

March 2026



India's Confectionery Market

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INDUSTRY OVERVIEW

Unless stated otherwise, the information in this section is derived from the "India's Confectionery Market" (Ken Research Report, March 2026) as well as other publicly available industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for presentation purposes. Industry sources and publications generally state that the information contained herein has been obtained from sources believed to be reliable; however, the accuracy, completeness and underlying assumptions of such information are not guaranteed and their reliability cannot be assured. Industry sources and publications are also often based on information available as of specific dates and may not reflect the latest market developments. Industry publications may also base their information on assumptions, projections, or forward-looking expectations that may subsequently prove inaccurate.

Ken Research Report, March 2026 has been prepared by Ken Research Private Limited at the request of our Company. The market research process for this report has been undertaken through extensive secondary / desktop research as well as primary research, which includes discussions with stakeholders across the India confectionery ecosystem. These include manufacturers, distributors, wholesalers, retailers, FMCG experts, and regional trade participants. The study assesses the market across key segmentation pillars - product type (baked confectionery, chocolate & milky confectionery, sugar confectionery), origin of brands (domestic vs. International), company type (organized vs. unorganized), consumer segments (children, teens, young adults, adults), distribution model (general trade, modern trade, online trade), and region (North, South, East, West, Central India).

The research methodology used is the Expert Opinion Methodology. Quantitative and qualitative market information was sourced from primary interviews, trade discussions, and inputs from industry associations, as well as from trusted portals and public filings. As with any market linked to macroeconomic conditions, the information is subject to fluctuations arising from changes in consumer demand, input prices (such as sugar and cocoa), retail channel dynamics, promotional intensity, and competitive strategies. Ken Research's estimates and assumptions are based on varying levels of qualitative insights and quantitative analyses, including company disclosures, distributor feedback, trade margin structures, industry journals, and information available in the public domain. Forecasts, estimates, predictions and other forward-looking statements contained herein are inherently uncertain due to changes in factors underlying these assumptions or events or combinations of events that cannot be reasonably foreseen. Actual results may differ materially from these estimates or projections.

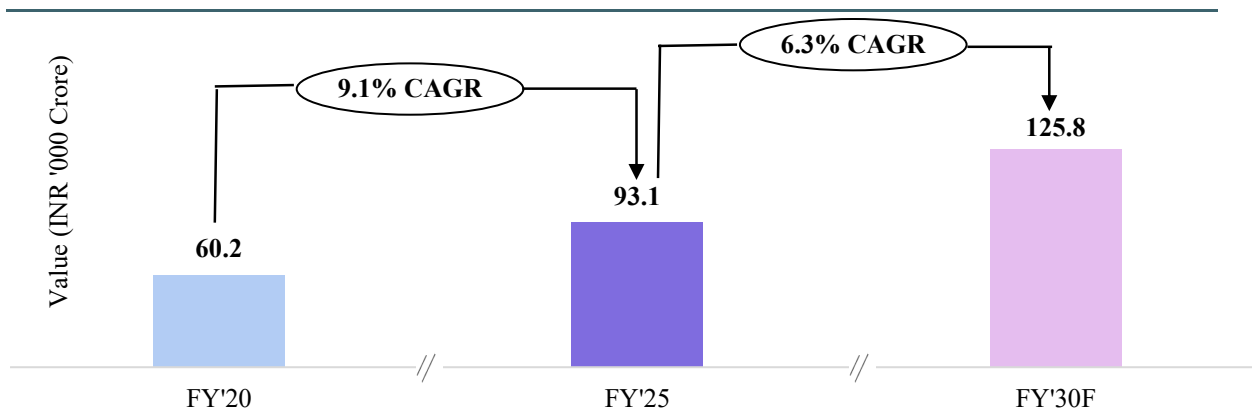
Ken Research has prepared this study in an independent and objective manner, and has taken adequate care to ensure the accuracy and completeness of the information presented. Ken Research believes that this study presents a fair and representative view of the India's confectionery market, including its segmentation by product categories, brand origin, level of organization, consumer cohorts, channel structures, and geographic clusters, subject to limitations associated with secondary statistics and primary research. This report has been developed from an "overall industry" perspective and may not necessarily reflect the performance of individual companies. Ken Research shall not be liable for any loss suffered due to reliance on the information contained in this study. This study should not be considered as a recommendation to buy or not to buy the shares of any company or companies mentioned herein.

1. EXECUTIVE SUMMARY

1.1. SIZE AND GROWTH PROSPECTS OF THE CONFECTIONERY MARKET

India's confectionery market, which stood at **INR 93.1 thousand crore** in **FY'25**, is projected to reach **INR 125.8 thousand crore** by **FY'30F**, growing at a **CAGR of 6.3%** during **FY'25-FY'30**. This growth is driven by **rising disposable incomes, growing urbanization, expanding penetration of modern trade and e-commerce, and broader access through both organized retail and traditional kirana networks. Premiumization, increased use of confectionery for everyday snacking and festive gifting, and the emergence of health-adjacent offerings** will further accelerate demand, particularly across chocolates, sugar confectionery (toffees, candies, lollipops), and gums & jellies, alongside faster-growing niches such as premium gift packs, dark and origin chocolates, healthier alternatives, and fortified or clean-label products.

Figure 1-1: India's Confectionery Market Size in Terms of Revenue (in INR '000 Crore), FY'20-FY'25-FY'-30



Source: Ken Research Analysis

1.2. KEY CONSUMER TRENDS & DEVELOPMENTS

Shift from low-priced mass treats to premium and experiential confectionery

India's confectionery landscape is gradually moving beyond low-priced, impulse-driven treats toward premium and indulgent formats. Rising disposable incomes, lifestyle upgrades and exposure to global brands have accelerated demand for dark chocolates, centre-filled variants, imported assortments and premium gift boxes. Confectionery is increasingly positioned as a lifestyle indulgence rather than only a kids' product, prompting companies to expand offerings with richer textures and premium packaging.

Growing preference for trusted brands and quality-assured packaged products

Consumers especially parents and young adults are showing stronger preference for branded confectionery due to higher trust, perceived safety and consistent taste. Packaged chocolates and sugar confectionery are steadily gaining share from loose or unbranded options as awareness around hygiene and quality strengthens in urban and semi-urban areas.

Affordability, pack-size innovation and value-seeking behavior

Consumers especially parents and young adults are showing stronger preference for branded confectionery due to Consumers, particularly parents and young adults, are increasingly choosing branded confectionery products as they offer greater trust, consistent taste and perceived product safety. With growing awareness around hygiene and quality standards, especially in urban and semi-urban markets, packaged chocolates and sugar confectionery are gradually gaining share from loose or unbranded alternatives.

At the same time, sustained food inflation and pressure on household budgets have made affordability an important factor in everyday purchases. Many consumers are prioritizing small, immediate purchases that fit within their daily spending capacity rather than larger, planned purchases. This has reinforced the importance of affordable price points in the confectionery category.

To address this shift, manufacturers are increasingly focusing on pack-size innovation and product development to maintain accessibility while continuing to offer variety and value. Smaller formats such as mini-bars, bite-sized units, sachet packs and multi-unit small packs allow brands to keep products within popular price points while still delivering a satisfying consumption experience. These formats are particularly well suited to general trade stores and other impulse purchase locations where low-ticket purchases are common.

Alongside pack-size innovation, companies are also introducing new flavours, textures and product combinations to keep the category engaging for consumers. Developments such as layered chocolates, filled confectionery, and new taste variants are helping brands refresh their product portfolios and attract repeat purchases. Improvements in formulation and packaging are also helping manufacturers maintain product quality, extend shelf life and improve consistency.

Together, innovation and affordability are shaping consumer choices in the confectionery market. By offering products that balance accessible price points with variety and consistent quality, branded manufacturers are strengthening their appeal among value-conscious consumers. As a result, packaged chocolates and sugar confectionery continue to gain traction over loose alternatives, with branded players better positioned to deliver both innovation and affordability at scale.

Strengthening food-safety, labelling and regulatory compliance

Regulatory oversight is tightening, with greater emphasis on transparent ingredient lists, allergen declarations, permissible limits for colors or sweeteners, and clearer front-of-pack cues. Manufacturers are being nudged toward better traceability, cleaner formulations and packaging hygiene. This regulatory tightening supports a shift toward organized, packaged confectionery over unregulated loose products.

Localization, festival-led launches and flavor innovation

Confectionery players are increasingly leveraging India's cultural preferences and festive calendar. India-centric flavors regional fruits, spice blends, and desi dessert inspirations are being introduced alongside global variants. Limited-edition festival SKUs for Diwali, Raksha Bandhan, Christmas and Valentine's Day strengthen brand visibility and support premium realizations.

2. GLOBAL MACROECONOMIC LANDSCAPE

2.1. GLOBAL ECONOMIC LANDSCAPE

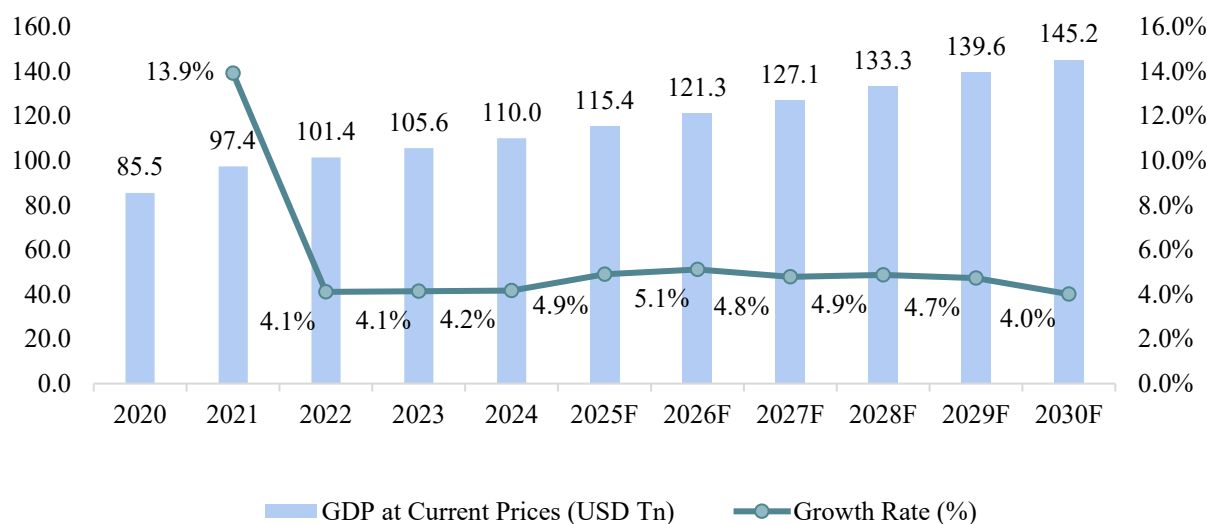
The nominal global GDP growth rate was 4.9% in CY25; expected to sustain growth at a CAGR of 4.7% from CY25 to CY30.

The global economy continues to demonstrate resilience amid a complex environment of moderating inflation, tight monetary policies, and evolving geopolitical dynamics. Between CY20 and CY25, the global economy registered a CAGR of 6.2%, stabilizing after a period of heightened volatility driven by post-pandemic recovery efforts, supply chain realignments, and policy tightening cycles.

Higher interest rates, tighter financial conditions and geopolitical conflicts, including Russia's war in Ukraine, evolving conflict in the Middle East and turbulent US tariff policy have introduced uncertainties for short period of time, however long-term growth stays intact.

Global GDP is expected to grow at a stabilized rate of 4.7% from CY25 to CY30, driven by **technological advancements**, **digital transformation**, and **infrastructure investments**. The rise of **green technologies** and the shift toward **sustainability** will further support growth, alongside **rising consumer demand** in emerging markets and a growing **youthful labor force**.

Figure 2-1 : Global GDP in USD Trillion (at current prices) and Growth Rate in (%) Outlook, CY20-CY30F



Source: World Economic Outlook, 2024 (IMF)

Note: F represents Forecasted figures

Between CY23 and CY25, global GDP trends varied significantly across major economies due to a mix of domestic challenges and international factors.

- US and China remain the largest economies, with GDPs expected to reach **USD 35.9 Tn and USD 26.2 Tn**, respectively, by 2030F.
- India's economy is expected to experience one of the fastest growth trajectories globally, with its GDP set to grow from USD 3.9 Tn in 2024 to USD 6.8 Tn by 2030F, fueled by an expanding labor force and increased domestic consumption.
- In Europe, recovery is projected to continue into 2025, supported by stronger household consumption, as energy price pressures ease & inflation decreases, resulting in real income growth. Germany & UK are the top 2 nations, with GDPs expected to reach USD 5.5 Tn and USD 4.8 Tn, respectively, by 2030F.

Table 2-1: GDP at Current Prices of Major Economies (USD Tn) CY20-CY30F

Countries	CY20	CY21	CY22	CY23	CY24	CY25	CY28 F	CY30 F	CAGR (CY20- 25)	CAGR (CY25- 30)
USA	21.3	23.6	25.7	27.4	29.2	29.8	33.6	35.9	6.9%	3.8%
China	14.8	17.8	17.9	17.7	18.3	19.8	23.6	26.2	6.0%	5.8%
Germany	3.8	4.3	4.1	4.5	4.6	4.8	5.2	5.5	4.8%	2.8%
Japan	5.1	5.1	4.3	4.2	4.1	4.3	4.8	5.1	(3.4%)	3.5%
India	2.4	2.8	3.2	3.5	3.9	4.3	5.8	6.8	12.4%	9.6%
UK	2.7	3.1	3.1	3.3	3.6	3.7	4.4	4.8	6.5%	5.3%
France	2.6	2.9	2.8	3.0	3.2	3.2	3.5	3.7	4.2%	2.9%
Brazil	1.5	1.7	1.9	2.2	2.2	2.4	2.9	3.2	9.9%	5.9%
Canada	1.7	2.0	2.7	2.1	2.2	2.4	2.7	2.9	7.1%	3.9%
Italy	1.9	2.2	2.1	2.3	2.4	2.4	2.6	2.7	4.8%	2.4%
Australia	1.4	1.7	1.7	1.7	1.8	1.9	2.1	2.3	6.3%	3.9%

Source: World Economic Outlook, 2024, IMF, Ken Research Analysis

Note: F represents Forecasted figures, all figures are reported for the calendar year, starting from January 1st to December 31st.

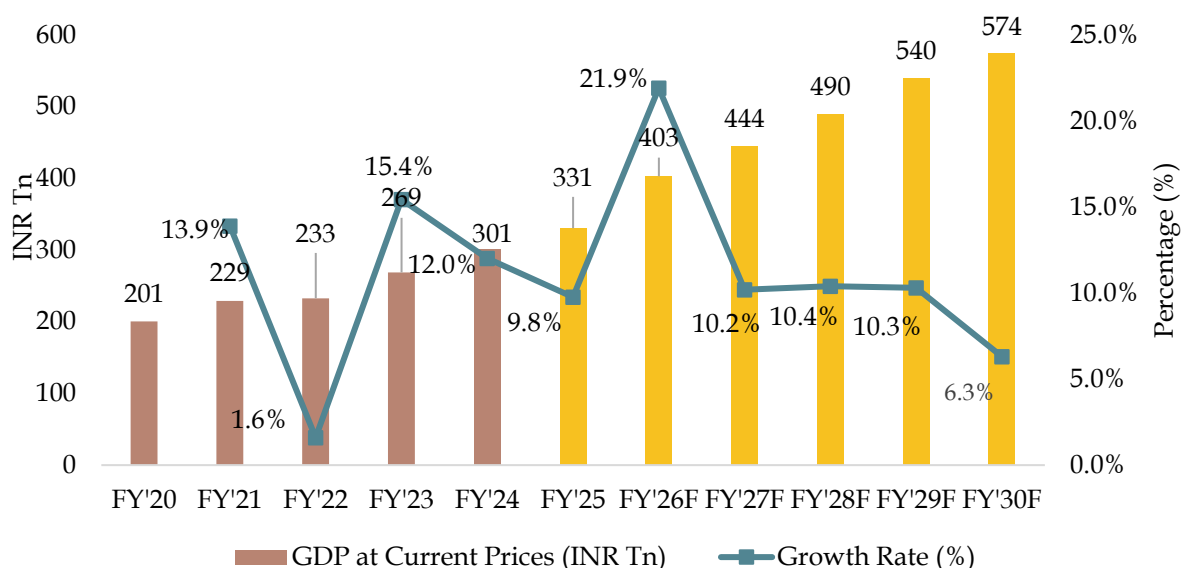
3. INDIAN ECONOMIC OUTLOOK LANDSCAPE

3.1. OVERVIEW OF INDIAN ECONOMIC ENVIRONMENT

“India has emerged as the fastest-growing major economy in the world with nominal GDP growth rate of 9.8% y-o-y for FY’25, backed by its robust democracy and strong partnerships.”

Following its post-pandemic recovery and ascent to the position of the fourth-largest global economy, India has sustained momentum through FY25. The surge in capital inflows, coupled with a favorable demographic dividend and policy-led reforms, has enhanced India’s investment attractiveness. The global macroeconomic volatility has only reinforced investor confidence in the 'Invest in India' story, evidenced by the record-breaking funds raised by India-focused investment vehicles in recent years.

Figure 3-: India’s GDP (at current prices) Outlook, in INR Tn FY20-FY30F



Source: Ministry of Statistics and Programme Implementation (MoSPI), World Economic Outlook, 2024 (IMF), Ken Research Analysis

Note: F represents Forecasted figures, FY represents the Financial Year ending on March 31

In FY’21, the economy rebounded sharply from the pandemic-induced contraction as mobility restrictions eased and economic activity normalized, leading to a nominal GDP growth of 13.9%. In FY’23, GDP expanded by 15.4%, supported by sustained investment momentum and a revival in private consumption.

In FY’24, nominal GDP grew at 12.0% and was estimated at INR 301 Tn - driven by continued strong investment and subdued private consumption growth. Additionally, India is expected to grow faster than China as well as the global average in FY’24. In FY’25, India’s GDP at current prices reached INR 331 Tn. This reflects steady momentum backed by healthy capital inflows and policy support.

GROWTH TREND IN INVESTMENT

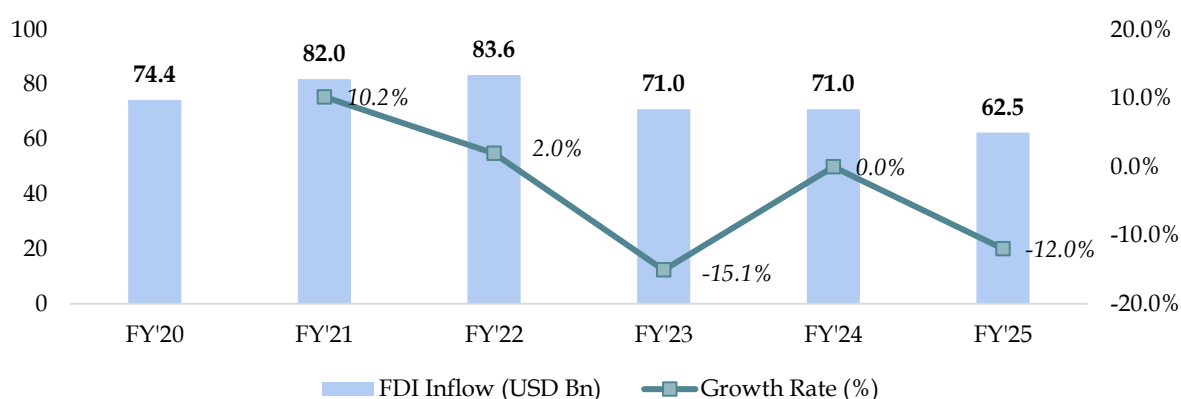
India is one of the most attractive FDI destinations in the world today with a total FDI inflow of USD 62.5 Bn in FY’25.

Despite an 12.0% decline over the FY’24, India continues to witness sustained investor interest, driven by country’s macroeconomic resilience and ongoing reforms. The Government has put in place an investor friendly Foreign Direct Investment (FDI) policy under which most sectors except certain strategically important sectors are open for 100% FDI under the automatic route.

Measures taken by the Government on FDI Policy reforms have resulted in increased FDI inflow in the country over the years. FDI inflow in India registered its highest ever annual FDI inflow of USD 83.6 billion in FY’22.

In FY’24, total FDI inflows stood at USD 71.0 billion, and FDI equity inflows amounted to USD 44.4 billion, before moderating to USD 62.5 billion in FY’25 amid global capital market uncertainties. Top 5 States receiving highest FDI Equity Inflow during FY 2023-24 are Maharashtra (30%), Karnataka (22%), Gujarat (17%), Delhi (13%), and Tamil Nadu (5%). (Source: Press Information Bureau)

Figure 3-1: Foreign Direct Investment (in USD Billion) and Y-o-Y Growth Rates (in %), FY’20-FY’25



Source: Invest India, Make in India, Press Information Bureau & Ken Research Analysis

Note: FY represents the Financial Year ending on March 31

Monthly Per Capita Consumption Expenditure (MPCE) implies summary of level of household consumption expenditure. Average estimated MPCE in FY’24 has been INR 4,122 in rural India and INR 6,996 in urban India. In rural India, food items account for 46% of the total MPCE, while in urban India, this share is 39%. The bottom 5% of India’s rural population, ranked by MPCE, has an average MPCE of INR 1,373 while it is INR 2,001 for the same category of population in the urban areas. In FY’25, despite the continued rise in absolute consumption, the urban–rural gap narrowed slightly to 70.1%, indicating marginal improvement in rural consumption capacity.

3.2. CONSUMER DEMOGRAPHICS

The Consumer behavior analysis was conducted with 500 respondents (N=500). The survey exhibits a segmented consumer demographic profile, where preferences are distinctly shaped by age-specific consumption patterns, functional preferences, and key drivers.

- **Children (5–12 years)** predominantly consume sugar confectionery such as candies, lollipops, and gummies, chocolates with purchase decisions often facilitated by parents. This segment is driven by visual appeal, colors, shapes, flavors, and cartoon branding **with children expressing a preference for candies featuring collectible wrappers**, indicating strong influence of packaging as a trigger for demand. Further cocoa-based mini-chocolate packs are largely preferred.
- **Teens (13–19 years)** prefer wafer-based, chocolate, and milky confections, influenced by peer trends and taste. Price remains critical, **with 68% opting for layered or filled chocolate products under INR 10**.
- **Young Adults (20–35 years)** show a propensity for chocolate and baked formats, with impulse buying and on-the-go consumption dominating behavior - 52% consume economy chocolates during commutes or work breaks.
- **Adults (35+ years)** demonstrate a shift toward mints, lozenges, and healthier alternatives, primarily for refreshment and health benefits, with 40% preferring economy mints or lozenges for freshness or throat relief, signaling increased health-consciousness in this cohort.

Table 3-1: Consumer Demographics in the India’s Confectionery Market on the parameters of Age Group, Primary Confectionery Preference, & Key Drivers

Age Group	Primary Confectionery Preference	Key Drivers
Children (5-12)	Chocolate and Sugar Confectionery (Candies, Lollipops, Gummies)	Attractive colors, shapes, flavors, cartoon branding
Teen (13-19)	Wafer-based, Chocolate & Milky Confectionery	Peer influence, trendiness, taste
Young Adults (20-35)	Chocolate & Baked Confectionery	Impulse buying, nostalgia, quick snacks
Adults (35+)	Mints, Lozenges, Healthier Alternatives	Refreshment, health-consciousness

Source: Interviews with Industry Experts, & Ken Research Analysis

Note: Findings are on the basis of survey conducted with 500 respondents (N=500)

3.3. PRICE SENSITIVITY

Price remains a critical determinant of purchase behaviour in India’s confectionery market, particularly among younger consumers.

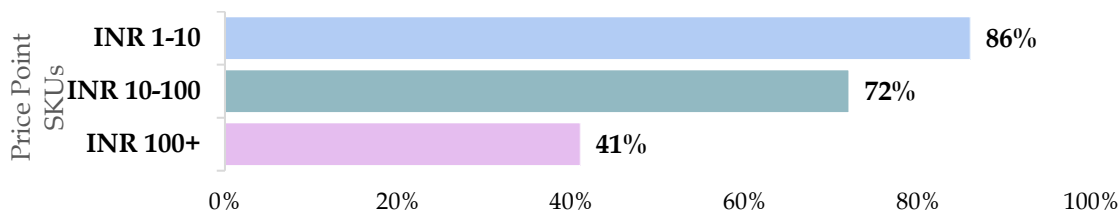
Confectionery items priced between INR 1–10 accounted for the highest purchase intent at 86%, indicating their dominant role in daily consumption patterns. These products, such as candies, lollipops, and toffee, are typically sold in sachets or loose units at kirana stores and school canteens in rural and semi-urban areas. Their affordability supports frequent and impulse purchases, particularly among school-going children and households with limited discretionary spending.

In the INR 10–100 price range, the purchase likelihood stands at 72%, indicating moderate but consistent demand. Products in this segment include medium-sized chocolate bars, packed sugar confectionery, and value packs, typically available in both general and modern trade formats. Consumers in this range tend to consider product quantity, packaging, and brand familiarity before making a purchase, with demand more concentrated in urban and semi-urban markets.

For confectionery priced above INR 100, the purchase likelihood drops to 41%, pointing to relatively lower demand for higher-priced products. Items in this range are often positioned for gifting or occasional consumption

and are generally available through e-commerce and premium retail outlets. Purchase behavior in this category is more selective and tends to be influenced by specific occasions, festivals, or consumer preferences in metropolitan areas.

Figure 3-2: Price Sensitivity in India’s Confectionery Market on the basis of Price Point and the Percentage (%) of Purchase Likelihood



Source: Interviews with Industry Experts & Ken Research Analysis

Note: Findings are on the basis of survey conducted with 500 respondents (N=500)

3.4. PACK SIZE PREFERENCES

Consumer pack size preferences vary distinctly across age groups, driven by differing consumption patterns and situational needs.

- Children (5–12 years) typically prefer single units priced at INR 1/2/ 5, which are pocket money-friendly and suitable as daily treats.
 - Teens (13–19 years) tend to opt for multi-unit packs priced between INR 5 and INR 10, favouring them for sharing and the variety they offer.
 - Young adults (20–35 years) show a preference for small bars or packs in the INR 5–10 range, prioritizing snackability and portability for on-the-go consumption.
 - Adults (35+ years), on the other hand, flavour lozenges or mints in strip or tin formats, valuing them for long-term use and the freshness they provide after meals or during commutes.
- These segmented preferences highlight the importance of tailored pack sizing strategies to cater to distinct consumer needs in the affordable confectionery segment.

Table 3-2: Consumer Preference on Pack Size in India’s Confectionery Market on the basis of Consumer Type and Preferred Pack Size

Consumer Type	Preferred Pack Size
Children (5-12)	Single (INR 1/ INR 2/ INR 5 units)
Teen (13-19)	Multi-units (INR 5- INR 10 combos)
Young Adults (20-35)	Small bars/packs (INR 5- INR 10)
Adults (35+)	Lozenges/Mints in strip/tin

Source: Interviews with Industry Experts, & Ken Research Analysis

Note: Findings are on the basis of survey conducted with 500 respondents (N=500)

3.5. HOUSEHOLD CONSUMPTION EXPENDITURE

Monthly Per Capita Consumption Expenditure (MPCE) implies summary of level of household consumption expenditure. Average estimated MPCE in FY24 has been INR 4,122 in rural India and INR 6,996 in urban India.

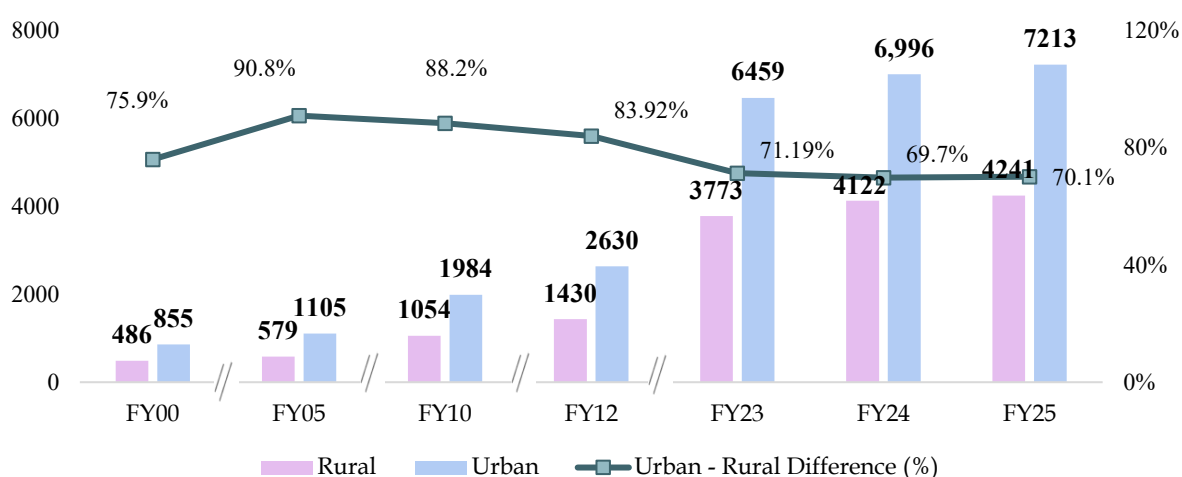
In rural India, food items account for 46% of the total MPCE, while in urban India, this share is 39%. The bottom 5% of India’s rural population, ranked by MPCE, has an average MPCE of INR 1,373 while it is INR 2,001 for the same category of population in the urban areas.

By FY 2024–25, food expenditures remained a substantial component of household spending across India. In rural areas, food accounted for approximately 47% of average MPCE, with significant shares going toward beverages and processed foods (~9.8%), milk & milk products (~8.4%), and vegetables (~6.0%). In urban areas, food share stood at around 40%, led by beverages and processed foods (~11.1%), followed by milk products (~7.2%) and vegetables (~4.1%). These patterns suggest that even as non-food spending grows over 50% in rural and 60% in urban regions, food remains a critical and price-sensitive element of household consumption. The sustained weight of food in MPCE also highlights its influence on overall living standards and inflation responsiveness.

Among the states, MPCE is the highest in Sikkim for both rural and urban areas (Rural – INR 9,377 and Urban – INR 13,927). It is the lowest in Chhattisgarh (Rural – INR 2,739 and Urban – INR 4,927). The rural-urban difference in average MPCE among the states is the highest in Meghalaya (104%) followed by Jharkhand (83%) and Chhattisgarh (80%). Among the UTs, MPCE is the highest in Chandigarh (Rural – INR 8,857 and Urban – INR 13,425), whereas it is the lowest in Dadra and Nagar Haveli and Daman and Diu (INR 4,311) and Jammu and Kashmir (INR 6,327) for rural and urban areas respectively. (Source: Ministry of Statistics and Programme Implementation)

A significant share of MPCE in both rural and urban India is allocated to food consumption 46% in rural areas and 39% in urban areas highlighting the essential role of food in household spending patterns. The relatively higher share in rural areas underlines a heavier reliance on basic necessities, contrasting with urban spending which may include more non-food discretionary items. This structural difference in consumption priorities also reflects broader socio-economic disparities and lifestyle variations between rural and urban populations. Food contributes the significant component to total MPCE across both segments. The relatively higher share in rural areas underlines a heavier reliance on basic necessities, contrasting with urban spending which may include more non-food discretionary items. This structural difference in consumption priorities also reflects broader socio-economic disparities and lifestyle variations between rural and urban populations.

Figure 3-3: Average Monthly Per Capita Consumption Expenditure (MPCE) in INR, Current Prices



Source: Ministry of Statistics and Programme Implementation (MoSPI) & Ken Research Analysis

Note: FY represents the Financial Year ending on March 31

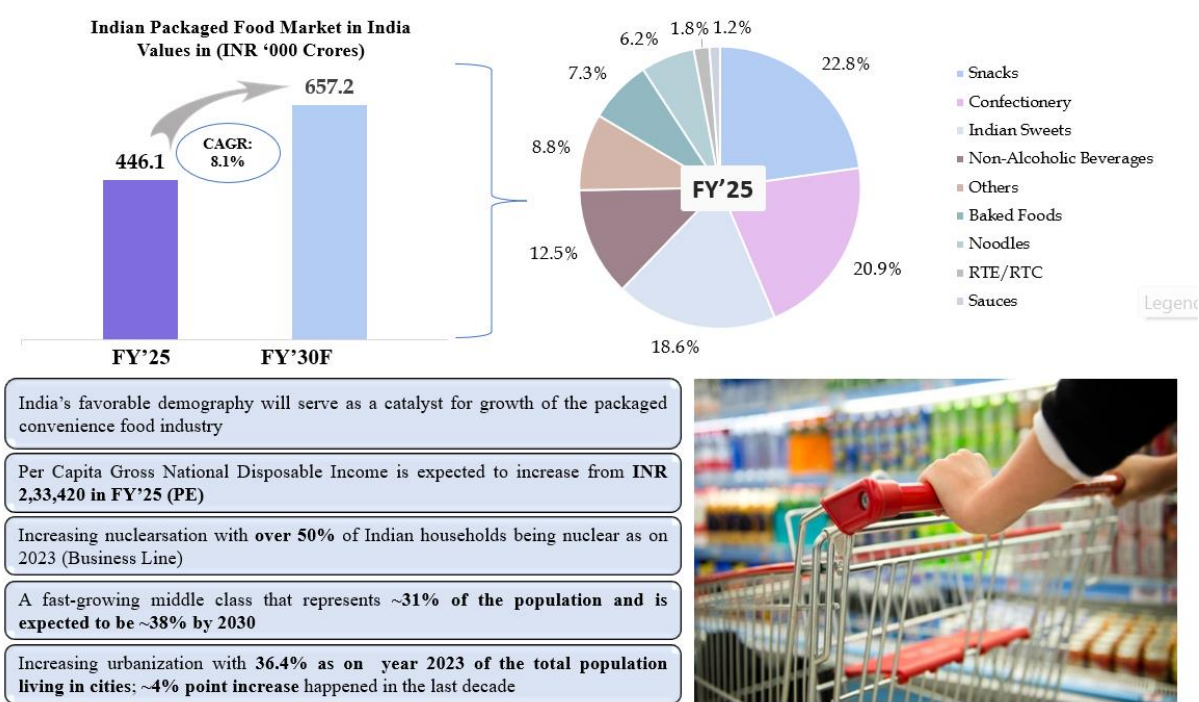
4. OVERVIEW OF INDIA PACKAGED FOOD AND INDIA'S CONFECTIONERY MARKET

4.1. OVERVIEW OF THE PACKAGED FOOD MARKET IN INDIA

India's packaged food industry reached from INR 319.0 thousand crore in FY'22 to INR 446.1 thousand crore in FY'25, at a CAGR of ~11.8%. Due to evolving consumer demand for value-added offerings like confectionery, artisanal chocolates/biscuits, RTE/RTC meals, wholesome snacks, and gourmet sauces. A preference for ethnic authenticity and global cuisines is encouraging launches of standardized products. The top players ITC, Nestlé, Tata Consumer, Dabur, etc. contribute INR 130 thousand crore, while mid-sized brands and PE-backed startups are rapidly gaining ground.

Government scheme and support have enabled manufacturing scale and market access. Under PM Kisan SAMPADA Yojana, INR 4,400 crore funded 748 projects, adding 334 lakh MT processing capacity and 5.3 lakh jobs. The PLI Scheme supports RTE/RTC foods, processed fruits/vegetables, and marine products, contributing to a 19% y-o-y rise in processed food exports, which hit USD 6.3 billion in FY'24. Regionally, North and West India drive 73% of packaged snack demand, led by Uttar Pradesh INR 25 billion in ethnic savouries and 20.8 billion in western snacks, followed by Gujarat and Maharashtra.

Figure 4-1: Government Support Framework for Enhancing India's Packaged Food Sector: Schemes, Strategies, and Initiatives



Source: Industry research, Report by BDO India on Packaging India's Evolving Food Consumption, United Nations World Population Dashboard, Indian Government Press Releases, World Bank, & Ken Research Analysis

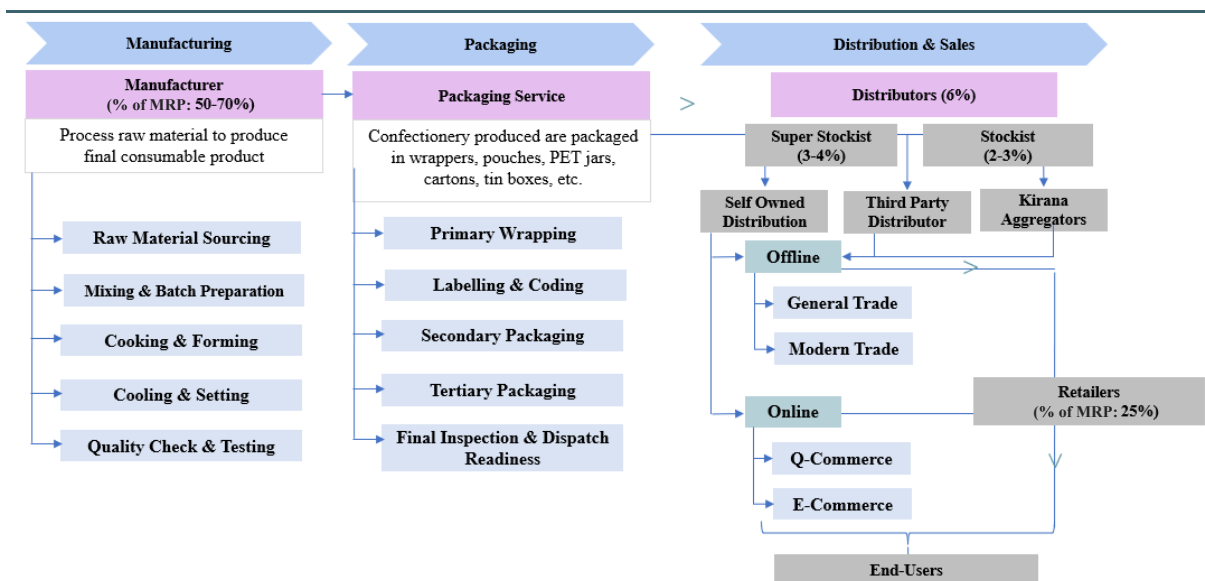
4.2. VALUE CHAIN OF CONFECTIONERY IN INDIA

The value chain of the Indian confectionery market is segmented into **Manufacturing, Packaging, Distribution, and Retail**, each contributing distinctly to the overall value creation and margin structure. At the **manufacturing stage**, raw materials are processed into final consumable confectionery products through activities such as raw material sourcing, mixing, forming, cooling, and quality testing. This is followed by **packaging**, where products are wrapped, coded, and packed in multiple layers including primary, secondary, and tertiary packaging, with final inspection to ensure dispatch readiness.

The **distribution and sales segment** involve multiple stakeholders, **self-owned distribution, third-party distributors, and kirana aggregators**. These players cater to both offline (general and modern trade) and online channels (e-commerce and Q-commerce). At the retail level, where the final consumer interaction occurs, indicating the strategic importance of retail in value realization. This structure reflects a high-margin downstream (retail) and high-value-add upstream (manufacturing), necessitating a well-integrated supply chain to optimize profitability and efficiency across the ecosystem.

A typical Product Manufacturer retains 50-70% of MRP, Stockist at 2-3%, Super Stockist at 3-4%, Distributor at 6%, Intermediary at 10% and Retailer at 15-20% of MRP.

Figure 4-2: Value Chain of India's Confectionery Market on the segment of Manufacturing, Packaging, Distribution, Retail and End Users



Source: Interviews with Industry Experts, Industry Articles & Ken Research Analysis

4.3. DEMAND AND SUPPLY TRENDS IN INDIA'S CONFECTIONERY MARKET

The demand-supply dynamics in the Indian confectionery market are evolving rapidly, driven by affordability, experimentation, and lifestyle changes across diverse consumer age groups.

- **Children (5–12)** mainly look for fun and affordable treats. They prefer small-sized products that are easy to buy with pocket money. Bright packaging, playful shapes, and surprise elements attract them the most. Flavors like chocolate and fruity candies are popular in this age group.
- **Teens (13–19)** are open to trying new and bold flavours such as sour or spicy. They enjoy trendy products, especially those that stand out on social media. While price still matters, they are more likely to try slightly premium products if they feel cool or different. Fun and creative packaging also appeals to them.
- **Young Adults (20–35)** are becoming more health-aware and prefer better-for-you options like healthier alternatives or protein-rich snacks. They also like convenient formats such as resealable packs that fit their busy lifestyles. Interest in plant-based and unique flavour combinations is growing in this group.
- **Adults (35+)** tend to look for treats that are both enjoyable and somewhat healthy. They prefer products with healthier alternatives, simple ingredients, and familiar flavors. Many look for portion-controlled options or premium choices like dark chocolate or nut-based snacks, often with a focus on balance and moderation.
- **Domestic Production Scenario:** On the supply side, India maintains a strong base of domestic production, led by companies such as Mondelez, Nestlé, Perfetti Van Melle, and DS Group. These companies effectively cater to the mass and economical segments through broad product ranges and robust national distribution networks. Their portfolios largely fulfil the daily demand for biscuits, wafers, candies, and chocolates.

There's an opportunity for Indian confectionery brands ready to move beyond the basics. As more consumers seek premium, artisanal, and health-focused treats, homegrown players who invest in innovation and quality can fill this growing gap in the market.

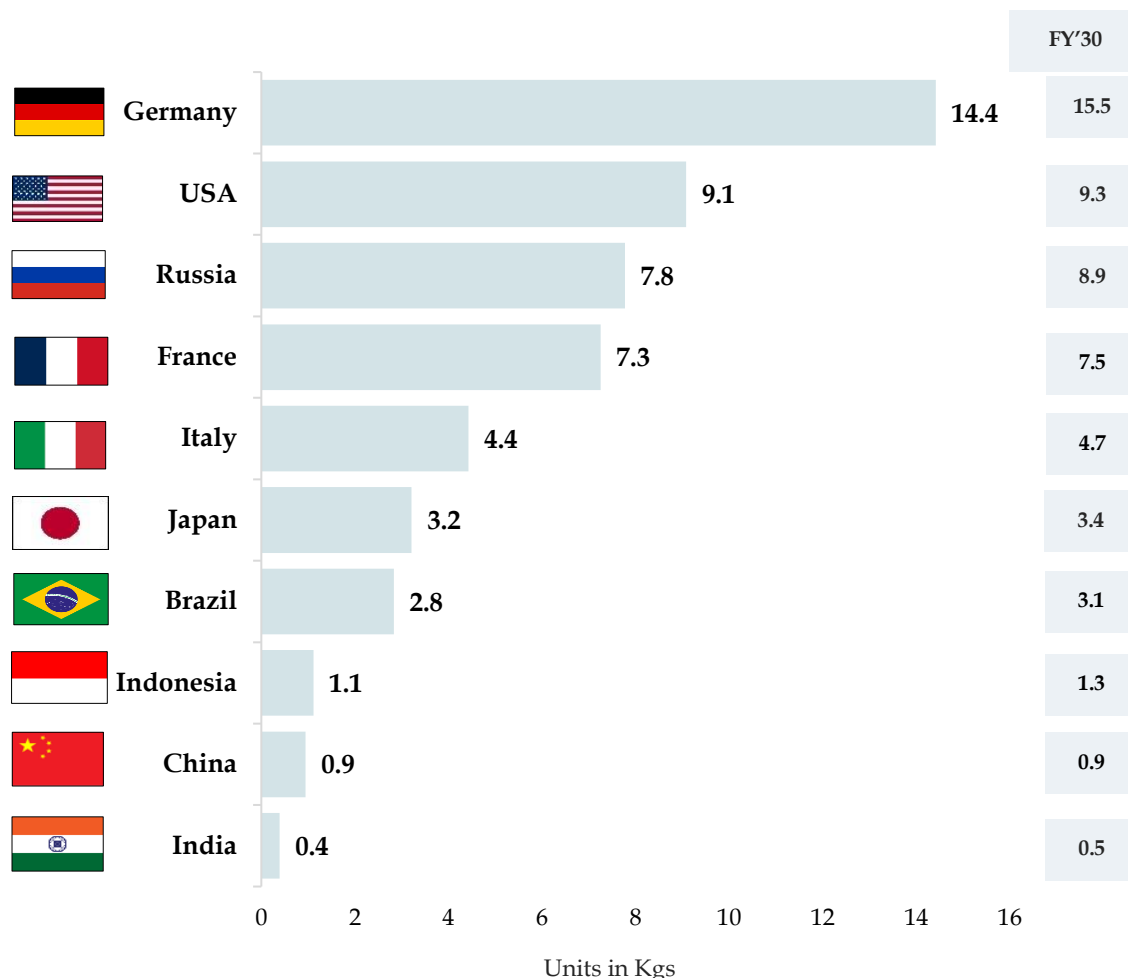
Opportunity for Innovative Offerings: Domestic innovation for healthier variants, functional mood-boosting candies, and regional flavour fusions lies in the market. With focused investments in R&D, branding, and packaging, Indian producers can scale up to meet evolving tastes and reduce reliance on imports. This trend will continue as Indian consumers increasingly seek organic, dark, vegan, gluten-free, and health-centric chocolates.

4.4. PER CAPITA CONFECTIONERY CONSUMPTION IN INDIA COMPARED TO OTHER COUNTRIES

India consumed **523.0 million kg of confectionery**, with a **per capita consumption of 0.37 kg in FY'23**, which is **reached 0.39 kg by FY'25**, substantially lower than countries like **Germany (14.4)**, **USA (9.1)**, and **Japan (3.2)**. Despite the low per capita figure, India's absolute population base is driving the total consumption which reached **576 million kg in FY'25**, positioning the country as a high-volume yet under-penetrated market. Germany and the USA represent saturated markets with high individual consumption but steady growth, while China, despite its demographic similarity, **has more than 2.4 times India's per capita consumption**.

India's low per capita base presents significant room for expansion, with consumption projected to rise to **0.5 by FY'30E**, **growing at a CAGR of ~4.6%**. This growth is being driven by urbanization, rising incomes, a young population, and increasing access to both premium and affordable SKUs. Additionally, festival and occasion-led consumption, improved retail infrastructure, and deeper semi-urban and rural market penetration, all of which are contributing to a rapidly evolving confectionery landscape.

Figure 4-3: Per Capita Consumption of Confectionery Country wise (in Kg) for the year FY’25 & FY’30E



Source: UN Revision of World Population, Prospects 2024, Proprietary Database, & Ken Research Analysis

4.5. FACTORS INFLUENCING CONSUMER CHOICE OF CONFECTIONERY

Consumer preference in India’s confectionery market is increasingly multidimensional, shaped simultaneously by price–value perception, evolving flavour expectations, lifestyle-led indulgence cues, and wider retail accessibility.

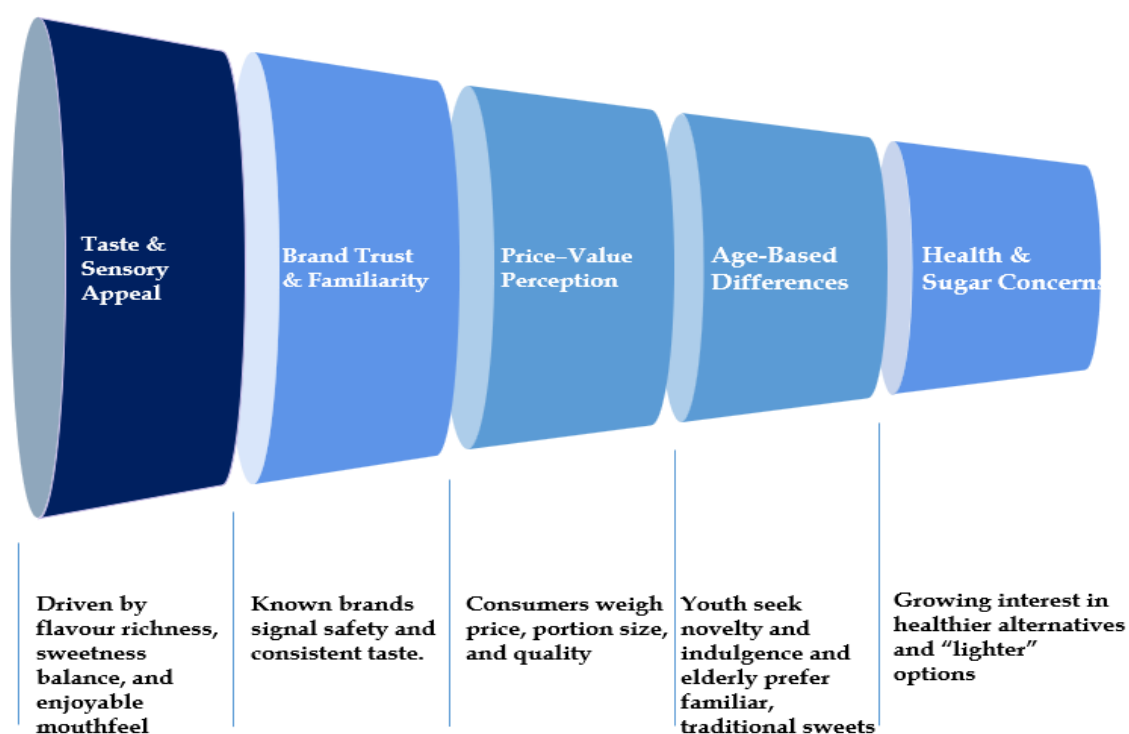
Key factors that influence the choice of Confectionery include:

- **Taste & Sensory Appeal:**
 - Taste is the single biggest driver of confectionery and chocolate choice in India. According to a cross-sectional consumer survey conducted taste ranks as the primary determinant of brand and product selection. Flavour intensity, sweetness balance, and mouthfeel strongly influence consumer preference and are the first filters used when deciding between brands.
- **Brand Trust & Familiarity:**
 - Brand emerged as the second-most important factor in the academic chocolate survey. Consumers associate established brands with consistent quality, safe ingredients, and reliable

taste. This is particularly important in chocolate, where buyers tend to return to known brands rather than experiment frequently, especially for gifting.

- **Price–Value Perception:**
 - Younger consumers are significantly more value-seeking, indicating that price value trade-offs shape their confectionery decisions. They compare pack size, quality, and perceived premiumness with the price they pay. For older consumers, value sensitivity is lower, but affordability still remains a baseline expectation.
- **Age-Based Differences, Youth vs Elderly:**
 - Younger consumers prioritise value-for-money alongside taste and brand, are more experimental, and treat chocolates as affordable indulgences. Older consumers, meanwhile, maintain lower consumption frequency for chocolate and lean more towards traditional sweets, implying lower impulsiveness and stronger cultural anchors when choosing confectionery.
- **Health & Sugar Concerns:**
 - Health consciousness is now a strong behavioural factor. According to the 2024 LocalCircles poll, 55% of consumers are comfortable with 25–75% lower sugar in sweets and sweet packaged foods. This indicates that sugar levels and perceived “healthier alternatives” increasingly influence brand shifts, especially without compromising taste.

Figure 4-4: Key Factors Shaping Confectionery Choices in India



Source: Ken Research Analysis

4.6. EXPORT SCENARIO OF CONFECTIONERY PRODUCTS

India’s confectionery exports were valued at USD 355.0 million in CY20 to reach USD 777.4 million by CY25, growing at a CAGR of ~17.0% during CY20-CY25. Export volumes have simultaneously risen from ~234,394.0 tons in CY20 to nearly 549,118.8 tons by CY25, highlighting strong demand across key international markets.

India remains a preferred sourcing base for **both the developed regions such as the US and UAE owing to interest in ethnic Indian flavors, deeper penetration of Indian confectionery brand in these regions as well as price-sensitive developing economies across East Africa (Kenya & Uganda), Mauritius, the GCC region, and parts of Southeast Asia, supported by competitive pricing, reliable quality, and globally recognized certifications.** Among current destinations, East Africa and Mauritius have recorded consistent import dependence on Indian baked and sugar-based confectionery, while the GCC and Philippines have shown faster momentum, driven by retail diversification and preference for affordable packaged indulgence.

By product category, sweet biscuits lead India's confectionery exports, growing from USD 168.2 million in CY20 to USD 407.8 million by CY25, with volume expanding from 141,826.0 tons to 322,754.3 tons. The surge is anchored by the strong international presence of Indian brands such as Parle-G, Britannia, and Sunfeast, which dominate shelf space across Africa, the Middle East, and South Asia. Their popularity is driven by affordability, extended shelf life, and cultural familiarity.

Sugar confectionery not containing cocoa follows closely, rising from USD 97.1 million to USD 244.6 million between CY20 and CY25, while volumes increased from 79,448 tons to 197,732 tons. India has emerged as a central supplier of candies, lollipops, and gummies to East Africa, Mauritius, and the GCC, supported by favorable trade terms, private-label sourcing, and strong distributor networks.

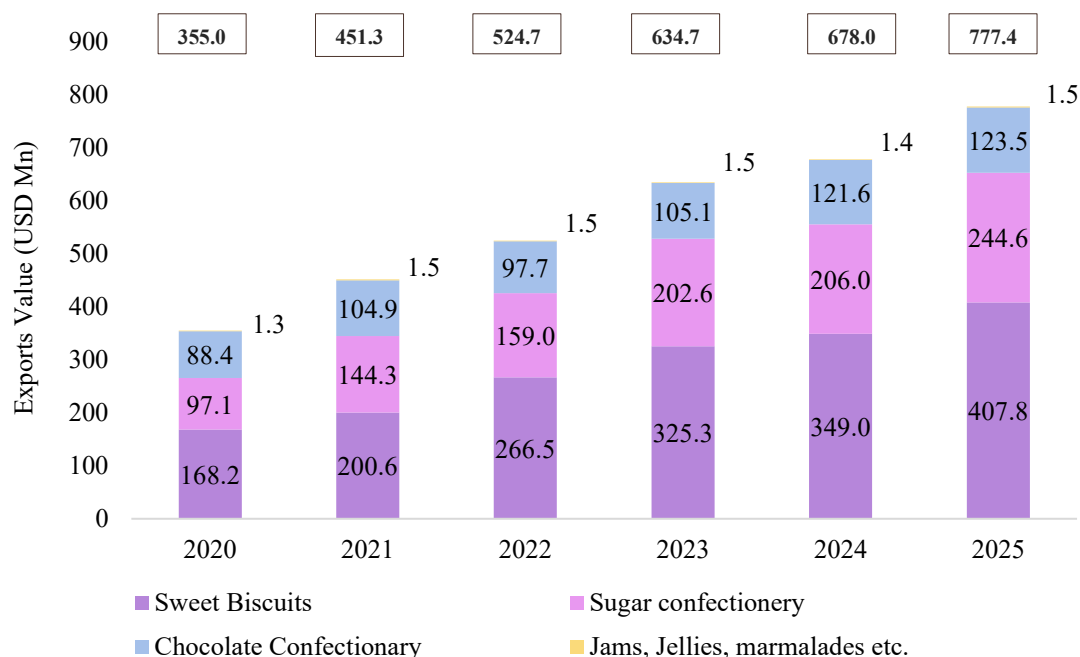
Similarly **chocolate and other cocoa-based preparations** reflect moderate yet steady growth, expanding from USD 88.4 million to USD 123.5 million (CY20–CY25), with export volume more than doubling from 12,554 tons to 27,975 tons. Market traction in Southeast Asia (Philippines, Malaysia, Indonesia) and the Middle East is driven by growing appetite for chocolate-coated biscuits, compound bars, and seasonal assortments, with Indian players increasingly investing in premiumization, packaging innovation, and international food-safety compliance. Further **homogenised preparations** of jams, jellies, and nut pastes remain a niche segment, maintaining export values of about USD 1.3–1.5 million and volumes near 600–700 tons annually, largely directed toward bakery manufacturers in select African and Middle Eastern markets.

Looking ahead, Tanzania, Nigeria, Cameroon, Congo, and Ivory Coast represent emerging growth corridors for Indian confectionery exports. Volumes to these regions are projected to increase steadily, benefiting from expanding urban retail, rising disposable incomes, and stronger bilateral trade ties. These markets are also witnessing import substitution away from high-priced Western brands toward affordable Indian alternatives.

Across key destinations, East Africa, Mauritius, the GCC, the Philippines, Cameroon, Congo, and Ivory Coast are witnessing consistent expansion. Demand is reinforced by population growth, evolving snacking habits, and preference for low-priced, quality-assured packaged foods. The growth in both value and tonnage underscores India's widening export base, balancing volume-driven baked goods with value-driven sugar and cocoa-based products.

Overall, India's confectionery export portfolio demonstrates a broad geographic spread and a dual-segment growth path volume expansion led by sweet biscuits and sugar confectionery, and value enhancement through chocolate and specialty products solidifying India's position as a reliable and competitive global supplier across both established and emerging consumer markets.

Figure 4-5: Export data of confectionery products, by value (USD Million), CY20-CY25



Source: Trademap & Ken Research Analysis

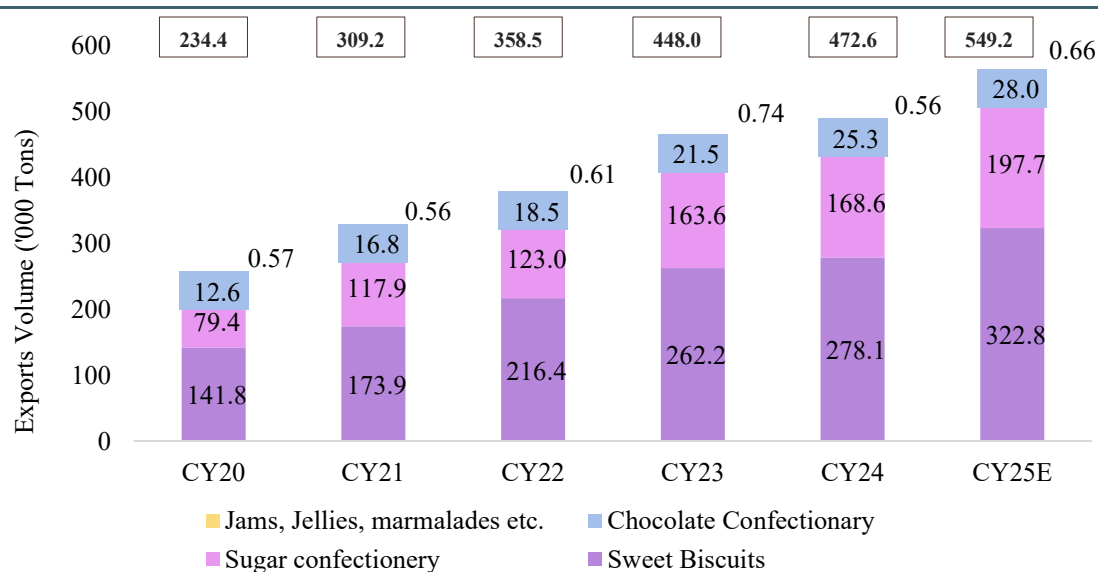
Note 1: Sugar confectionery includes Confectionery not containing cocoa, incl. white chocolate excluding chewing gum under HS Code:170490

Note 2: Chocolate confectionery includes chocolate Confectionery and other preparations containing cocoa, in containers or immediate packings under HS Code: 180690

Note 3: Biscuits include, sweet biscuits under HS Code: 190531

Note 4: Indicates total value of exports

Figure 4-6: Export data of confectionery products, by volume ('000 Tons)



Source: Trademap & Ken Research Analysis

Note 1: Sugar confectionery includes Confectionery not containing cocoa, incl. white chocolate excluding chewing gum under HS Code:170490

Note 2: Chocolate confectionery includes chocolate Confectionery and other preparations containing cocoa, in containers or immediate packings under HS Code: 180690

Note 3: Biscuits include, sweet biscuits under HS Code: 190531

Note 4: Indicates total value of exports

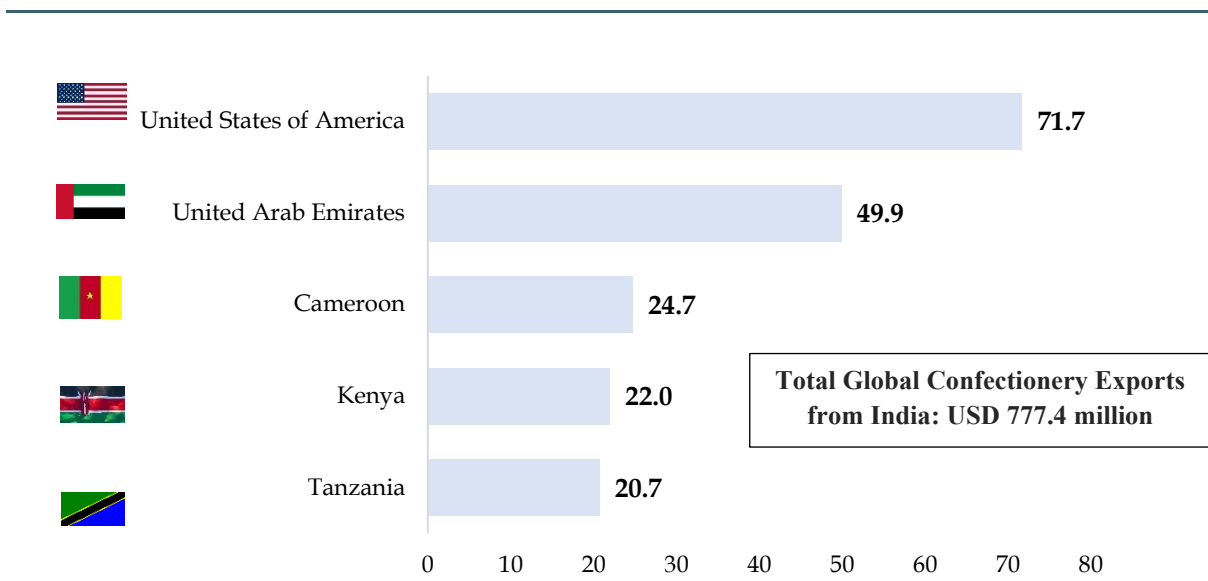
4.7. FLOW CORRIDOR OF INDIA'S EXPORTS TO TOP FIVE GEOGRAPHIES

In CY25, India's confectionery exports exhibit a diverse geographic spread, led by the United States (USD 71.7 million) and the United Arab Emirates (USD 49.9 million). The United States remains the largest value-driven market, supported by strong demand from large retailers like Walmart, Cotsco, Indian ethnic retailers, private-label sourcing, and e-commerce platforms catering to diaspora communities. The UAE continues to serve as a major re-export and consumption hub for the broader GCC and African regions, benefitting from its strategic location, robust distribution networks, and strong gifting culture that sustains premium chocolate and biscuit exports.

Beyond these traditional markets, African countries such as Cameroon (USD 24.7 million), Kenya (USD 22 million), and Tanzania (USD 20.7 million) have emerged as fast-growing trade corridors in CY25. Cameroon anchors India's growing presence, primarily through the export of sweet biscuits and sugar confectionery, while Kenya and Tanzania serve as gateway markets for East Africa, driven by affordability, product familiarity, and strengthening distributor linkages.

Collectively, India's export flow reflects a balanced mix of premium, value-added confectionery targeting developed markets and mass, price-competitive products suited to emerging economies. This dual-market strategy reinforces India's role as a cost-efficient, quality-certified supplier within the global confectionery trade, while its expanding footprint across Africa and the Middle East indicates sustained momentum in both volume and value growth segments.

Figure 4-7: India’s Confectionery export to top five countries, globally, by value, CY25 (USD Million)



Source: Trademap & Ken Research Analysis

4.8. COMPARISON OF INDIA’S EXPORT OF CONFECTIONERY PRODUCTS VS KEY GLOBAL EXPORTERS, CY20 VS CY25E

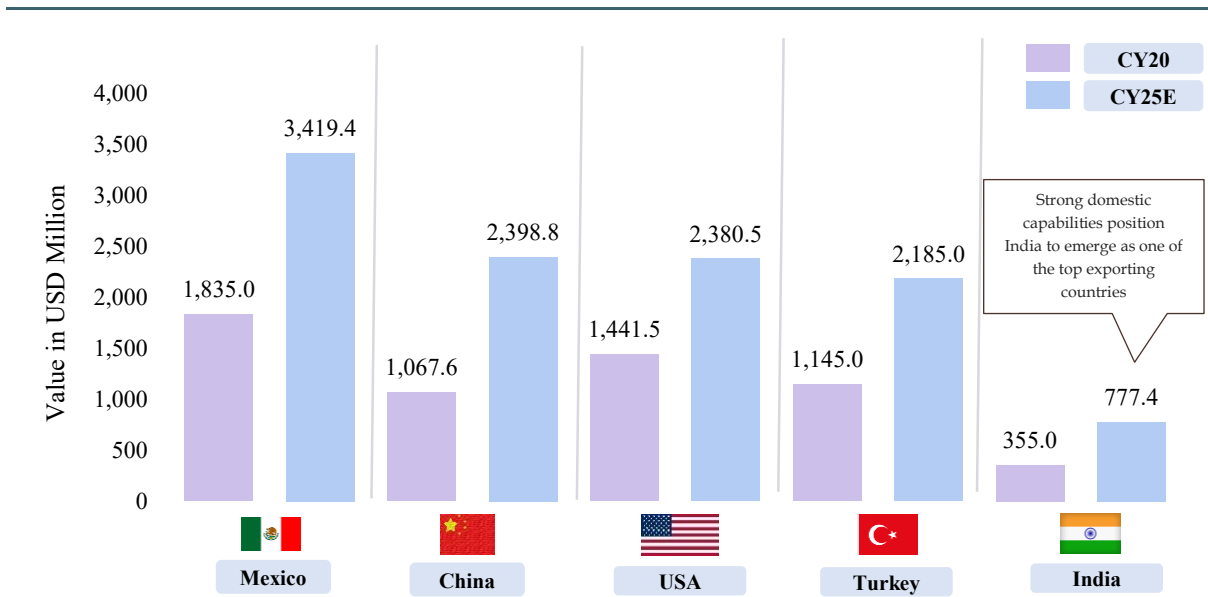
India’s confectionery export performance strengthened significantly between CY20 and CY25, increasing from USD 355.0 million to USD 777.4 million, translating into a robust CAGR of approximately 17.0% over the period. This growth reflects India’s evolving position as a competitive confectionery exporter, supported by product innovation, diversification into higher-value confectionery segments, and expanding market access across Africa and Southeast Asia.

Among larger global exporters, Mexico scaled from USD 1,835.0 million to USD 3,419.4 million during CY20–CY25, retaining its leadership, while China and the United States grew to USD 2,398.8 million and USD 2,380.5 million in CY25, respectively, reflecting steady, mature-market expansion.

Turkey, in contrast, strengthened its established position, with confectionery exports rising from USD 1,145.0 million to USD 2,185.0 million over CY20–CY25. This performance was driven by its well-developed manufacturing base, scale efficiencies, and preferential trade linkages.

Overall, while India remains smaller than global peers in absolute export value, its faster growth trajectory positions it as an emerging confectionery export hub, distinct from the more mature export profiles of leading global producers.

Figure 4-8: Scenario of India’s export of Confectionery products (sugar, chocolate, sweet biscuits, homogenized preparations) vs key global exporters, by value (USD Million), CY20 & CY25E



Source: Trademap & Ken Research Analysis

Note 1: Sugar confectionery includes Confectionery not containing cocoa, incl. white chocolate excluding chewing gum under HS Code:170490

Note 2: Chocolate confectionery includes chocolate Confectionery and other preparations containing cocoa, in containers or immediate packings under HS Code: 180690

Note 3: Biscuits include, sweet biscuits under HS Code: 190531

Note 4: Homogenized preparations include jams, jellies, marmalades, fruit or nut purées and nut paste under HS Code:200710

4.9. PRODUCTION PROCESS OF THE PRODUCT CATEGORIES IN CONFECTIONERY

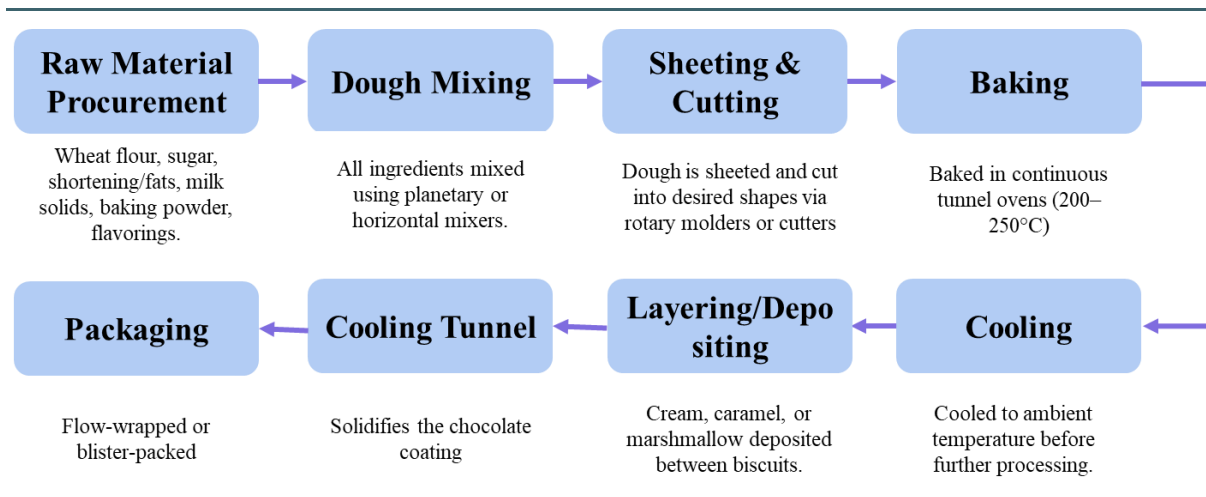
Sugar Confectionery, Chocolate & Milky Confectionery, and Biscuit-Based Confectionery are the three primary product categories which vary substantially based on production processes and ingredients. The processing stages of all three, including mixing, thermal treatments, moulding techniques, and post-processing steps, differ substantially. However, they all commence with the procurement of raw materials and conclude with packaging. Biscuit-based products prioritize baking and layering, chocolate-based items emphasize refining and crystallization, and sugar confectionery comprises high-temperature heating and shaping.

PRODUCTION PROCESS OF BISCUIT BASED CONFECTIONERY

The manufacturing process of biscuit-based confectionery Commences with the procurement of raw materials, which involves the sourcing of essential constituents such as sugar, fats, wheat flour, and flavourings. This is followed by the combining of the dough using planetary or horizontal mixers to ensure a uniform mixture. The dough is subsequently sheeted and cut into the desired shapes using moulders or cutters. The baking procedure is conducted in continuous tunnel ovens at temperatures ranging from 200°C to 250°C.

The products are allowed to settle to ambient temperature after baking, and then fillings such as marshmallow, caramel, or cream are layered or deposited. The confectionery is subsequently transported through a cooling tunnel to consolidate coatings, including chocolate. Packaging is the concluding stage, during which products are packed or flow-wrapped for distribution.

Figure 4-9: Production Process Flow of Biscuit Based Confectionery Product



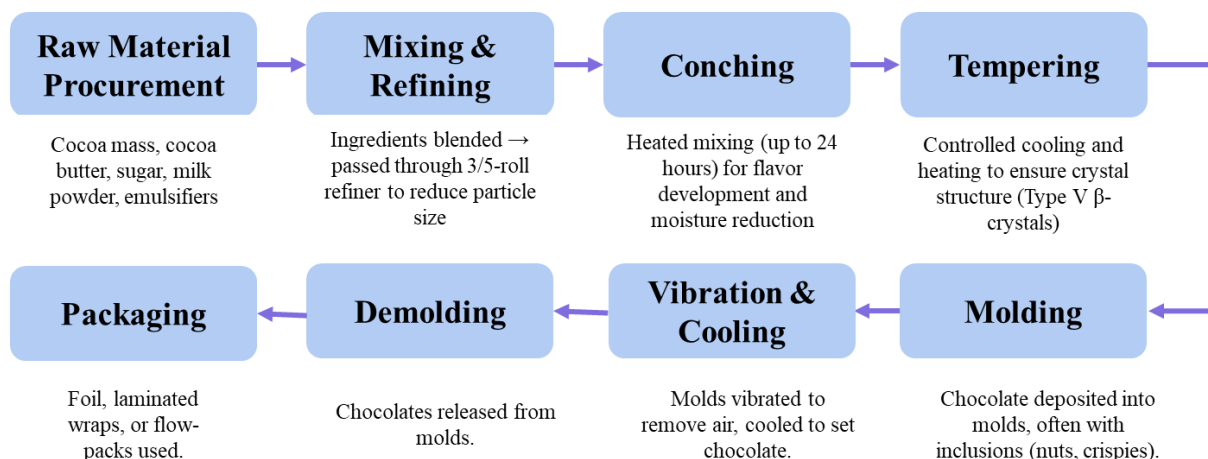
Source: Ken Research Analysis

PRODUCTION PROCESS OF CHOCOLATE AND MILKY CONFECTIONERY

The production process of chocolate and milky confectionery products starts with raw materials procurement, which encompasses cocoa mass, cocoa butter, sugar, milk powder, and emulsifiers, is the initial step. These ingredients are subjected to mixing and refining in order to achieve a uniform blend and a smaller particle size. After this, conching occurs, which is a continuous heated mixing process that reduces moisture and enhances flavour.

Stable crystal structures (Type V β -crystals) are subsequently formed by tempering the mixture through controlled cooling and heating. After that, the chocolate is molded, frequently with the addition of nuts or crisps, and subjected to vibration and cooling to eliminate air bubbles and solidify the shape. Various materials, such as laminated wraps or foil, are used to package the final products after demoulding, which involves the release of chocolates from the molds.

Figure 4-10: Production Process Flow of Chocolate & Milky Confectionery Product



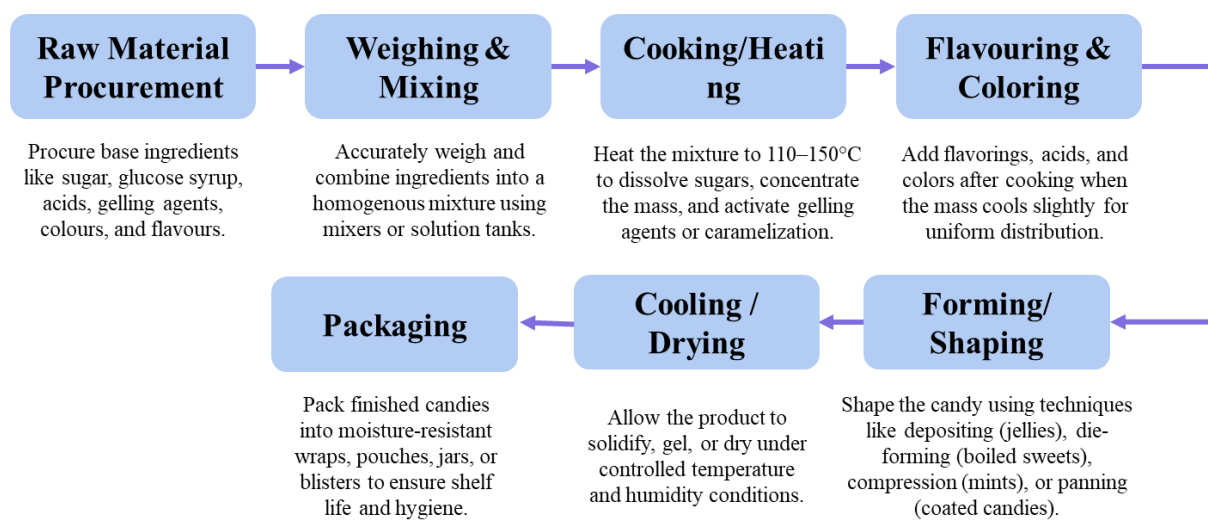
Source: Ken Research Analysis

PRODUCTION PROCESS OF SUGAR CONFECTIONERY

The production process of sugar confectionery products, including jellies, candies, panned, and compressed confections. Begins with the procurement of raw materials like sugar, glucose syrup, acids, gelling agents, colours, and flavours. These ingredients are accurately weighed and mixed into a homogenous solution, followed by heating at 110–150°C to dissolve sugars and activate gelling or caramelization.

After cooking, flavouring and colouring are added for uniformity, post which the mixture is shaped using various methods such as depositing, die-forming, compression, or panning. The formed candies are then cooled or dried under controlled conditions to solidify, gel, or dry them. Finally, the products are packaged in moisture-resistant materials to maintain hygiene and shelf life.

Figure 4-11: Production Process Flow of Sugar Confectionery Product (Jellies, Candies, Panned and Compressed Confections)



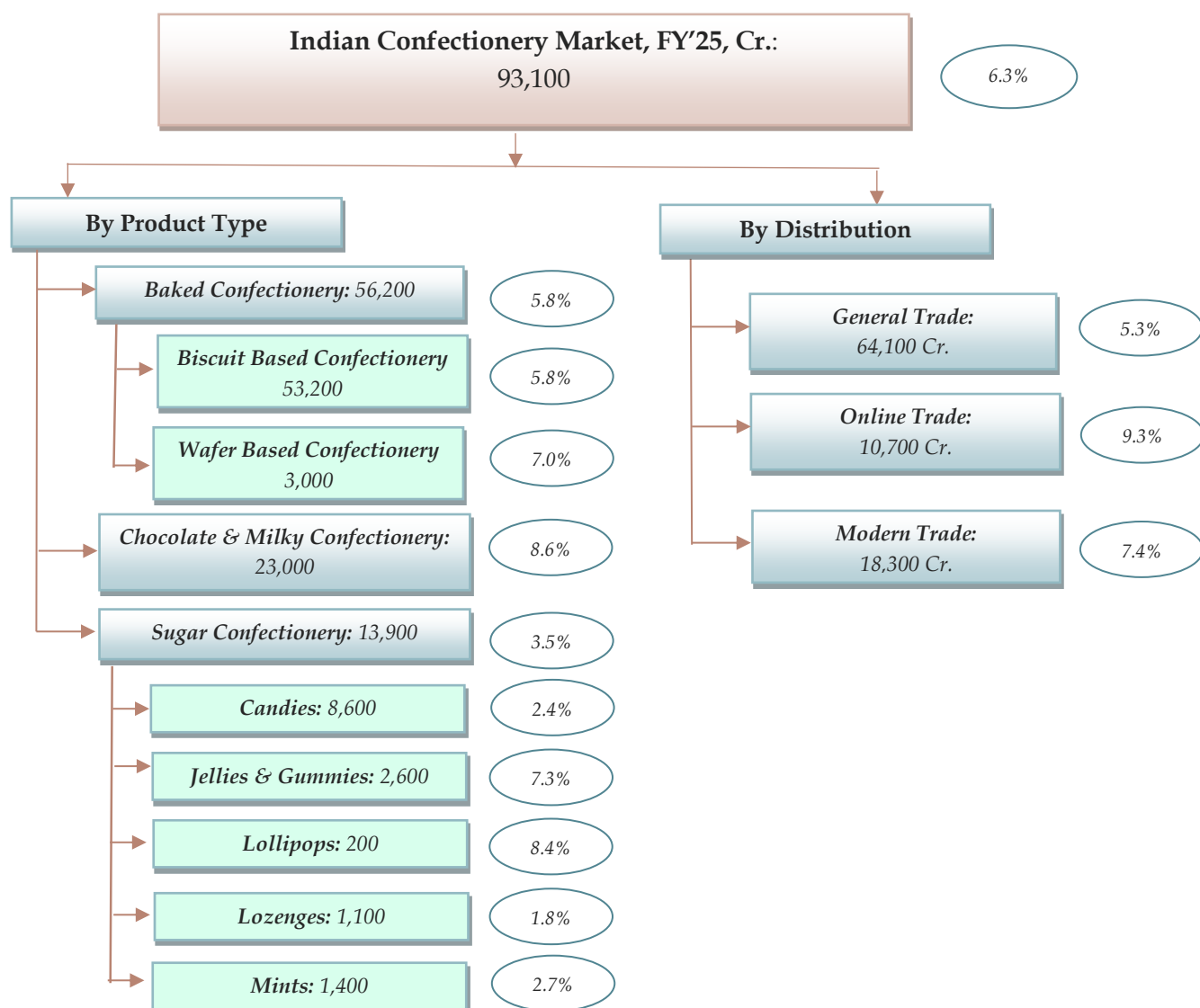
Source: Ken Research Analysis

5. MARKET ANALYSIS

5.1. INDIA'S CONFECTIONERY MARKET SIZE, FY'19-FY'25-FY'30F

The India's Confectionery Market is defined as sales of sweet food products produced for indulgence and snacking consumption. The market size represents the total value of confectionery sales generated within India. It includes revenues from domestically manufactured and imported confectionery products sold across product types, brand origins, company structures, consumer age groups, and retail formats. The market includes consumption across children, teens, young adults, and adults in both urban and rural markets, covering general trade, modern retail, and online channels, and is measured in INR thousand crores.

Table 5-1: Taxonomy & Market Size of Indian Confectionery Market, FY'25



Source: Ken Research Analysis

Note: FY refers to financial year ending March

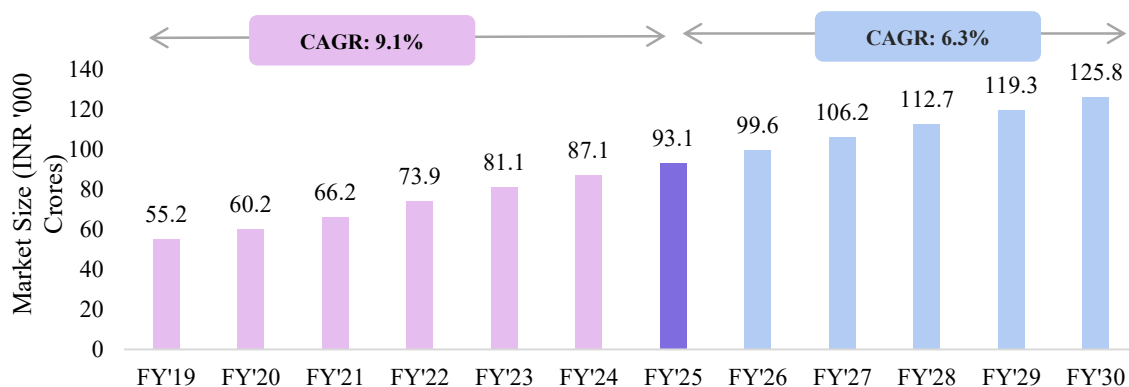
Note: ○ Indicates CAGR from FY'25-FY30F

Note: Figures are in INR

India’s confectionery market has **grown to INR 93,100 crore in FY’25, registering a CAGR of 9.1% between FY’19 and FY’25**. This robust growth is driven by rising consumer demand for affordable indulgences, increased frequency of festive consumption, and deeper penetration of packaged chocolate and sugar confectionery across both urban and rural markets.

Government-led initiatives such as Startup India, and PMFME (Pradhan Mantri Formalisation of Micro Food Processing Enterprises) which promotes the confectionery sector by providing micro-enterprises with credit-linked capital subsidies, seed capital for SHG members, and substantial support for branding and marketing, thereby enhancing product quality, market reach, and formalization of traditional product producers. This scheme has complemented Make in India by supporting food entrepreneurs, boosting domestic manufacturing capacity, and facilitating the development of efficient, multi-format distribution channels including general trade, modern retail, and e-commerce.

Figure 5-1: India’s Confectionery Market Size on the Basis of Revenue in INR ‘000 Crore, FY’19-FY’30F



Source: Interviews with Industry Experts, Industry Articles & Ken Research Analysis Note: FY refers to financial year ending March

Note: FY refers to financial year ending March

By FY’30, confectionery market is projected grow INR 125.8 thousand crore with a CAGR of 6.3% between FY’25 and FY’30F. This growth is driven by a structural shift in India’s confectionery landscape from unbranded, loosely sold confectioneries to branded, packaged products driven by domestic manufacturing:

- **Expansion of regional manufacturing capacity** by domestic players is enabling greater scale and cost efficiency in affordable confectionery (INR 1–10 price range) SKUs.
- **Strengthening of distribution channels**, including deeper reach through general trade, growing shelf space in modern retail, and rapid growth in quick commerce and B2B Kirana aggregator platforms, is accelerating market access for emerging confectionery brands.
- **Government schemes like PLISFPI, PMFME, and Startup India** are driving formalization and product innovation across Tier 2/3 cities, allowing small and mid-sized brands to move from unbranded to branded, packaged offerings with standardized quality. (Source: Startup India.gov & DPIIT)
- **Urbanization and rising rural consumption** are expanding the demand base for impulse and value-for-money treats, with per capita consumption increasing steadily alongside greater awareness of packaged food hygiene and branding.

5.2. MARKET SEGMENTATION OF INDIA'S CONFECTIONERY MARKET, FY'25 & FY'30F

Baked Confectionery market is defined as sweet food products produced through baking processes using flour-based formulations. The baked confectionery market represents demand for ready-to-eat baked sweets positioned primarily as snacks and occasion-based consumption products. It includes categories such as biscuits, cookies, cakes, brownies, pastries, and similar baked items distributed through general trade, modern retail, standalone bakeries.

Chocolate & Milky Confectionery refers to sweet products formulated using cocoa, milk solids, sugar, and related derivatives. The market represents consumer demand for chocolate-based and milk-based indulgence products across impulse, gifting, and everyday consumption occasions. It includes molded chocolates, bars, toffees, filled candies, pralines, and malt-based confections sold through kirana stores, organized retail, and e-commerce platforms.

Sugar Confectionery refers to non-chocolate sweet products primarily composed of sugar, glucose, and flavoring agents. The sugar confectionery market represents high-volume, low-to-mid priced sweet consumption driven largely by impulse buying. It includes hard candies, boiled sweets, jellies, gummies, lollipops, mints, chewing candies, and packaged traditional Indian sweets, distributed predominantly through general trade and supported by both organized manufacturers and unorganized local players.

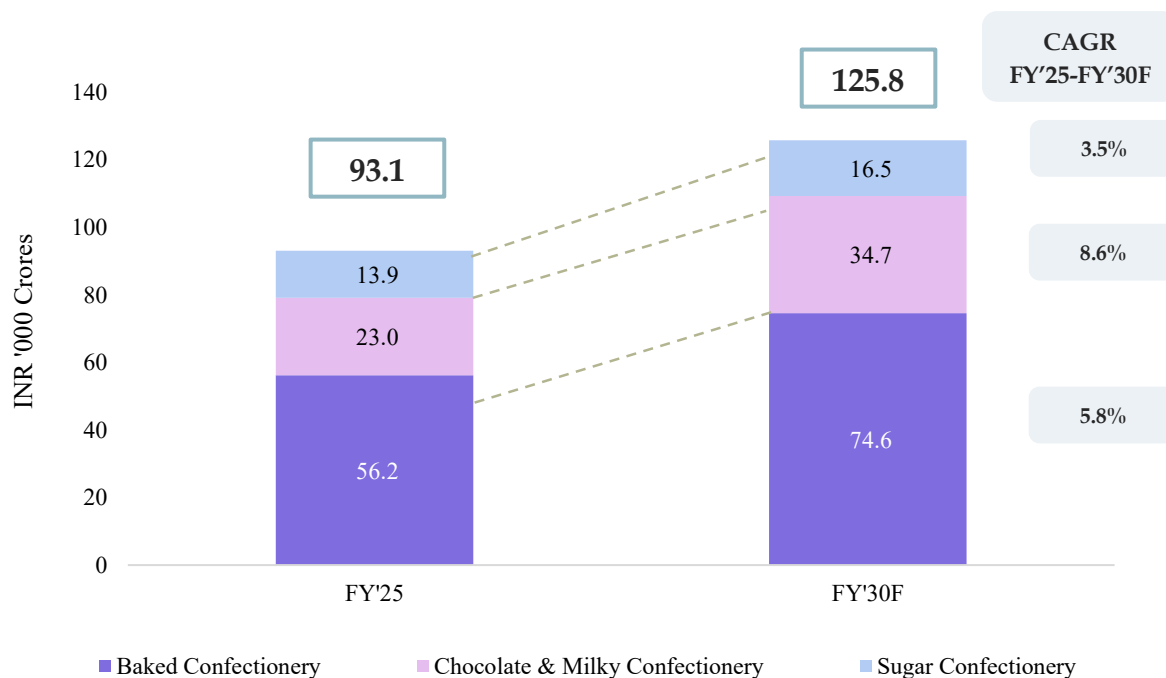
BY PRODUCT TYPE (FY'25 & FY'30F):

In FY'25, **Baked confectionery**, the largest segment, is projected to grow from **INR 56.2 thousand crore to INR 74.6 thousand crore by FY'30F, at a CAGR of 5.8%**. This growth is supported by rising urban demand for packaged bakery products, increasing on-the-go snacking, and wider availability through modern retail channels. Continued innovation in biscuit-based and wafer-based confectionery, along with the introduction of health-oriented options such as whole grain and high-fiber products, is driving consumer interest and segment expansion.

The **Chocolate & Milky confectionery** segment is set to witness the fastest growth, increasing from **INR 23.0 thousand crore in FY'25 to INR 34.7 thousand crore by FY'30F, with a CAGR of 8.6%**. This expansion is driven by growing consumer preference for indulgent, premium, and festive gifting options. Factors such as strong festive and occasion-based gifting demand, with premium chocolate hampers and seasonal SKUs are gaining popularity.

Sugar confectionery is evolving steadily, **growing from INR 13.9 thousand crore in FY'25 to INR 16.5 thousand crore by FY'30F at a CAGR of 3.5%**. The slower growth rate reflects rising health consciousness, with consumers, especially parents, avoiding high-sugar, artificially coloured products. Concerns over obesity and hyperactivity (as noted by WHO/FSSAI) are driving this shift, opting for demand for functional and fruit-based alternatives.

Figure 5-2: India’s Confectionery Market Segmentation by Product Type on the basis of Revenue in INR ‘000 Crores, FY’25 & FY’30F



Source: Interviews with Industry Experts, Industry Articles & Ken Research Analysis

Note: FY refers to financial year ending March

Note: F refers to Forecasted year

Note: Indicates Total Value of Segment

BY ORIGIN OF BRANDS SEGMENT (FY’25 & FY’30F):

Domestic brands refer to confectionery companies of Indian origin that manufacture and sell products primarily for the domestic market while some sales are also directed for international markets. The domestic brand represents locally developed offerings with strong mass-market positioning and extensive general trade reach.

International brands refer to global confectionery companies operating in India through subsidiaries, licensing arrangements, contract manufacturing, or imports.

In FY’25, the domestic segment holds the dominant share in India’s confectionery market, valued at **INR 62.4 thousand crores**, and is projected to grow to **INR 80.5 thousand crores by FY’30F at a CAGR of 5.2% during FY’25-FY’30**. This growth is by supported by mass affordability, extensive rural penetration, and strong consumer loyalty toward homegrown brands. The continued demand for INR 1–INR 10 candies and toffees in tier-II and rural markets underscores the segment’s resilience and steady volume growth.

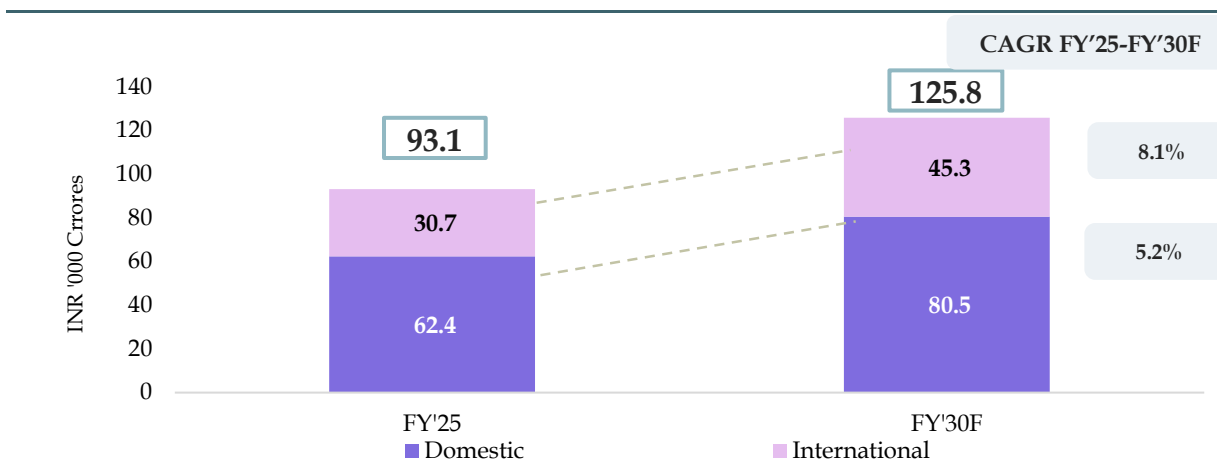
- For instance, in July 2025, the Dharampal Satyapal Group (DS Group) brand Pulse (launched at Re 1 per piece) recorded over INR 750 crore in consumer price sales in FY 2024-25, demonstrating the scale of low-unit price confectionery.
- Similarly, as per the data released by financial express in December 2022, the parle product group contribute around 55% of its total sales indicating the importance of non-urban markets for low-priced confectionery units.

- These factors are anticipated to sustain the domestic segment’s momentum by ensuring high-volume sales, enhancing accessibility across income groups, and reinforcing the dominance of local players in India’s mass-market confectionery space.

The **international segment** is growing rapidly at a **8.1% CAGR**, driven by rising disposable incomes, increasing urbanization, and a strong shift toward premium and indulgent confectionery products. According to the Economic Times report published in March 2024, India’s per capita disposable income is estimated at INR 2.14 lakh in FY 2023–24, reflecting an 8% year-on-year increase. This rise in purchasing power has fuelled demand for higher-priced, global confectionery brands. The segment’s expansion is further supported by continuous product innovation, brand localization, and the increasing influence of multinational player. For instance, In September 2025, Mondelez India launched Cadbury Dairy Milk Milkinis, targeting the on-the-go snacking segment and strengthening its foothold in the premium chocolate category.

These developments underscore that rising disposable incomes and sustained innovation by global players are not only expanding the premium consumer base but also driving the international segment’s accelerated revenue growth and increasing its overall contribution to India’s confectionery market.

Figure 5-3: India’s Confectionery Market Segmentation by Origin of Brands Segment on the Basis of Revenue in INR ‘000 Crores, FY’25 & FY’30F



Source: Interviews with Industry Experts, Industry Articles & Ken Research Analysis

Note: FY refers to financial year ending March

Note: F is referred to as forecasted year

Note: Indicates Total Value of Segment

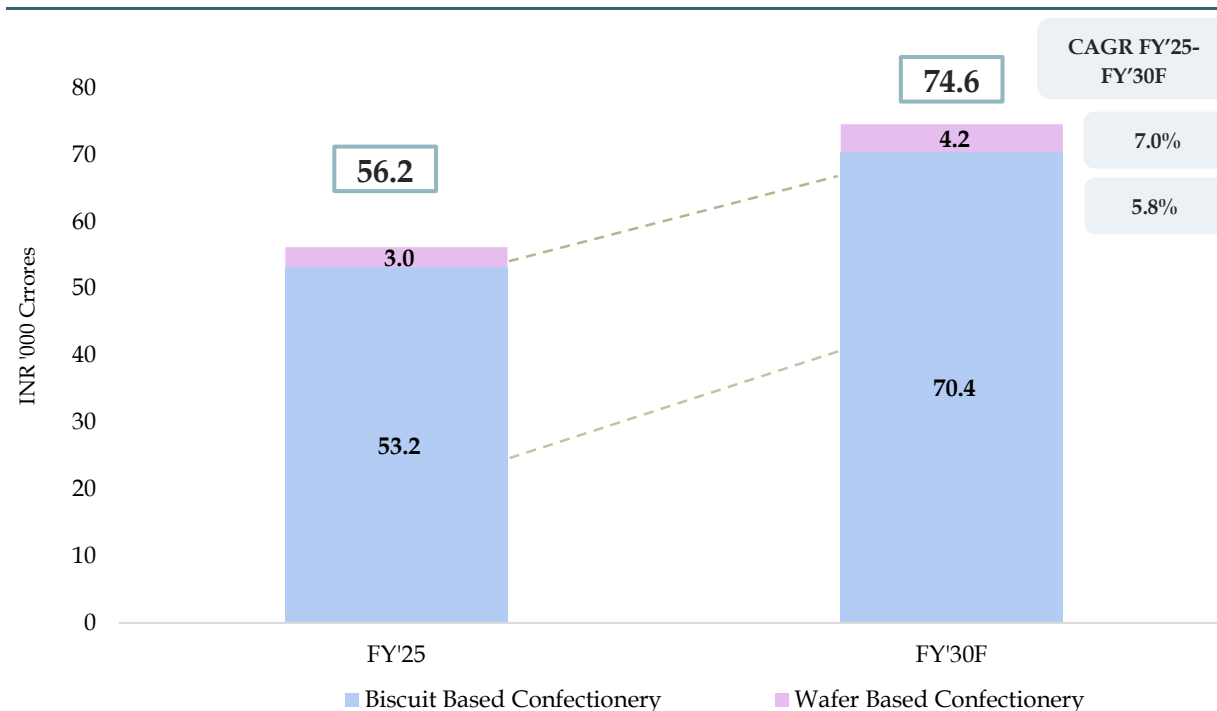
BY BAKED CONFECTIONERY (FY’25 & FY’30F):

In FY'25, India’s baked confectionery market is led by the **Biscuit Based Confectionery** segment, generating **INR 53.2 thousand crores in revenue and projected to grow INR 70.4 thousand crores by FY'30F at a CAGR of 5.8%**.

Brands are driving volume through combo packs, festive bundles, and kid-focused offerings, while innovating with cream-filled, multigrain, and regional-flavoured variants like elaichi and jeera. Packaging upgrades such as single-serve packs, resealable wrappers, and moisture-lock formats cater to freshness and convenience for tiffin and on-the-go snacking.

The **Wafer Based Confectionery** segment, is at **INR 3,000 thousand crores in FY'25**, is expected to grow at a slightly higher **CAGR of 7.0%**, reaching **INR 4,200 thousand crores by FY'30F**. Growth in this segment is driven by youth demand for textured, indulgent snacks that offer a blend of texture and flavour, with the brands introducing wafer confectionery variants with nut, caramel, and chocolate layers.

Figure 5-4: India's Confectionery Market Segmentation by Baked Confectionery on the Basis of Revenue in INR '000 Crores, FY'25 & FY'30F



Source: Interviews with Industry Experts, Industry Articles & Ken Research Analysis

Note: FY refers to financial year ending March

Note: F is referred to as forecasted year

Note: Indicates Total Value of Segment

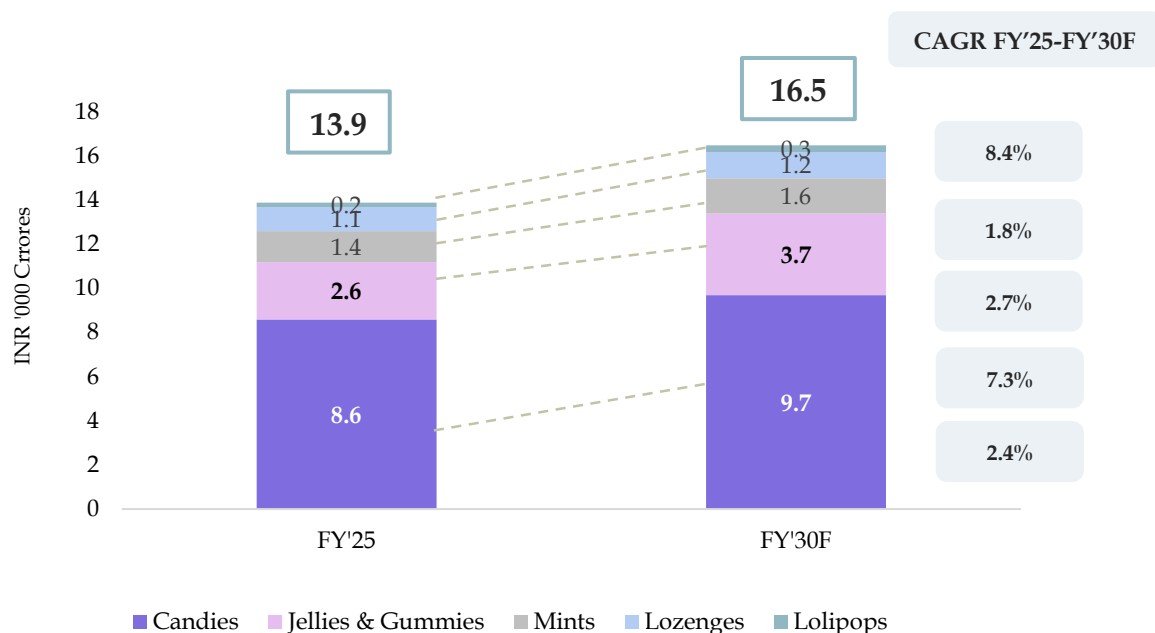
BY SUGAR CONFECTIONERY (FY'25 & FY'30F):

The market remains dominated by **Candies**, projected to grow **from INR 8.6 thousand crores in FY'25 to INR 9.7 thousand crores by FY'30F**, at a **CAGR of 2.4%**. This reflects their **deep-rooted presence in rural kirana stores, high consumption frequency**, and **sustained demand for 1–2 SKUs**, especially among children and lower-income groups. Growth is further supported by **loose candy sales**, which continue to dominate in Tier 3 towns and below due to low switching costs and high availability.

Jellies & Gummies show the strong momentum with a **CAGR of 7.3%**, rising **from INR 2.6 thousand Crores to INR 3.7 thousand crores**. The demand is driven by growing adoption, for attractive packaging, and visually appealing shapes confectionery which have increased presence in modern trade, and demand for gelatin-free or fortified options.

Lollipops, though growing at a **CAGR of 8.4%**, **from INR 0.2 thousand Crores in FY'25 to INR 0.3 thousand Crores in FY'30F** Crores benefit from their **low price point, novelty formats, and strong appeal among younger consumers**. Growth here is also supported by impulse buys at checkout counters.

Figure 5-5: India's Confectionery Market Segmentation in Sugar Confectionery on the Basis of Revenue in INR '000 Crores, FY'25 & FY'30F



Source: Interviews with Industry Experts, Industry Articles & Ken Research Analysis

Note: FY refers to financial year ending March

Note: F is referred to as forecasted year

Note: 13.9 Indicates Total Value of Segment

BY COMPANY TYPE (FY'25 & FY'30F):

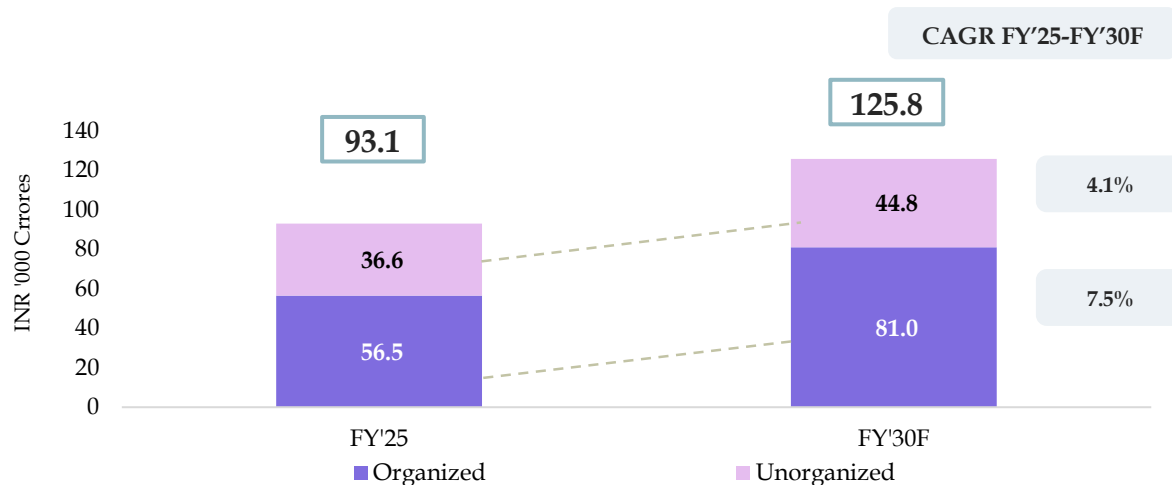
Organized companies refer to formally registered confectionery manufacturers operating with standardized production processes, quality controls, and branded distribution networks. The organized market represents scale-driven, brand-led growth across chocolates, packaged baked goods, and branded sugar confectionery.

Unorganized companies consist of small-scale, local, and regional manufacturers and bakeries with limited branding and compliance structures. This segment includes low-priced, region-specific, and traditional confectionery products with localized distribution.

In FY'25, the organized confectionery sector leads with INR 56.5 thousand crores in revenue and is projected to grow at a robust CAGR of 7.5% to INR 81.0 thousand crores by FY'30F. This growth is driven by a surge in investments by major players like Nestlé, Mondelez, and ITC, who are expanding rural distribution, diversifying pack sizes, and launching health-oriented variants. The shift is further accelerated by government initiatives such as the **PMFME (Pradhan Mantri Formalization of Micro Food Processing Enterprises) Scheme**, which supports micro food processors in transitioning to formal, organized operations through credit-linked subsidies, branding assistance, and capacity building.

The implementation of **stringent FSSAI regulations** around labeling, hygiene, and ingredient sourcing is also discouraging informal operators and pushing consolidation within the sector. This growing dominance of organized players highlights a structural shift in the industry, driven by increasing formalization, improved product quality, enhanced distribution networks, regulatory changes, and evolving consumer preferences.

Figure 5-6: India's Confectionery Market Segmentation by Company Type on the Basis of Revenue in INR '000 Crores, FY'25 & FY'30F



Source: Interviews with Industry Experts, Industry Articles & Ken Research Analysis

Note: FY refers to financial year ending March

Note: F is referred to as forecasted year

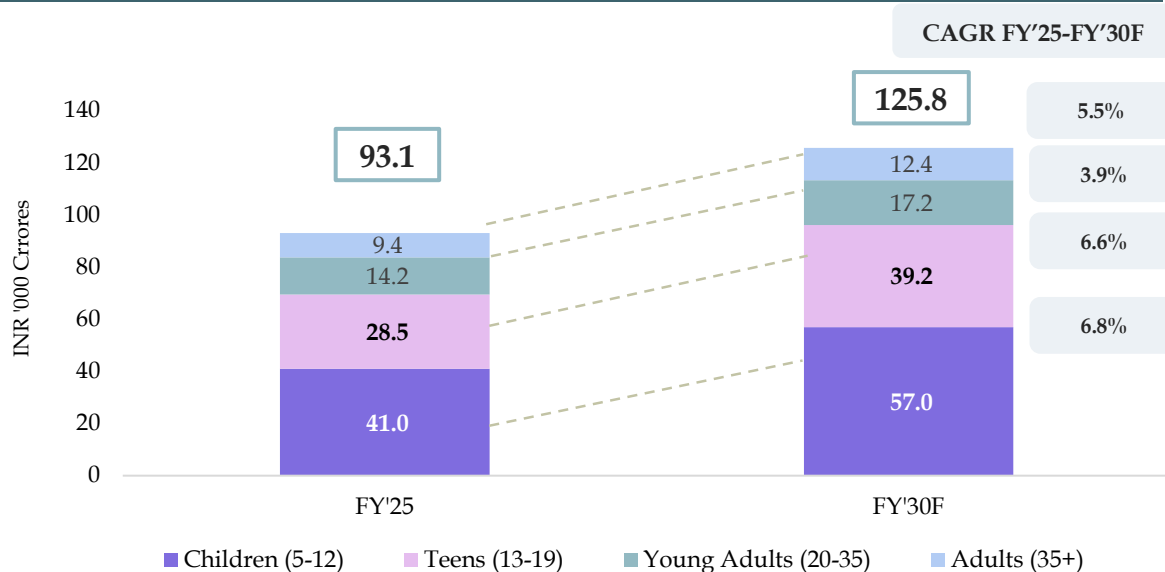
Note: 93.1 Indicates Total Value of Segment

BY CONSUMER SEGMENT (FY'25 & FY'30F):

In FY'25, the children (5–12 years) segment remains the largest consumer group in India's confectionery market, valued at INR 41.0 thousand crores, and is projected to reach INR 57.0 thousand crores by FY'30F at a CAGR of 6.8%. Growth is increasingly driven by **chocolates and better-for-you confectionery**, including fortified chocolates, healthier variants, and cleaner-label products, supported by child-friendly packaging and portion-controlled formats that align with rising parental health awareness. Regulatory initiatives such as FSSAI's *Eat Right India* are also nudging manufacturers toward safer and healthier formulations, favoring organized players.

The teen segment (13–19 years) is growing at a 6.6% CAGR, driven by rising pocket money, impulse snacking, and pop-culture influence. Demand is shifting from traditional candies toward **chocolate-led indulgence and healthier alternatives**, including filled, dark, and flavored chocolates, alongside global gummy and sour formats with perceived functional or reduced-sugar positioning. Young Adults (20–35) are gravitating toward premium indulgent, and functional confectionery, chocolate-coated nuts, and vitamin or caffeine infused chocolates, leveraging D2C gifting platforms like IGP and Ferns N Petals. Meanwhile, the Adults (35+) segment shows limited engagement, mainly favouring Ayurvedic candies. Niche demand is emerging for herbal and healthier variants aimed at diabetic and health-conscious consumers, with Patanjali and Dabur introducing products like chyawanprash toffees and immunity lozenges.

Figure 5-7: India's Confectionery Market Segmentation by Consumer Segment on the Basis of Revenue in INR '000 Crores, FY'25 & FY'30F



Source: Interviews with Industry Experts, Industry Articles & Ken Research Analysis

Note: FY refers to financial year ending March

Note: F is referred to as forecasted year

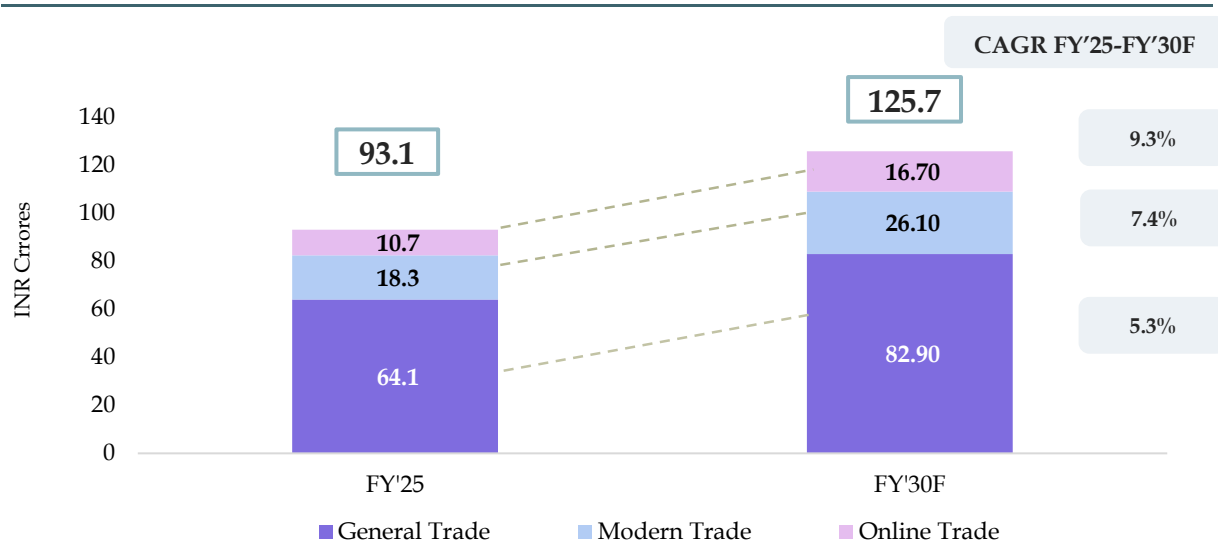
Note: Indicates Total Value of Segment

BY DISTRIBUTION CHANNELS (FY'25 & FY'30F):

The overall General Trade (GT) channel is the largest, consist of Kirana stores, pan-tobacco shops, stationery and school supply stores, general provision stores, as well as wholesalers and distributors, increasing from **INR 64.1 thousand crore in FY'25 to INR 82.9 thousand crore in FY'30F, at CAGR of 5.3%**. This indicates the continued importance of traditional retail outlets such as Kirana stores, particularly in non-urban markets. **Online trade** is the fastest growing channel with **CAGR of 9.3%, with revenue rising from INR 10.7 thousand crore in FY'25 to INR 16.7 thousand crore in during FY'25-30F**, driven by the rapid growth of digital commerce platforms and **B2B Kirana Aggregators Platform**.

Modern trade, expanding from **INR 18.3 thousand crore in FY'25 to INR 26.1 thousand crore in FY'30F at a CAGR of 7.4%**. Its rapid rise is driven by strategic management practices such as eye-level product placement for fast-moving SKUs, which enhances visibility and take in impulse-driven categories like confectionery. Organized retailers like DMart and Reliance Smart frequently run bundled promotional schemes, such as INR 10 combo packs or 'Buy 3 Get 1 Free' offers, across most of the month, resulting in sharp spikes in category sales.

Figure 5-8: India's Confectionery Market Segmentation by Distribution Model on the Basis of Revenue in INR '000 Crores, FY'25 & FY'30F



Source: Interviews with Industry Experts, Industry Articles & Ken Research Analysis

Note: FY refers to financial year ending March

Note: F is referred to as forecasted year

Note: Indicates Total Value of Segment

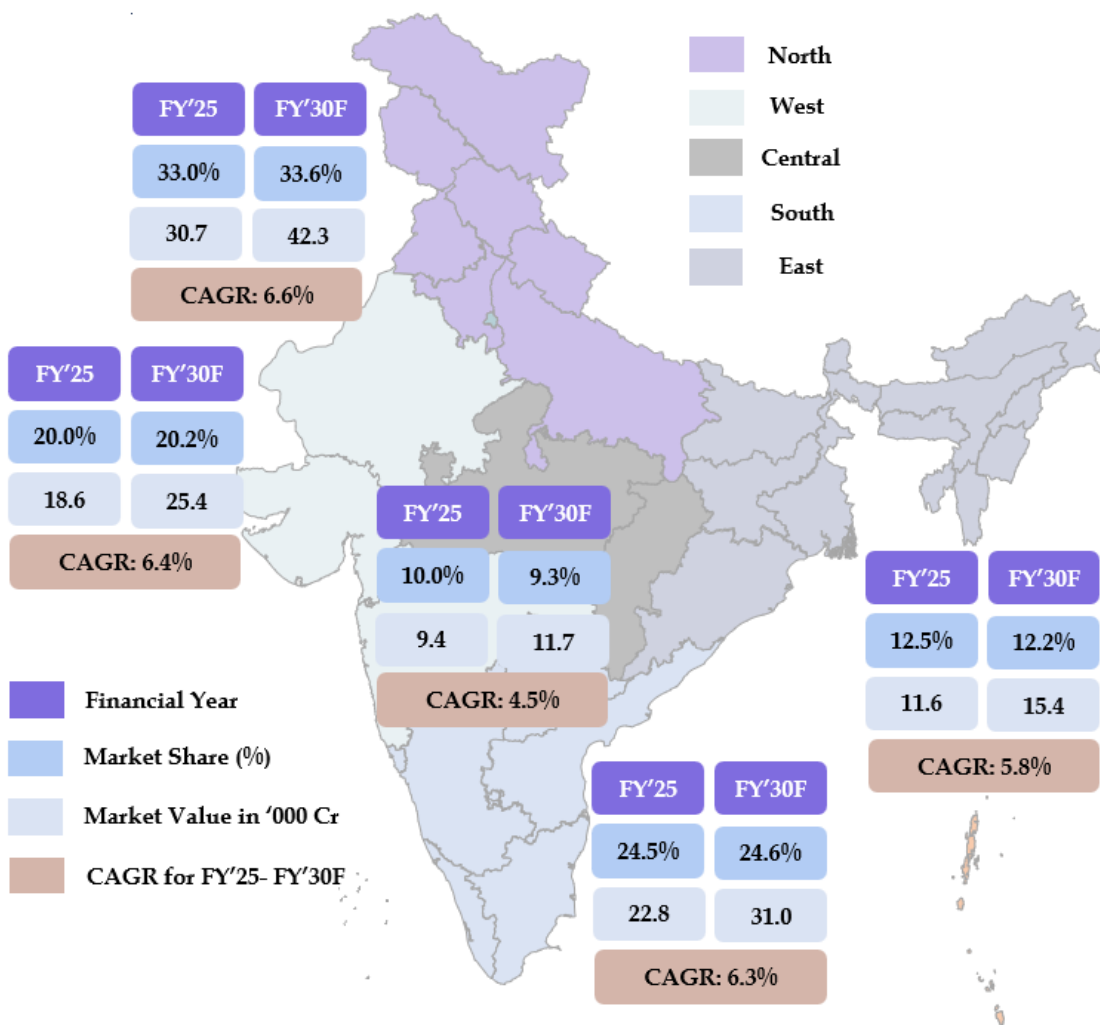
BY REGION (FY'25 & FY'30F)

The **North region** leads India's confectionery market with a share rising from 33.0% in FY'25 to 33.6% in FY'30F at a CAGR of 6.6%, driven largely by Delhi NCR region. The region's high-income urban base and strong retail infrastructure for modern trade and online trade network support demand, particularly during festive peaks like Diwali which leads to tap the market smoothly. Lucknow and Kanpur contribute through dense general trade networks and sweet consumption habits, increasingly tapped by organized players.

The **South region**, steady at 24.5%–24.6% at a CAGR of 6.3% from the FY'25 to FY'30F respectively, sees growth from Bengaluru (~7.8%), Hyderabad (~6.5%), and Chennai (~6.0%). Bengaluru's young demographic and high retail adoption drive impulse and premium sales. Hyderabad's rising incomes and gifting culture, and Chennai's preference for milk-based sweets, sustain steady demand through both general and modern trade.

In the **West**, with share from 20.0% in FY'25 to 20.2% in FY'30F at a CAGR of 6.4%, sees the growth in the cities like Mumbai (~9.2%), Ahmedabad (~5.5%), Pune (~5.0%), and Surat (~4.0%) are key markets. Mumbai leads on account of premium retail and affluent demand, while Pune's young population favours new-age confectionery. Ahmedabad and Surat contribute strong festive-driven volumes through deep-rooted kirana networks and regional sweet preferences.

Figure 5-9: India's Confectionery Market Segmentation by Region Wise on the Basis of Market Share in Percentage (%) and Market Share Value (INR '000 Crores) for FY'25 & FY'30F



Source: Interviews with Industry Experts, & Ken Research Analysis

Note: FY refers to financial year ending March

Note: F refers to forecasted for the year

Note: North indicates (J&K, Himachal Pradesh, Punjab, Haryana, Uttarakhand, Delhi (NCT), UP, Chandigarh, Ladakh), West indicates (Rajasthan, Gujarat, Maharashtra, Goa, Dadra & Nagar Haveli, Daman & Diu), East indicates (Bihar, Jharkhand, Odisha, West Bengal, Sikkim, North East States, Andaman & Nicobar Islands), South indicates (Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Kerala, Puducherry, Lakshadweep), Central indicates (MP, Chhattisgarh)

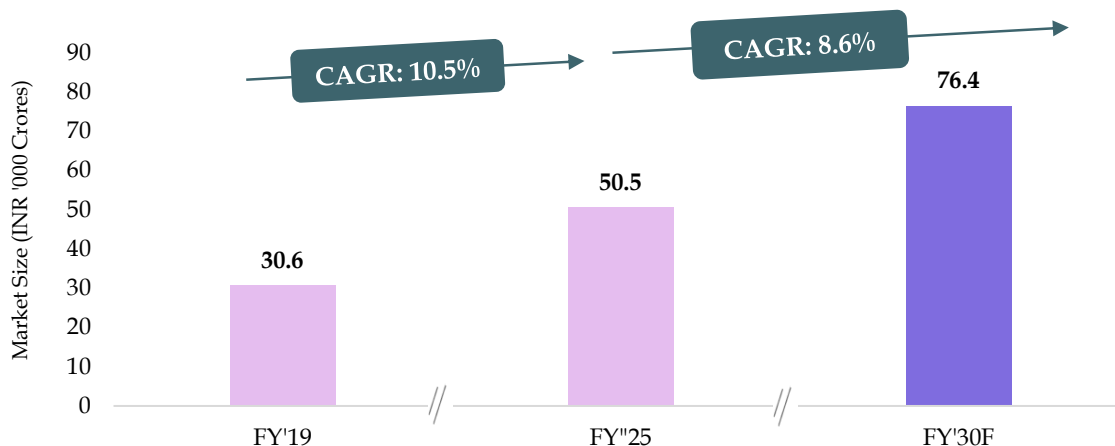
5.3. INDIA’S ECONOMY CONFECTIONERY MARKET SIZE, FY’19-FY’25-FY’30F

The India’s economy confectionery market includes confectionery product SKUs priced at INR 1–10. In FY’25, economy-priced confectionery market is valued at INR 50.5 thousand crores, reflecting their continued relevance among price-sensitive consumers, particularly in Tier 2–3 cities and rural areas. The growth in the segment is driven by low unit pricing (INR1–5) and widespread availability through kirana stores and distributor-led networks.

In 2023, Nestlé India’s Munch, which continued to strengthen its position in the affordable chocolate segment by providing chocolate at INR 5, Munch rolled out multiple youth engagement campaigns, including IPL team partnerships with Punjab Kings, Royal Challengers Bangalore, Gujarat Titans, and others. These included special edition INR 5 packs, digital games, and augmented reality experiences targeted at younger consumers. In 2024, Nestlé launched the “**Utha MUNCH, Dikha Crunch**” campaign encouraging self-expression among teens, reaching deep into semi-urban and rural markets through its strong retail presence. (Source: MediaNews4U)

Looking ahead, growth in the economy confectionery segment is projected to moderate. This reflects a gradual shift in consumer preferences toward premium and differentiated confectionery formats. While economy products are likely to retain their volume advantage, their value contribution is expected to stabilize over the time.

Figure 5-10: India’s Economy Confectionery Market Size on the Basis of Revenue in INR ‘000 Crores, FY’19 - FY’25 – FY’30F



Source: Interviews with Industry Experts, & Ken Research Analysis

Note: FY refers to financial year ending March

Note: F is referred to as forecasted year

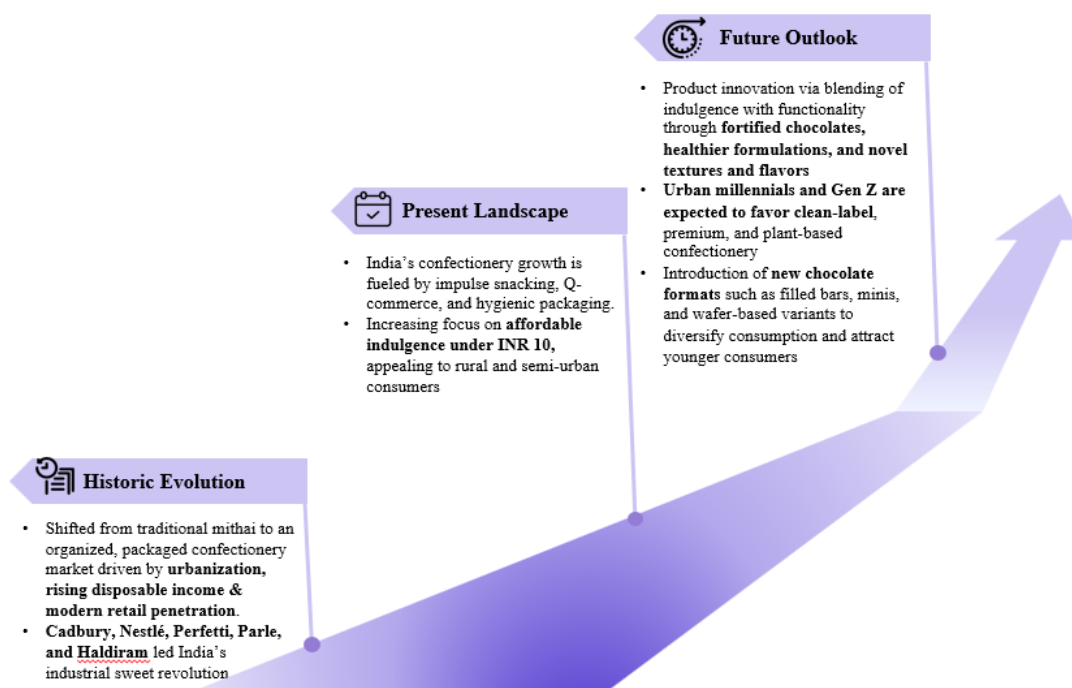
5.4. GENESIS AND INNOVATION; FUTURE GUIDANCE, GROWTH DRIVERS

Historic Evolution: India's confectionery market transitioned from traditional mithai to organized, packaged sweets during the 1990s–2000s, driven by urbanization, rising incomes, and retail modernization. Brands like Cadbury, Nestlé, Perfetti, Parle, and Haldiram's led this shift by introducing hygienic, mass-priced (INR 1–INR 5) chocolates and candies, expanding reach across rural India. By 2010, packaged confectionery accounted a major proportion of total urban share. Product innovation during this phase focused on shelf-stable milk chocolates, hard-boiled candies, and toffees, while packaging modernization and small-unit pricing helped expand rural access and impulse buying behavior.

Present Landscape: The market today balances affordable indulgence and premium demand. Economy-priced products dominate rural sales, while urban markets favor premium and hybrid categories such as wafer chocolates and milk sweets. Impulse snacking, hygienic packaging, and digital-first campaigns through Q-commerce and D2C channels are redefining consumption. Companies like Mars Wrigley and Nestlé India have shifted towards 50:50 TV–digital media spend ratios as per data published by Economic Times in April 2025, while Parle and ITC are focusing on value packs and regional flavour.

Future Outlook: The sector is increasingly driven by product and format innovation, with manufacturers blending indulgence with functionality through fortified chocolates, healthier formulations, and novel textures and flavors. Innovation in packaging, portioning, and personalization is improving speed-to-market and enabling rapid portfolio refreshes. **Manufacturers are also experimenting with new chocolate formats such as filled bars, layered chocolates, bite-sized minis, spreads, and wafer-based chocolate products to diversify consumption occasions and appeal to younger consumers seeking variety and convenience.** Urban millennials and Gen Z are expected to favor clean-label, premium, and plant-based confectionery, while innovations in processing and shelf-life extension are supporting the expansion of gifting-oriented and milk-based confectionery beyond festive demand cycles.

Figure 5-11: India’s Economy Confectionery Market Outlook



Source: Ken Research Analysis

OVERVIEW OF MAJOR DOMESTIC AND INTERNATIONAL BRANDS IN INDIA’S ECONOMY CONFECTIONERY MARKET

The India’s economy confectionery market segment of product SKUs (INR 1–10) reflects a distinct divide between international and domestic brand dominance. While international players such as Mondelez International Inc., Mars International Pvt. Ltd., Nestle India Ltd. and Perfetti Van Melle Group have maintained a foothold through legacy brands like Éclairs, Perk, Munch, Snickers, Alpenliebe, and Mentos, their presence is limited to a few SKUs in this low-price segment.

In contrast, domestic brands, including Shellz India Limited, DS Group, Kayempee Foods, and Parle Products, demonstrate deeper penetration with a broader and more diversified portfolio tailored for value-conscious consumers. This indicates a strategic alignment by domestic firms towards keeping high-volume and low-unit price SKUs that resonate with mass-market demand, especially in rural and semi-urban region.

Table 5-2: Overview of India’s Economy Confectionery Market (SKU INR 1-10) by Leading International and Domestic Players (As of June 2025)

Company Name	Brands	Product SKUs (INR 1-10)	Brand Origin
DS Group	<ul style="list-style-type: none"> Pulse Chingles 	<ul style="list-style-type: none"> Pulse Candy - INR 1 Chingles Gum - INR 	Domestic
Prayagh Consumer Care Pvt. Ltd.	<ul style="list-style-type: none"> Cintu Lavian 	<ul style="list-style-type: none"> Cintu Choco Eclairs – INR 1 Chintu/Cintu Candy – INR 	Domestic

		<ul style="list-style-type: none"> • Cintu Kracker Wafer Chocolate – MRP INR 5 	
Mars International India Pvt. Ltd.	<ul style="list-style-type: none"> • Snickers • Galaxy 	<ul style="list-style-type: none"> • Snickers Mini – INR 10 • Galaxy mini bars – INR 10 	International
Mondelez International Inc.	<ul style="list-style-type: none"> • Dairy Milk • Perk • Éclairs 	<ul style="list-style-type: none"> • Perk Mini - INR 5, • Éclairs - INR 1, • Dairy Milk Shots - INR 5 	International
Nestle India Ltd.	<ul style="list-style-type: none"> • Munch • Milkybar 	<ul style="list-style-type: none"> • Munch – INR 5 • Milkybar Moosha Mini – INR 5 	International
Parle Products Pvt Ltd	<ul style="list-style-type: none"> • Melody • Kismi • Mango Bite 	<ul style="list-style-type: none"> • Melody - INR 1 • Mango Bite - INR 1 	Domestic
Perfetti Van Melle Group	<ul style="list-style-type: none"> • Alpenliebe • Mentos • Happydent 	<ul style="list-style-type: none"> • Alpenliebe Toffee - INR 1 • Happydent - INR 1 	International
Shellz India Limited	<ul style="list-style-type: none"> • Hugs 	<ul style="list-style-type: none"> • Hugs Push Up - INR 5 • Hugs Dip Sticks - INR 5 • Hugs American Cow - INR 5 	Domestic

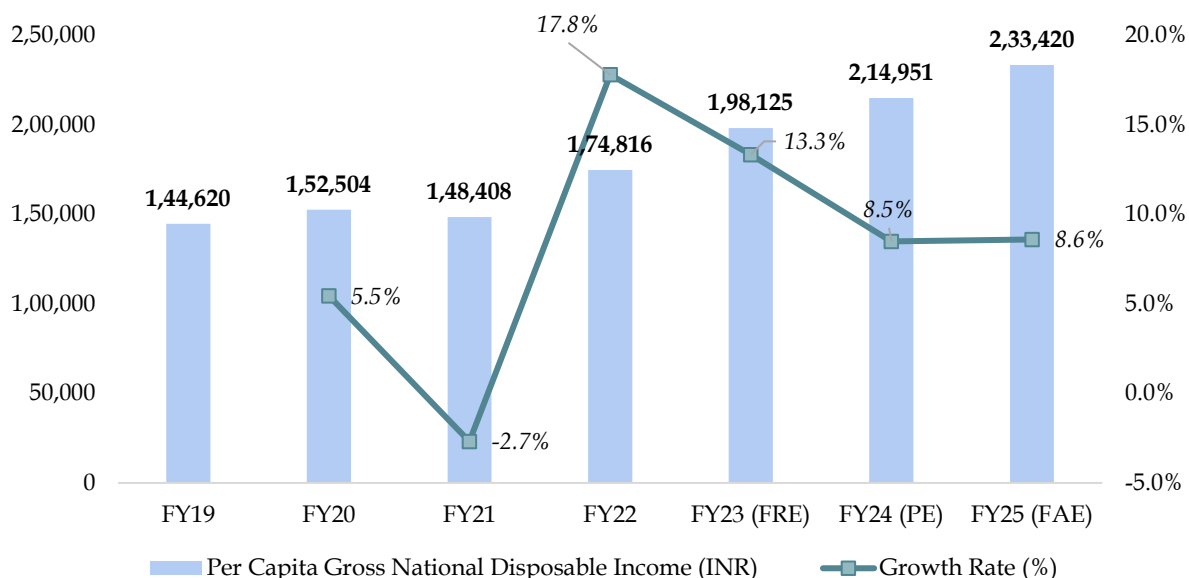
Source: Interviews with Industry Experts, Companies Website & Ken Research Analysis

6. DRIVERS & MARKET OPPORTUNITIES

6.1. RISING DISPOSABLE INCOMES AND RETAIL PENETRATION DRIVING MARKET FOR CONFECTIONERY PRODUCTS

India’s per capita Gross National Disposable Income (GNDI) has increased consistently from INR 1.45 lakh in FY19 to an estimated INR 2.33 lakh in FY25. Income growth accelerated in the post-FY21 period, peaking at 17.8% in FY22 and stabilizing during FY24–FY25. This sustained expansion in disposable incomes is strengthening consumers’ spending capacity on discretionary categories such as confectionery. Improved income visibility, alongside deeper penetration of modern trade, e-commerce, and neighborhood retail, is driving higher consumption frequency and premiumization. Consequently, confectionery demand is increasingly evolving from occasion-led purchases to everyday consumption.

Figure 6-1: Per Capita Gross National Disposable Income (Current Price) in INR, FY19-FY25



Source: MOSPI & Ken Research Analysis; Note: FRE: First Revised Estimates; PE: Provisional Estimates; FAE: First Advance Estimates

Note: FY represents the Financial Year ending on March 31

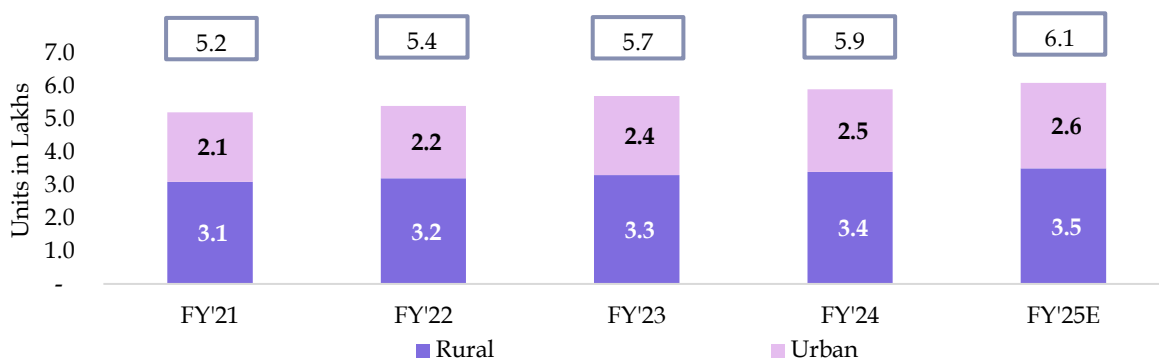
6.2. FAVORABLE DEMOGRAPHICS & YOUTH POPULATION ENCOURAGING CONFECTIONERY CONSUMPTION

India’s demography is characterized by a significant child, adolescents, and young adults’ population that provides a strong and recurring demand for confectionery products. Children and early adolescents drive high-volume consumption through frequent, low-priced impulse purchases, while Gen Z consumers increasingly influence demand for new formats, flavors, and experiential offerings such as gummies and novelty confectionery. The emerging Gen Alpha (individuals born after 2010) is further accelerating confectionery consumption. Among young adults, confectionery is gaining relevance as an affordable indulgence and on-the-go snack. Collectively, this customer segment contributes to both current and future sales for confectionery products.

6.3. GROWTH OF KIRANA BASED AGREEMENT FACILITATING DISTRIBUTION CHANNEL EXPANSION

According to the Annual Survey of Unincorporated Sector Enterprises (ASUSE) 2023-24 report, the number of kirana store establishments in India increased from 5.2 lakh in FY’21 to a projected 6.1 lakh in FY’25, **with rural areas maintaining a steady share of over 57%**. This gradual rise can be linked to a combination of factors such as modest growth in rural consumption, continued reliance on local retail due to limited presence of organised formats in smaller towns, and the convenience offered by kirana stores in terms of accessibility and familiarity. Government schemes like PM-SVANidhi, increased digital adoption (UPI, Aadhaar-linked payments), and entrepreneurial activity-especially post-COVID migration reversals played a role in encouraging new store openings in both rural and semi-urban regions.

Figure 6-2: Retail Trade (Kiran Store) Establishment in India (in units Lakh), FY’21-FY’25E



Source: Annual Survey of Unincorporated Sector Enterprises (ASUSE) 2023-24 Report and Ken Research Analysis

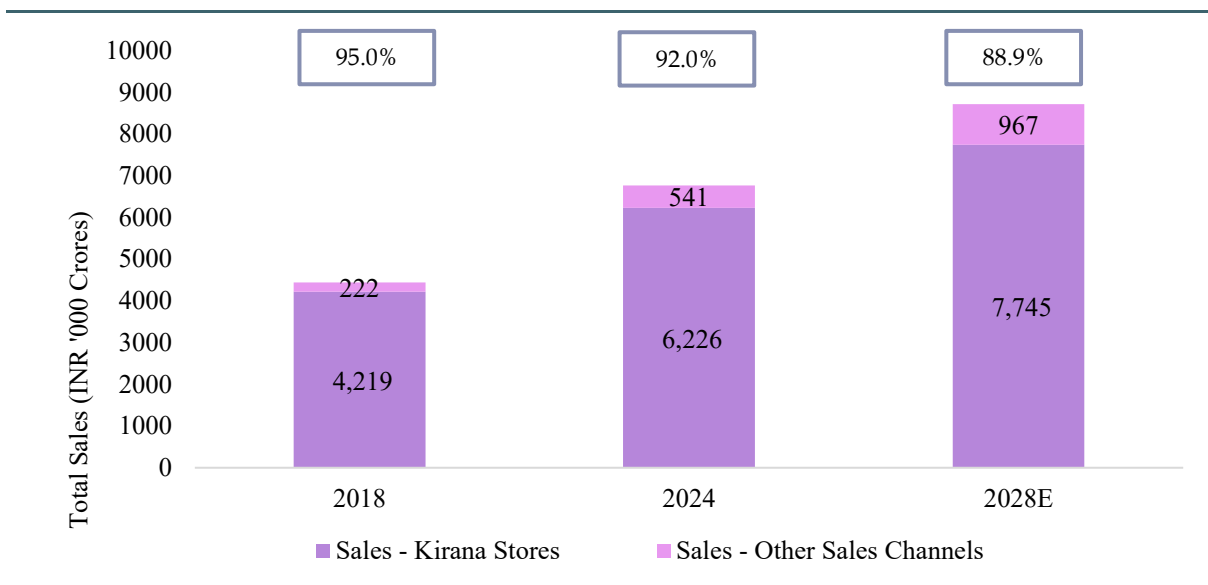
Note: FY represents Financial Year

Note: Indicates Total Value of Segment

Note: Data for FY’25 has been extrapolated

Despite emerging competition from modern trade and online platforms, Kirana stores still play a major role in India’s grocery shopping. In FY’24, they account for around 92% of the market, and they're expected to hold nearly 89% by FY’28F. This shows how deeply rooted Kirana stores are, especially in semi-urban and rural parts of India. For the economical confectionery sector, which depends on high-frequency, low-value, impulse-driven sales, Kirana stores serve as a vital distribution channel. Their easy accessibility, high footfall, and preference for cash transactions make them a great fit for confectionery brands, especially for items priced between INR 1 to INR 10. With a vast network of over 3.4 lakh Kirana stores in rural areas as per FY’24, Kirana outlets allow these companies to reach Tier 2 and Tier 3 markets effectively, without needing to invest heavily in their own infrastructure or online platforms.

Figure 6-3: Sales and Market Share (in %) of Kirana Store out of Grocery Market in India for FY’18, FY’24 & FY’28



Source: Indian Food Times, Ken Research Analysis

Market share of Kirana Store in the Overall Grocery Market

6.4. PRIVATE LABEL GROWTH

Modern trade refers to organized retail formats such as supermarkets, hypermarkets, and retail chains that follow structured operations, rely on centralized procurement, and are run by professionally managed systems. In modern trade sectors the products provided by private label brands are priced 25–40% lower than branded items, making them appealing to price-sensitive consumers. Private label manufactures such as Parsons Nutritional, Helenz Lifesciences, Dhiman Foods Pvt. Ltd, Candico India Ltd. have expanded their private label offerings, including Baked Confectionery, Chocolate & Milky Confectionery, and Sugar Confectionery, using efficient supply chains to maintain affordability and quality. Agreements with manufacturers focus on exclusive supply contracts, ensuring steady product flow at competitive prices.

The expansion of private label portfolios in modern trade is also driving higher confectionery sales volumes, particularly in impulse and value-driven categories. Retailers increasingly promote private label confectionery through **in-store visibility, bundled offers, and shelf prioritization**, encouraging trial and repeat purchases. The lower price points enable consumers to **purchase larger pack sizes or buy multiple variants**, thereby increasing basket size and category penetration. Additionally, modern retailers leverage **data-driven assortment planning and consumer insights** to introduce new flavors, healthier alternatives, and seasonal variants under private labels. As a result, confectionery products under private labels are witnessing **higher turnover and faster shelf rotation**, contributing to the overall growth of confectionery sales within modern trade channels.

Table 6-1: Key Contract Manufacturers Supporting Private Label Growth

Players	Facility Types	Types of Offerings
Parsons Nutritional	Large-scale manufacturing set-up, private label supply for gums/gummies and related confectionery formats	Offers products to Brands like Orion, ITC, Mondelez, etc.
Helens Lifesciences	WHO-GMP and USFDA-certified facilities	Confectionery-based nutraceutical products: gummies, lozenges, and

		chewables under private label contracting. End-to-end services.
Dhiman Foods Pvt. Ltd.	50,000-square-foot facility in Punjab	Customized confectionery production. Flexible production volumes (1 to 600+ metric tons/month).
Candico India Ltd.	Manufacturing facility over 350,000 sq. ft.	Private label and contract manufacturing for toffees, candies, gums. Large-scale production for brands like ITC, Nestlé, HUL.
Prayagh Consumer Care Pvt. Ltd.	Multi-unit confectionery manufacturing footprint in Telangana with installed capacity ~78,000 MT/year	Offers products under its own brands and also do contract manufacturing for ITC and DS Group

Source: Company’s Website, & Ken Research Analysis

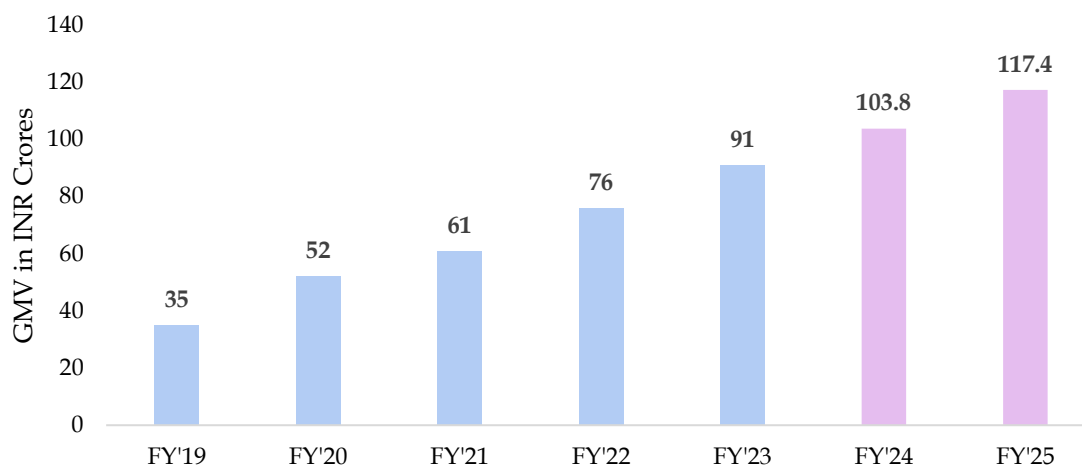
6.5. MARKET OPPORTUNITIES

GROWTH OF E-COMMERCE IN GENERAL WITH FOCUS ON GIFTING AND FESTIVE SKUs

India’s e-commerce sector has seen robust growth, expanding from INR 2.1 trillion in 2019 to a projected INR >6 trillion by 2025, with festive seasons playing a major role. During these periods, Gross Merchandise Value (GMV) rose from INR 35.0 crores in 2019 to an estimated INR 117.4 crores in 2025. A key contributor to this surge is the rising popularity of gifting and festive SKUs, particularly in categories like food and beverages, including confectionery. Products such as chocolates, gourmet sweets, dry fruits, and curated hampers in exclusive festive packaging are in high demand during occasions like Diwali, Eid, and Christmas. Notably, confectionery and bakery items accounted for 2-3% of Diwali spending in India in 2025, reflecting their growing importance in festive gifting.

The chart indicates a **strong and consistent growth trajectory in India’s festive-season e-commerce GMV from FY’19 to FY’25**, reflecting the rapid deepening of online retail adoption. Growth in GMV further indicates that festive periods are becoming increasingly important for online sales. Overall, the trend reflects a clear shift of festive shopping toward e-commerce platforms, driven by convenience, wider choice, and digital payment usage.

Figure 6-4: Gross merchandise value (GMV) of e-commerce during festival season in India from FY'19 to FY'25



Source: Ken Research Analysis

Note: FY represents the Financial Year ending on March 31

Note: P represents Projected for the year

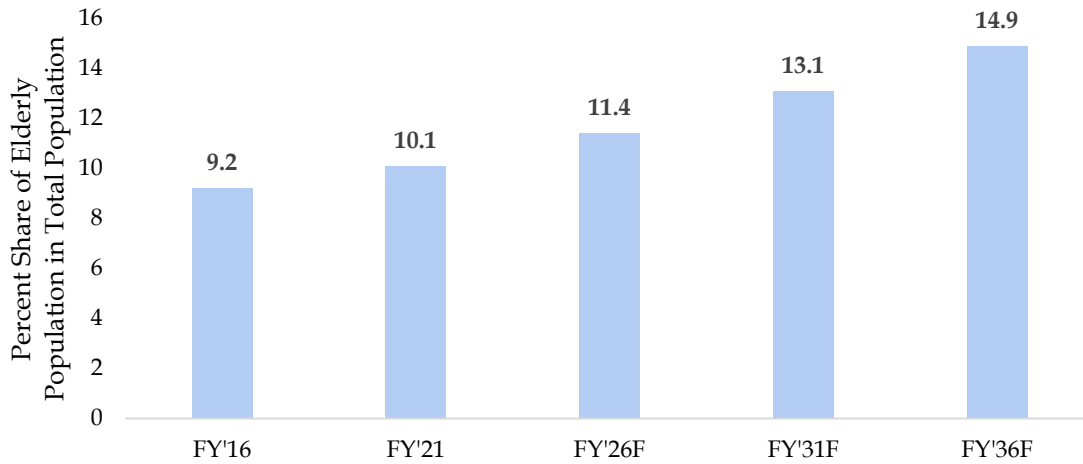
Major players like Amazon India and Flipkart lead the market with curated festive storefronts, while brands like Cadbury (Mondelez) and Nestlé capitalize through seasonal product lines and personalized gifting campaigns. While brands like Smoor Chocolates, Vahdam Teas, and KesarCo cater to upscale and export markets.

FUSION OF TRADITIONAL AND MODERN FLAVORS AND INNOVATIVE PACKAGING NEEDS

Amid a rapidly modernizing FMCG landscape, the Indian confectionery sector is entering a phase of growth driven by **product and flavour innovation**. The growing elderly consumer base is increasingly preferring **new-age indulgent products that combine traditional Indian flavours with modern confectionery formats**. For instance, Haldiram's Nagpur launched its *Cocobay* chocolate range with fruit and spice flavours such as Chili Guava and Cranberry, highlighting how brands are innovating on flavours to suit local tastes.

In addition to flavour experimentation, **innovative packaging formats are playing a critical role in driving consumer appeal and convenience**. Manufacturers are introducing **resealable pouches, portion-controlled packs, premium gift boxes, and sustainable packaging materials** to enhance product usability and shelf visibility. Attractive and ergonomic packaging designs are helping brands position confectionery products as **premium gifting options and on-the-go snacks**, particularly during festive seasons and social occasions. Furthermore, modern packaging technologies are being used to **improve product freshness, extend shelf life, and enable better branding through vibrant graphics and transparent windows**, thereby strengthening consumer engagement and purchase intent across both modern trade and e-commerce channels.

Figure 6-5: Elderly Population Base in India, FY’2016 - FY’36F



Source: Ministry of Health & Family Welfare

Note: FY represents the Financial Year ending on March 31

Note: P represents Projected for the year

On the supply side, policy initiatives such as the Production-Linked Incentive Scheme for Food Processing Industry (PLISFPI) backed by a budget of INR 10,900 crore and generating over 2.89 lakh jobs, implemented from 2021-22 to 2026-27 are enhancing domestic manufacturing capabilities and enabling regional players to formalize operations and scale efficiently, creating a strategic opportunity for companies to expand production and introduce innovative, premium confectionery offerings.

7. TRENDS & DEVELOPMENT

7.1. RISE OF AFFORDABLE INDULGENCE, SNACKIFICATION, FUSION OF TRADITIONAL AND MODERN FLAVORS

The Indian confectionery market has seen a significant transformation, driven by the shift in tastes of urban and semi-urban consumers. With rising disposable incomes and a growing aspiration for lifestyle pattern with global trends, affordable indulgence has emerged as a key consumption driver. Small-pack, low-cost options priced under INR 10 have penetrated Tier 2/3 cities, making innovative flavors and textures more accessible.

Snackification is transforming Indian confectionery, with brands incorporate traditional flavors like paan, gulkand, raw mango, and jaggery into modern formats such as candies, lollipops, and wafers. These hybrid products cater to on-the-go lifestyles while recall nostalgia, creating a unique fusion that appeals to both traditional tastes and modern preferences. From Pulse's tangy twist, American Cow to Desi Popz and chocolate-coated wafers, these innovations reflect a fusion and growing trend in confectionery market.

Figure 7-1: Traditional and Modern Flavors Snackification Products Among Indian Confectionery Brands



Source: Companies Website & Ken Research Analysis

7.2. GROWING PREFERENCE FOR PRODUCT INNOVATIONS

Product innovation in the Indian confectionery market is driven by adjustments in **format, texture, flavour composition, and price architecture**, particularly in the mass and economy segments. Innovations such as development of **multi-texture products**, where a single confectionery item combines different physical characteristics such as hard, soft, liquid, or creamy components is altering the consumption experience. Further, the **use of Indian flavour profiles** - Tangy, sour, spicy, or floral flavours are being incorporated into product offerings. Innovation is also occurring through **non-traditional chocolate formats**, which extend chocolate consumption beyond conventional bars into more interactive or versatile forms.

Affordability is aspect in product innovation. New products are commonly designed below the ₹20 price point through **smaller unit sizes, high flavour intensity, and value-focused products**, supporting frequent purchases. Additionally, **variety within a single product**, such as multiple flavours or textures, is being used to increase engagement without materially increasing cost.

Table 7-1: Trends in Product Innovations Among Indian Confectionery Brands

Companies/Brands	Product Innovation	Description
Perfetti Van Melle India (Center Fruit)	Center Fruit Tennis Ball-shaped Gum	<ul style="list-style-type: none"> Tennis ball-shaped chewing gum with a crunchy outer layer and a pineapple-flavoured liquid centre. Sold in small-unit packs (₹2) and multipacks (₹10).
DS Group (Pulse)	Pulse Golmol – Imli Flavour (soft chew)	<ul style="list-style-type: none"> Tamarind (imli) flavoured soft-chew extension under the Pulse franchise. Positioned at low unit price points.
Perfetti Van Melle India	Choco Meltz	<ul style="list-style-type: none"> Squeezable chocolate format intended for drizzle/spread/sip use cases. Sold at a ₹5 impulse price
KK Candy Sky	Jasmine Candy	<ul style="list-style-type: none"> Flavoured hard candy offered in low-price (often sold in the ₹5–₹10 range in local trade).
K'MMON Candy Crafter	Candy Crusher	<ul style="list-style-type: none"> Low-priced jelly assortment sold as a ₹5 impulse item, combining multiple shapes/flavours in one unit.
Shellz India Limited	HUGS Dip Sticks	<ul style="list-style-type: none"> Portion-format chocolate dip with biscuit sticks. Positioned for impulse consumption (commonly retailed at ~₹5 per unit).
Shellz India Limited	HUGS Push Up The Cone	<ul style="list-style-type: none"> Wafer cone format with chocolate/milk-style filling and biscuit inclusions. Positioned as a low-ticket impulse treat (commonly ~₹5 per cone)

Source: Companies Website, News Articles, & Ken Research Analysis

7.3. INCREASE IN FESTIVAL-LED CONSUMPTION

Festivals have been peak periods for confectionery sales in India, and this trend has only boost in recent years, with consumers increasingly purchasing sweets and chocolates as preferred gifts during these celebrations.

- During Diwali 2025 festive period**, a LocalCircles survey published in October 2025 found that 74% of urban households consumed traditional sweets at least three times a month, while 79% consumed sweet bakery or packaged products such as cakes, biscuits, chocolates, and candies with the same frequency. This represented an increase of over 40% in frequent sweet consumption compared to 2024.
- Similarly, festive spending during Rakhi 2025 surged further**, with Confederation of All India Traders (CAIT) projecting retail trade of around INR 17,000 crore and an additional ~INR 4,000 crore from sweets, dry fruits, gift hampers and related categories highlighting the growing economic weight of Raksha Bandhan for confectionery and gifting players.
- During Christmas 2024, despite a 5–20% price hike in cakes and chocolates, retailers across major metros like Pune, Delhi, and Bengaluru reported a 25–50% surge in confectionery sales, driven by strong consumer demand for chocolate, gift boxes, and baked confectionery like plum cakes and cookies.

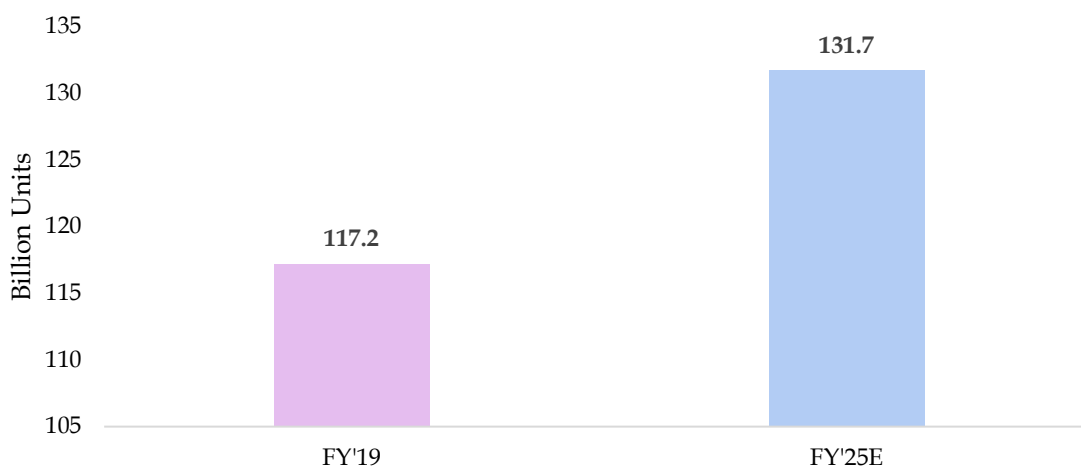
8. INNOVATION IN CONFECTIONERY SEGMENT

8.1. INNOVATION TRENDS

The Market is largely focused on volume, with limited innovation observed particularly at lower price products. Total packaging retail volumes grew from **117.2 billion units in 2019** to **131.7 billion units in 2025E**, indicating consistent market expansion. However, this growth has largely been underpinned by the dominance of flexible packaging, which reached **130.8 billion units in 2025E**, up from **116.3 billion units in 2019**. Within this, **flexible plastic remained the leading pack type**, accounting for **114.0 billion units in 2025E**, highlighting manufacturers' continued reliance on cost-effective, scalable solutions to meet mass-market demand.

Innovation in pack formats has remained largely incremental. The emergence of **stand-up pouches**, registering usage for the first time in 2023 (0.1 million units), reflects early-stage experimentation but remains negligible in volume terms. Rigid plastic has shown steady growth from **370 million units in 2019** to **410.0 million units in 2025E** driven by applications in count lines and boxed assortments; however, these formats cater mainly to mid-to-premium segments. Price sensitivity continues to be a major barrier to broader adoption of innovative or sustainable packaging formats, especially in sugar confectionery where **5 grams and below pack sizes are projected to account for 88% of volumes by 2028**. This presents an opportunity for players to develop differentiated, cost-effective solutions that align with evolving consumer preferences.

Figure 8-1: Total Packaging Retail Volume in India, FY'19 VS FY'25E (Billion Units)



Source: Euromonitor - Confectionery Packaging in India as of FY'Nov'25

Note: FY represents Financial Year

8.2. KEY INNOVATION TRENDS

The market is shifting from basic sugar candies to more indulgent chocolate, cream-filled and globally inspired formats. Savoury biscuits, potato crackers and center-filled cookies are rising as consumers seek diverse, premium snack experiences.

Table 8-1: Innovation Trends in India Confectionery Segment

S.No	Main Innovation Trend	Description	Indicative Examples
1	Shift from sugar-boiled candy & toffee to chocolate/cream formats	Consumers are trading up to indulgent, higher-margin chocolate and cream-based formats, replacing low-priced candies.	Jellies/gummies, Lotte Choco Pie, Ferrero Rocher, Kinder Joy, wafer rolls
2	Rise of savoury biscuits & potato cracker formats	Movement toward salty, spicy, tea-time snacks is expanding beyond traditional sweet biscuits	Potato crackers, cheese/masala biscuits
3	Premium centre-filled & dessert-like cookies	Biscuits are becoming premium dessert substitutes with rich fillings and melt-in-mouth centres	Dark Fantasy-style choco-filled cookies, lava cookies, cream sandwich cookies
4	International flavours & formats at affordable packs	Global flavours are being localized and offered in mini packs, making premium tastes accessible at small price points	Hazelnut, matcha, cookies-and-cream flavours in INR 10–INR 20 packs, mini pies, wafer sticks
5	Limited innovation in deep value segment (INR 1–INR 5)	Mass segment still dominated by me-too candies and basic toffees, with minimal flavour/format differentiation.	Low-priced hard candies, basic toffees, unbranded/me-too SKUs

Source: Ken Research Analysis

8.3. TECHNOLOGICAL USAGE: AUTOMATION IN PRODUCTION

Driven by increasing consumer demand, rigid food safety standards, and the need for cost-efficient operations, manufacturers are rapidly adopting automation and digital technologies across their production lines. While large players such as Mondelez, Nestlé, and ITC have invested heavily in fully automated smart factories, small and medium enterprises (SMEs) are also beginning to incorporate semi-automated systems. Adoption of technologies such as programmable logic controllers (PLCs), robotic packing arms, AI-powered quality control systems, and IoT-based real-time monitoring is becoming increasingly common.

The Production Linked Incentive (PLI) Scheme for Food Processing, launched by the Government of India in 2021 with an outlay of INR10,900 crore, has further accelerated technology adoption, particularly in automation and sustainability. This includes financial support for machinery upgrades, smart packaging systems, and hygiene-focused contactless production.

Table 8-2: Technologies Used in Automating Confectionery Manufacturing

Technology Type	Description	Application
Programmable Controllers (PLC)	Logic <ul style="list-style-type: none"> Industrial digital computers for automation 	<ul style="list-style-type: none"> Mixing, temperature control, ingredient dosing
SCADA Systems	<ul style="list-style-type: none"> Supervisory Control and Data Acquisition 	<ul style="list-style-type: none"> Real-time monitoring of temperature, humidity, process flows
Automated Machines	Packaging <ul style="list-style-type: none"> Flow wrapping, pouch filling 	<ul style="list-style-type: none"> High-speed wrapping and packaging
Robotics	<ul style="list-style-type: none"> Mechanical arms with sensors 	<ul style="list-style-type: none"> Pick-and-place, packaging, palletizing
Vision Systems	<ul style="list-style-type: none"> AI-powered cameras 	<ul style="list-style-type: none"> Defect detection in shape, size, wrapping

Source: Industry Articles & Ken Research Analysis

9. MARKET CHALLENGES AND THREATS

9.1. LOW BRAND LOYALTY IN VALUE SEGMENT FOR CONFECTIONERY MARKET

In confectionery market, low brand loyalty remains one of the most continuous challenges, especially for SME players. The value segment is largely driven by impulse purchases, high price sensitivity, and low product differentiation factors that make it difficult for brands to retain customers.

Consumers, particularly in rural and semi-urban areas, often view products like toffees, lollipops, and sugar candies as interchangeable, and are quick to switch brands based on minor changes in price, taste, or availability. This behavior is further escalated by the strong presence of local and unorganized players who can undercut prices and rapidly adapt to local tastes. This environment creates a tough battlefield where even quality or consistency may not be enough to secure repeat buyers. Building a loyal customer base becomes difficult without continuous visibility at the point of sale, innovative pricing strategies (e.g., INR 1 – INR 2 SKUs), and localized brand-building efforts. In such a fragmented and price-driven landscape, low brand loyalty directly limits long-term brand value, market share stability, and investment returns for SMEs trying to grow sustainably.

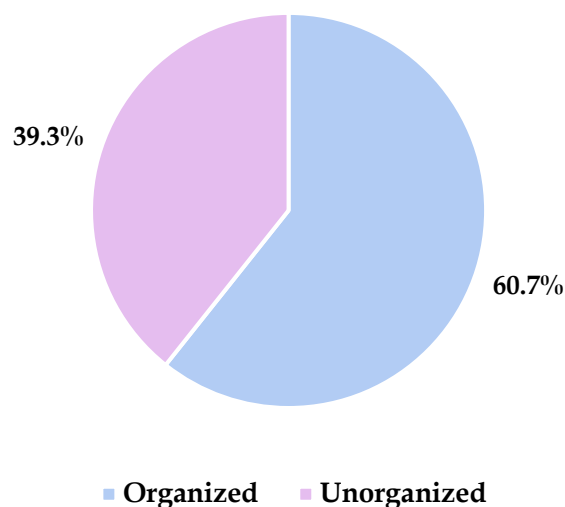
9.2. MARGIN PRESSURES DUE TO INPUT/RAW MATERIAL COST VOLATILITY

Companies in India's economical confectionery sector are struggling with significant margin pressures due to volatile raw material costs. Key inputs such as sugar and edible oils have experienced notable price fluctuations. For instance, ex-mill sugar prices in Maharashtra for the **S-30 grade rose from INR 3,565 per quintal in mid-January 2025 to INR 3,790 per quintal by mid-February 2025, marking a 6.5% increase in just one month.** This surge is attributed to a **12% year-on-year decline in sugar production**, driven by adverse weather conditions and early mill closures.

Given that products in the economical segment are typically sold at fixed low-price points (INR 1–INR 10 SKUs), manufacturers have limited flexibility to pass these increased costs onto consumers. Consequently, SMEs face the dilemma of absorbing higher input costs, which erodes profit margins, or compromising on product quality, which can affect brand reputation and customer retention. The lack of economies of scale and limited access to procurement strategies further intensify these challenges for SMEs, making it vital to explore cost-effective sourcing of raw material and operational efficiencies to sustain profitability in this volatile market landscape.

9.3. COMPETITION FROM LOCAL UNORGANIZED PLAYERS

In the FY'25, **organized sector** holds **60.7%** of the market, whereas the **unorganized sector holds 39.3%** of market share. Despite the majority share of organized players, competition from the unorganized sector remains significant. Competition from local unorganized players remains a significant challenge for companies across the board. These players comprising regional manufacturers, cottage-scale producers, and local vendors, offer products at ultra-competitive price points, often in the INR 1 to INR 5 range, appealing to price-sensitive consumers. Since, hard-boiled confectionery items do not require high-tech setups, leading to increase of numerous unorganized small players across the country.

Figure 9-1: Market Share by Company Type in Indian Confectionery Market for FY'25

Source: Interviews with Industry Experts, & Ken Research Analysis

The unorganized sector's dominance is particularly evident in rural and semi-urban areas, where they leverage minimal overheads, flexible supply chains, and strong relationships with local retailers to ensure last-mile availability. This allows them to undercut formal brands, making it challenging for organized players to maintain market share.

Moreover, the unorganized sector often operates with minimal compliance to food safety regulations, allowing them to reduce costs further. The fragmented nature of the industry leads to inconsistencies in quality and standards, affecting both domestic consumption and export potential.

9.4. SEASONAL DEMAND DEPENDENCY

Seasonal demand dependency remains a structural challenge within India confectionery segment, interrupt consistent sales cycles and complicating supply chain management. The market typically sees a spike in demand during the festive period (July to February), aligned with Raksha Bandhan, Diwali, Christmas, and the academic calendar. However, these high-demand windows are offset by sharp declines during summer months and exam seasons, especially in rural markets where school children constitute a primary consumer base. It is seen that confectionery manufacturers in Indore reported up to a **40% decline in sales during the off-season**, with many SMEs reducing output and operating below installed capacity due to diminished rural orders and school closures (Times of India).

9.5. RISE OF HEALTHIER OPTIONS

The rising consumer interest in healthier snacking driven by preferences for healthier alternatives, natural, and additive-free products is gradually influencing among the consumer segment. However, this shift faces significant resistance within the economical segment, where affordability, taste, and availability remain key drivers. About 58% of Indian consumers, especially in rural and semi-urban areas, cite high prices as the primary barrier to adopting healthier options. Regulatory mandates from the FSSAI, such as compulsory labelling of sugar and fat

content, have further raised compliance costs posing a challenge for manufacturers striving to keep products affordable.

Despite these hurdles, a niche but growing segment of medicated and functional confectionery is gaining traction, especially in urban markets. Companies like **Power Gummies**, **Kapiva**, **Man Matters**, **Gummy Vites**, and **Zingavita** are offering products such as **Ashwagandha-infused gummies**, **Shilajit toffees**, **biotin and multivitamin gummies**, and **melatonin-based sleep aids**. While these products cater to health-conscious consumers seeking convenience and wellness, their reach in price-sensitive and rural markets remains limited due to higher costs, weaker distribution networks, and competition from unbranded local players. As a result, health-forward confectionery continues to struggle for mass adoption in India's economical segment.

9.6. REGULATORY HURDLES FOR EXPORT

India's economical confectionery sector, which includes affordable and mass-market products like toffees, candies, and lollipops, faces considerable regulatory challenges that hinder its export growth. Both large players and SMEs are affected by a fragmented and often overlapping regulatory structure, inadequate food testing infrastructure, and the inability to consistently meet stringent international safety and packaging standards.

Export consignments are frequently rejected due to non-compliance with food safety norms abroad; while evolving domestic policies such as bans on recycled packaging or sudden export restrictions further increase uncertainty for exporters. Moreover, infrastructure limitations and logistic & supply delays make it harder to compete globally, especially for companies based in landlocked or rural areas. These systemic challenges not only impact product credibility in overseas markets but also discourage long-term investments in export-focused growth strategies within the sector.

- India's food export sector is burdened by fragmented regulatory oversight, with multiple agencies like FSSAI, APEDA, and BIS imposing overlapping requirements that create confusion and increase compliance costs for confectionery exporters.
- Sudden policy shifts, such as changes in export tariffs or product bans, make it difficult for exporters to plan and maintain buyer relationships.
- India's inadequate food testing infrastructure, marked by outdated equipment and a shortage of skilled personnel, often results in inconsistent quality checks and frequent rejection of confectionery export consignments.
- Indian confectionery exports have faced over 500 food safety rejections in the EU since 2020 due to contamination and non-compliance.

9.7. THREATS AND RISK

The Indian confectionery market, include intense price competition, especially in the value segment, which is increased by the presence of unbranded and local players offering similar products at lower costs. Additionally, shifting consumer preferences towards healthier options, regulatory pressures for clearer labelling and ingredient disclosures, and supply chain disruptions all present significant challenges. As consumer demand evolves, brands must navigate these risks while maintaining product quality, affordability, and relevance in an increasingly competitive landscape.

Figure 9-2: Threats and Risk in India's India Economical Confectionery Market



Source: Ken Research Analysis

10.REGULATORY LANDSCAPE & GOVERNMENT SUPPORT

10.1. REGULATORY LANDSCAPE GOVERNING THE CONFECTIONERY MARKET IN INDIA

REGULATIONS GOVERNING CONFECTIONERY PRODUCTS IN INDIA

FSSAI is the governing body for implementing regulations governing the confectionery products in India. The regulations focusing on Sugar and chocolate & milky confectionery are given as follows:

Figure 10-1: Regulations Pertaining to Sugar and Confectionery Products in India

Regulations	Focus Area	Description
FSSAI Product Standard – “2.7.1 Sugar Boiled Confectionery”	Sugar Confectionery	<ul style="list-style-type: none"> Defines/standardises sugar boiled confectionery (covers common candy/toffee formats) Sets key product requirements and directs compliance with permitted additives/sweetener conditions where applicable
FSSAI Product Standard – “2.7.2 Lozenges”		<ul style="list-style-type: none"> Defines lozenges as a confectionery sub-type and standardises ingredient base Establishes a compliance baseline to avoid misclassification/adulteration
FSSAI Product Standard – “2.7.3 Chewing Gum and Bubble Gum”		<ul style="list-style-type: none"> Prescribes composition limits/quality parameters (e.g., gum content, ash-related limits) Specifies rules for variants using artificial sweeteners (including linked label requirements)
Gazette Notification: Revision of Standards for Chocolates (2.7.4)	Chocolate & Milky Confectionery	<ul style="list-style-type: none"> Updates legal definitions/types of chocolate and type-wise minimum cocoa solids requirements Permits vegetable fats other than cocoa butter up to the prescribed threshold and conditions under the notified standard
FSSAI Clarification: Label declaration for chocolate containing vegetable fat		<ul style="list-style-type: none"> Mandates a bold on-pack statement where chocolate contains vegetable fat other than cocoa butter: “CONTAINS VEGETABLE FAT IN ADDITION TO COCOA BUTTER” Operationally critical for formulations using CBEs/vegetable fats
FSSAI Product Standard – Cocoa inputs within the Sweets & Confectionery chapter		<ul style="list-style-type: none"> Standardises key cocoa raw materials used in chocolate manufacturing (quality/fit-for-consumption conditions) Helps regulate adulteration risks and ensures consistent input quality for confectionery plants

Source: Food Safety and Standards (food product standards) regulations, 2020 & Ken Research Analysis

Further the entity also implements the regulations for baked and other confectionery products as given below:

Figure 10-2: Regulations Pertaining to Baked & Other Confectionery Products in India

Regulations	Focus Area	Description
FSSAI Product Standard – “2.4.15 Bakery Products: Biscuit”	Baked Confectionery	<ul style="list-style-type: none"> Defines biscuit variants (incl. coated/filled/wafers/crackers) and standardises key quality parameters Useful for compliance where “baked confectionery” portfolio materially overlaps with industrial biscuits/cookies sold as packaged snack-confectionery
FSSAI framework for “Proprietary Foods” for non-standardised bakery confections (when no exact product standard exists)		<ul style="list-style-type: none"> If a cake/brownie/pastry SKU doesn’t fit an existing standard, it is typically handled under the proprietary foods route with ingredient/additive compliance and safety substantiation expectations Common for premiumised, novel formats
FSS (Prohibition & Restrictions / Conditions for Sale) – Confectionery sale condition	Cross-cutting	<ul style="list-style-type: none"> >500g confectionery: can be sold only in packed condition Confectionery sold in pieces must be stored in glass or other suitable containers “Confectionery” here is explicitly defined as sugar boiled confectionery, lozenges, chewing gum & bubble gum (important: this condition does not automatically extend to all baked goods)

Source: Food Safety and Standards (food product standards) regulations, 2020 & Ken Research Analysis

FSSAI REGULATION ON SUGAR AND INGREDIENTS

The FSSAI has established comprehensive regulations governing the composition, use, and quality of sugars and sweetening agents used in confectionery products in India, such as candies, toffees, sweets, and chewing gums, to ensure food safety and consumer protection. These include strict purity and composition standards for various sugars commonly used in confectionery manufacturing, including refined sugar, khandsari, cube, bura, and icing sugar.

Artificial sweeteners such as Aspartame, Sucralose, and Saccharin, used in sugar-free or reduced-sugar confectionery are permitted only within specified purity limits (98.0%–99.9%) and are subject to controls on toxic residues. Traditional sweeteners like jaggery, used in certain confectionery products, must meet prescribed moisture and sucrose content requirements and be free from harmful additives.

In addition, food additives used in confectionery formulations must be FSSAI-approved, and the use of added colour is generally prohibited in sweetening agents, ensuring compliance with safety and quality standards across confectionery products in the Indian market.

Table 10-1: FSSAI Regulation on Sugar and Ingredients

Strict Composition Standards for Different Types of Sugar	Regulated Use of Artificial Sweeteners	Quality Standards for Traditional Sweeteners	Food Additives Are Controlled
<ul style="list-style-type: none"> Refined Sugar must contain ≥99.5% sucrose and ≤0.5% moisture. Khandsari Sugar (Desi & Sulphur varieties) must have sucrose content ≥93–96.5% with ≤1.5% moisture. Cube Sugar requires ≥99.7% sucrose, ≤0.25% moisture, and ≤0.03% total ash. Bura and Icing Sugar must meet specific limits on sucrose and ash/starch content. 	<p>Artificial sweeteners like Aspartame, Sucralose, Acesulfame-K, Sodium Saccharin, and Calcium Saccharin are permitted only within defined purity levels:</p> <ul style="list-style-type: none"> Purity ≥98%–99%, depending on the sweetener. Limits for contaminants like arsenic, lead, fluoride, and other toxic residues are strictly enforced. 	<ul style="list-style-type: none"> Jaggery (Gur) from cane or palm must contain ≥90% total sugars (sucrose ≥60%) and ≤10% moisture. Must be free from harmful substances; use of sodium bicarbonate is allowed for clarification, provided it is food-grade. 	<ul style="list-style-type: none"> Applies to all sugar and sweetening agents (e.g., Bura Sugar, Golden Syrup, Dried Glucose Syrup). Only food additives permitted by FSSAI regulations can be used. The use of added colour is generally prohibited.

India’s regulatory framework ensuring strict quality, safety, and labelling standards for sweetening agents, the industry is well-positioned to support the country’s expanding food sector. As health-conscious consumer demand rises alongside urban growth, compliance with FSSAI norms will be key to sustainable and trusted product development.

Source: Food Safety and Standards (food product standards) regulations, 2020 & Ken Research Analysis

FSSAI REGULATION ON LABELLING NORMS

FSSAI’s labelling regulations require clear and accurate information on all pre-packaged confectionery products in India, including candies, chocolates, and gums. Mandatory disclosures include the product name, ingredient list, nutritional information, manufacturer details, FSSAI license number, net quantity, price, and allergen statements. The product name must be prominently displayed on the Principal Display Panel.

Confectionery products must carry nutritional information per 100 g/ml and per serving, covering key nutrients such as energy, sugars, fats, and sodium. Vegetarian or non-vegetarian symbols are mandatory, given the frequent use of milk-based ingredients. Allergen and additive declarations, including INS numbers and required warning statements for sweeteners such as aspartame, are compulsory where applicable.

Table 10-2: FSSAI Regulation on Labelling Norms

Mandatory Labelling Information	Front-of-Pack and Principal Display Panel	Nutritional Labelling Requirements	Veg/Non-Veg Symbols	Allergen and Additive Declarations
Every pre-packaged food must include: <ul style="list-style-type: none"> Name of the food List of ingredients (in descending order by weight/volume) Nutritional information Declaration of veg/non-veg (with logo) Manufacturer/importer details FSSAI logo and license number Net quantity and retail price Batch/lot number and date markings (Mfg./Exp/Best Before) Instructions for use and allergen declaration where applicable 	<ul style="list-style-type: none"> The front of the package must clearly indicate the product name. Minimum area for the Principal Display Panel (PDP) must be: <ol style="list-style-type: none"> 40% of the largest side area (for rectangular/round packages) 20% for irregular shapes Text on the PDP must be clear, legible, and meet minimum font size criteria depending on pack size 	<ul style="list-style-type: none"> Nutritional information must be provided per 100g/ml and per serve. Key nutrients to be declared: energy, protein, carbohydrates, total and added sugars, fats (total, saturated, trans), cholesterol, sodium. Exemptions exist for certain categories like fresh fruits, tea, spices, and alcohol 	<ul style="list-style-type: none"> Green circle in a square for vegetarian products. Brown triangle in a square for non-vegetarian products. Must be displayed on the principal display panel and near the product name 	<ul style="list-style-type: none"> Clear declaration required for common allergens like gluten, milk, eggs, peanuts, soy, etc. Additives must be labelled with their INS numbers and functional class. Warning labels mandated for ingredients like aspartame, polyols, caffeine, MSG, etc..

Source: Food Safety and Standards (food product standards) regulations & Ken Research Analysis

REGULATORY REQUIREMENTS FOR EXPORTS

FSSAI regulations for export certification ensure that confectionery products exported from India comply with international safety, quality, and labelling standards. Exporters are required to obtain relevant certifications such as Health Certificates, Export/Import Permits, and Halal, Kosher, or Organic certifications, depending on the regulatory requirements of the destination market. These certifications confirm compliance with product safety, origin, dietary standards, and environmental norms applicable to confectionery products. Additional requirements may include FSMA compliance for exports to the U.S. market, Certificates of Origin for tariff determination, and quality or sanitation certifications mandated by importing countries. Proper export labelling for confectionery products covering ingredients, allergens, nutritional information, and expiry dates is mandatory to ensure transparency and legal compliance in international markets.

Table 10-3: Export Certification & Regulatory Requirements for Export of Food Products

Certificate	Purpose	Requirements	Issuing Authority
Health Certificate	Ensure food meets health standards of exporting and importing countries	Includes origin, production process, handling, and packaging details to ensure safety for human consumption	National/regional health department or veterinary agency
Export/Import Permits	Permit required for specific food product trade	Details product type, quantity, and destination; mandatory for high-risk foods (e.g., meat, dairy)	Customs or relevant government agencies
Halal/Kosher/Organic Certification	Ensure compliance with	Production, processing, and packaging must follow specific	Religious bodies or certified third-party organizations

	religious/dietary/envir onmental standards	religious/dietary/environmental guidelines	
Certificate of Origin (COO)	Verifies the country of manufacture or growth	Determines tariffs, trade agreements, and origin-based regulations	Chamber of commerce or government office in exporting country
FSMA Compliance (USA)	Ensures food safety throughout the supply chain for US-bound products	Requires hazard analysis, preventive controls, and traceability	U.S. Food and Drug Administration (FDA)
Labeling Requirements	Ensure accurate consumer information and legal compliance	Label must show product name, ingredients, allergens, net weight, origin, expiry, nutritional info, etc., per destination country	National food safety or consumer protection agencies
Quality Standards Certification	Ensures product meets importing country’s quality and sanitary standards	Must pass inspections, meet health standards, and adhere to packaging/labelling rules	ISO, national certification bodies, or regional authorities

Source: Food Safety and Standards Authority of India (FSSAI) & Ken Research Analysis

10.2. GOVERNMENT INITIATIVES AND POLICY SUPPORT PERTAINING TO CONFECTIONERY INDUSTRY IN INDIA

The Indian government provides targeted policy support to the **processed food and confectionery ecosystem**, with a focus on capacity expansion, MSME formalization, branding, and export competitiveness. Key schemes include:

- **Pradhan Mantri Kisan SAMPADA Yojana (PMKSY)**, PMKSY directly supports the confectionery industry by strengthening **back-end processing infrastructure** critical for sugar-based and cocoa-based products, including **mega food parks, common processing facilities, cold storage, and food safety testing labs**.
 - ✓ Access to plug-and-play infrastructure lowers capex barriers for confectionery manufacturers, especially MSMEs producing chocolates, sugar confectionery, bakery-linked sweets, and value-added jaggery products.
 - ✓ The scheme’s scale (INR 10.6 thousand crore outlay) and approved projects (41 Mega Food Parks, 400+ cold chains) indirectly support confectionery clustering and contract
- **PM Formalization of Micro Food Processing Enterprises (PMFME)**: It plays a foundational role in expanding the unorganised and regional confectionery segment, particularly traditional sweets, candies, toffees, jaggery-based confectionery, and bakery-linked products.
 - ✓ Through the One District One Product (ODOP) approach, several districts promote local sweet specialities (e.g., chikki, peda, laddu, jaggery confections), aiding branding, packaging upgrades, and market access.
 - ✓ The scheme improves access to formal credit, food safety compliance (FSSAI), and modern packaging

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- **Make in India & FDI Policy Support:** The liberalised FDI regime (100% FDI under automatic route in food processing) has directly benefited **chocolate and confectionery multinationals** operating manufacturing units in India.
 - ✓ Enables global confectionery players to localise production, develop India-specific SKUs, and integrate India into global supply chains.
 - ✓ Encourages technology transfer, modern processing, and quality benchmarking for domestic manufacturers.
 - **FSSAI Regulations & Product Standards:** FSSAI standards for chocolates, sugar confectionery, cocoa products, fortification, and labelling provide **regulatory clarity and consumer trust**, which are essential for brand-led growth.
 - ✓ Clear norms on cocoa solids, sweeteners, additives, and fortification enable innovation in healthier alternatives, functional, and child-focused confectionery.
 - ✓ Strengthened food safety compliance improves acceptance in modern trade and exports.
 - **MSME & Credit-Linked Support:** Confectionery manufacturing particularly at small and mid-scale is capital-intensive due to moulding lines, cooling tunnels, and packaging automation.
 - ✓ Credit guarantee and interest subvention schemes improve access to finance for MSME confectionery units expanding capacity or upgrading technology.

11. COMPETITION LANDSCAPE – INDIA’S CONFECTIONERY MARKET

11.1. MAJOR CONFECTIONERY SUPPLIERS IN THE INDUSTRY

The Confectionery market is fragmented with ~20 large players such as Mondelez International, Hershey, Perfetti Van Melle, Nestlé, Mars, Ferrero, and Amul, dominating the market with established brands and pan-India reach. Additionally, there are 30+ agile SMEs, including Shellz India Limited, Prayagh Consumer, Kayeempe Foods, and Annapurna Swadisht Ltd., which are carving out niche positions by focusing on affordable price points, localized flavors, and festival-driven demand without relying on OEMs or co-manufacturers.

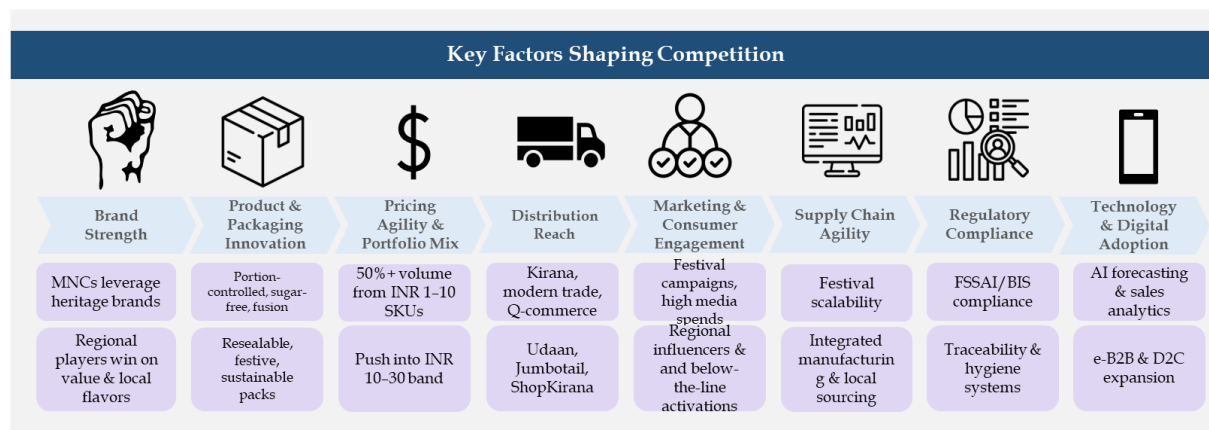
Distribution of confectionery is increasingly enabled by B2B Kirana aggregators like Jumbotail, ShopKirana, and Udaan, which facilitate delivery and inventory management for Kirana stores. On the B2B retail side, modern trade players such as D-Mart, Reliance Retail, and Spencer’s are key volume drivers.

Regulation of confectionery production is managed by agencies like Food Safety and Standards Authority of India (FSSAI), Bureau of Indian Standards (BIS), and the Directorate General of Foreign Trade (DGFT), which govern safety, standards, and trade compliance.

11.2. KEY FACTORS SHAPING COMPETITION

Competition in India’s confectionery market is shaped by brand equity, pricing flexibility, distribution reach, and innovation agility. With the market expanding across both premium and mass segments, players must balance affordability with differentiation while maintaining high product visibility and supply consistency.

Figure 11-1: Factors Shaping Competition in the India Confectionery Market



Source: Ken Research Analysis

Together, these dynamics establish a high entry and performance barrier, favouring companies that demonstrate strong consumer trust, rapid innovation, and advanced distribution capabilities. Competitive intensity in the market will increasingly hinge not only on pricing power but also on the strategic integration of data-driven marketing, supply chain optimization, and localized product strategies to drive sustainable and scalable growth.

11.3. COMPANY PROFILING

SHELLZ INDIA LIMITED

Shellz India Limited, based in Delhi and established in 2012, is a confectionery manufacturer in North India, positioned in the INR 1–INR 10 value segment. The company operates across two core brand verticals namely, Hugs, and Tosca covering Baked Treats, Choco Delights, Jellies, Panned and Sugar Candies and Food and Bakery Ingredients. Its business model is anchored in a distributor-driven general-trade network, reaching neighboring states and institutional buyers. The company's focus is on affordable and innovative confectionery formats.

PRAYAGH CONSUMER CARE PVT. LTD.

Prayagh Consumer Care Pvt. Ltd., based in Hyderabad, Telangana, is a sugar-confectionery manufacturer with three Telangana plants and a portfolio spanning candies, toffees, éclairs, lollipops, jellies and chocolates under Cintu, Lavian and Lavian Exotique. Formed via the 2023 NCLT-approved demerger of Prayagh Nutri Products' confectionery division, it now services almost 500,000 retail outlets and 10,000 wholesalers across India and exports to Latin America, Central America and Africa.

ANNAPURNA SWADISHT LTD.

Annapurna Swadisht Ltd., which acquired Indore-based Madhur Confectioners Pvt. Ltd. (MCPL) is based in Kolkata, West Bengal, is a packaged foods and confectionery company. Through MCPL, it adds a portfolio of candies, lollipops, premium moulded chocolates and cream-filled wafers and integrates ~300 MCPL distributors into Annapurna's wider national network, enhancing its reach in value and impulse confectionery across northern and central India. The company offers a broad portfolio across candies (Cofilo, Truelove, Mr. Yummy, Lacto), lollipops (Fan Pop, Chilli Pop, Rainbow Pop, Yogito), premium molded chocolates under the Doyana brand, and cream-filled wafers such as Speed Breaker and Crispy. It offers playful product formats, novelty-driven flavors and affordable price-point architecture and has presence across northern and central India, especially within the children's confectionery category.

KAYEMPEE FOODS PVT LTD

Kayempee Foods Pvt Ltd., based in Hyderabad and incorporated in 1989, is a diversified confectionery manufacturer with a product portfolio covering moulded chocolates, biscuits and cookies, wafer rolls, center-filled candies and éclairs, gummies. The company is engaged in white-label and custom manufacturing, partnering with FMCG clients to deliver tailored product development, flavor customization and packaging solutions, while simultaneously scaling its own brands such as Pepe, Ausome, Beyond, and Marco across value and mid-premium segments.

DOLPHIN FOODS INDIA LIMITED

Dolphin Foods India Limited, based in Hyderabad and founded in 1984, is a confectionery and baked-snacks manufacturer with presence across Eastern and Southern India as well as a growing export footprint. The company offers hard-boiled candies, toffees, lollipops, jellies, wafers, cakes and chocolates under its flagship Oshon and Otter brands, along with specialty products such as healthier alternatives and fruit-flavored candies, premium cake bars and choco-filled wafers. Dolphin Foods India Limited offers affordable, mass-market products with diverse flavor formats, supported by a large assortment of SKUs including Cake Bar, Waffer Town,

Coffista Candy, Mitha Paan, Magic Pop Lollipop, Assorted Lollipops, Choc 7 Heartz, Wonderz Original, Eclairs Toffees and Peanut Rich.

11.4. CROSS-COMPARISON OF PEERS IN INDIA’S CONFECTIONERY MARKET

Some of the key competitors competing in the country’s Confectionery Market space are benchmarked on the basis of operational and financial parameters as follows:

Table 11-1: Cross-Comparison of Peers in India’s Confectionery Market on basis of Operational Parameters (HQ, Geographical Presence (India), Founded Year, Key Product Offerings), as of March 2026 (1/5)

Peer Players	HQ	Founded Year	Key Product Offerings
Shellz India Limited	Delhi	2012	<ul style="list-style-type: none"> • Chocolates & Centre-fills: Moulded chocolates, center-filled bites and bars • Choco Snacks & Wafer Cones: Choco-and-milk wafer cones, cereal bars and bite-sized choco treats • Jellies and puddings, compressed and panned sugar candies
Prayagh Consumer Care Pvt. Ltd.	Hyderabad, Telangana	1999	<ul style="list-style-type: none"> • Candies: Fruit-flavored, center-filled, and deposited candies • Toffees & Éclairs: Including center-filled variants • Lollipops: Including yoghurt and caramel pops • Jellies: Fruit-flavored jellies • Chocolates: Shell-moulded and chocolate-coated wafers
Annapurna Swadisht Ltd.	Kolkata, West Bengal	2015	<ul style="list-style-type: none"> • Candies: Coffee and Fruit flavored • Lollipops: Various Flavors with fun toys • Chocolates: Milk chocolate, White chocolate, molded chocolates • Premium Moulded chocolate: Dovana
Kayempee Foods Pvt. Ltd.	Hyderabad, Telangana	1977	<ul style="list-style-type: none"> • Chocolates: Moulded chocolate, chocolate bars • Biscuits and Cookies: Cream, glucose, Marie biscuits, Nice, coconut biscuits • Wafer Products: Wafer rolls and sticks • Candies and Toffees: Center-filled candies, eclairs • Gummies Bubble Gums • Cakes: Banana & other flavored cakes
Dolphin Foods India Limited	Hyderabad, Telangana	1984	<ul style="list-style-type: none"> • Confectionery & Snacks: Hard boiled candies, toffees, lollipops, jellies, wafers, cakes, and chocolates under Oshon and Otter brands • Specialty Products: healthier variants and fruit-flavored candies, premium cake bars, choco-filled wafers

Source: Ken Research Analysis, Companies’ Websites, Annual Reports

Table 11-2: Cross-Comparison of Peers in India's Confectionery Market on basis of Unique Selling Point and Business Vertical (Brands), as of March 2026 (2/5)

Key Players	Unique Selling Point	Business Vertical (Brands)
Shellz India Limited	Shellz India Limited, located in North India, is a confectionery company, offering around 90+ products and 275+ SKUs, positioned around high-quality offerings priced INR 1–INR 10.	<ul style="list-style-type: none"> • Hugs: Choco & milk-based wafer cones, center-filled bites, cereal bars, and toy-linked choco treats. • Tosca: Moulded chocolates, biscuit balls, truffle-style chocolates, and flavored beverage mixes.
Prayagh Consumer Care Pvt. Ltd.	Aug'24: Strong contract manufacturing serving as a B2B manufacturer for major FMCG brands like ITC.	<ul style="list-style-type: none"> • Cintu: Wholesale distribution focusing on value-for-money confectionery products. • Lavian: Retail distribution targeting premium customers in metros and tier-I cities. • Lavian Exotique: Products SKUs for modern trade and e-commerce channels
Annapurna Swadisht Ltd.	MCPL offers uniquely shaped offerings with diverse range of confectionery products including toy-based treats.	<ul style="list-style-type: none"> • Candies: Cofilo, Truelove, Mr. Yummy, Lacto, etc. • Lollipops: Fan Pop, Chilli Pop, Rainbow Pop, Yogito, etc. • Dovana: Premium Moulded Chocolate • Wafers: Speed Breaker, Crispy and crunchy cream-filled, etc.
Kayempee Foods Pvt Ltd	Offers tailored customization and white-label manufacturing for chocolates and confections, collaborate closely with clients to craft unique flavour profiles that reflect their brand identities.	<ul style="list-style-type: none"> • Own Brands: Pepe, Ausome, Beyond, Marco, and Snackday. • White-Label Manufacturing: Offers contract manufacturing services for other brands, providing product development, customization, and packaging solutions
Dolphin Foods India Limited	Established player in confectionery and baked snacks, catering to both domestic and export markets; known for affordable, mass-market products with wide flavor variety and strong presence in Eastern and Southern India	<ul style="list-style-type: none"> • Brands: Oshon, Otter • Product Categories: Cake Bar, Waffer Town, Coffista Candy, Mitha Paan, Assorted Lollipops, Magic Pop Lollipop, Choc 7 Heartz, Wonderz Original, Eclairs Toffees, Peanut Rich

Source: Ken Research Analysis, Companies' Websites, Annual Reports, News Articles, Companies Announcement

Table 11-3: Cross-Comparison of Peers in India’s Confectionery Market on basis of Distribution Channel Strategy and Recent Development, as of March 2026 (3/5)

Key Players	Distribution Channel Strategy	Recent Development
Shellz India Limited	<ul style="list-style-type: none"> Operates a distributor-driven general-trade network anchored in North and Central India, supplying kirana stores and regional wholesalers with mass-market SKUs. Uses a hub-and-spoke logistics model and third-party transporters to service neighbouring states and institutional buyers. 	<ul style="list-style-type: none"> Continued focus on expanding regional distributor coverage in North India, with SKU additions to deepen general-trade penetration.
Prayagh Consumer Care Pvt. Ltd.	<ul style="list-style-type: none"> Has a distribution system that reaches over 500,000 retail outlets in India through a network of distributors and super stockists. Supplies around 10,000 wholesalers via over 500 wholesale dealers. Records export revenues of over INR 100 crore, with presence in Latin America, Central America, and Africa. 	<ul style="list-style-type: none"> Strengthened export-oriented distribution, particularly in Africa and Central America, alongside steady domestic expansion in Tier-II and Tier-III markets through additional wholesale dealer appointments
Annapurna Swadisht Ltd	<ul style="list-style-type: none"> Around 300 distributors dedicated to confectionery products, which integrate with Annapurna’s larger distribution network of 550 distributors post-acquisition 	<ul style="list-style-type: none"> Annapurna Swadisht Ltd acquired MCPL by December 31, 2024, and MCPL became a wholly owned subsidiary with the deal of acquisition for INR 180 Crores.
Kayempee Foods Pvt Ltd	<ul style="list-style-type: none"> Primarily operates through regional distributors and wholesale channels, with a focus on North and West India for confectionery and snack products. 	<ul style="list-style-type: none"> Acquired a 265,000 sq ft plot in Hyderabad with plans to develop over 1.5 million sq ft of built-up area, aimed at scaling manufacturing capacity and improving pan-India supply capabilities.
Dolphin Foods India Limited	<ul style="list-style-type: none"> Operates through a combination of domestic distributors and export-linked distribution partners, supporting both India and overseas markets. 	<ul style="list-style-type: none"> N/A

Source: Ken Research Analysis, Companies’ Websites, Annual Reports, News Articles, Companies Announcement

Table 11-4: Cross-Comparison of Major Key Peers in Economy Segment Confectionery Product Market on basis of Financial Parameters, FY'23 – FY'26 H1 (4/5)

Company	Financial Year	Revenue From Operations (INR Cr)	EBITDA (INR Cr)	EBIDTA Margin	PAT (INR Cr)
Shellz India Limited	FY'26 H1	91.9	14.7	16.0%	6.3
	FY'25	187.0	24.8	13.2%	8.9
	FY'24	162.4	20.1	12.4%	5.0
	FY'23	158.5	17.0	10.7%	3.1
Prayagh Consumer Care Pvt. Ltd.	FY'25	894.3	43.1	4.8%	8.3
	FY'24	834.5	45.4	5.4%	11.3
	FY'23	689.5	34.5	5.0%	11.5
Annapurna Swadisht Ltd.	FY'26 H1	249.5	32.1	12.9%	15.4
	FY'25	408.0	49.7	12.2%	21.5
	FY'24	265.0	28.1	10.6%	13.1
	FY'23	160.2	13.5	8.5%	7.1
Kayempee Foods Pvt. Ltd.	FY'25	307.1	21.7	7.1%	4.6
	FY'24	250.1	19.6	7.8%	5.5
	FY'23	248.6	17.8	7.2%	3.1
Dolphin Foods India Limited	FY'25	255.0	16.8	6.6%	3.8
	FY'24	206.7	31.1	15.0%	17.1
	FY'23	177.9	20.2	11.3%	7.9

Source: Ken Research Analysis, Companies' Websites, Annual Reports, Proprietary Databases

Note 1: FY'25 indicates financial year which starts from 1st April 2024 and ends on 31st March 2025, FY'26 H1 indicates half yearly data from 1st April 2025 and ends on 30th September 2025

Note 2: N/A indicates information Not Available

EBITDA = PBT + Finance cost + Depreciation and Amortization

PAT = PBT - Total Tax Expense

Return on Net Worth (%) (ROE) = PAT/Average Total Shareholder's Equity

Capital Employed = Total Equity + Deferred Tax Liabilities + Long Term Borrowings + Short-Term Borrowings – Deferred Tax Asset

ROCE (%) = EBIT/ Average Capital Employed

Debt-Equity Ratio = Total Debt/Total Equity

Table 11-5: Cross-Comparison of Major Key Peers in Economy Segment Confectionery Product Market on basis of Financial Parameters, FY'23 – FY'26 H1 (5/5)

Company	Financial Year	Return on Equity (%)*	ROCE (%)*	Debt-Equity Ratio
Shellz India Limited	FY'26 H1	26.2%	19.6%	1.7
	FY'25	25.8%	19.1%	1.9
	FY'24	20.5%	16.9%	2.7
	FY'23	15.2%	14.9%	3.2
Prayagh Consumer Care Pvt. Ltd.	FY'25	5.5%	8.4%	1.0
	FY'24	6.5%	10.0%	0.8
	FY'23	5.9%	7.2%	0.5
Annapurna Swadisht Ltd.	FY'26 H1	10.0%	12.8%	0.4
	FY'25	10.4%	13.9%	0.3
	FY'24	15.1%	18.6%	0.5
	FY'23	23.7%	26.0%	0.4
Kayempee Foods Pvt. Ltd.	FY'25	12.2%	12.3%	1.9
	FY'24	17.1%	10.5%	1.9
	FY'23	11.3%	8.4%	2.5
Dolphin Foods India Limited	FY'25	3.7%	6.5%	0.7
	FY'24	18.7%	17.2%	0.6
	FY'23	10.1%	11.6%	0.6

Source: Ken Research Analysis, Companies' Websites, Annual Reports, Proprietary Databases

Note 1: FY'25 indicates financial year which starts from 1st April 2024 and ends on 31st March 2025, FY'26 H1 indicates half yearly data from 1st April 2025 and ends on 30th September 2025

Note 2: N/A indicates information Not Available

EBITDA = PBT + Finance cost + Depreciation and Amortization

PAT = PBT - Total Tax Expense

Return on Net Worth (%) (ROE) = PAT/Average Total Shareholder's Equity

Capital Employed = Total Equity + Deferred Tax Liabilities + Long Term Borrowings + Short-Term Borrowings – Deferred Tax Asset

ROCE (%) = EBIT/ Average Capital Employed

Debt-Equity Ratio = Total Debt/Total Equity

*Return on Equity and Return on Capital Employed figured of FY' 26 (H1) have been annualized.

12. RESEARCH METHODOLOGY

12.1. ABBREVIATIONS

AI	– Artificial Intelligence
ASUSE	– Annual Survey of Unincorporated Sector Enterprises
B2B	– Business-to-Business
B2C	– Business-to-Consumer
BIS	– Bureau of Indian Standards
Bn	– Billion
CAIT	– Confederation of All India Traders
CAGR	– Compound Annual Growth Rate
Cr	– Crores
CY	– Calendar Year
DGFT	– Directorate General of Foreign Trade
DRHP	– Draft Red Herring Prospectus
FDI	– Foreign Direct Investment
FMCG	– Fast-Moving Consumer Goods
FSSAI	– Food Safety and Standards Authority of India
FY	– Fiscal Year
GDP	– Gross Domestic Product
GMV	– Gross Merchandise Value
GT	– General Trade
HQ	– Headquarters
HS	– Harmonized Commodity Description and Coding System
IMF	– International Monetary Fund
INR	– Indian Rupees
IoT	– Internet of Things
IP	– Intellectual Property
Mn	– Million
MoSPI	– Ministry of Statistics and Programme Implementation
MoU	– Memorandum of Understanding
MPCE	– Monthly Per Capita Consumption Expenditure
MSMEs	– Micro, Small, and Medium Enterprises
DOP	– One District One Product
OEMs	– Original Equipment Manufacturers
PAT	– Profit After Tax
PLC	– Programmable Logic Controllers
PLISFPI	– Production-Linked Incentive Scheme for Food Processing Industry
PMFME	– PM Formalization of Micro Food Processing Enterprises
PMKSY	– Pradhan Mantri Kisan SAMPADA Yojana
R&D	– Research and Development
ROCE	– Return on Capital Employed
RTE	– Ready-to-Eat
RTC	– Ready-to-Cook
SKU	– Stock Keeping Unit
SME	– Small and Medium Enterprises
Tn	– Trillion
US FDA	– United States Food and Drug Administration
USD	– United States Dollar

WHO – World Health Organization
 Y-o-Y – Year on Year

12.2. MARKET SIZING AND MODELING

CONSOLIDATED RESEARCH APPROACH

Hypothesis Creation: To estimate the market size of the **India’s Confectionery Market**, encompassing major segments such as baked confectionery, chocolate & milky confectionery, and sugar confectionery, a dual-pronged sizing framework was adopted. First, a **bottom-up analysis** was conducted by examining the competitive landscape of organized and unorganized players across product categories. This involved assessing the revenue contribution of each category to a company’s topline, mapping SKU-level sales volumes were available, and aggregating revenues across relevant brands and manufacturers. The relative market shares of domestic and international companies were used to extrapolate the total addressable market. Additional validation inputs were drawn from the **distributors' order books, retailer sell-out patterns, and festival-season demand cycles**, which provided directional insights into category-level growth potential and overall market momentum.

These findings were further **sanity-checked using a top-down validation** aligned with India’s broader packaged foods and impulse-snacking market. By referencing the proportional contribution of confectionery products within FMCG snacking baskets, and triangulating with retail consumption trends across general trade, modern trade, and online channels, a cross-referenced estimate of the national confectionery market size was derived. This approach also incorporated regional consumption skew across North, South, East, West, and Central India to refine the demand distribution.

For the **growth rate estimation**, a multi-variable model was applied. This included reviewing historical and expected revenue growth of major confectionery companies, tracking volume momentum across high-frequency purchase categories (candies, chocolates, and baked snacks), and aligning projections with macro-indicators such as rising disposable incomes, urbanization, and expansion of modern trade and quick-commerce. Seasonal peaks during festive periods, premiumization trends, and evolving consumer preferences across children, teens, young adults, and adults were also embedded into the growth framework. This holistic methodology enables a reliable estimate of both the current market size and the forward growth trajectory of the India’s Confectionery Market.

Hypothesis Testing: The research team conducted computer-assisted telephonic interviews (CATIs) with the management of leading confectionery manufacturers such as Mondelez India, Nestlé India, Parle Products, ITC Foods, Ferrero India, Mars Wrigley, DS Group, Haldiram’s, Bikaji Foods, and several regional baked and sugar confectionery producers. Interviews were also conducted with modern trade category managers, general trade distributors, quick-commerce category heads, sales heads, marketing managers, supply chain managers, and other stakeholders (C-level executives, Regional Heads, Brand Managers, Category Leads, Operations Managers, Business Development Managers, Heads of Sales, Trade Marketing Managers, and others) to obtain insights on the market and validate the hypothesis formulated by the team.

Table 12-1: Sample Composition Table by Stakeholders and Respondents in (%)

By Stakeholders	Sample Size: ~40 Respondents	Description
Confectionery Manufacturers	55%	Brand Managers, Category Heads, Sales Heads, Product Development Managers, Supply Chain Managers, Marketing Heads, Operations Managers from chocolate, baked confectionery, and sugar confectionery companies

Retailers & Distributors	30%	General trade wholesalers, kirana retailers, supermarket & hypermarket category managers, quick-commerce account managers, and regional distributors handling confectionery portfolios.
Industry Experts	15%	FMCG consultants, ex-industry professionals, trade analysts, supply chain specialists, flavor technology advisors, and other domain experts

Source: Ken Research Analysis

Sanity Checking and Decision Tree Analysis: Consensus on data collected from primary research and secondary sources was established through an in-house decision tree analysis. This included reviewing consumption patterns across product categories (chocolate, baked, and sugar confectionery), validating retail sell-out benchmarks, and comparing findings with broader FMCG snacking dynamics. Secondary data sources included company annual reports, distributor sales sheets, proprietary industry databases, trade journals, point-of-sale retail data, and online commerce trends. Cross-verification between primary and secondary data helped refine initial assumptions on category penetration, price elasticity, seasonal consumption, and regional demand distribution. Additionally, market share analysis was conducted to sanity-check competitive positioning across organized and unorganized players.

Interpretation and Proofreading: The final analysis was interpreted and consolidated by Ken Research’s FMCG and consumer products research team, aligning validated data with prevailing market trends and growth indicators. Rigorous proofreading ensured consistency in segmentation definitions, category-level market sizing, and forecasting assumptions across the India’s Confectionery Market.

LIMITATIONS

- Inputs from brand managers, distributors, and retail category heads may carry inherent optimism regarding category growth or brand performance. To mitigate this bias, all insights were triangulated with independent secondary sources, POS data, and trade interviews across multiple regions to ensure reliability.
- Market growth projections rely on historical sales performance, evolving consumer preferences, and festive consumption trends, which may fluctuate due to macroeconomic conditions or supply-side disruptions. Since several respondents were from sales or category functions, their projections may lean bullish. Sampling limitations also restrict the absolute precision of certain category-level estimates. Ken Research has applied stringent validation checks to reduce estimation error, maintaining a significance level within 5–10%

CONCLUSION

The expected value of the India’s Confectionery Market is determined by applying a weighted average of insights derived from primary research, secondary research, expert opinions, and informed analytical judgment. This weighted approach helps filter out inconsistencies across data sources and ensures that category-level variations spanning baked, chocolate, and sugar confectionery are accurately captured. By reconciling multiple estimation methods, the model provides the most reliable and realistic future market projections.

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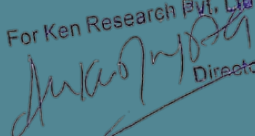
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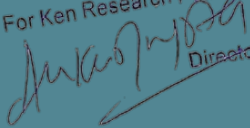
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For Ken Research Pvt. Ltd.

Director

CONTACT US

For Ken Research Pvt. Ltd.

Director

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For information or permission to reprint, please contact Ken Research at:

Email: support@kenresearch.com

Mail: Ken Research Private Limited
27A, Ground Floor, Spaze I Techpark,
Sector 49, Sohna Road Gurgaon - 122001

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