them.

Whether it is the established makers or fresh entrants, they all have one thing in common—the motive behind getting into the business, which is a passion for wine and money! Passion, coupled with the rising demand for Indian wines, has propelled quite a few entrepreneurs into becoming vinopreneurs.

A spurt in fresh vinopreneurs over the last few years is resulting into a wine revolution. "Almost every other week a new brand of wine is getting launched," says Subhash Arora, President of the Indian Wine Academy and a renowned wine expert. What's more, the rising demand is attracting even more entrepreneurs and established corporate individuals into turning vinopreneurs.

How do you get in

There are three ways of entering the wine industry. One is to set up a vineyard to produce your own wine grapes, the second is to source your grapes from external agencies and carry out the processing and bottling in-house and the third is to buy the wine from a winery, bottle it in your in-house bottling facility and sell it under your own label.

Depending on your core competencies and business models, the easiest approach could be any one of the said



Indian wines are coming of age. This industry is massive, there are very less number of players and we do understand that a lot of compromises have been made in the past. Still, India is blessed with a good climate, fertile soil and hard-working farmers. Hence, I don't see why in the next five years we won't be world-class.

— RANJIT DHURU, CHATEAU D'ORI

DARE/setting up a vineyard

BASICS

1. Site location: Fertile soil, dry climate, controlled rainfall
2. Buying land: Average 20 acres
3. Getting a manufacturing license (subject to state rules)
4. Trademark registration in case of a company setup
5. Grape variety selection (dependent on soil type)
6. Sowing the seeds
7. Two-three years' gestation period
8. First harvest: Usually not used for wine-making
9. Subsequent harvests: About 30% pruned away for better quality
10. Crushing and fermentation in winery: Subject to the GMP (Good Manufacturing Practice) code of WHO (World Health Organization)
11. Bottling and labeling in bottling plant: Subject to the Fair Packaging and Labeling Act of FDA (Food and Drug Administration) of the United States
12. Stock and sale licenses

FINANCES

Initial Investment: Cost of land + Input cost (seed, manure, fertilizers, labor, etc.) + Cost of machinery + License fee

Cost of land	:	Rs 500,000 to Rs 20 million per acre
Input Cost	:	Rs 50,000 to Rs 200,000 per acre
Cost of machinery	:	Rs 5 million to Rs 50 million
License fee	:	Rs 15,000 to Rs 50,000

Annual Investment (Working Capital): Maintenance Cost + Production cost + Stock and Sale License fees

Maintenance Cost	:	Rs 15,000 to Rs 50,000 per acre
Production Cost	:	Rs 30,000 to Rs 100,000 per acre
Stock and Sale Licenses	:	Rs 50,000 to Rs 100,000

Initial investment per acre	:	Rs 500,000 to Rs 20 million
Annual investment per acre	:	Rs 50,000 to Rs 200,000
Cost of machinery	:	Rs 5 million to Rs 50 million
Fees for licenses	:	Rs 50,000 to Rs 200,000

options. Taking it from the bottom, let us assume you are not too inclined towards understanding the nitty-gritty of handling a vineyard and a winery, and would rather steer away from the same. If that is the case, you can simply buy quality wine from a winery and sell it under your own label as is being done by several big and small players, UB (United Breweries), Diageo and Big Banyan being some of them. The winery is effectively on a lease with you. "Initially you can start off with nothing except buying the wine, bottling it and selling it. At the end of the day, it is your ability to sell that would count," says Arora.

If you have a processing and bottling facility in place in your winery, you can get the grapes from a vineyard as a part of a contractual agreement. Quite a few wineries, however, are the kinds that produce their own harvest of wine grapes and source the rest of their requirement from other wineries or vineyards. Mandala Valley Wines

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had recently entered into a manufacturing and supply agreement with Vinsura Wineries, under which Vinsura has agreed to supply bulk wine and offer its bottling facilities to Mandala.

Pralhad Khadangale of Vinsura started growing wine grapes in his farms a few years back. He also sources grapes from some 25 other farmer families in Nashik. In 2002, his turnover was around Rs 2 crore. Over the last five years, it has increased to Rs 6 crore. His wines can now be found in the Taj hotels at Bangalore, ITC and Le Meridien hotels in Bombay and Hotel Intercontinental in New Delhi.

Shivaji Aher of Renaissance Winery explains how Renaissance had entered into a contract with a dozen farmers for providing them quality grapes a couple of years back. Since then their own vineyard has entered into production and they started their in-house harvests last year. With bottles imported from St Gobain, labels from Japan and France and corks from Altec, France, Renaissance is taking big strides into the Mumbai market.

"Hence, theoretically, you don't require any land to enter this business," agrees Arora.

Setting up a vineyard

What if lush green vineyards hold you in awe of their beauty? Wouldn't you want to own one? If your response is affirmative, you should surely go ahead and get one. A vineyard should ideally be located where the soil is fertile, the climate has a good variation between night and day temperatures, there is access to water, the weather is dry and the rainfall is controlled. The combination of soil, climatic conditions and other factors in a vineyard affect a wine's terroir. Terroir is a French word that signifies the characteristics of the vine and grapes that grow in a particular vineyard subject to the topography, climatic conditions and soil of the vineyard. A vineyard is said to yield vintage wine if the grapes are all or primarily grown in one specific year.

Currently, all the vineyards of the country are located in Maharashtra and Karnataka. Nashik, known as the de facto wine capital of the country, has around 1000 hectares of land under wine grape cultivation; Bangalore has some 200 hectares. The major reason behind this, apart from the favorable climate and land, is the fact that these regions had already been producing

table grapes. Hence, the conversion of table grapes to wine grapes didn't take much. This implies that a potential vinopreneur can consider places like the hilly areas of the north and north-east as well for setting up vineyards. A large part of the north-east is already producing table grapes.

Ideally, around 20 acres should set you off, although people have even started with lesser land. Depending on where you locate the site for your vineyard and current land prices, you could acquire your land from around Rs 10 lakh up to around Rs 2 crore an acre. Once site selection is done, grape selection becomes pertinent, for there are certain kinds of soil that support certain kinds of wine grapes the most.

Setting up a winery doesn't cost much. The equipment required can be imported for around Rs 30 lakh to a crore. Employing the services of a foreign wine-taster, however, can set you back by around \$1000-2500 a day, which is why most new entrants shy away from it! However, as long as you've got a winemaker worth his/her salt, the tannins and acids in your wine will turn out to be just perfect! Hygiene is, however, a very important consideration.

The grapes

The most dominant varieties of wine grapes that can be grown virtually anywhere in the world are Riesling from Germany, Sauvignon Blanc from France's Loire valley and Marlborough in New Zealand, Chardonnay and Pinot Noir from Burgundy and Merlot and Cabernet Sauvignon from Bordeaux. These are known as the Big Six. Apart from these, there are also other varieties such as Clairette, Chenin Blanc, Thompson, Viognier, which are white grapes and Cabernet Franc, Carmener, Grenache, Shiraz (also known as Syrah) and Zinfandel, which are red grapes. The most popular ones in India are Chardonnay, Sauvignon Blanc, Cabernet Sauvignon, Thompson, Chenin Blanc, Grenache, Shiraz, Merlot and Zinfandel. Some of the basic differentiating factors between the wines obtained from these varieties are acidity, tannins, minerals, fruitiness and alcohol content.

The process

It takes a couple of years for the grape vines to grow and take fruit. The first harvest is almost always never used; it takes a couple of years more to get harvests of good quality. Almost 30% of the crop is pruned away during the growing years to enhance the quality of the entire crop.

Wine-making, or vinification, starts right from the selection of grapes and ends at the bottling process. Once the grapes acquire maturity, they are ready for harvesting. Maturity of the grapes is usually determined by parameters such as the level of sugar (called Brix), pH level, ripeness, berry flavor, tannin development (seed color and taste), disposition of the grapevine and weather forecasts. The level of sugar in the grapes determines the final alcohol content of the wine and is an indirect index of grape maturity. Harvesting the same crop at different times brings about a difference in quality. Hence, deciding the time of harvesting is rather a tricky issue, usually taken by the winemaker or oenologist, a trained or experienced individual who knows how to make wine the right way. Most

DARE/apple, plum, strawberry wine

Himachal Pradesh Horticulture Marketing and Processing Corporation (HPMC) has become the first agency to market fruit wine in Tetrapack in the country. It is currently marketing apple, plum and strawberry wines. Later, diversification to other fruits, like pear, peach, wild apricot, etc., is also planned.

oenologists hold a bachelor's degree in science, majoring in oenology, the science of wine-making. Many Indian vinopreneurs are now employing French oenologists to maintain international quality standards.

Harvesting can be done manually or by using mechanical harvesters. Although mechanical harvesting is easier and faster, most premium winemakers go for manual harvesting, that is, handpicking, since mechanical harvesting is indiscriminate and more often than not, loose debris also get included.

Harvesting is succeeded by destemming, usually done in a winery, in which the stems are separated from the grapes to control the tannin level and vegetable aroma. For obtaining red wines, the grapes are crushed by mechanical crushers to break open the skins and fermented in tanks. This is an essential step for color-extraction. For white wines, this step is bypassed and the grapes are passed directly to the presses. The wine obtains its color, tannin and flavor from the grape skins. Hence, it is upon the winemaker to decide the time for which the mashed grapes remain in contact with the skin. This is followed by primary fermentation during which specific quantities of yeast and sugar are added at specified temperatures. The fermentation temperatures influence not only the speed of fermentation but also the final taste of the wine. For red wines, it is around 25-28° C, whereas for white wines it is around 15-18° C. The fermented mash is pressed to separate the juice (wine) from the grape pulp and skins, after which it is run through a couple of heat and cold stabilization processes to get rid of sediments and other precipitation crystals from

the wine. This may take close to a week or two.

The wine so obtained is then stored in oak barrels for the secondary fermentation process, commonly known as aging. This process may take from three months to a year. The aged wine is then blended or fined by the winemaker as an adjusting measure to remove discrepancies.

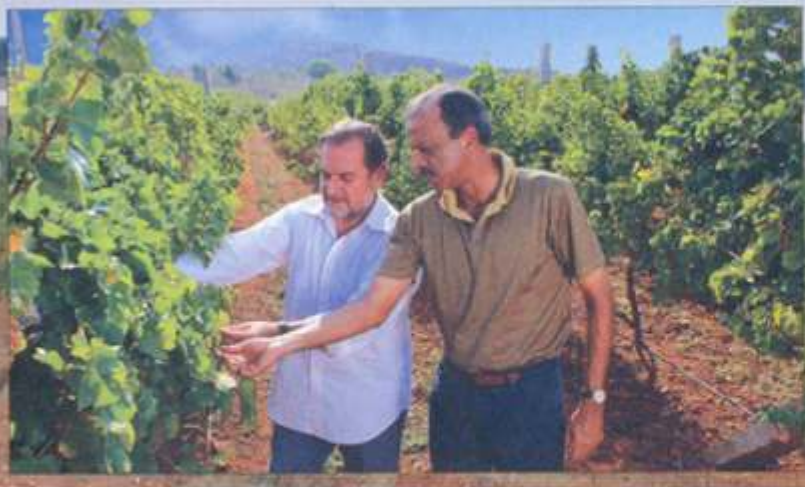
Retail

Walk into any good hotel or restaurant serving wine in the country and you're sure to find at least one of Sula, Grover or Indage brands. Increasingly, newer entrants are getting a place of envy in the wine lists of the country's hotels, Reveilo, Chateau D'Ori, Miazma and Vinsura, to name a few.

Wine is also used as the ingredient along with sauces in food preparations involving sea-foods or meats. Vindaloo, the famous Goan dish brought to India by the Portuguese in the early 17th century, is prepared by marinating red meats in wine, vinegar and garlic. Hotels and restaurants in India have widely begun to serve dishes prepared in wine sauces. Although such dishes are more popular amongst the foreign clientele, if the popularity of the Costolette d'agnello con salsa di vino rosso e fichi secchi (pan-seared lamb chops, with roasted potatoes and red wine) served in Diva, an upscale restaurant in Delhi, is anything to go by, the common Indian palate is getting wine-philic at a break-neck speed! Which opens up one more retail angle

DARE/chilli-factor

Ashraf Sharif, owner of Balti Wines, a Manchester-based wine company, has come out with five different kinds of wines to go with the spicy Indian food served in the UK restaurants. His company has worked with the Food & Technology Department at Manchester Metropolitan University and developed a chilli-meter, or rather a chilli-factor, which rates their wines to provide an index of the kind of food-wine pairing that will work the best! Balti Wines had recently opened its offices in the US as well and sells its wines in 13 states.



for the Indian wine-makers—that of cooking-wines! This has the potential of getting your wines at the nearby departmental store, with some help from the government, of course!

The retail part, in most cases, is handed over to distributors. Brindco, the largest importer of wines in India, handles the distribution of Sula, Grover and Vinsura. Recently, Brindco acquired a 20% stake in Grover Wines, under which it acquired the marketing and distribution rights of Grover Wines. In fact, Grover now figures in the wine list of Gordon, the oldest wine bar in London.

Some wineries are going the extra mile in making sure that their visibility increases. Yatin Patil of Vintage Wines, recently invited the elite residents in and around Nasik to come and taste their Reveilo wines. Many wineries offer packaged wine tours to corporate and tourist groups in their vineyards. For instance, Grover Vineyards offers tourists a day-long tour in its vineyards, interspersed by tasting of their wines and lunch in a nearby spa-resort. The likes of Infosys and Mico have visited them for this.

In the First India Wine Challenge held last year in New Delhi, many Indian brands participated, with Nine Hills of Seagram emerging winner. Participating in such contests, wine fairs or wine-tasting events increases visibility tremendously.

Visibility, however, is not all, for as made evident in the India Wine Chal-

lenge, Indian wines are still reeling under quality issues.

Quality

The quality of a wine is assessed by its bouquet and taste. Bouquet is the complete aromatic experience that a wine offers to the wine-taster. Wine-tasting in itself is an art. Tasting doesn't mean simply tasting the wine, it rather implies a thorough sensory examination of the wine, a procedure widely known as the 5S procedure – See, Swirl, Sniff, Sip, Savor. The wine is judged for its appearance, fragrance, taste and after-taste. The key characteristics that a wine-taster looks for are clarity, varietal character, integration, expressiveness, complexity, and connectedness. Clarity is the translucence

level of the wine. Varietal character defines the grape aromas present in the wine. Integration indicates how well the constituents of the wine, namely the acid, tannin and alcohol content, jell in with the other constituents. Expressiveness of the wine is defined as its ability to present all its constituent aromas and flavors clearly. Complexity is determined by the multiplicity of its inherent flavors. Connectedness is how closely the wine seems connected with where it has been obtained from.

Each step in the wine-making process influences the quality of the wine. From the plucking of the grapes, crushing and fermentation to the final aging and blending processes, a stitch in time actually saves nine! Harvesting the grape at different times from the same vineyard will yield different quality grapes. The temperature at which the fermentation is done, the kind of additives that are added, the length of the aging process and the blending agents used influence the quality of the wine to quite an extent.

The only way that Indian wines can burn a hole in Bordeaux's pockets is by maintaining high standards of quality. Discerning clientele can always tell good quality from bad. Hence, quality has to be kept high throughout the entire process of wine-making, right from the selection of grapes. Kapil Grover of Grover Wines thinks that the only bottleneck plaguing the Indian wine in-

DARE/the legal take



Karnika Seth of Seth Associates, a law firm based in Delhi and dealing extensively with vinopreneurs, explains the legal implications

We always advise the vinopreneur to set up a company instead of going for a proprietorship, since it's not only more professional but also more logical in terms of marketing and brand-positioning. First you need to get a trademark registration. Once your brand is trade-marked, you need

to look at the network that you would need of sub-distributors, vendors, etc. You need a manufacturing license and follow the GMP code. Production of the wine is subject to the Indian Standard specification for wines (IS 7058), the Prevention of Food Adulteration (PFA) Act 1954, Standards of Weights and Measures (packaged commodities) Rule, 1977, and the State Excise Duty Rules

You need stock and sale licenses for warehousing or distributing the wine. For a vendor, a vendee license is required. There are different licenses for different role-plays in the value-chain, right from growing it to storing it to distributing it and finally, for selling it. For bottling and labeling, the Fair Packaging and Labeling Act of FDA (Food and Drug Administration) of the United States needs to be followed, which makes it mandatory for the producer to maintain a certain level of standard in bottling and labeling the product.



KAPIL GROVER
GROVER WINES

How was Grover started?

We were the pioneers of experimenting with the growing of wine grapes in India. When we started our project in 1981, there were only two kinds of wine grapes in India. We conducted extensive experiments for nine years with 33 different French varieties in Nasik, Narayangaon and other such places in Maharashtra and Karnataka. We finished our experiments in 1989 and got the best varieties of wine grapes in Karnataka. People talk about Nasik being the equivalent of Napa Valley of California in India. However, Nasik is more suited for somebody who, say, has land lying around

there and wants to start something in it. Our provocation was to make international quality wine grape and we did not own land anywhere. We were originally in the business of importing hi-tech equipment, 90% of which was, incidentally from France. So, my dad got to know about French wine and got really passionate about it and even more knowledgeable than most French people. So, we started planting in Bangalore in 1989 and launched in 1992, which makes us 15 years old. We have a joint venture with a very well-known French Champagne company, Veuve Clicquot Ponsardin, and since 1994, our technical consultant has been Michel Rolland, who's considered to be the absolute No. 1 in the wine-making world. Today, we are at about 1.2 million bottles, and are growing at the rate of 25-30%. We have just taken on a new partner, Brindco, who are handling our marketing and own 20% in the company. We have a financial investor, Jerry Rao, who had picked up 15% stake in the company. We have two new wonderful partners, Veuve remains, and the balance 51% is held by us.

How did you raise the initial investment required for starting up?

The initial investment was our own. We started with around Rs 3 crore and since we put it ourselves, there were times when we lived absolutely hand-to-mouth. Compared to that, our recent expansion and renovation cost us around Rs 5 crore, and starting April, we'll have some new tanks and barrels, which is another Rs 1.5 crore. But we started quite small, to the extent that we had to cut down on many expenses to meet the costs.

How did you hire Michel Rolland?

My father and our wine-maker, Bruno, had visited Michel Rolland. They served him excellent wine and dinner and told him that we were poor people! Michel has a great sense of humor. He said, "I like poor people like you." He was extremely reasonable and came on board almost free of charge apart from the direct expenses. That is what Michel is like. When his wife and he came over to India, he asked us to just pay for the visit to India and "then we'll see!" He fell in love with India, Indian food, and liked the Grover family. Michel is not particular about money.

How did you get Jerry Rao to invest in you?

Jerry had a bottle of our wine with a very close family friend of ours in an Indian restaurant, Tabla, in New York. He saw Nandi Hills written on the bottle, which is where we are. He told our family friend that he had a lot of land in Nandi Hills and would like to grow grapes. So, that was the original context. At that moment, he had told Jerry that we had mandated somebody to offload 35% of the company and bring in some investments and asked him if he was interested. And Jerry was really interested, which is how he invested into our company.

How do investors look at the Indian wine industry?

Raising money for the wine industry is not an issue, provided you are a serious player. There are some 45 small wineries in Maharashtra, mostly farmer-promoted. The investors might not talk to them unless they are approached seriously. But tomorrow, if I need to raise some money, it won't be an issue at all.

industry is good quality grapes. "There is no great wine-maker. There is only great grape," says Michel Rolland, the world renowned wine-maker and consultant, who is also the consultant for Grover Wines.

Indian wines, with their quality-conscious demeanor, have slowly started figuring in the world winescape. "Foreign customers who come to our bar usually go for an Indian wine. Although the first time is out of curiosity, the second round is because they like it," says Manish of Club Bar, Imperial Hotel in New Delhi, delineating a trend that has been largely witnessed in the premium hotel bars of the country.

Partnerships and Venture Investments

Like in any other business, investors are smelling money in this one too. Sula had already acquired two rounds of funding. In 2005, it received Rs 15 crore (\$3.5 million) worth of venture investment from the private equity fund GEM India Advisors (GIA). In August 24th 2007, it raised Rs 45 crore from Indivision India Partners, Future Capital Holding's private equity arm jointly with another private investor. Jerry Rao of Mphasis recently picked up 15% equity in Grover Wines. Chateau Indage acquired private equity investments from Anil Dhirubhai Ambani Enterprises (ADAE), which picked up a 9% stake, and Singapore-based Arisaig Partners' private equity fund, which picked up close to a 10% stake.

Mergers and acquisitions are also happening, with Indage taking the lead by acquiring Tandou, an Australian wine company. Indage has reportedly set aside a corpus of \$100 million for international acquisitions.

The mood is upbeat. The current players have a huge part to play in the sector opening up. There is, however, a need to educate the Indian clientele in the finer nuances of wine drinking to popularize this drink amongst the masses. Perhaps Bollywood can also chip in, much in the same way that Hollywood did for the wines from Napa Valley. "I have been asking Sula to make a documentary on wine-making," says Arora. Perhaps *a la Chocolat?* **DAVE**