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India Moves to Slash Wine Tariffs as EU Trade Deal Nears Completion

Global wine brands prepare to enter Indian market, intensifying competition and prompting local producers to raise quality standards.

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The Indian wine industry is preparing for major changes as India and the European Union finalize a free trade agreement that will reduce tariffs on imported wines. This move is expected to make global wine brands more accessible to Indian consumers, increasing competition for domestic producers. Sumit Jaiswal, Chief Operating Officer of Grover Vineyards, one of India’s leading wine companies, says the entry of foreign players will expand the market and ultimately benefit local producers by raising awareness and encouraging higher standards.

Jaiswal explains that the arrival of international brands will grow the overall market, giving Indian wines more visibility. He believes this will push local companies to improve their marketing, packaging, and product quality. Grover Vineyards plans to increase its participation in international wine competitions and focus on exports to tap into new opportunities. The company also sees potential in the growing trend among Indian consumers to support homegrown brands.

The Indian wine market has seen steady double-digit growth over the years, with some interruptions due to events such as the 2008 Mumbai attacks, changes in liquor sales regulations, demonetization, and the Covid-19 pandemic. Despite these setbacks, Jaiswal notes that the industry has evolved into a more premium segment, with consumers trading up to higher-quality wines during periods like the pandemic when people spent more time at home.

However, wine consumption in India remains low compared to other countries. Jaiswal attributes this to high taxation on wine in most states—except Karnataka and Maharashtra—where it is taxed at rates similar to spirits and beer. This makes wine appear expensive relative to its alcohol content. He also points out that cultural attitudes toward alcohol have only started changing in recent years, and wine requires education and exposure, which is increasing as more Indians travel abroad.

Grover Vineyards faced challenges during the pandemic after investing heavily in improving wine quality and acquiring new wineries. Sales dropped sharply for nearly two years but have since rebounded. The company’s revenue increased from Rs 26.13 crore in FY24 to Rs 64.64 crore in FY25, reflecting strong consumer demand and improved market execution.

Positioning itself as the third-largest domestic wine producer and a leading exporter, Grover Vineyards focuses on premium wines for an evolving audience. The company has invested in advanced equipment like optical sorting machines for grape selection and employs a full-time French winemaker alongside a team trained by international experts. These efforts aim to ensure consistent quality and innovation.

Jaiswal acknowledges that Indian wines still struggle for shelf space compared to spirits and beer due to smaller revenues and limited spending on market development. He notes that government support for wine associations is stronger in other countries, helping promote their industries more effectively. To boost domestic consumption, Grover Vineyards is focusing on wine tourism and launching ready-to-drink (RTD) products with lower alcohol content to attract new consumers.

On the international front, Grover Vineyards exports to over 18 countries but faces challenges in expanding distribution beyond Indian restaurants abroad. Jaiswal believes that greater industry collaboration at trade fairs and competitions would help raise the profile of Indian wines globally.

To appeal to younger consumers, Grover Vineyards has introduced India’s first cocktail spritzers under the Misfit label—RTD beverages with popular flavors designed for convenience and lower alcohol content. The company has also updated its branding to be more casual while maintaining high quality.

As India’s wine industry stands at a turning point with reduced import tariffs on the horizon, local producers like Grover Vineyards are adapting through innovation, quality improvements, and targeted marketing strategies aimed at both domestic and international markets.