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# Sula Vineyards says premium wines lifted own-brand revenue 2% in India

Elite and Premium labels climbed to 78% of sales after Economy and Popular ranges fell 10.5%

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Sula Vineyards said its branded wine business in India grew modestly in the April-to-June quarter, but the small gain in revenue hid a sharper change in what consumers bought. Net revenue from the company’s own brands rose to 104.3 crore rupees from 102.3 crore rupees a year earlier, an increase of 2%, according to an unaudited quarterly report released on Aug. 6.

The main driver was a stronger showing from higher-priced wines. Revenue from Sula’s Elite and Premium ranges increased 6.2% to 81.2 crore rupees, while the Economy and Popular ranges fell 10.5% to 23.1 crore rupees. The gap between those two trends was 16.7 percentage points, showing a clear shift toward more expensive bottles within the company’s portfolio.

That shift changed the mix of sales in a visible way. Elite and Premium wines accounted for 78% of Sula’s own-brand revenue in the quarter, up from 75% a year earlier. The 310-basis-point increase suggests that premiumization is continuing in the Indian wine market, at least for this producer, even as demand at the lower end weakens.

Sula is one of India’s most closely watched wine companies, so its quarterly results are often treated as a signal for broader consumer behavior in the category. The latest numbers suggest that some buyers are still willing to trade up, but that the company is losing ground in entry-level tiers. The result is a business that is growing in value, though only slightly, while becoming more dependent on higher-priced products.

The revenue math in the quarter shows how that happened. Premium and Elite labels added 4.7 crore rupees in sales from a year earlier. Economy and Popular labels lost 2.7 crore rupees. The net effect was a gain of 2 crore rupees for Sula’s own brands. That helps explain why total growth was limited even though upper-tier wines posted a healthy increase.

The company did not publish cases or liters sold by segment, so the filing does not make it possible to separate changes in volume, pricing and product mix. Without that detail, it is not clear how much of the premium revenue growth came from more bottles sold, higher prices, or a different combination of labels within the portfolio.

Even with the better sales mix, rising costs weighed on profitability. Sula said consolidated cost of sales rose 24% in the quarter, to 35.5 crore rupees from 28.5 crore rupees a year earlier. Consolidated gross margin fell 5.5 points to 68.5%. The company said about 150 basis points of that decline came from a higher average cost of grapes.

That detail is important because premiumization often supports margins. A producer that sells more high-end wine can usually improve its average selling price and, in many cases, its profitability. In Sula’s case, the move toward Premium and Elite wines improved the sales mix, but it did not fully offset the increase in raw material costs. The company pointed specifically to grapes, a central input for wine production, as a source of pressure.

The margin figures also need to be read with caution. Sula reports gross margin on a consolidated basis, and that line includes its wine tourism business and other activities, not only bottled wine sales. That means the 68.5% gross margin does not reflect wine alone, even though the quarter’s main commercial shift was in the mix of branded wine sold.

For the Indian wine market, the report points to a split in demand. Higher-end wines appear to be holding up and gaining share inside Sula’s portfolio. Lower-priced wines are moving in the opposite direction. That pattern can help revenue hold steady or rise, but it can also leave producers exposed if agricultural costs continue to increase faster than consumers are willing to absorb through higher prices.

Sula disclosed the figures in a company statement and quarterly report dated Aug. 6. The results cover the quarter from April through June 2026 and are unaudited.