

## **21<sup>st</sup> Annual General Meeting of Sula Vineyards Limited**

**June 26, 2024**

- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**
- Good morning, ladies and gentlemen. Welcome to the 21<sup>st</sup> Annual General Meeting of Sula Vineyards Limited. This meeting is being held through video conferencing in accordance with the circulars issued by Ministry of Corporate Affairs, applicable provisions of the Companies Act, 2013 and SEBI regulations. The proceedings of this meeting are being webcasted LIVE for all our shareholders as per the details provided in the notice to the Annual General Meeting. The proceedings are also recorded for compliance purposes.
- In accordance with the provisions of the Companies Act, 2013 and SEBI regulation members have been provided with a facility to exercise their vote by electronic means both through remote eVoting facility and eVoting at the Annual General Meeting. Remote eVoting facility was made available to all the members holding shares as on the cut off which is 19<sup>th</sup> June during the period commencing from 9 a.m. on 23<sup>rd</sup> June till 5 p.m. on 25<sup>th</sup> June.
- As mentioned in the notice, the facility of participation in the AGM through video conferencing means has been made available for 1000 members on first come first serve basis except for large shareholders, promoters, institutional investors, KMPs, Directors, Chairperson of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee as well as the auditors who are allowed to attend the AGM without any restriction on account of first come first services.
- First one, to the MCA circular dated 8<sup>th</sup> April, 2020 issued by the Ministry of Corporate Affairs, the facility to appoint proxy and cast votes for the members is not available for this AGM.
- Member joining the meeting through video conferencing facility who have not yet cast their votes by means of remote eVoting may vote through the eVoting facility at the AGM. The eVoting platform is now open for voting and will close after 15 minutes from the time of the closure of this meeting. The members who have cast their vote by remote eVoting prior to the meeting are requested to not cast their vote once again please.

- The Board of Directors have appointed M/s Martinho Ferrao & Associates, Practicing Company Secretaries, as a scrutinizer for this meeting. Based on the report of the scrutinizer, the combined results of the remote eVoting and eVoting at the AGM will be announced and displayed on the website of the company and submitted to the stock exchanges.
- The registered office of the company situated at Mumbai shall be deemed as the venue for this meeting and the proceedings of the AGM shall be deemed to be made there at to transact the businesses as mentioned in the notice.
- The Statutory Registers required to be kept open at this meeting can be inspected in electronic mode by any member.
- We have received requests from 14 members for registration as speaker shareholders in the AGM today. All those shareholders have been provided specific links to log into the meeting and we shall be allowing them to speak once the Chairperson directs the same.
- For smooth conduct of the meeting, the speaker members will be kept on mute by default to avoid any noise or disturbance. During the Question-Answer session, we will announce names of the members who have registered themselves as speakers for this meeting in sequence. Thereafter, the respective speakers will be unmuted when his/her name is called out. Members while asking questions or seeking clarifications may turn their video on. In case any member is facing a technical problem with the video transmission, they can ask the question through audio mode. Members are requested to restrict their questions to the matters being transacted at the meeting. In the interest of all members, I request the speakers to keep their comments brief and avoid repetition of questions. This will allow all members who have preregistered to get an opportunity to speak. Thank you.
- I now hand over the proceedings of the meeting to Mr. Chetan Desai, Chairperson of the Board and Audit Committee. Over to you, Sir.
- **Mr. Chetan Desai – Chairman & Non-Executive Independent Director, Sula Vineyards Limited:**
- Thank you. Dear, shareholders, ladies and gentlemen, on behalf of the Board of Directors, the management and the employees, I extend a warm welcome to all of you to this 21<sup>st</sup> Annual General Meeting of Sula Vineyards Limited. I appreciate your presence today, which is a testimony to your interest and support in your company. I trust you all have received and had the opportunity to glance through the Annual Report for FY23-24. The report highlights an overview of the company's business performance and outlook. We aim to offer you a glimpse into the company's trajectory with this sincere report.

- The quorum being present, I declare the meeting open. The notice convening this meeting and the Director's report has already been emailed to all shareholders and are taken as read.
- Let me now introduce to you our Board members who are present in this meeting -
  - Mr. Rajeev Samant, Managing Director & CEO of the company and Chairman of Corporate Social Responsibility Committee.
  - Mr. Alok Vajpeyi, Independent Director and Chairman of Nomination and Remuneration Committee and of Stakeholder Relationship Committee.
  - Ms. Sangeeta Pendurkar, Independent Director and Chairman of Risk Management Committee.
  - Mr. Nicholas Cator, Non-Executive Director.
- The representative of Statutory Auditors, the Secretarial Auditors and Mr. Martinho Ferrao, the scrutinizer, are also present in the meeting.
- Since there is no physical attendance of members required at this meeting in compliance with the circular issued by the MCA and SEBI, there is no requirement of appointing proxies.
- The notice convening this meeting along with all the proposed resolutions being considered at this meeting have been circulated to all the members. I take that as received and read.
- There are no qualifications or observations in Statutory Auditor's report and Secretarial Auditor's report. Hence, it is not required to be read.
- I hope the Annual Report has been informative and captivating for you. I'd like to express my gratitude to the shareholders who have shared their invaluable feedback. Your input is essential in shaping our future endeavors.
- I now request Mr. Rajeev Samant, Managing Director & CEO of the company, to take over.
- **Mr. Rajeev Samant - Managing Director & CEO, Sula Vineyards Limited:**
- Thank you, Sir. Good morning, everyone. This is Rajeev Samant, CEO of Sula Vineyards. I'm delighted to welcome you to our 21<sup>st</sup> Annual General Meeting. Thank you for your ongoing support which has enabled your company to achieve significant milestones. This year marks Sula Vineyard's 25<sup>th</sup> anniversary. Since our inaugural harvest in '1999, our journey has been quite remarkable with the last few years being particularly pivotal. Despite challenges like the pandemic, we have achieved key milestones including our

successful IPO. I'd like to thank the Maharashtra government for reinstating a crucial scheme to support our future endeavors. We are also grateful to the Karnataka government for their continued support of the Wine industry.

- As a publicly traded company, we've seen strong performance in our core business areas, our own brands and the thriving Wine Tourism sector. I'm proud of the path we've traveled over the past 25 years. My vision was to create high quality Indian wines and build a distinguished brand. Today, we are by far the most recognized wine brand in the country.
- In FY24, we achieved another record year with double digit revenue growth and continued margin improvement. This robust financial performance translates to enhanced returns for our stakeholders. Our ROCE of over 25% stands out as one of the highest within the Alco-Bev industry in India underscoring our unwavering commitment to strong financial metrics and growth.
- Since our inaugural sale of our first case of wine in '2000, Sula has fostered a flourishing wine culture in India. Wine Tourism is a strategic pillar for our growth offering a unique opportunity to connect directly with consumers and gather valuable insights into their preferences. We are pleased to report a robust 22% growth in Wine Tourism revenues for FY24 highlighting its growing popularity in India.
- Point on the Wine industry. Wine currently constitutes less than 1% of the total Alco-Bev consumption in India highlighting a vast opportunity for growth within the market. This underlines the nascent stage of wine consumption in the country with ample potential for growth. Wine is rapidly growing in India fueled by several key trends.
  - Firstly, a focus on premiumization drives demand for higher quality wines as consumers increasingly seek out superior and more premium options.
  - Secondly, India's young demographics characterized by a large and growing population of millennials and Gen-Z are eager to explore new beverages and experiment with different flavors and styles of wine.
  - Increasing disposable income is another crucial factor as it allows consumers to invest more in novel and premium experiences like wine. This financial flexibility enables a broader segment of the population to enjoy higher quality wines, dine out more frequently and attend wine tasting events.
  - With more women entering the workforce and gaining financial independence, there has been a shift in cultural attitudes towards Alco-Bev and wine consumption. This has led to increased Alco-Bev consumption among women, particularly in wine, contributing to the growing demand.
  - Finally, the perceived health benefits of wine make it a popular choice over other alcoholic beverages. Consumers are becoming more health conscious and are favoring options that align with a healthier lifestyle. This trend is further amplified by

the growing awareness and education about wine's health benefits. These trends signify a promising trajectory for the Wine industry and for Sula Vineyards in India presenting an opportune moment for stakeholders to capitalize on this evolving consumer preference.

- By leveraging these trends and effectively addressing consumer needs and preferences, the industry and ourselves are well positioned to tap into the significant growth potential of the Indian Wine market.
- Moving to supply and demand. Our robust supply chain is meticulously designed to weather environmental and climate change challenges ensuring consistent quality and availability of our wines across India. As we continue to fortify our supply chain, our strategic imperative now shifts towards driving demand. With the Indian market showing increasing interest in wine consumption, our focus on stimulating demand is paramount. Sula has made great strides in breaking down barriers and making wine more accessible to a broader audience. This effort involves not only educating consumers but also ensuring that wine is available at different price points. To further enhance accessibility, we are expanding the availability of reasonably priced wines through our own retail outlets and strategic partnerships with established F&B enterprises. By collaborating with these partners, we can reach a wider market and make wine a more integral part of the dining and social experience for many more people. We look forward to sharing further details about these projects and collaborations throughout the year as they come to fruition.
- Sula's portfolio remains the strongest in terms of variety offering a wide range of wines that cater to different tastes and preferences. Our constant innovation in wine making techniques and product development ensures that we stay ahead of the game in India's thriving wine market. The numerous awards that our wines have won validate our commitment to producing world class products. Most recently, I'd like to highlight, that our Rasa Cabernet Sauvignon earned a gold medal at the Global Cabernet Sauvignon Masters spotlighting our pursuit of excellence in wine making.
- Wine Tourism. We have shaped the industry through wine tastings, vineyard tours and our unwavering commitment to immersive wine tourism experiences inviting guests to explore our estates in Nasik and Bangalore. We are constantly looking for avenues to expand our offerings aiming to introduce new and exciting opportunities for wine enthusiasts. There's a lot of potential in Wine tourism and we are dedicated to fostering a deeper connection between our guests and the world of wine. We've successfully completed the ND Wines acquisition achieved efficiently. Located near the Maharashtra-Gujarat border, ND Wines offers significant tourism potential and we are developing a 3500 square foot Wine tourism destination including tasting room, bottle shop and restaurant targeting a launch within this financial year itself. Additionally, we are thrilled to announce the opening of our first tasting room near Nasik Airport, bringing the Sula experience closer to our customers. We are also expanding our York

facility situated near the winery with plans to increase our room capacity to 134 by FY26 offering luxurious accommodations to our guests on our estates.

- In conclusion, today the brand Sula is synonymous with wine in India reflecting our competitive advantage and stronghold in the industry. I would like to express our deepest gratitude to each one of you for your unwavering support and trust and I am confident that Sula has a bright future leading the way for Indian wine. Thank you.

- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Thank you, Mr. Samant.

- I now invite registered shareholders to express their views or ask questions. I would also request each of the speaker shareholders to switch off your mobile phones or put them on silent mode in order to avoid any disturbance or background noise. Also, I would request speaker shareholders to please provide your client ID or Folio Number and then go ahead and ask your questions.

- Our first speaker shareholder for today is Mr. Yusuf Yunus Rangwala.

- **Mr. Yusuf Yunus Rangwala – Shareholder:**

- Hello, very good morning. Chairman Sir, can you hear me? Very good morning.

- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Yes, Sir.

- **Mr. Yusuf Yunus Rangwala – Shareholder:**

- Very good morning, Sir. Speaking from Mumbai, Sir. My client's number is 10...Hello? 101000232396. Is that right, Sir? Right? 232396. Okay, can I go further?

- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Yes, Sir.

- **Mr. Yusuf Yunus Rangwala – Shareholder:**

- Hello? Firstly, I am very happy with Chairman's speech. We have wine manufacturing business. Sir, we are having 2 factories, one is Bangalore and one is Nasik. Sir, you have written to us and anytime you visit Nasik...Sir, my humble request is that don't do this. Allot a small bus. Nasik is very far off. You allot a mini bus after month of October so

that the people who are interested to see your factory so we can see the factory, Sir. And what is total number of staff in these 2 factories, Sir? Of this, how many are female employees? You mentioned that women work in your company, what is the total number of ladies at present? And what are the number of gents at present? Number three, Sir, this 21<sup>st</sup> Annual General Meeting and after four years we will be completing 25<sup>th</sup>. How we are celebrating a 25<sup>th</sup> after the four years? Whether you will declare a bonus? Whether you will give a good dividend? Sir, tell our secretarial team to send me annual copy. Sir, I would like to know who are the main competitors in this business? What is the competition between Tilak Nagar and us? Tilak Nagar McDowell and there are so many other wines manufacturing. Sir, who are our main competitors? I would like to know that.

- Sir, what more should I say. The name Sula speaks for itself. After listing, our current market rate is also good. Even your progress report is good, Sir, and sharebrokers also suggest to purchase Sula's shares. Sir, Ventura Securities employees give us the tip that 'Buy Sula's shares because the rate will be 3 times higher'. That's what they tell, Sir. Your report is excellent, Sir. This is so excellent report in your guidance, Sir.

- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Thank you, Sir. Sir, we have taken note of the...

- **Mr. Yusuf Yunus Rangwala – Shareholder:**

- I would like to end my comments here. Thank you very much. '*Phoolon ki khushbu, Kaliyon ki bahaar aur Sula Vineyard ka saath hamesha rahe*'. Words are not sufficient to thank the Secretarial team. Very thank you and 19.23.

- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Thank you so much, Sir. There are other speaker shareholders in line, so let's give them also an opportunity to speak. We have taken note of your questions.

- **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**

- Mr. Yunus,, thank you for your questions, first and foremost. I'm Abhishek Kapoor, CFO for Sula Vineyards. Let me answer your questions. While you have asked many questions, let me try to wrap them up in my response. So, first you ask in terms of the number of units that we have. So, we have got our Nasik unit and in addition to that we have got Dindory unit, our DS unit based out near Bangalore and we have got our York facility and recently acquired ND Wines facility. So, these are the number of units which we have got.

- You are always invited as a tourist to come and visit our facilities. Always welcome over there. It's a very, very beautiful sort of an experience for all the visitors who come over there.
- In terms of the women workforce that you have spoken about, we have got around 50% of women participation at our Mumbai office, which is our headquarters. So this is in terms of the kind of roles which are involved. The more of desk job, the more of roles where it's feasible for the women participation to be higher. And if you talk about the wineries, there the participation is slightly lesser than this.
- In addition to that, you have spoken about our future plans. So, we continue to, as Rajeev spoken about in his speech also, that our focus is clearly in terms of building the wine culture in India and that is going to be continued by us.
- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**
- Thank you. Our next speaker shareholder is Mr. Manoj Kumar Gupta.
- **Mr. Manoj Kumar Gupta – Shareholder:**
- Hello? Hello? Hello?
- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**
- Hello, Sir.
- **Mr. Manoj Kumar Gupta – Shareholder:**
- Yeah. Good morning, respected Chairman, Board of Directors, fellow shareholders. My name is Manoj Kumar Gupta. I've joined this meeting from my residence Kolkata. I feel proud to be a part of Sula Wines and I thank the MD for his nice speech about the company's performance for the 21.42 and thanks for the dividend of ₹8.50 including 21.49. And today your market price is ₹500 and market cap approximately ₹4200 crores. What's your future plan? Have you any plan to split the shares from ₹2 to ₹1 to increase the market liquidity and the market capitalization? And how you face the challenge in your wine business? Today there is an IPO going on from the Chhabria family, Kishore Chhabria's family, so how you face the challenge in your business as there's a lot of challenge in your business?
- But I thank you for a good Indian brand which is selling hugely in the market. And, Sir, you are stabilized in West and South, so have you any plan to go in the North and East? North and East is also growing for the wine business and several businesses are coming in this region. In North, in Himachal, you can go in the Solan district. The government of



Himachal is giving full support to the business to set up a new industry and East part Jharkhand and the West Bengal giving full opportunity to start a new business.

- Like Wine Tourism, it's a good sign. This is the first example in the country from a manufacturing company who asked the tourist to come and see their plant and we are charging ₹600 per person...
- Let me finish, do not disturb. Why are you disturbing, Mr. Rajeev? This is not fair that the MD is asking the Company Secretary. This is not fair. This is not fair. Then this is not...
- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**
- Sir, we have taken note of your questions.
- **Mr. Manoj Kumar Gupta – Shareholder:**
- No-no, just you should listen the views. I'm not against. I'm supporting. But this is not fair. So, if this trend will go then people will be afraid and they will not...
- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**
- Sir, just requesting you to keep your comments brief so that like you we give chance to all the speakers.
- **Mr. Manoj Kumar Gupta – Shareholder:**
- So, that's your duty. But I didn't expect this that MD will ask the Company Secretary. This is not fair. This is not fair, okay.
- So, Wine tourism, this is a good sign and you give some discount to the shareholders. If they go there with family to visit your plant, give some discount. You are charging ₹600 per person, so for the investor or for the speaker shareholders if they go, so allow some discount like 30% or 50% per person.
- These are my suggestions but I did not expect such type of thing from the MD. Thank you.
- **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**
- So, Mr. Manoj, thank you, first of all, for your questions. So, definitely, I mean, let me give you good news, in terms of for all of our shareholders we are going to offer a special 10% discount. You will be able to see a link pertaining to this on our website in

the Investor Relations page. It's very, very prominently placed over there. So, this is what you will be able to see and then take a benefit of by going to any of our wine shops, the details of which are listed thereon.

- In terms of your question in terms of our expansion plans, as I answered to the previous speaker as well, that our plans what we have done in the last 25 years we will continue to take lead in expanding the wine culture in India and develop it far more.
- Wine Tourism you touch-based in your queries. Yes, it is a very, very strong platform for us for getting many, many more prospective consumers onboard. And this is what we are going to strive forward in terms of building more and more facilities so that we can make wine experience to a large number of consumers.
- Apart from this, in terms of your question in terms of the split of the share, et cetera, no, definitely it is not the right time because it's been 1.5 years from our listing. So, definitely there are no plans right now to split our shares. I think the stock price at the face value of ₹2 is a good sort of a unit for the shareholders as well to trade the stock in.

- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Thank you. Our next speaker shareholder is Mr. Ankur Chanda.

- **Mr. Ankur Chanda – Shareholder:**

- Hello? Am I audible?

- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Hello, Sir. May I request you to kindly please keep your questions and comments in brief so that we can give a chance to all the shareholders to express their views. Thank you. Please go ahead, sir.

- **Mr. Ankur Chanda – Shareholder:**

- Good morning to everyone. Sir, first thing that I would like to mention, what Madam just stated now that be brief means speak very little. Means you are interrupting each and every shareholder. Shareholders just get this one day and that day also if you don't let them speak and if you don't even give 2-3 minutes to them then what is the use of all this, Sir? If that's the case where you don't want to let shareholders speak, then don't invite the speakers.

- Your secretarial department is the worst. Means we can't contact them and they don't contact us. If we send any mail, in that also they give number of NSDL contact person.

They don't share their office numbers. They say 'Contact NSDL. Don't contact us'. Means, Sir, this is how you would treat your shareholders.

- Second point, Sir, shareholder who was talking about the discount, you said we can avail 10% discount. In market we already get 40% discount. So, Sir, what would shareholders with your 10% discount coupon? Instead, you give some such benefit that they enjoy consuming. 10% discount on ₹600 is ₹60. Already in market we are getting 40% discount, so what would we do with this 10% discount?
- Another thing, our CMD and MD or others do they also get just 10% discount? Can you tell me this? Do tell me about this whether they also get just 10% discount or do they visit free of cost? So, whatever discount they get or the price that they pay, same discount should be given to the speaker shareholders also.
- Just this much, thanks.
- **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**
- So, thank you, Mr. Ankur. So, just to clarify your doubt, this 10% is over and above any of the offers which are already being available to other buyers over there. So, this is an additional one; it's on top of that.
- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**
- Thank you. Our next speaker shareholder is Mr. Kaushik Sahukar.
- **Mr. Kaushik Sahukar – Shareholder:**
- Hello?
- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**
- Hello, Sir.
- **Mr. Kaushik Sahukar – Shareholder:**
- Am I audible?
- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**
- Yes, Sir. Please, go ahead with your question.
- **Mr. Kaushik Sahukar – Shareholder:**

- Yes. Respected Sir and distinguished guests, good morning to all. It is an honor to stand before this esteemed gathering today. I extend my heartfelt gratitude to the Board for granting the opportunity to be a part of Sula’s important event. My only concern with the company is, I note, the absence of significant corporate actions, such as bonus, 29.05 or share buyback aimed at enhancing shareholders’ wealth. Are there any plans for such initiatives in the near future?
- Before I conclude, I want to express my gratitude to the entire Secretarial Team for connecting with me and granting me the opportunity to be part of such a memorable event. Additionally, I request company support in associating with me in the area of Certification Audit, including Form 15-CB. I believe CSR means helping the needy at a crucial time where they have approached the company for help. I am confident that Sula Vineyard carries the vision and commitment to support such qualified differently-abled persons in need. Finally, I propose the utilization of substantial savings for the virtual mode of this meeting for the benefit of the speaker shareholders. This could involve either arranging site visits or small get-togethers, maybe one-night trips for speaker shareholders, or distributing tokens of appreciation, such as sweets or small gifts to our esteemed speaker shareholders during festivals. Sir, I request you not to distribute a bottle of wine as I do not consume wine. Furthermore, I would greatly appreciate your assistance in facilitating an interaction with the Auditor for potential engagement in professional endeavours. Given our professional affiliation, I am confident that such a collaboration would prove virtually beneficial for both the parties involved. Thank you, sir. Thank you for your attention.
- **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**
- Thank you, Mr. Kaushik. First and foremost, thank you for the comments, for the compliments you have for our Secretarial Team. We are always there to service you. So, in terms of your query, mainly in terms of rewarding the shareholders, as one of the earlier speakers also spoke about, the Board has recommended a dividend of Rs. 8.50 for the last financial year, FY24. So, we are committed to rewarding our shareholders in terms of good dividend payout.
- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**
- Thank you. Our next speaker shareholder is Mr. Bittu Varghese.
- **Moderator:**
- Mr. Bittu, we have sent you a request. Can you accept and ask the question? Ma'am, I think due to some technical difficulties, he is not able to unmute. We can move ahead with the next speaker shareholder.
- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Sure. Our next speaker shareholder is Mr. Jaydip Bakshi.
- **Mr. Jaydip Bakshi – Shareholder:**
- Very good morning, Chairman, MD, CFO and Board of Directors. Myself, Jaydip Bakshi, connecting from the city of Kolkata. Thanks, Ruchi Madam, for giving me an opportunity and also presenting this Annual Report, a descriptive and a colourful one. Sir, initially, our performance has been very strong and also you have passed on a good dividend to us. Thanks for that.
- Sir, I have one request. As we are also attending different AGMs also, just request to reply at the end, because there may be many questions who are repeated ones. They can be clubbed together and can be replied at the end. It can also save much time also. And only this is the day when we, the speaker shareholders, get a chance to interact with you, sir. So, kindly give us some opportunity.
- Sir, initially, as requested by Madam, I have sent my queries also in earlier, though they have not been replied to. Still, I want to get some information regarding the new acquisitions or the risk factors which we foresee in the coming days in our plantations. And, congrats for the CSR activities where you have spent regarding the education and employment opportunities, and also for the award. Any new technology for smooth supply chain? Also regarding this carbon neutralization like usage of solar panels for our rooftops, saving our fossil fuel energy like that? Just kindly throw some light on this. Sir, regarding this 10% discount, you are saying about the discount which is already prevailing in the market. Request to kindly increase it. Make it on a higher basis so that we can, as a shareholder, get some extra benefit. Kindly think of this. Also please arrange for the shareholders' wine tourism, because it can be a mode of advertisement through the word of mouth; we can spread about our company. It can be a good form of advertisement. Kindly think of it. If you encourage the shareholders to come and visit our wine...
- Nothing to add more, sir. I have supported all the decisions. And hope, sir, under your guidance, our company will come out with much better results. And, continue this video conference so that we can keep in touch. And think about this because this is the 20th year. Kindly think something to commemorate this occasion for the shareholders. Thank you, sir.
- **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**
- Thank you, Mr. Bakshi, for your questions. So, first and foremost, again, thanks for the compliments you have for our team. So, in terms of your query on acquisitions, we have recently concluded ND Wines acquisition, which was mainly focused on our wine tourism expansion. As our CEO, he explained in his speech how we strongly believe in the strong potential of this line of business. In addition to that, you spoke about the investment in technology and in terms of the alternate sources of energy. We are focused on that and we continue to invest behind that on a year-to-year basis. On the

technology front, we are also upgrading our technological platforms, our SAP system, and we continue to invest on the solar energy every year. So, yeah, that's a clear aim which we continue our growth with.

– **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

– Thank you. Our next speaker shareholder is Mr. Ayush Gupta.

– Moving on to the next speaker shareholder, Mr. Manjeet Singh.

– **Moderator:**

– The person with the same name is not connected in the meeting.

– **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

– Our next speaker shareholder is Mr. Anand Nayak.

– **Mr. Anand Nayak – Shareholder:**

– Good morning. I have limited questions. Number one, when I see the financial, in the revenue, this excise duty is added and excise duty is shown separately as a part of another expenses. I just want to understand the reason, because under the legacy gap also, when there was a presentation, it used to come as a sales and then excise duty. Otherwise, what will happen? Unnecessarily, this 40 crore will go and sit in the top line as a sales contribution. So, I just want to understand the reason for that. My second question, when I see the top 5 customers, they almost contribute 43% to the top line. So, I see somewhere this client concentration risk. So, what is the strategy of the company going forward to get out of this kind of a problem? Sir, my third question, there is a sale of services around 44.04 crore. What exactly is the nature of this? What is services that is sold? Sir, what is the excise and sales tax rate on our product? Is it a fixed rate or does it again varies with the various brands? Sir, what is the basis of quantification for the nature of grant which is the grant relating to electricity? And reason, because on a page number 194, there is a Note 46 which talks about 'grant on electricity'. So, I just want to understand how the quantification is done and why this is accounted on a cash basis, because somewhere it says on an 'earned' basis and not 'accrual'. So, what is the reason? And what is the quantum that got accounted in the financial year 23-24? Sir, when I see the EBITDA, almost 25% of the EBITDA is coming from government grants. So, I just want to understand, these grants may not be a kind of a permanent feature, correct? Some or the other day it will stop. But 25% is a quite a significant chunk. So, I just want to understand how the company will get out of these kind of non-recurring component in the EBITDA? Sir, there is a royalty income of 0.19 crore. But when I saw the related party, I saw that it is coming from a subsidiary. How is the quantification of this royalty income done? Then there is another government grant which is reflecting in the non-operating income which is 0.39 crore. What is the nature of this at page number 177 of the Annual Report? Sir, when I see the borrowing of the

company, which is around 283 crore, and if I do the net off with the cash equivalent, somewhere another 95 crore will come down. But to me, apparently, it looks quite a significant quantum compared to the top line of the company. So, what are the plans of the company to get this debt reduced? Because earlier, when the company also came out with an IPO, nothing has come to the company books. , it's more offer for sale. So, I just want to understand, is there any QIP plan by the company to reduce the debt burden? Because when I see the gearing ratio also, it is on the higher side.

– **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

– Thank you, sir.

– **Mr. Anand Nayak – Shareholder:**

– Another 2 to 3 questions, madam. I will not take much time, because this is like once in a year. So, please give me another two minutes.

– Sir, when I see the debtors, there is a significant spurt in the debtors' balances, almost 60 crores, which is 60%. And somewhere in the note, it is said that credit period is in the range of 30 to 90 days. But when I see the further table, which talks about in excess of 6 months, it is almost 19.34 crores. And the corresponding provision for the credit loss is only 4.74 crores. I just want to understand, is there any possibility of a credit default? And what is the policy of the company to make the provision for the debtors? And what is the contribution of the subsidiary? Somewhere I saw the note, that Note number 43, which says that the subsidiary is incurring the losses, net worth has eroded. I just want to understand, what is the contribution of the subsidiary at a consolidate level to the top line and the bottom line? And there is an excise demand. This is my last question. There is an excise demand of around 115.90 crores, which the company got a relief. I have gone through that note. But whether the tax office has filed a further appeal on this issue? If the answer is yes, then technically it has to come in the Auditor's Report as undisputed. Sir, I don't that see anywhere. So, I just want to understand the further development on this issue. And the last question, what is the market share of Sula in the wine segment? That's all. And thank you for giving this opportunity, ma'am.

– **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**

– So thank you, Mr. Nayak. Let me start with your last question, where you asked about the market share. So broadly in the 100% grape wine segment, we are close to more than 50% market share. Let me try to bucketize your queries. You asked certain queries which are falling into the bucket of excise and regulatory-related aspects. So on the excise front, first and foremost, one of the critical decisions which we got favourable during the year was from the State of Maharashtra, where the excise demand of 116 crore was resolved and the matter was set aside. In terms of the disclosure of the excise, it is completely in compliance with India's requirements. So, whether it is about the different government grants, which you spoke about, the electricity duty grant, or

for that matter, the grant which we get on account of the WIPS. So it's completely in compliance with India's requirements that how it is displayed in our financials.

- Now in terms of the basis of quantification of electricity grant, again, it is based on the Maharashtra State Electricity Board. The way the subsidy scheme is offered by the department is how it is computed.

– **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Top 5 customers.

– **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**

- So, in terms of the quantum of the customers where you spoke about some of the significant customers and concentration on that, please appreciate the fact that as far as Indian market is concerned, we have got a mix of the distribution-driven states and the corporation-driven states. So, which all states are run by the corporations where we have to supply our stock to corporations, they tend to be our biggest customers. And that's how this concentration which you see in terms of the top customers constituting a large share of revenue.

– **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Thank you. Our next speaker shareholder is Ms. Vasudha Vikas Dakwe.

– **Ms. Vasudha Vikas Dakwe – Shareholder:**

- Very good morning, respected Chairmen, Board of Directors and my fellow shareholders. Myself Vasudha from Thane. I would like to congratulate the Company Secretary for sending me a copy of the report well in advance, which itself is clear and transparent. The opening speech given by the Chairperson is also very informative and excellent.

- I would like to ask, what is our attrition rate? Most of the question was asked by my previous shareholder. I will not take much time. With this, I support all the regulations. Thank you very much and wish the company all the best for coming financial year. Thank you, sir.

– **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**

- Thank you, Ms. Vasudha. So just to answer your question, our attrition rate is less than 10%. And as far as our tenet is concerned, that is very well focused and completely aligned to the company's vision in terms of driving the wine culture in India.

– **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Thank you. Our next speaker shareholder is Mr. Kankanala Bharat Raj.



– **Mr. Kankanala Bharat Raj – Shareholder:**

- Yeah, very good morning, Chairman and entire Board of Directors. I'm Bharat Raj from attending from Hyderabad. First of all, I want to share one incident, Mr. M.D. Raju. When I was a kid youngster, there is a TV program, Index CNBC. So in that program, I have seen a young man coming from Italy or abroad and started a Nashik wine. So that program was very interesting. I was a kid. I don't know, but I've seen that way of leadership and the challenges. After 25 years, I'm seeing the result to make a billionaire, a billionaire company and a public issue company, sir. Wonderful, sir. You are less than two and with a lot of youngsters we can do so many things. I'm very proud of you, sir.
- Second thing, sir, I want to bring to your notice, we are the shareholders, sir. Once it is a public limited company, everybody is the owner. Nobody is... You and I are both owners, minority and majority. So give the speaker shareholders an opportunity to bring to the site. Sir, this cost is maybe 1 lakh, 2 lakhs or 3 lakhs. Nothing! Peanuts for our company. The CFO, you know, that we spend a lot of crores of rupees in travel expenses, miscellaneous expenses. This 2-3 lakhs is nothing to our company. For investors, shareholders, please take us to our site and show us our plant, sir. I will be very happy, sir.
- And third thing, sir, I want to visit. I came to Bombay last year in October. I planned to visit, sir. I called your office, sir. One of the assistants of Ms. Ruchi told that we will get back to you, sir. We'll inform you. Nobody turned up, sir. Very poor service, sir. So I request you to inform Ms. Ruchi, try to be friendly with the shareholders. That is the only three things, sir. All the best for the coming years, sir. God bless you, Ms. Rajeev. We see more bigger ladders in the coming years, sir. Thank you very much.

– **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**

- Thank you, Mr. Bharat. We take your feedback. And definitely the Secretarial Team will look into your grievance and will definitely solve that. In terms of your appreciation for Mr. Rajeev Samant, thank you very much. Definitely that's the vision, the entrepreneurial vision our CEO has in terms of building this wine culture in India. And we are all dedicated to build this forward.

– **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Thank you. Our next speaker shareholder is Mr. Amarendra Nath Roy.

– **Mr. Amarendra Nath Roy – Shareholder:**

- Respected Chairman, other board members present, myself, Amarendra Nath Roy, an equity shareholder of Sula Vineyard Limited, joining video conferencing from Kolkata. It is the 7<sup>th</sup> Annual General Meeting of our company. Special thanks to our well-experienced Company Secretary, Ms. Ruchi Sathe, for giving me an opportunity to express my views, and her Secretarial Department rendering good investor services,

sending annual report, joining link with speaker serial number well in advance, and conducting video conferencing with smooth manner. Sir, our Annual Report is colourful, attractive, exhaustive, educative, knowledgeable, transparent, and adheres to all norms of corporate governance with facts and figures in place. Our company's performance is excellent. PBT has increased in FY24 compared to the previous year, and stood about 127.16 crores of rupees on standalone basis. And on consolidated basis, PBT also increased compared to the previous years and stood about Rs. 125.78 crores. Sir, I want to congratulate our management officials and staff for this excellent result in this challenging situation. Thanks to our management for declaring a final dividend of Rs. 4.50 per share, equity share face value of Rs. 2. Congratulations for the awards and accolades received by our company and the CSR activities to our society.

- Sir, in page number 178, in the column of Other Expenses, traveling and conveyance expenses was Rs. 4.92 crores in FY23. It is increased about 40% and stood about Rs. 7.08 crores in FY24. This traveling and conveyance expenses could have been minimized through video conferencing and others. Please share your views. Sir, I would like to know how much distance from our close competitors and the challenges we are facing. I would like to know how much is our capacity utilization at an average and current years spent on R&D. I have full trust on our strong efficient management and I believe under the leadership of our Chairman sir and with the help of other directors and officials and staffs, our company will grow up to newer heights in the near future. Thank you for patient hearing. Over to you for further positing. Thank you, sir.

– **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**

- Thank you, Mr. Amarendra. Thanks for your positive comments. Just to answer your query on travel and conveyance expenses, you must notice that as we are expanding in other parts of the country beyond the core states of Maharashtra and Karnataka, our sales teams have to travel a lot. And led by that, this travel expenses is also increasing. But commensurate to that, you can see that the revenue numbers which have increased is a direct correlation to that how it is, to propel the revenue growth forward.

– **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Thank you. Our next speaker shareholder is Mr. Vinay Bhide.

– **Mr. Vinay Bhide – Shareholder:**

- Chairman Mr. Chetan Desai, Managing Director and CEO Mr. Rajeev Samant, other directors present at today's AGM, company executives, fellow shareholders, as you already announced, I am Vinay Bhide, a shareholder and supporter of the company, and I'm speaking from Mumbai. At the outset, let me congratulate Team Sula on two counts. The first is excellent results that we have presented for the concluded accounting year. And the second is on completing 25 handsome years in the business. Now, with this having said, let me also say that whatever we have done so far in the past financial year, as well as in the historical past, has been well documented and presented to

shareholders as a part of the Annual Report this year also. I just have few questions to ask. And please don't interrupt me because this is basically to understand the present and the future of the company better. And the questions are as follows.

- The first of my questions is, at present, about 7% of total revenue is from wine tourism. Do we expect the revenue from wine tourism to reach double-digits this financial year? And what is the way forward? That was the first of the questions. The second question, export of wines is just above 1% of the total revenue. Do we have plans to improve export revenue? And if yes, what are our plans? Third question, are our manufacturing units adequate to take care of future demand? Are we open and ready for acquisitions for this? The fourth question, please share the CapEx and the OpEx spends on IT and digital in the past two audited years. And the final question is generally on agriculture. The efforts that we are making and plan to make for soil conservation at our vineyards.
- These were the few questions which I had. Now, I support all the resolutions that are proposed at today's meeting. I will just join with an observation from what other shareholders have said, because I regularly participate in physical as well as online meetings. See, this participation at the AGM, we normally declare that day as a shareholder day. So please be welcome to questions, and more so because, they come with a lot of attachment and they come free of cost to the company. So, these are the few questions that I had. And I must mention here that we are making a lot of initiatives in IT and digital. I represent one of the prominent brands of this country. In fact, it is a multinational brand in the field of IT and digital. And I will request you to ask your IT team to connect with me so that I can contribute to the efficiency and the betterment of the company. I wish the directors of the company all the best and thank you for giving me an opportunity to speak, sir.
- **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**
- Thank you, Mr. Vinay, for your questions. So let me answer all your questions one by one. So you spoke about the proportion of the wine tourism. So, our intention and target is to grow both our wine business and the wine tourism business. The proportion is the resultant of that. Our attempt is to ensure that wine tourism acts as a platform to growing more and more wine sales in the country, and that's going to be the effort going forward as well.
- In terms of export, as you can notice that there is enough opportunity which is available domestically in India itself. Hence, export is not at the moment such a great opportunity that we see for us, and the focus remains on the domestic market.
- In terms of the manufacturing units, whether they are adequate to cater to the demand? Yes. So we have got sufficient space. And in terms of putting more tanks for catering to the markets, we have the potential and we can put up the additional CapEx on that as we feel the needs coming forward.

- In terms of the CapEx and OpEx on IT, in the last couple of years, we have been spending to the tune of 1.5 to 1.8 crore. This is in terms of all the applications that we invest in to carry the business more efficiently. And we continue to invest behind that. As I stated in one of the queries, we are also enhancing our SAP platform this year.
- And on soil conservation, I would request our COO, Mr. Karan Vasani to give his views on this.
- **Mr. Karan Vasani - COO, Sula Vineyards Limited:**
- Good morning, Mr. Bhide. Thank you for your question. To answer very briefly, soil conservation is extremely important to us. Of course, we are an agricultural business. Some of our soil conservation efforts include planting of cover crops in the monsoon that help retain the topsoil. We only use very strategic drip irrigation. We do not do any flood irrigation. We also don't till our vineyards either. So with all of these, we take great care to not have soil erosion.
- **Mr. Vinay Bhide – Shareholder:**
- Thank you so much, all of you. Thank you.
- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**
- Our next speaker shareholder is Mr. Sanjay Banik.
- **Mr. Sanjay Banik – Shareholder:**
- I am Sanjay Banik from Kolkata. My previous shareholders have already asked some important questions, so I am not repeating those. I have a few questions. All the products, be it on the lower range and higher range, are not available, even at the big stores or like departmental stores like Spencer's and others, despite having a regional office at West Bengal. So why this? Number two is, now our company is enjoying an ROC above 20%. How sustainable is this in the case of our company in the next 3 to 4 years? And number three is, like other previous shareholders, I also request you to provide special treat to like speaker shareholders by providing factory visits. That's all. Thank you very much.
- **Mr. Abhishek Kapoor - CFO, Sula Vineyards Limited:**
- Thank you, Mr. Sanjay. So we take your feedback. We'll definitely look into that area which you mentioned in terms of availability of our products and make sure that it's made available over there.
- In terms of ROC, we continue to use our capital very, very efficiently, and we don't see any reason that it should dilute anywhere from where we are currently operating at.
- **Ms. Ruchi Sathe - Company Secretary & Compliance Office, Sula Vineyards Limited:**

- Thank you. With this, we have received all the comments, suggestions and questions from all the registered speakers and answers have been provided. I would like to place on record my appreciation to the board of directors for their continued support and guidance. I would also like to thank all our employees, business partners, shareholders and all other stakeholders for their support and faith in the company. I now announce the meeting as concluded. Thank you, everyone.
  
- ***END OF MEETING /E-VOTING BEGINS***