INDUSTRY RESEARCH REPORT

SNACKS, SAVOURIES, PAPAD SPICES & FLOUR MARKET

A FROST & SULLIVAN REPORT- February 2024

CONTENTS

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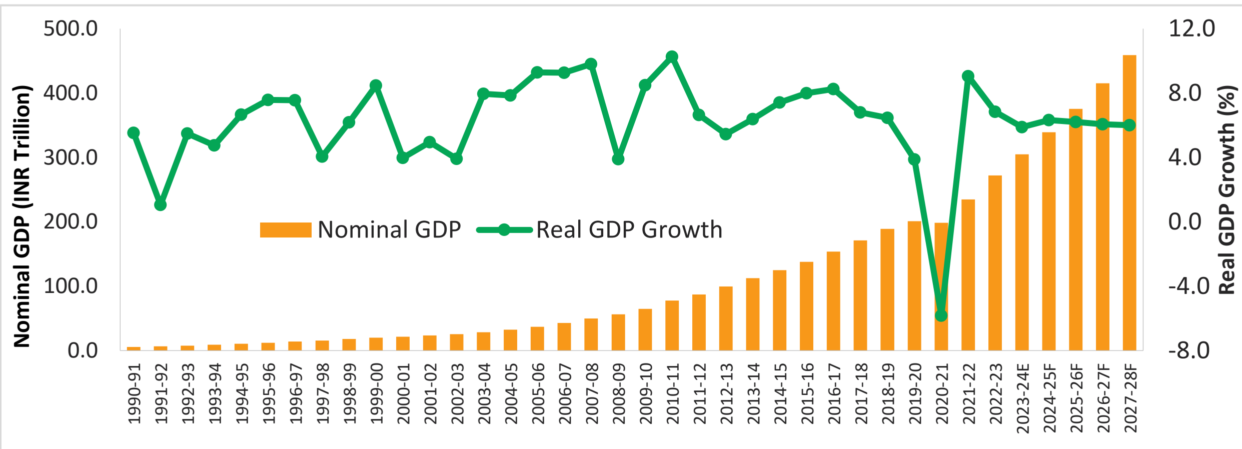
1 INDIA MACROECONOMIC TRENDS AND OUTLOOK

1.1 GDP and GDP Growth

1.1.1 Nominal GDP and Real GDP Growth

The past two decades have been a high-growth period for the Indian economy, supported by factors such as the new industrial policy and the liberalization of external trade. The decade of 2010 has been noteworthy, with GDP growth accelerating 7.0%. However, for the first time since 2002, India's GDP growth slowed down to 4.0% in 2019–20, constrained by a lacklustre domestic demand and a liquidity crisis. With the onset of the COVID-19 pandemic and subsequent nationwide lockdowns, India experienced a deep recession evident from the GDP growth contraction of 7.3% in 2020-21. India's GDP increased by 8.7% in 2021–2022, despite a partial growth pullback caused by the second COVID–19 wave. Growth was mainly driven by a strong release of pent-up demand following a partial relaxation of the restriction measures.

Exhibit 1: Nominal GDP and Real GDP Growth, India, 1990-91 to 2027-28F



Note: Data is presented for Indian fiscal years. Data until 2010-11 is based on 2004-05 constant prices, with 2011-12 constant prices thereafter. E indicates estimate and F indicates forecast. Nominal GDP data is based on current prices.

Source: Ministry of Statistics and Programme Implementation (MOSPI); International Monetary Fund (IMF) World Economic Outlook Database (WEO) April 2023; Frost & Sullivan

Growth rates for 2023-2024E is estimated to dip to 5.9% from 6.8% in 2022-2023 on account of slowing global growth, high inflation, and interest rate hikes. In comparison to other emerging countries, the Indian economy is relatively insulated from global spill overs from the Russo-Ukrainian war, attributable to India's sizable domestic market and its relatively smaller exposure to global trade flows.

Real GDP growth is expected to rebound again to 6.3% in 2024-25F with 2023E-28F five-year average growth forecast at 6.1%. Government's sustainability-driven growth agenda, greater manufacturing sector boost, ongoing structural reforms, presence of large middle-income earners and young population size are characterised as the notable medium-term growth drivers.

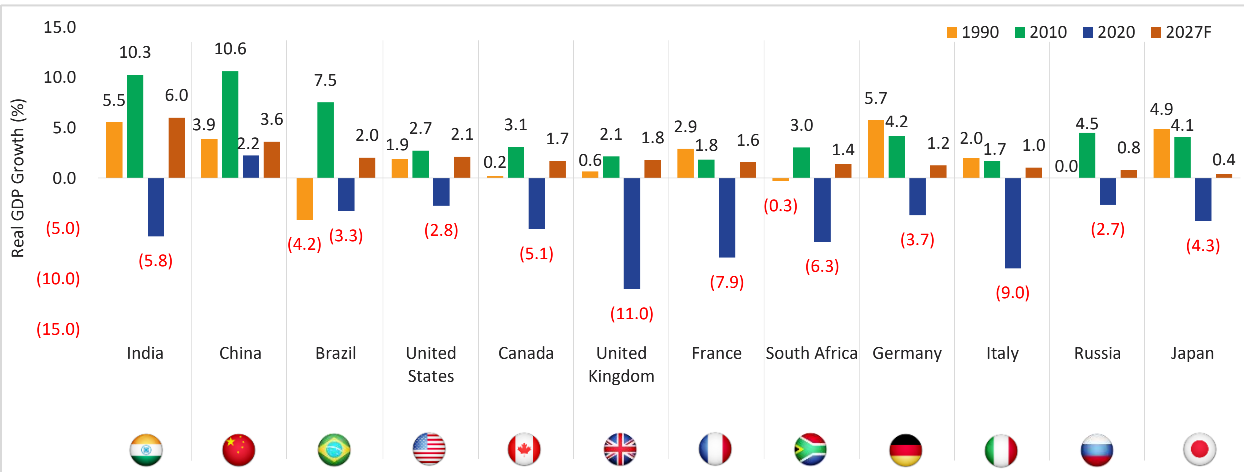
Looking at the nominal GDP trend (Exhibit 1), India is expected to grow from an INR 272.3 trillion economy in 2022-23E to an INR 458.7 trillion economy by 2027-28F, with a Compound Annual Growth Rate (CAGR) of 11.0%. Notably, India is expected to be the third largest economy globally and also to surpass $ 5 Trillion by 2027F based on nominal GDP values in dollar terms[1].

[1] IMF; Frost & Sullivan

1.1.2 Global Nominal GDP and Real GDP Growth Comparison

On the basis of a global comparison, China remained the fastest growing economy for the previous three decades, followed by India. In contrast to China, where the average GDP growth fell from above 10.0% to 7.7% between 2010 and 2019, India's GDP growth remained resilient during the same decade. While the pandemic-induced recession in India was more severe than in other major economies including Canada, Japan, the US, Germany, Russia, Brazil, and South Africa, it was less severe than in France, UK and Italy. Due to China's persistent zero-COVID policy, which lasted until 2022, significant negative influence was seen on its medium-term growth. The manufacturing giant avoided an annual contraction in 2020. However, the nation is exhibiting signs of economic derailment, with factors such as lingering trade tensions with the US and a global shift towards manufacturing diversification beyond China restraining the growth momentum. In effect, India is expected to grow at the fastest rate (6.0%) in 2027F among major economies (Exhibit 2).

Exhibit 2: Real GDP Growth, India, and Other Select Economies, 1990, 2010, 2020 and 2027F (%)



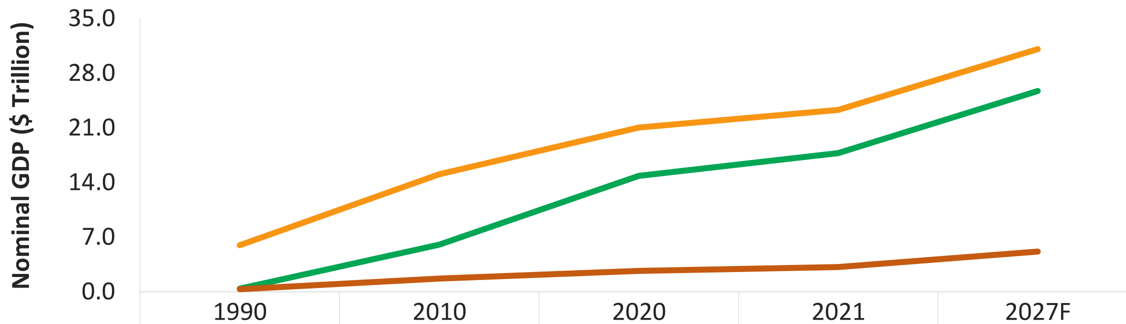
Note: India data is presented for fiscal years. Russia's 1990 data was not applicable. F indicates forecast.

Source: IMF WEO April 2023; Frost & Sullivan

Exhibit 3a and 3b capture the trends in the economy sizes, measured in terms of their Nominal GDP in dollar terms. For the three decades prior to the pandemic, India's nominal GDP expanded by over 7.0% CAGR taking it up from 10th to 6th place among the nations evaluated (Exhibit 3). During these years, China expanded faster, with a CAGR of 13.2% placing itself just below the size of the US (Exhibit 3a). At 8.5%, India is expected to expand with the highest CAGR by 2027F, amongst the countries under consideration.

In addition, India's GDP surpassed advanced nations such as Canada, Italy, France, and the UK by 2019 and is also projected to overtake Germany and Japan, making it the third-largest global economy by 2027F (Exhibit 3b).

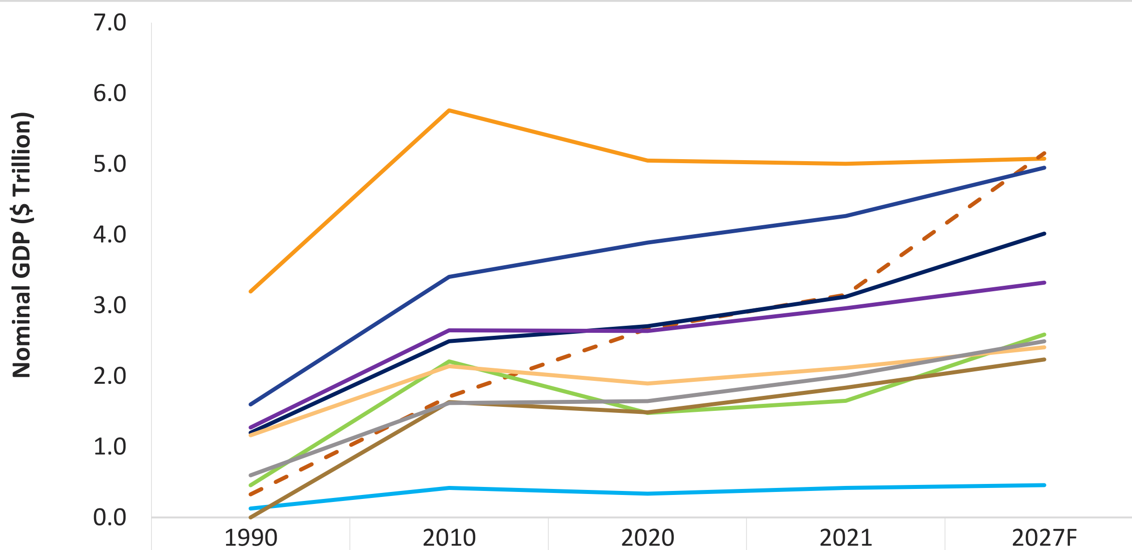
Exhibit 3a: Nominal GDP, China, India, and the United States, 1990 to 2027F ($ Trillion)



	1990	2010	2020	2021	2027F
United States	6.0	15.0	21.1	23.3	31.1
China	0.4	6.0	14.9	17.8	25.7
India	0.3	1.7	2.7	3.2	5.2

Note: Indian data is presented for fiscal years. F indicates forecast.
Source: IMF WEO April 2023; Frost & Sullivan

Exhibit 3b: Nominal GDP, India, and Key Countries, 1990 to 2027F ($ Trillion)



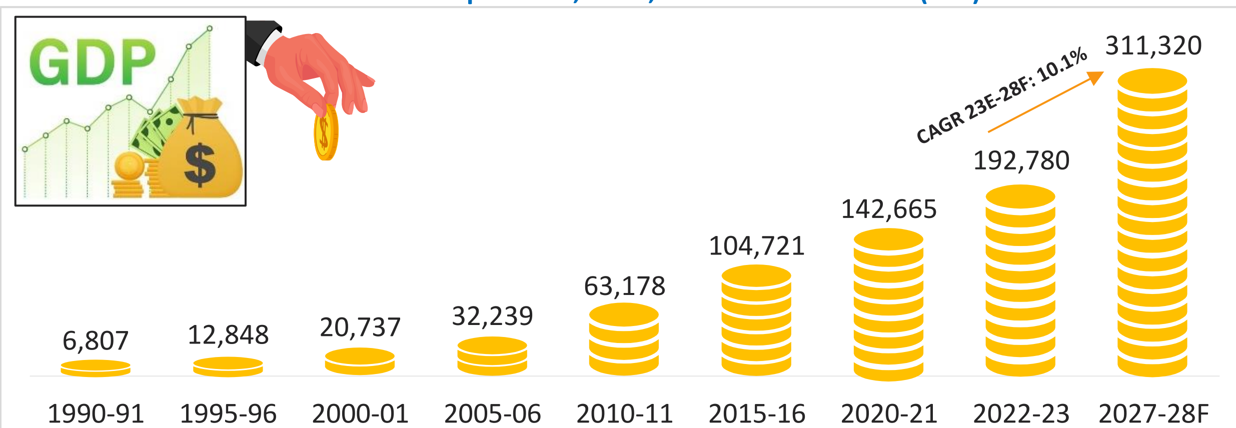
	1990	2010	2020	2021	2027F
Japan	3.2	5.8	5.0	5.0	5.1
India	0.3	1.7	2.7	3.2	5.2
Germany	1.6	3.4	3.9	4.3	4.9
Brazil	0.5	2.2	1.5	1.6	2.6
South Africa	0.1	0.4	0.3	0.4	0.5
UK	1.2	2.5	2.7	3.1	4.0
France	1.3	2.6	2.6	3.0	3.3
Russia	0.0	1.6	1.5	1.8	2.2
Italy	1.2	2.1	1.9	2.1	2.4
Canada	0.6	1.6	1.6	2.0	2.5

Note: Indian data is presented for fiscal years. F indicates forecast.
Source: IMF WEO April 2023; Frost & Sullivan

1.1.3 Per Capita GDP

India's per capita GDP has risen consistently, with major growth spurt seen between 2000-01 and 2010-11. In this decade, India's per capita GDP rose at a CAGR of 11.8% with per capita GDP more than tripling, driven by strong agricultural growth, massive rural infrastructure investments, and low inflation and interest rates. In 2009-10, India transitioned from a low-income to a lower middle-income nation[2] and could potentially become an upper middle-income country by 2047[3].

Exhibit 4: Per Capita GDP, India, 1990-91 to 2027-28F (INR)



Note: Per Capita GDP is calculated by dividing Nominal GDP with the Population Size measured on 1 January. , Data is presented for fiscal years. F indicates forecast.

Source: IMF WEO April 2023; Frost & Sullivan

Due to restrictions brought on by the pandemic, which significantly increased unemployment rates and reduced consumer demand, per capita GDP fell by 2.3% in 2020–21 from 2019–20 levels, indicating a decline in living standards and an increase in poverty. Per capita GDP, however, bounced back strongly in both 2021-22 and 2022-23, with 17.3% and 15.2% annualized growth rates, respectively, as the economy recovers from the pandemic. The 5-year CAGR between 2022-23E and 2027-28F is forecast at 10.1%, with 2027-28 per capita GDP expected to cross the INR 300,000 mark.

1.2 Private consumption expenditure

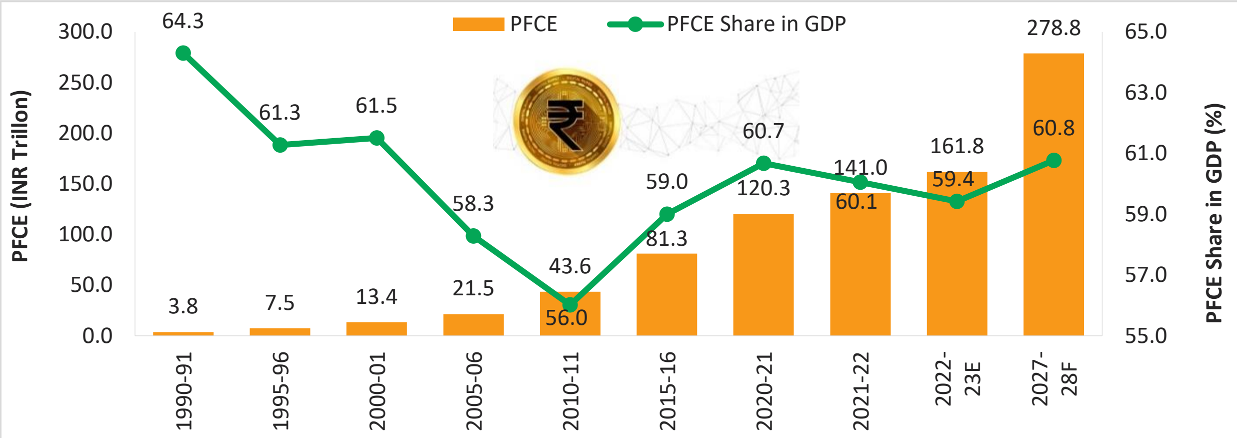
1.2.1 Overall Private Consumption Expenditure and GDP Share

The share of private final consumption expenditure (PFCE), despite having decreased over time from 64.3% of total GDP in 1990–1991 to 60.1% in 2021–2022, continues to be a significant contributor to the Indian economic growth. In 2020-21, PFCE contracted only by 1.7% underscoring strong demand resilience despite the pandemic's far-reaching impacts. The PFCE gained more steam during the recovery years of 2021–2022 and 2022–2023E, with growth rates of 17.1% and 14.8%, respectively.

By 2027-28, the expected share of PFCE in total GDP is likely to reach 60.8%, with the PFCE continuing its upward trend and reaching INR 278.8 trillion mark. Going forward, consumption expenditure is expected to be driven by factors such as moderation in inflation rates, wage hikes, an expanding middle-class as well as growth in more affluent income groups, and higher spending expectations coming from Tier-2 and Tier-3 cities.

[2] World Bank
[3] Economic Advisory Council to the Prime Minister

Exhibit 5: Private Final Consumption Expenditure (PFCE) and PFCE Share in GDP, India, 1990-91 to 2027-28F



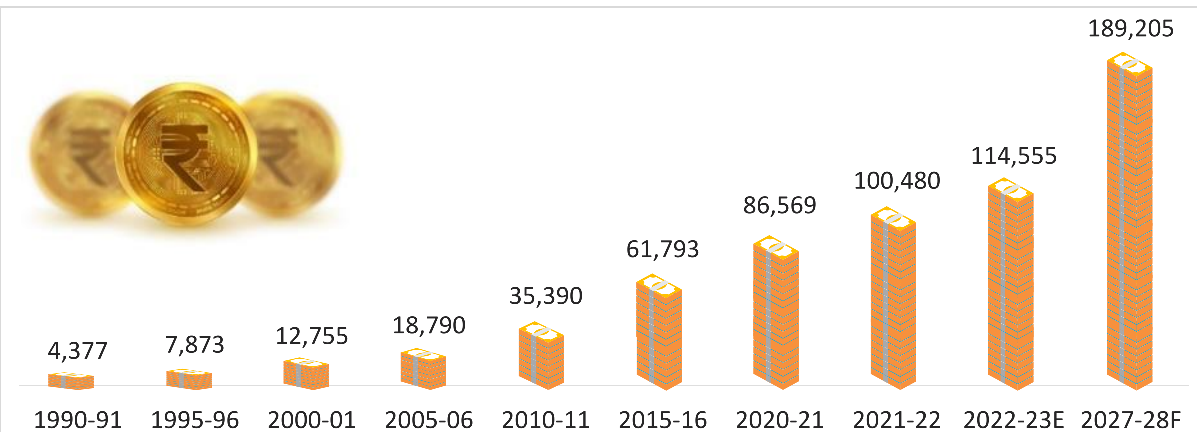
Note: PFCE and GDP are measured at current prices. Data is presented for fiscal years. E indicates estimate and F indicates forecast.

Source: Ministry of Statistics and Program Implementation (MOSPI); IMF WEO April 2023; Frost & Sullivan

1.2.2 Private Final Consumption Expenditure Per Capita

PFCE per capita declined by 2.6% in 2020-21 compared to 2019-20, with the reduction attributable to pandemic-induced uncertainties, job losses, and prevailing nationwide lockdown measures (Exhibit 6).

Exhibit 6: Private Final Consumption Expenditure (PFCE) Per Capita, India, 1990-91 to 2027-28F (INR)



Note: PFCE Per Capita is measured at current prices. Data is presented for fiscal years. E indicates estimate and F indicates forecast. Source: MOSPI, RBI Database; United Nations; Frost & Sullivan

Following a period of contraction, PFCE per capita grew significantly by 16.1% in 2021–22, driven by the release of pent-up demand soon after the country partially opened. However, the second wave of coronavirus infections in Q1 2021-22 led to an 18.4% quarter-over-quarter decline in per capita PFCE. Although the decline was less pronounced than in the first wave, second wave restrictions were characterized by localized lockdowns. The per capita PFCE dramatically grew as the economy slowly recovered from the pandemic, as seen by the likely 14% growth in PFCE per capita levels in 2022–2023E (Exhibit 6).

For 2023E calendar year, the current high inflation environment and interest rate hike cycles are anticipated to persist, having an impact on consumer confidence, and somewhat slowing the momentum of short-term PFCE growth. Nonetheless, in the future, it is anticipated that PFCE would increase substantially as inflation levels gradually decline, boding well for a robust medium-term PFCE momentum.

Notably, PFCE per capita is expected to increase at a CAGR of 10.6% between 2022-23 and 2027-28F.

1.3 Key Macroeconomic Growth Drivers

The below section encapsulates key macroeconomic growth drivers which will influence the future of the Indian economy until 2027F.

- **Domestic Demand-Driven Growth and Resilience:** India can be seen emerging as a global economic bright spot based on GDP growth levels for the ongoing and upcoming fiscal years, especially compared to slowdown and recessionary fears in advanced economies. Domestic demand-driven boost has been a key factor helping to insulate the Indian economy from shocks emerging from the Russo-Ukrainian war and global growth slowdown. This domestic consumption-led boost will continue to help sustain the Indian economy into the future, especially considering India's growing middle-class and working-age population.

- **Manufacturing Boost:** US-China trade wars, rising China labor costs, and China's regressive, extensive pandemic control policies stand to intensify China+1 strategies, whereby companies maintain presence in China while also diversifying their manufacturing and supply-chain base. India stands to gain from this trend, especially in light of recent manufacturing-conducive policies such as the production-linked incentive (PLI) scheme, India's strong growth potential, and China's de-population in contrast to India's growing population and working-age population. Aside from China+1 trends, India can also attract more manufacturing supply-chains as reshoring and nearshoring trends gain traction in light of growing exposure of supply-chain fragilities on account of the pandemic, post-pandemic supply-chain disruptions, further compounded by the Russo-Ukrainian war.

- **Infrastructure Boost:** Indian government's emphasis on infrastructure development should help generate a strong multiplier effect within the economy, create jobs, and also enhance manufacturing attractiveness. Infrastructure development was seen to be an important focal point in recent government budget, evidenced by the 33% rise in capital expenditure for 2023E-24F, with 100 critical transport infrastructure projects also being prioritized.

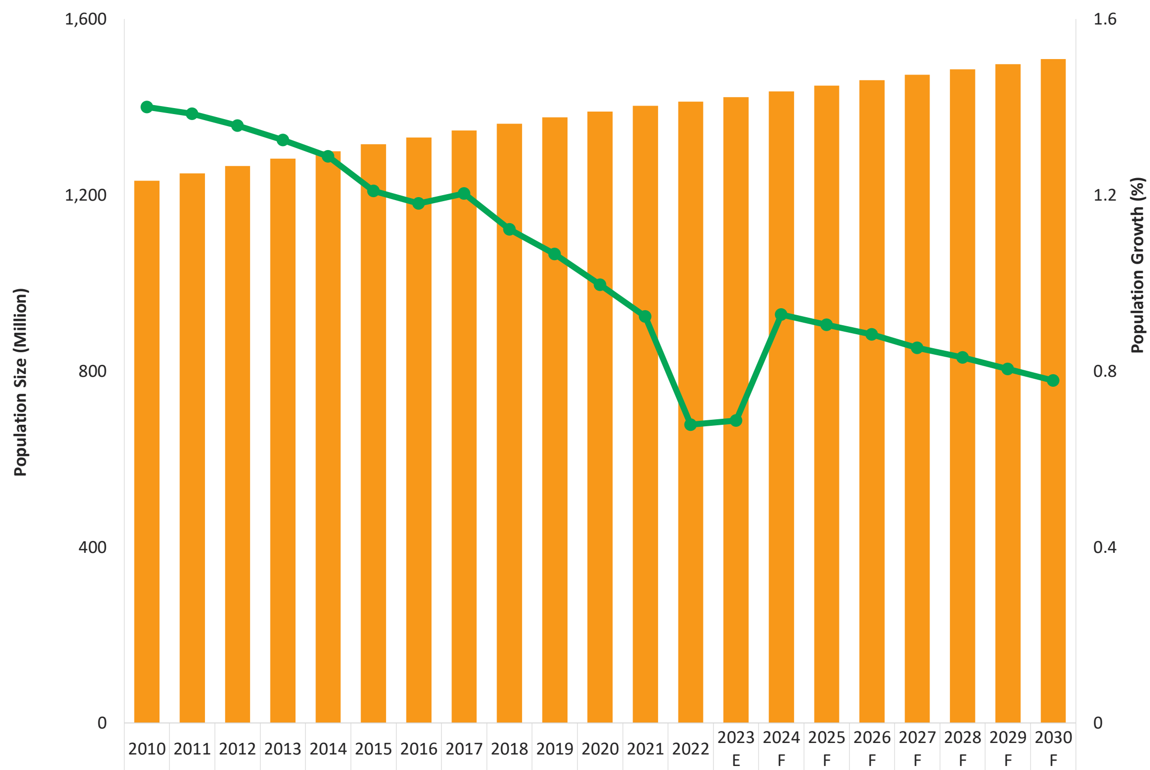
- **Tier-2 and Tier-3 City Boost:** Even pre-pandemic, tier-2 and tier-3 cities were expected to unlock new growth potential for India given factors such as high real estate costs and saturated markets in metro cities. Given outmigration to these cities which has happened since the pandemic, continuing leverage of hybrid work models in these cities, and growing aspirations within consumers in tier-2 and tier-3 cities, businesses are expected to increasingly capitalize on growth opportunities from these locations, with many of these likely to forecast tier-1 cities in terms of economic growth.

1.4 Demographic profile

1.4.1 Total Population Size and Growth

India's population size has expanded from 1.23 billion persons in 2010 to 1.4 billion persons in 2021, with this figure expected to climb to 1.51 billion by the end of this decade. The pace of population growth has been falling, similar to the global trend, with India's population growth having decelerated from 1.4% in the 2010 to 0.8% by 2030. A falling fertility rate has been one of the contributors to India's weakening population growth. India's absolute population size expansion, in contrast to China's trend of depopulation, stands to give India a competitive advantage over China in terms of consumer market size as well as labour force availability.

Exhibit 7: Population Size and Growth, India, 2010-2030F



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 E	2024 F	2025 F	2026 F	2027 F	2028 F	2029 F	2030 F
Population Size	1,232	1,249	1,266	1,283	1,299	1,315	1,331	1,347	1,362	1,376	1,390	1,403	1,412	1,422	1,435	1,448	1,461	1,473	1,486	1,498	1,509
Population Growth	1.4	1.4	1.4	1.3	1.3	1.2	1.2	1.2	1.1	1.1	1.0	0.9	0.7	0.7	0.9	0.9	0.9	0.9	0.8	0.8	0.8

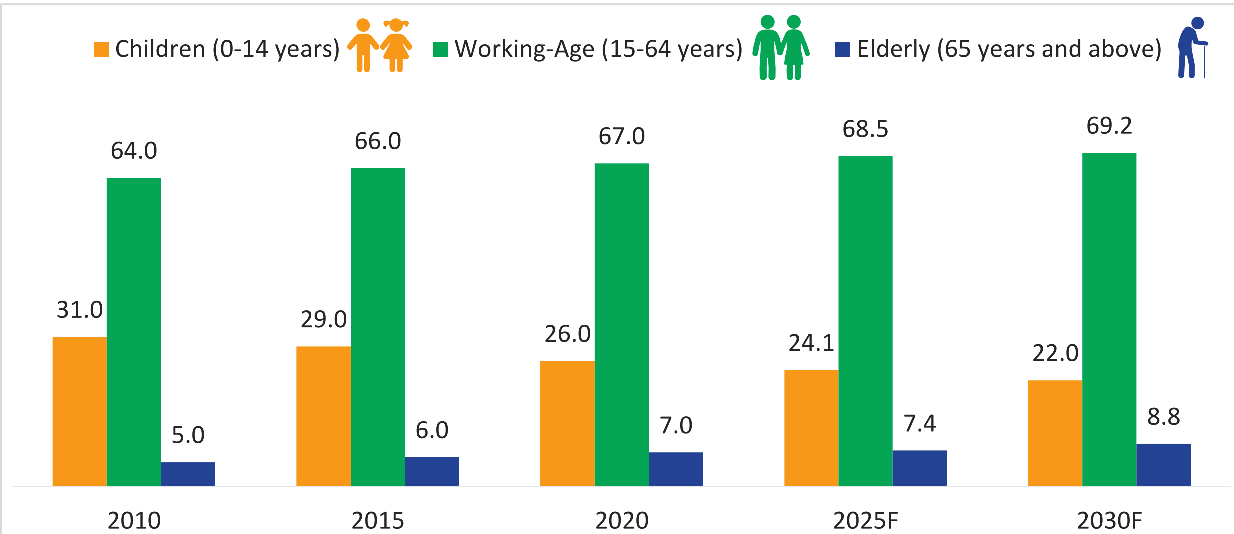
Note: E indicates estimate and F indicates forecast. Data is presented for calendar years. Population, as of 1 January has been considered.

Source: United Nations World Population Prospects 2022; Frost & Sullivan

1.4.2 Population Age Structure

India is presently in the period of a demographic dividend given its growing working-age (15-64 years) population share, with this cohort to account for 69.2% of India's population by 2030. A growing, well-skilled working-age population, supported by corresponding employment opportunities will help drive consumer demand as well as boost tax revenues. This can prove to be advantageous for India especially at a time when China's working-age population size as well as share is shrinking.

Exhibit 8: Population Proportion by Age Group, India, 2010-2030F (%)

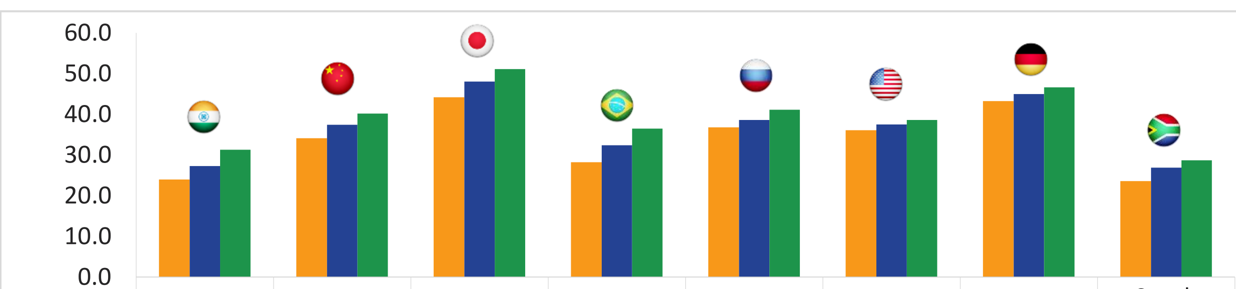


Note: F indicates forecast. Data is presented for calendar years. Source: World Bank; Frost & Sullivan

1.4.3 Global Median Age Comparison

Median age is a representation of total population split in to similar-sized parts. The median age of advance economies such as Japan, the US and Germany is generally higher compared to emerging market economies such as India and China. India's lower median age at 27.3 years in 2020, compared to China's 37.4 years or Japan's 48.0 years is reflective of India's younger demographic, providing a competitive advantage over countries which are ageing faster.

Exhibit 9: Median Age of the Population, India and Other Select Economies, 2010-2030F (Years)



	India	China	Japan	Brazil	Russia	US	Germany	South Africa
2010	24.0	34.1	44.2	28.2	36.8	36.1	43.2	23.6
2020	27.3	37.4	48.0	32.4	38.6	37.5	45.0	26.9
2030F	31.3	40.2	51.1	36.5	41.1	38.6	46.6	28.7

Note:F indicates forecast. Data is presented for calendar years.

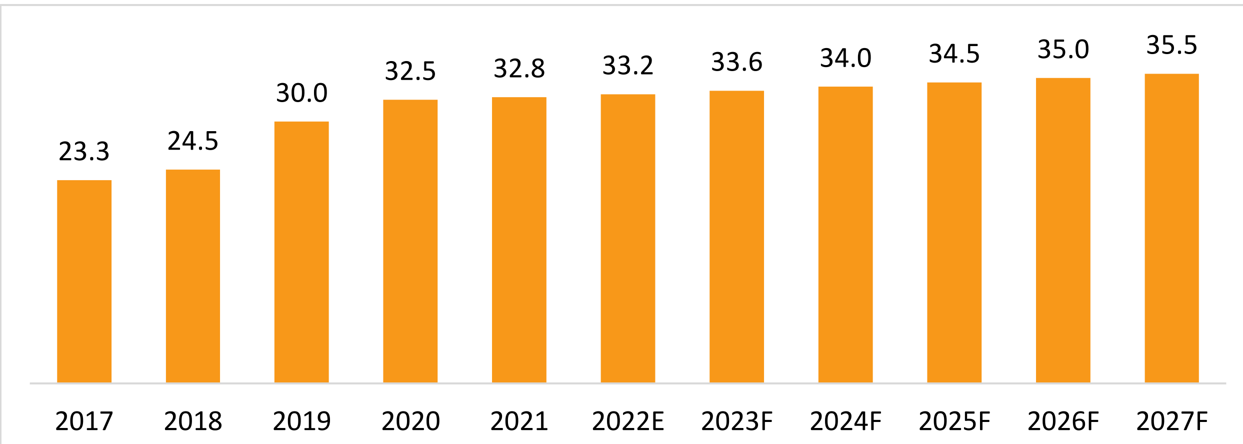
Source: United Nations World Population Prospects 2022; Frost & Sullivan

1.4.4 Female Labor Force Participation

Female labour force participation rate has seen a progressive rise over the past five years, growing from 23.3% in 2017 to over 30.0% by July 2022, according to Periodic Labour Force Survey Reports. The majority of the gain can be attributed to a larger rise in the labour participation rate of women in rural areas, which increased from 24.6% to 36.6% over the same period. Strong resilience emanating from the Self-Help Groups was a major contributor to the increase in female labour force participation during the pandemic.

Propelling female participation in the labour force will continue to remain a key post-pandemic economic strategy of the government. Enabling massive job creation for women, strengthening the MSME sector, urban capacity building, schemes such as Mission Shakti, Saksham Anganwadi and so on will provide a huge fillip to women labour force participation. Going forward, Frost & Sullivan expects India's female labour force participation rate would reach 35.5% mark by 2027F.

Exhibit 10: Female Labor Force Participation Rate, % of Female Population aged 15 years and above, India, 2017-2027F



Note: E indicates estimate and F indicates forecast. Data is presented for July current year to June next year (for example 2021: July 2021 – June 2022). Usual Status (Principal Status and Subsidiary Status) approach has been referred to.

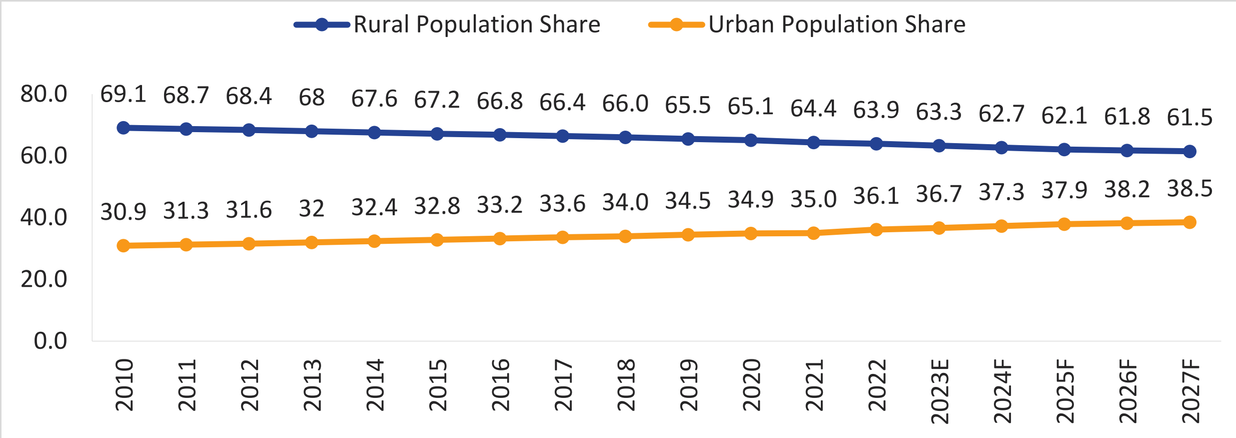
Source: Periodic Labour Force Survey Reports, MOSPI; Frost & Sullivan

1.4.5 Urbanization

India's urban population share is seen to be rising, in line with the global trend. The urbanization rate is expected to touch 38.5% by 2027. More urban movement towards tier-2 and tier-3 cities can be expected over this decade given work-from-home flexibility, high rentals in metro cities, as well as land and resource pressures in metro cities. As urbanization continues to gain steam, India's rural population share will dip to 61.5% by 2027, with the rural population nonetheless accounting for nearly three-fifths of India's population.

Unplanned urbanization concerns stand to heighten resource scarcity and depletion as well as a widening of inequality levels. This would necessitate more concerted urban planning efforts, with the private sector having a major role to play in this context.

Exhibit 11: Share of Urban and Rural Population in Total Population, India, 2010-2027F (%)



Note: E indicates estimate and F indicates forecast. Data is presented for calendar years.

Source: World Bank; Frost & Sullivan

1.5 Key Macroeconomic Trends Impacting the Indian Packaged Food and Savoury Snacks Market

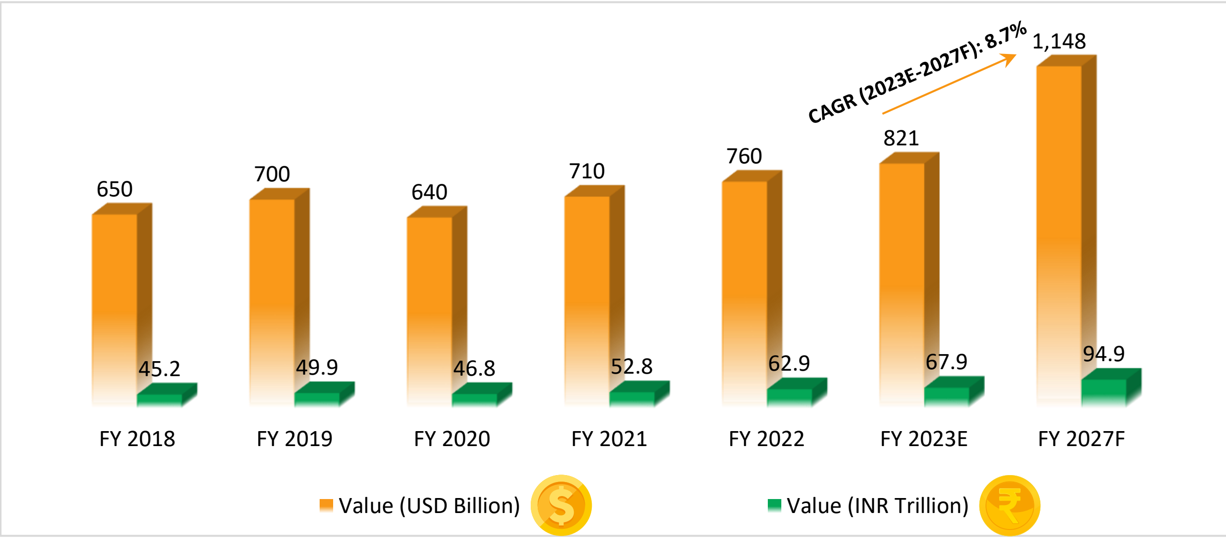
- **Market Growth in Correlation with Strong GDP Growth and Consumer Demand Potential:** India's GDP growth figures in this fiscal and the upcoming fiscal year will be strong on a global comparative basis, indicative of a positive driving force for the packaged food and savoury snacks markets. Additionally, the country's large, young-working age population will also boost this market especially given long working hours in some industries and the need for convenience. These markets will also benefit from India's middle-class growth.
- **Near-Term Elevated Inflation to Constrain Lower-Income Household Budgets:** Similar to the global trend, India has been battling elevated inflation levels. Retail inflation in fact rose to 6.52% in January 2023 according to data from the Ministry of Statistics and Program Implementation. Elevated inflation levels will particularly constrain lower-income households who might defer spending on packaged foods and savoury snacks to instead budget on essentials. Inflation, however, is expected to ease towards the end of the year.
- **Nuclearization of Families to Drive Packaged Foods and Snacks Demand**: According to the National Family Health Survey 2015-16, over 60% of Indian households were seen to be nuclear families. There has been a marked rise in one and two-member households in India over the past decade. Nuclearization of families is continuing to gain momentum going forward given factors such as a more progressive outlook within younger generations, higher female workforce participation, and a pandemic-induced shift towards less-crowded living spaces. This demographic shift will support demand for snacks and other packaged foods as nuclear families opt for convenience and career-oriented lifestyles.
- **E-Commerce to Boost the Demand:** Despite abating of the pandemic, online grocery sales continue to see strong demand uptick with the flourishing of new tech platforms to cater to this demand as well. Strong growth expectations for the online grocery will commensurately also help demand for packaged as well as ready-to-eat products.

2 OVERVIEW OF RETAIL AND PACKAGED FOOD MARKET

2.1 Retail Market in India

2.1.1 Retail Market Size in India (FY 2018- FY 2023E) and Projected Trajectory of 2027F

Exhibit 12: Retail market size in India, FY 2018 to FY 2027F



Source- Annual Reports of organized players, India Brand Equity Foundation, Expert Interviews, Frost & Sullivan Analysis

India holds the position of world's fifth-largest global destination in the retail sector and is ranked 73 in the United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019. Indian customer's increasing purchasing power is anticipated to be one of the major driving factors of the retail sector in the country. The retail market in India is estimated at INR 67.9 trillion in 2023E and is anticipated to reach approximately INR 94.9 trillion by 2027F exhibiting a CAGR of 8.7% during 2023E-2027F. Retail sector contributes to ~10% to GDP in India.

2.1.2 Key Growth Drivers of the Indian Retail Industry

1. **Increase in disposable income and rising middle-class population -** The population of middle-income class is growing rapidly in India. The retail industry holds high growth potential with the rising consumer demand for quality products. It is estimated that by 2030, the contribution from the middle-income group will exceed leading to the overall growth in the disposable income. In such a scenario, the value-added range of products is also anticipated to hold growth opportunities in the country. Hence, the healthy economic growth is one of the major drivers for the retail industry in India.
2. **Rising sales via e-commerce platform -** The e-commerce sector in India is projected to register the highest CAGR of 16.8% during 2023E-2027F. The contribution of e-commerce towards the retail sales of food and grocery, consumer electronics and apparel are the largest. The growth of the online grocery segment has received a huge boost from the pandemic along with lifestyle changes and shift in consumer's demand preferences. Strong growth of the online grocery segment is expected to remain steady during the forecast period as well, driving e-commerce demand for packaged, ready-to-eat foods.

3. **Growing preference for packaged food** - The middle-class population of India is moving towards the pre-packaged and ready-to-eat, 'on-the-go' food consumption culture. This trend is directly supported by urbanization along with increasing population of working women specially in the urban areas of the country. Post-COVID-19 pandemic, the trend witnessed an increase as the demand for packaged food developed based on hygiene concerns. Packaged, on-the-go food products including noodles and salty snacks grew in sales post pandemic.
4. **Emergence of Consumerism** - Growing consumer expectations of quality products have positively influenced the Indian retail organizations to change and develop their format of retail trade. Consumers now have high demand for convenience and comfort which is driving the development of organized retail sector in the country. Consumers now are more open towards experimenting and buying new products. Food and beverage are a dominant segment where consumers want to spend the most. Digital disruptions are supporting consumerism wherein consumers have a wide range of choices to select from. The overall trend is fueling the retail sector in India.

2.1.3 Key Trends Shaping the Indian Retail Industry

Growth of Organized Retail Sector - The market share of organized sector in India is rising rapidly. The factors contributing to the growth of organized retailing in India include higher disposable incomes, increasing urbanization, nuclear family structure, growing consumerism, increase in number of educated and employed women population. Food Retailing in India is witnessing massive progressive change supported by the emergence of supermarkets/ hypermarkets across various parts of the country.

Growth in Indian Economy - India is the fastest growing economy and the GDP is anticipated to reach INR 458.7 trillion by 2027-28F. The economic growth is expected to support the retail sector in India as India stands as the world's fifth-largest global destination in the retail segment.

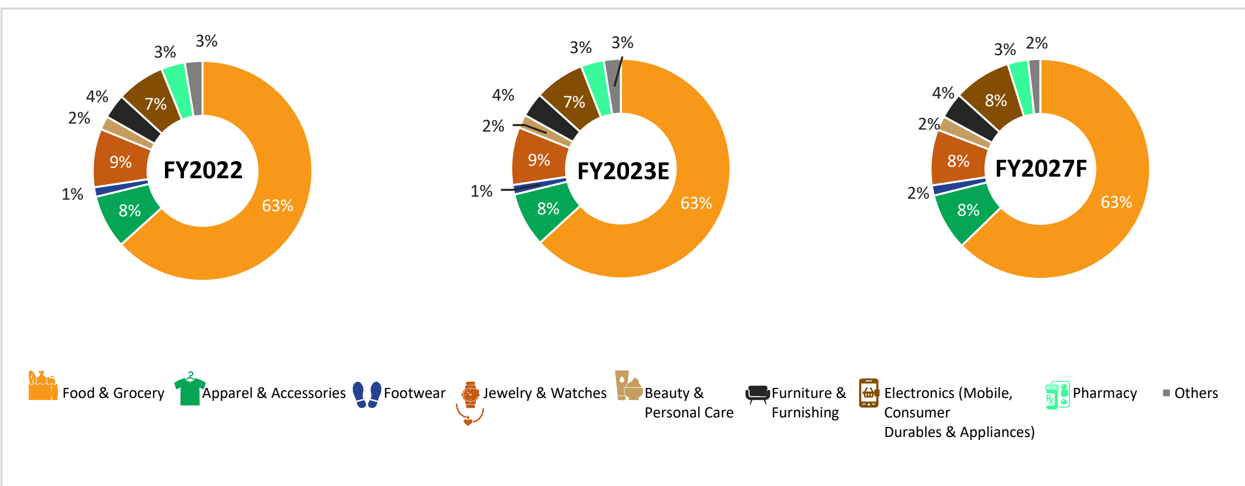
Technological Disruptions - Technological innovations play a vital role in influencing the retail market conditions. Technology has supported the Indian organized retail players in gaining cost and service advantages over other unorganized players in the market. Mobile technology is shaping the future of Indian retail sector wherein consumers are now inclined towards ordering essentials and non-essential products online to suffice their daily requirements. The COVID-19 lockdown has accelerated this trend, benefiting the organized retailers.

Shift in Consumer's Buying Behavior - Health awareness among the Indian consumers has been increasing which directly has positively influenced the trend of healthy snacking in the country. Indian households are witnessed to have increased their spendings on healthier food alternatives and snack choices and are shifting towards foods with better ingredients.

Rising demand for healthy-baked snacks post-COVID-19 - The spending on healthy snacks witnessed a massive increase post-lockdown. It is anticipated that the increase in per capita spending on healthy foods would be ~ 2 times by 2026 as compared to 2022. The healthy snack segment would reach a market size of more than USD 25 billion in the next five years. Retailers investing in the sector would be positively benefitted and would generate higher revenues in the segment.

2.1.4 Market Contribution of various Sectors in the Indian Retail Market and their Growth (FY 2022, FY 2023E and FY 2027F)

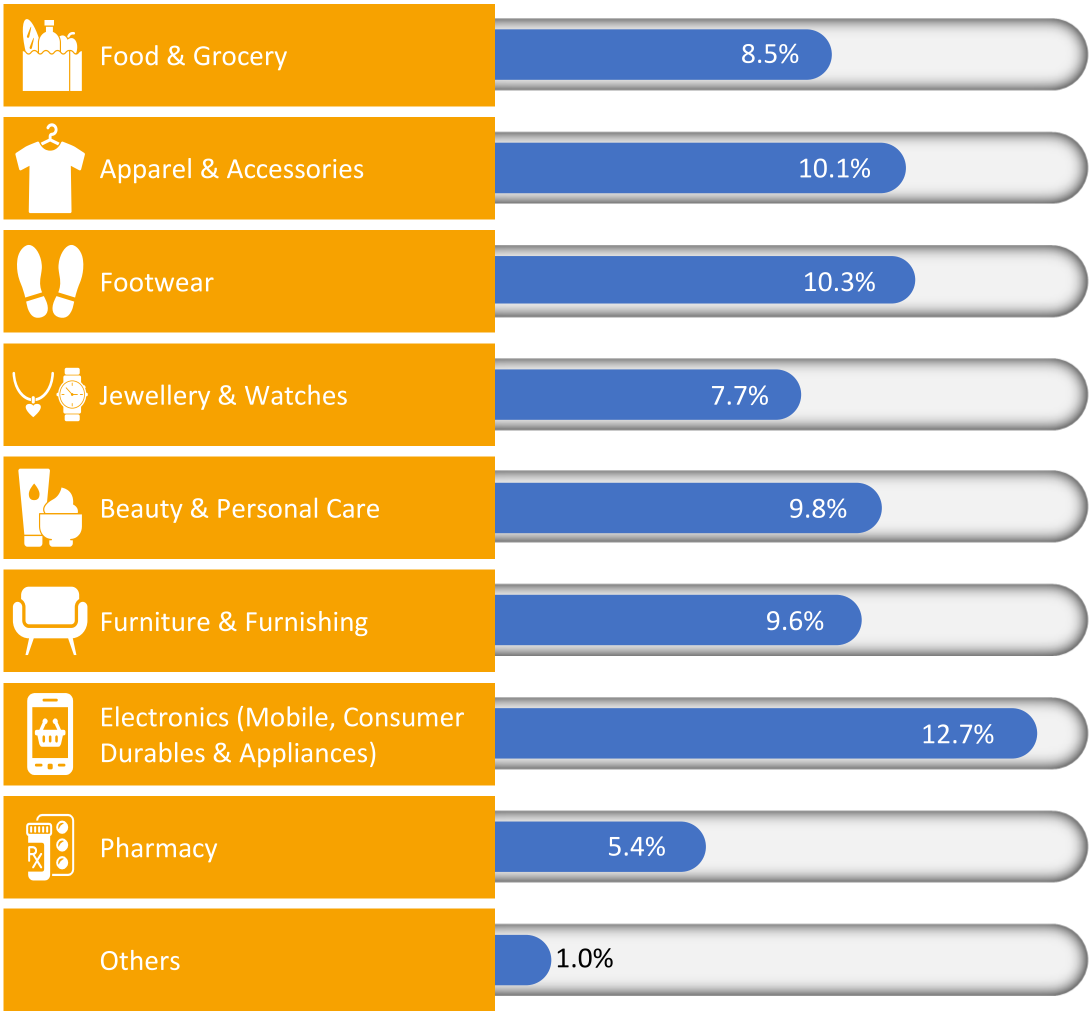
Exhibit 13: Market Contribution of various sectors in the Indian Retail Market



Source: Retailers association, Frost & Sullivan Analysis

Food and Grocery accounts for majority of the market share in the Indian retail industry. The segment contributed 63% in FY 2023E towards the overall Indian retail and is anticipated to retain its dominance. Food & Grocery sector is anticipated to register a CAGR of 8.5% during the forecast period FY 2023E-2027F. India's developing economy is the top contributor for the significant share of Food & Grocery in the retail industry.

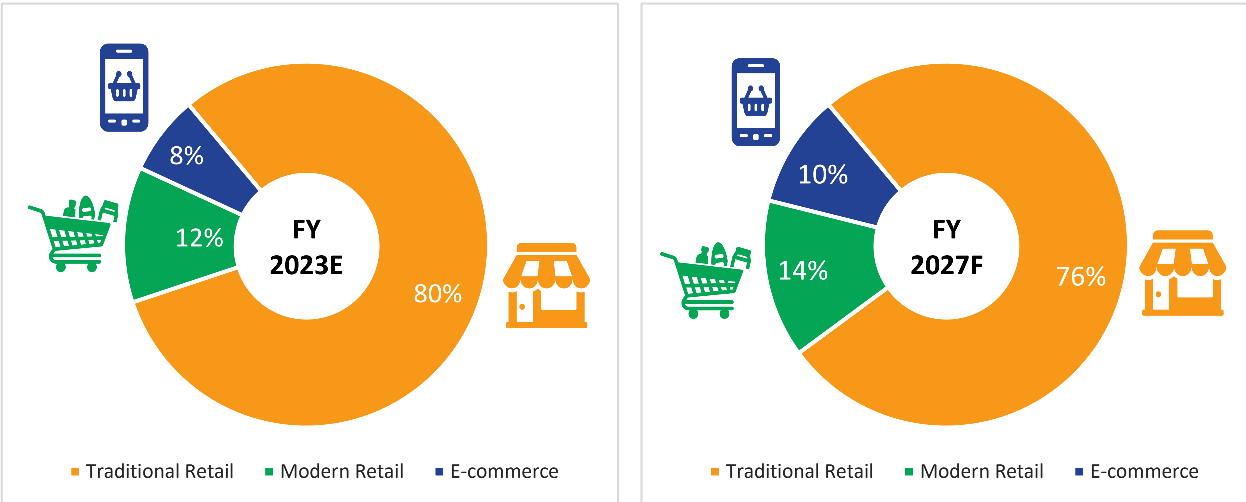
Exhibit 14: CAGR of major retail categories (FY 2023E- FY 2027F)



After an unprecedented decline in the sales of electronics and consumer durables including mobile phones during COVID-19 pandemic, in 2020, the segment is witnessing high growth and is anticipated to exhibit the highest CAGR of 12.7% during the forecast period followed by Footwear along with Apparel & Accessories to witness high CAGR of 10.3% and 10.1% respectively.

2.1.5 Market Contribution of Traditional, Modern and E-commerce channels towards Indian Retail Market

Exhibit 15: Contribution of Traditional, Modern and E-commerce sectors towards the retail market (FY 2023E versus FY 2027F)



Source: Frost & Sullivan Analysis

In 2023E, traditional retail contributed ~80% in the Indian retail sector, followed by organized retail market contributing ~12%, and online sales channels ~8%.

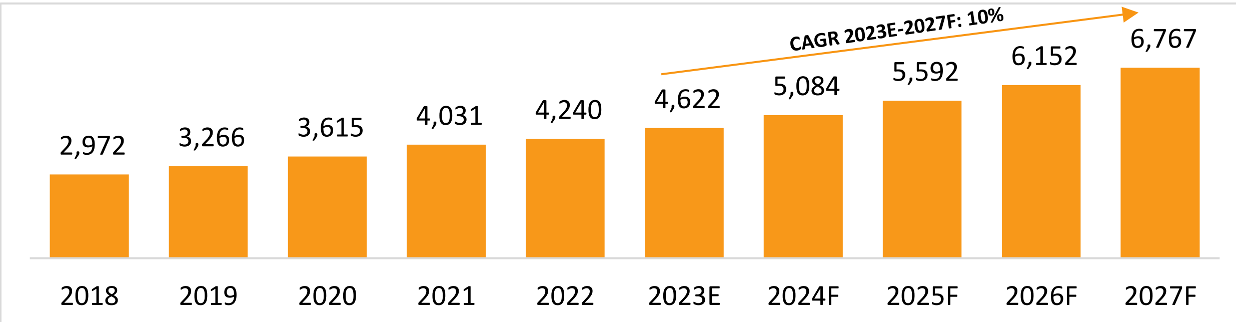
While traditional retail channel would still dominate (~76%) the Indian retail market by 2027F, sales via e-commerce would experience the highest CAGR of ~17% during 2023E-2027F accounting for an expanding share of 10% in 2027F as compared to ~8% in 2023E. During COVID-19 pandemic, sales via modern/organized and traditional retail segments witnessed a major downfall, whereas sales via e-commerce, sustained its growth momentum. The trend is anticipated to continue during the forecast period as well.

Additionally, with the shift in consumer's lifestyle and purchasing habits, the share of modern retail would increase. Consumers are witnessed to be preferring buying products from hypermarkets and supermarkets on a weekly or monthly basis, instead of shopping at traditional grocers, daily. Based on the stated trend, modern or organized retail is anticipated to witness a CAGR of 13% during 2023E-2027F and would account for a market share of 14% in 2027F.

2.2 Packaged food market

The Indian packaged food industry was valued at INR 2,972 billion in 2018 and stands at INR 4,622 billion in 2023E. The segment is evaluated to register a CAGR of 10% during 2023E to 2027F and would reach a market value of INR 6,767 billion by 2027F. Surging demands for high-value, pre-packed 'on-the-go' and 'ready-to-eat' products is supported by increasing disposable income, rising population of urban middle-class consumers, and increasing population of working women across the country.

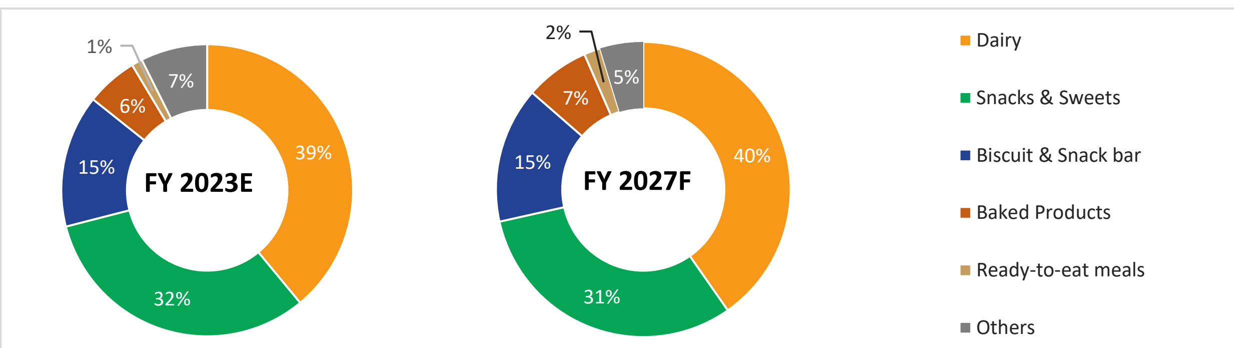
Exhibit 16: Packaged Food Market, India, INR Billion (FY 2018- FY 2027F)



Source: Retailers association, Frost & Sullivan Analysis

2.2.1 Packaged Food Industry in India: Segmentation based on Categories

Exhibit 17: Category wise packaged food retail market, India, FY 2023E versus FY 2027F



Source: Invest India, Frost & Sullivan Analysis

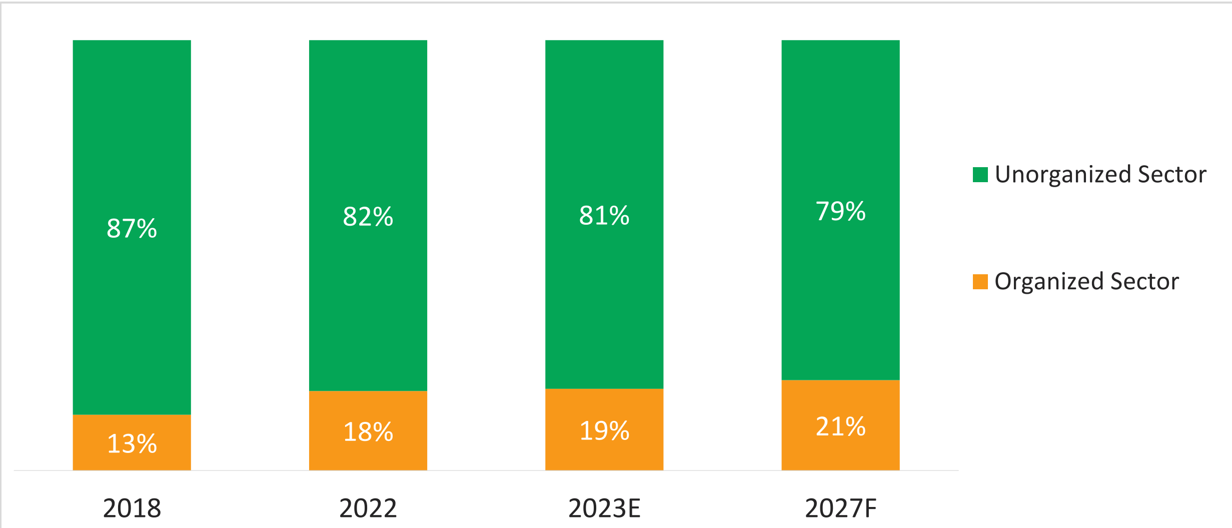
In FY 2023E, the packaged food industry was valued at INR 4.6 trillion. Dairy products along with snacks and sweets together contribute to ~71% of the overall packaged food segment followed by Biscuits and Snack bar holding ~15% of the overall market share.

Among the various categories of the packaged food products, ready-to-eat meals and baked products are evaluated to register the highest CAGR of ~15% and ~13% (2023E-2027F) respectively owning to the rising health concerns among the consumers. This also has positively influenced the demand for food products offering various health benefits. Rising sales of packaged food is attracting Indian entities towards this high revenue generating sector which in turn influences various new products and variants launches in the packaged food category during the forecast period.

Additionally, the snack industry holds substantial share in the Indian packaged food products market i.e., ~32% in 2023E. The sector is considered to have high untapped potential as Indian consumers have high inclination towards savoury snacks. Emphasis on healthy foods and increasing demand for convenience foods together pushes the snack segment towards holding overall higher market share in the packaged food industry.

2.2.2 Extent of Organization (Unorganized versus Organized) in Indian Packaged Food Industry

Exhibit 18: Contribution of Organized and Unorganized sector in the Indian Packaged Food Industry- FY 2018, FY 2022, FY 2023E and FY 2027F (%)



Source: India Brand Equity Foundation, Frost & Sullivan Analysis

The packaged food industry in India is estimated to reach INR 4,622 billion in FY 2023E and projects a growth potential of ~10% during FY 2023E- 2027F. The packaged food market is segmented into organized and unorganized sector.

The Indian packaged food industry is dominated by the unorganized players. The unorganized sector dominates the industry accounting for a market share of ~81% in FY 2023E. It is estimated that the unorganized sector would continue to occupy a significant market share of ~79% in FY 2027F and would project a CAGR of 9% during the forecast period 2023E-2027F.

However, the organized sector is projected to exhibit a higher CAGR of 13% during 2023E-2027F supported by major transition that took place during the COVID-19 pandemic which influenced the retailers in the country to adopt technology to support their businesses. The trend is anticipated to continue where organized sector is expected to account for a market share of 21% by 2027F in the Indian packaged food industry.

2.2.3 Per Capita Spend on Packaged Food and Growth exhibited in the Indian Market

Exhibit 19: Per capita spend of packaged food, India, INR, FY 2018- FY 2027F

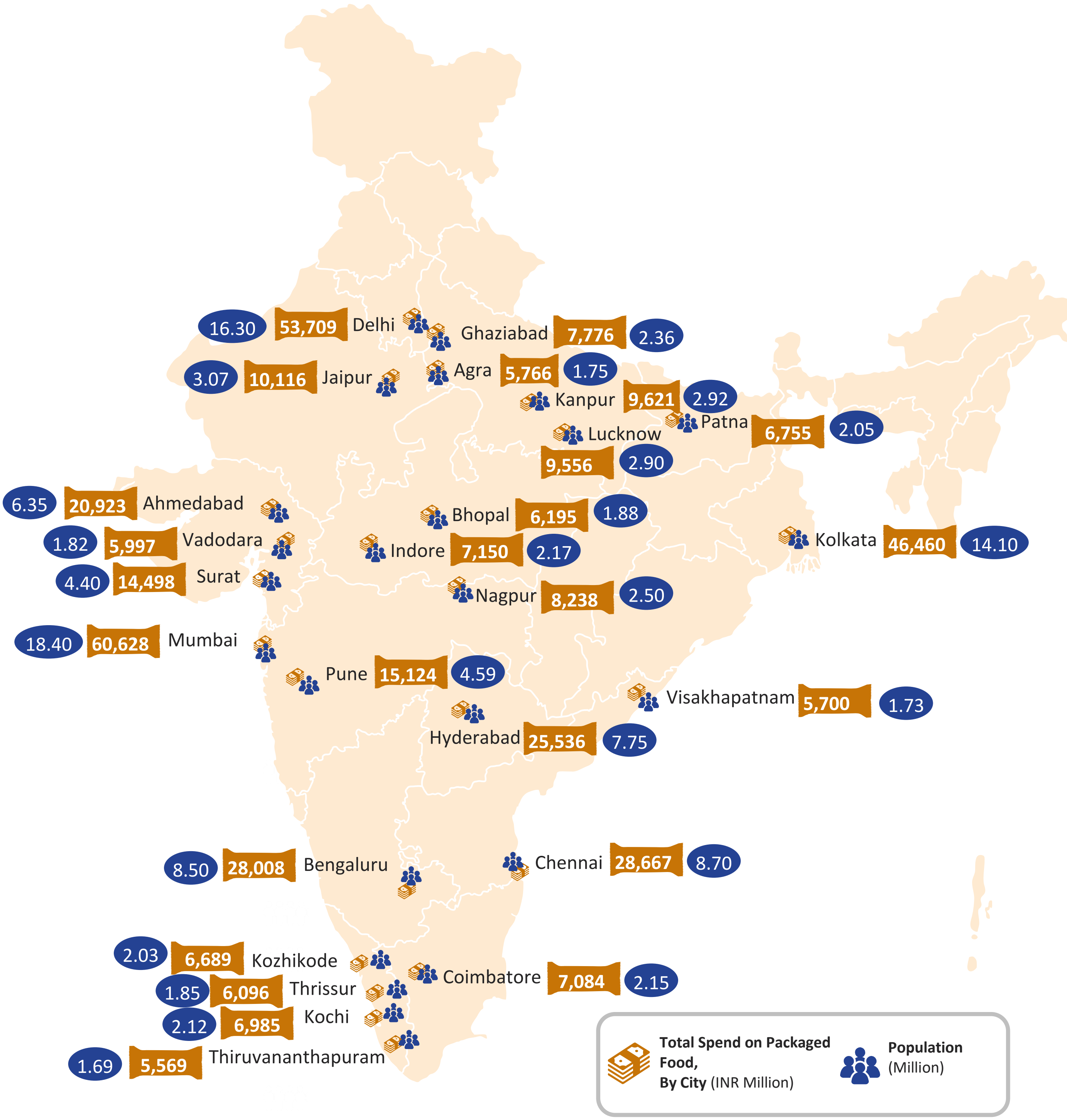
Source: Frost & Sullivan Analysis

Per capita spend of packaged food in 2018 was INR 2,095 and grew to INR 3,657 in 2023E. The per capita spend is anticipated to witness a CAGR of 11% during the forecast period of 2023E-2027F. Rising disposable income along with rising population of women at workforce is driving the demand for ready-to-eat, 'on-the-go' products in India. Additionally, rising demand for 'better-for-you' ingredients is anticipated to support the growth of healthier and premium products such as baked snacks in the Indian market.

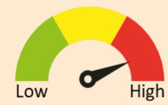
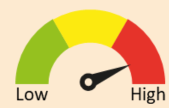
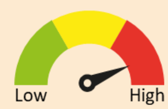
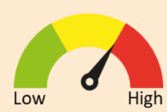
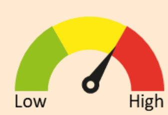
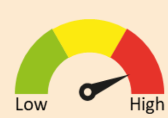
Ahmedabad (Gujarat) stands among the top 10 cities with the highest total spend on packaged food in 2023E. Farsan (ethnic snack) including fried savouries, gathiya and sweets are the major packaged snack purchased by the local consumers.

Exhibit 20: Contribution of the top 25 cities to packaged food revenue, 2023E

India's top 25 cities contribute to about 10% of revenue of packaged food industry. India's consumer spending on packaged food per capita is estimated to grow to INR 5,552 by 2027F. India's fast-growing economy is a major influencer of the growth of the packaged food sector in the country.



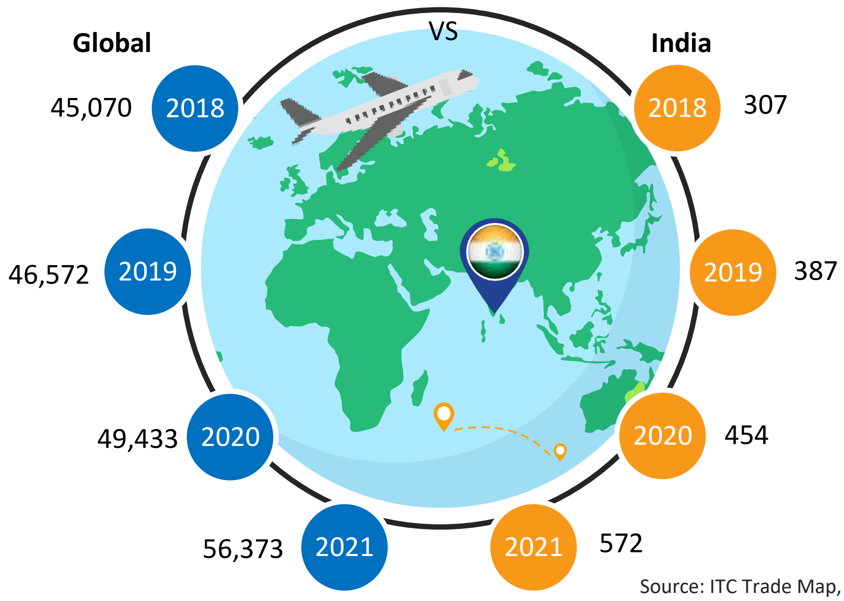
2.2.4 Key Trends and Drivers - Indian Packaged Food Industry

Trend	Description	Impact on Packaged Food Industry
Nuclearization & Urbanization	Rapid urbanization in India will positively impact the Indian Packaged Food industry with major impact on the snack sector. The urban population contributes to ~80% share in Indian snacks market. Additionally, the decline in average household size and rise in disposable income would propel the demand for processed food supporting the packaged food industry.	
Improved Product Packaging	Consumers these days look for packaging that provides convenience. With the rising demand for packaged food in India, the government has implemented stringent regulations through FSSAI to ensure hygienic packaging and production processes. FSSAI's compliances for freshness, label claims, packaging along with support through SAMPADA and Make in India schemes is encouraging the quality in product packaging. Additionally, entities are focusing on manufacturing innovative and appealing packaged food products which helps in attracting the customers towards the product offerings.	
Shift in Consumption Pattern	Shift in consumption pattern and adoption of ready-to-eat culture is facilitating the demands for packaged food in India. Consumer's fast-paced lifestyle, changing demographics, hectic workhours is changing the consumption pattern in India. The busy lifestyle has been supporting the 'on-the-go' food consumption trend. Convenience or 'ready-to-eat' snacking trend is hence gaining momentum in the country.	
Economic Growth	The food industry in India is projected to experience a growth of over 10% and contributes to ~10-11% of manufacturing GDP. India is one of the fastest growing economies. Increase in annual earnings of households has been leading to an increase in discretionary spendings majorly on Food & Beverage sector. The consumption pattern is seen to be moving towards higher spend on high quality products in the packaged food and ready-to-eat categories.	
E-Retailing and Rising Smartphone Penetration	Purchasing patterns experiences shift across India. Pre-pandemic, online food and beverage purchases accounted for only 3% of online sales. However, the trend shifted during the pandemic where the lockdown urged social distancing which drove high sales through online platforms. Additionally, the penetration of internet and rising population of smartphone users in the country propelled online sales from ecommerce grocery stores such as Blinkit, Big Basket, Amazon Fresh, and Dunzo among others. Optimization of logistic costs and labor is driving the growth of e-Grocers.	
Convenient Format	52% of the population in India is of Generation-Z (8-23 years). High population of young consumers in the country exhibit higher inclination towards food products which are available in convenient packaged formats. The change in consumers preferences and shift in consumption pattern is driving the packaged food consumption in India.	

2.2.5 Global Packaged Food Export Market – India's share in world's exports, Countries to which India exports packaged foods

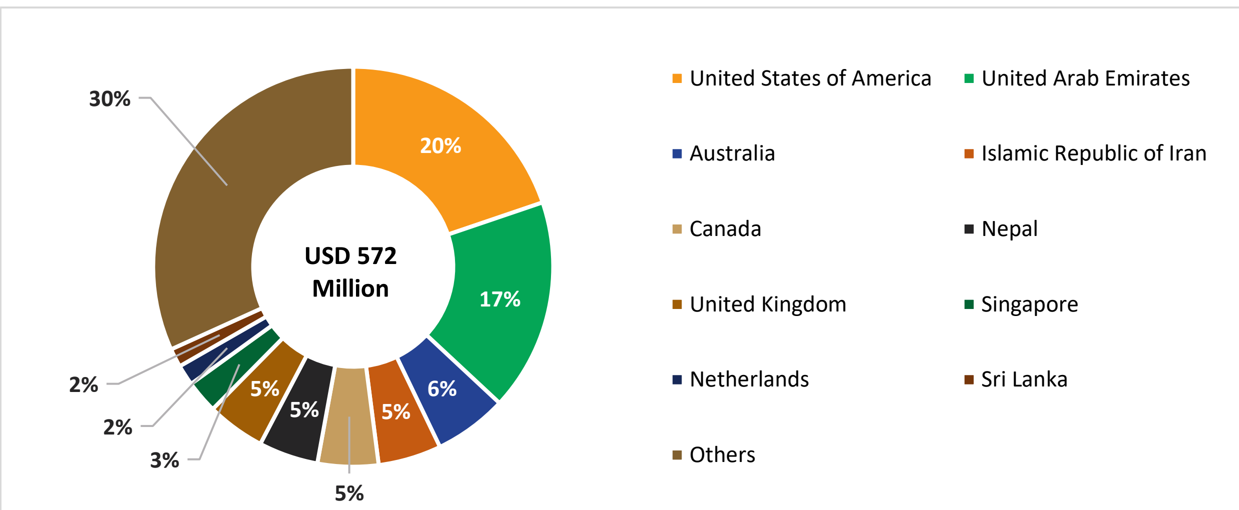
Packaged food exports contribute largely to the GDP of India. Majority of packaged food products exported from India include agricultural commodities such as pulses, vegetables, cereal preparations etc. However, exports of baked products including snacks holds significant potential and India contributes significantly to the sector at a global level.

Exhibit 22 - Export value of Food Preparation including packaged food products such as Snacks, USD Million, FY 2018-FY 2021



Source: ITC Trade Map, Frost & Sullivan Analysis

Exhibit 23 - Top 10 Importers of Food Preparation including packaged food products such as Snacks from India, FY 2021



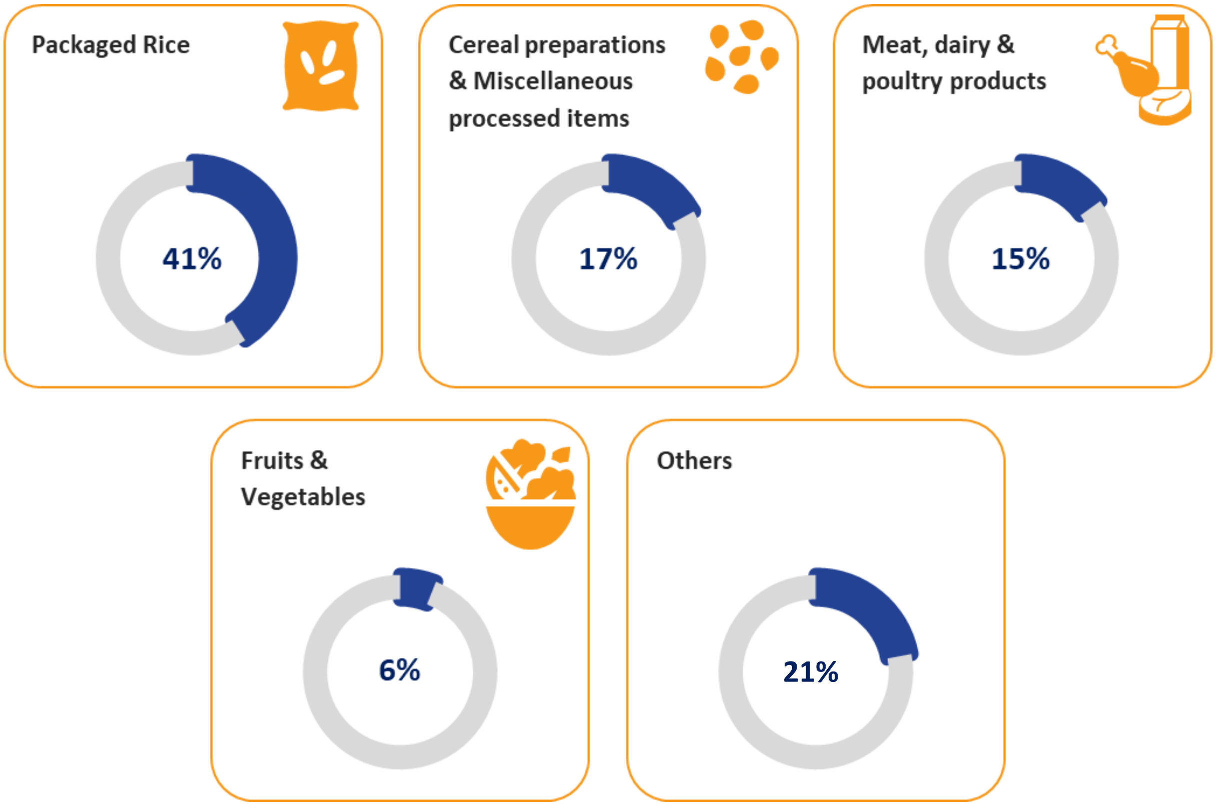
Source: ITC Trade Map, Frost & Sullivan Analysis

In 2021, the exports of food preparation including packaged food from India was worth USD 572 million which witnessed a year-on-year growth of 26% in comparison to FY2020, the pandemic period. The USA is the largest (20%) importer of prepared and packaged food products from India followed by UAE (17%) and Australia (6%). Other major importing countries include Islamic Republic of Iran and Canada among others.

2.2.6 Opportunities for India's export segment

- According to the data published by Directorate General of Commercial Intelligence and Statistics (DGCI&S), the exports of agricultural and processed food products is evaluated to have increased by ~13% in 9m FY 2023 in comparison with the corresponding period of FY 2021-22.
- The export of Ready-to-Eat (RTE) category including Ready to Cook (RTC), and Ready to Serve (RTS) segments is anticipated to register a CAGR of ~11% during the forecasted year of 2023E to 2027F. USA is a major importer (~20% in FY 2021) of Indian packaged food products including RTE snacks among others.
- Agricultural and Processed Food Products Export Development Authority (APEDA) is taking several initiatives to increase the exports of agricultural and processed food products from India and has been engaged in organizing B2B exhibitions in various countries in order to explore new potential markets through product-specific and general marketing campaigns. These initiatives involve active involvement of Indian Embassies.
- In 2022, the central government announced PLI scheme for the food processing industry worth INR 10,980 crore. The goal is to increase India's overall food processing capacity and improving the capacity further to meet the demand for food products on a global scale.
- The evolving demand for processed foods including packaged baked goods, snacks and ready-to-eat products must be considered as a potential opportunity for Indian players in the domestic and international market. The packaged food sector is being pushed to become a significant part of India's GDP and economic development based on the rising demand for processed food products backed by supportive government policies and initiatives.
- Indian processed food industry including packaged food is among the major contributors towards the economic growth contributing to more than 30% of the overall exports of the country.
- Exports of packaged and processed food products have been rising on a year-on-year basis which could be seen as an advantage for the Indian exporters. Additionally, the overall growth in the processed food sector of India would support an accelerated growth of small and medium sized businesses leading to economic development and employment generation.

Exhibit 24 - Category wise share of packaged food export from India, April-December 2022

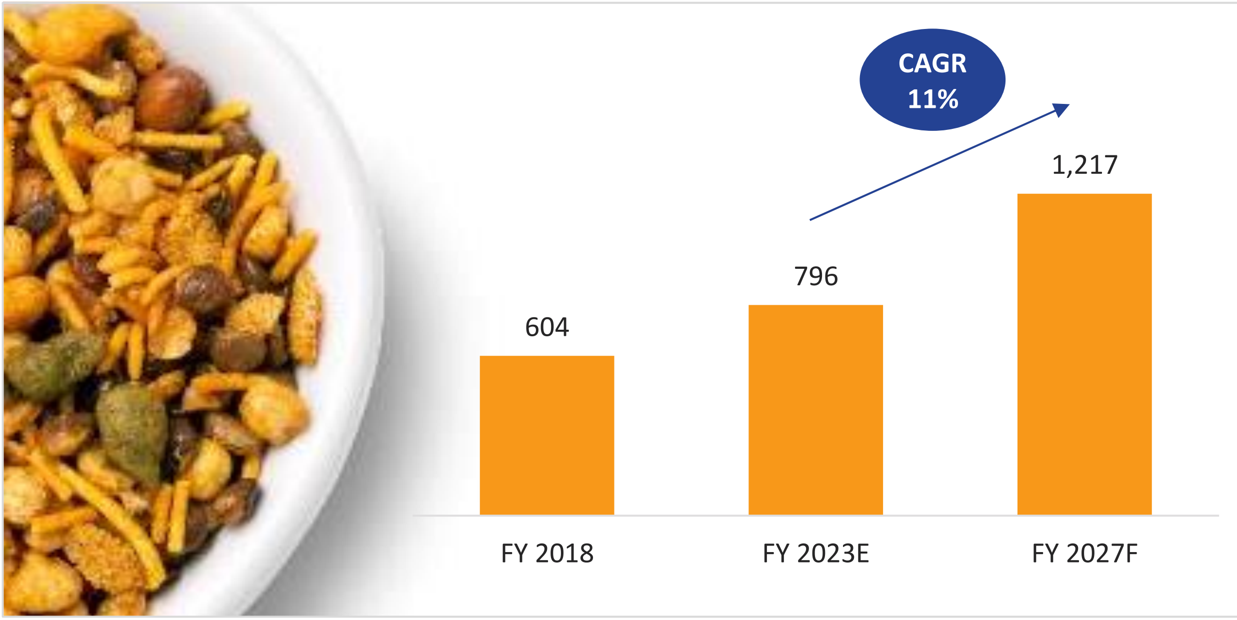


Source: DGCIS Principal commodities data April-December, 2022

3 OVERVIEW OF INDIAN SAVOURY SNACK MARKET

3.1 Indian Savoury Snack Market

Exhibit 25: Indian Savory Snack Market, FY 2018, FY 2023E & 2027F, INR Billion



Source: Frost & Sullivan Analysis

The Indian market for savoury snacks is estimated to be worth INR 796 billion in FY2023E and is projected to grow at a CAGR of 11% reaching INR 1,217 billion by 2027F.

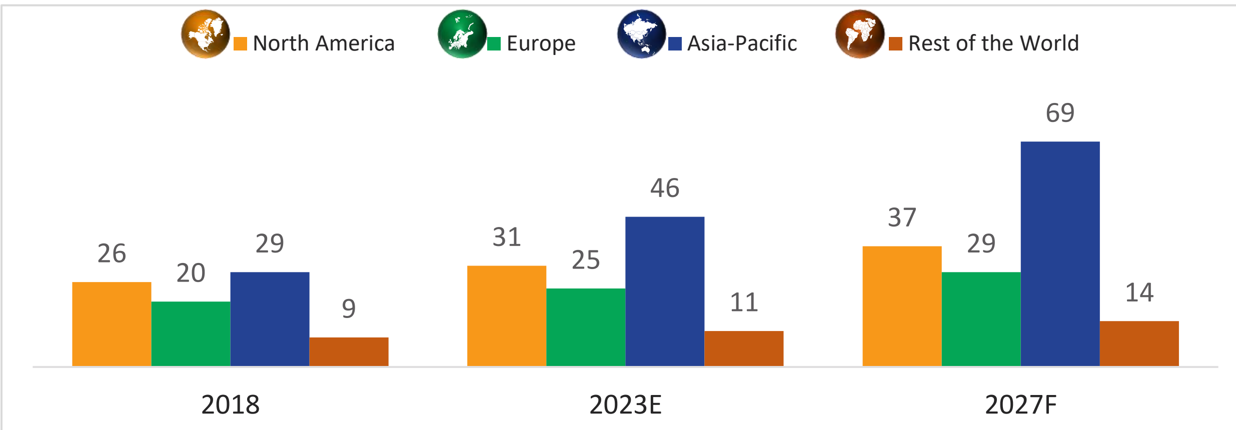
The major segments constituting Indian **Savoury Snack** include **Western Snacks** and **Ethnic Savouries** or **Traditional Snacks**. Western snacks dominate the Indian savoury snack market and is valued at INR 409 billion holding a market share of 51%. The western snack industry comprises of chips, extruded snacks, snack pellets and other western snacks varieties including bridges and nachos among others. On the contrary, the market valuation for ethnic savouries (including gathiya) is estimated at INR 388 billion, where it contributes 49% to the overall Indian savoury snacks market. The popular types of traditional snack marketed in India include namkeen, bhujiya sev, snack mixtures, gathiya along with other ethnic savoury snack varieties such as mathari, chakali, dry samosa, kachori among others.

3.2 Global Savoury Snack Market

Global sales of savoury snacks are valued at USD 113 billion in 2023E, with Asia Pacific leading the market and is valued at USD 46 billion. Together, the markets in North America and Europe make up about 49% of the global industry. By 2027F, it is anticipated that the market for savoury snacks will be worth USD 149 billion.

The market for savoury snacks is anticipated to grow at a substantially higher CAGR of ~10% in Asia Pacific region by 2027F. In 2027F, the region is expected to be worth USD 69 billion. The Indian market is expected to expand at a CAGR of 11% through 2027F, making it the second-largest contributor after China.

Exhibit 26: Global Savoury Snacks Market – Market Value by Region, USD Billion



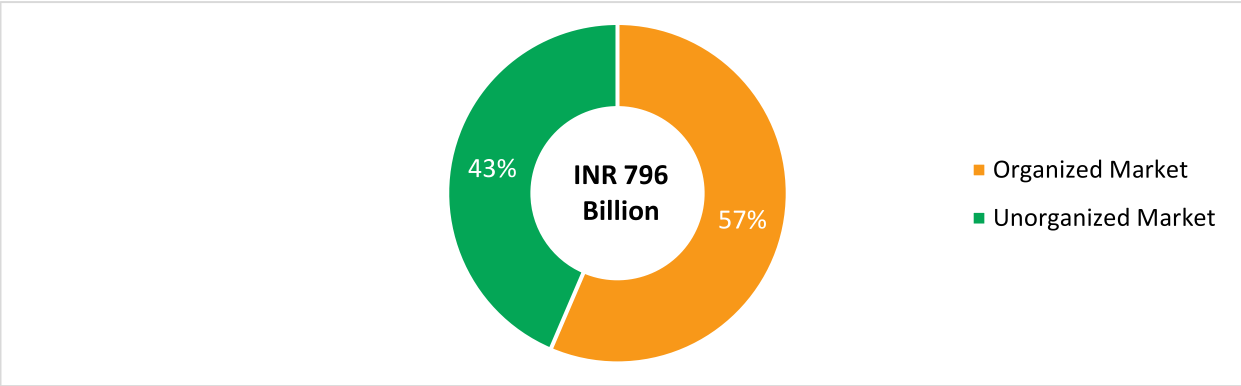
Source: Statista, Frost & Sullivan Analysis

The shifts in post-pandemic consumption patterns are one of the key trends fuelling growth in the worldwide market for savoury snacks. Snack sales increased as a result of a shift in customer preferences towards ready-to-eat and ready-to-cook products during the COVID-19 pandemic. The market for wholesome snacks was also favourably impacted by the trend, with sales increasing regionally.

The diversity of products provided in both ethnic and western snack options, as well as the abundance of flavours offered in the product portfolio, have similarly shaped the Indian snack business. The demand for low-calorie and low-sugar snacks has increased both internationally and in India. The COVID-19 lockdown increased consumer demand for packaged snacks with health advantages. Innovations in snack flavours and variety of offerings is seen as a potential opportunity for players in the snack industry to attract the consumers and generate higher revenues.

3.3 Organized Market for Savoury Snacks in India

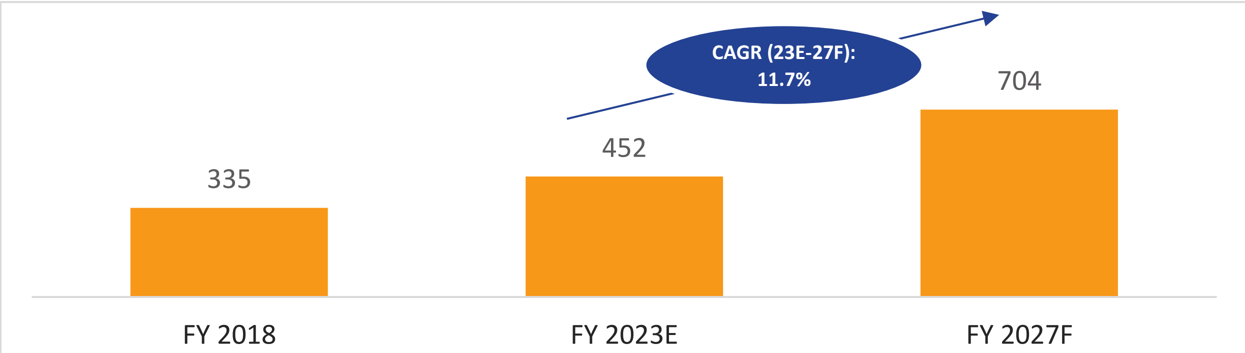
Exhibit 27: India Snacks Market – Market Share by Type, FY 2023E



The Indian savoury snacks market worth INR 796 billion was traditionally dominated by the unorganized players that used to cater to the region-specific demands of the local consumers. In the snacks industry, snacks sold in local kirana shops and convenience stores continue to compete with well-known Indian brands even today. However, it is noteworthy that, despite catering to regional needs, traditional shops primarily offer mostly ethnic or traditional snacks which pushed the organized players into gaining higher market share than the unorganized players in the current scenario.

In FY 2023E, the organized market for savoury snacks dominated the Indian market accounting for a market share of ~57% with a valuation of INR 452 billion. The growth of organized sector in India is highly supported by the economic growth that has increased the sales via modern retail including supermarket and hypermarkets. The major contribution comes from leading established players in snack industry such as PepsiCo, which owns Lays and Kurkure, Haldiram's, ITC's Bingo chips and Balaji Wafers among others. These entities are frequently differentiated based on their broad product portfolio covering several product categories, aggressive marketing, and promotions, along with ongoing R&D activities.

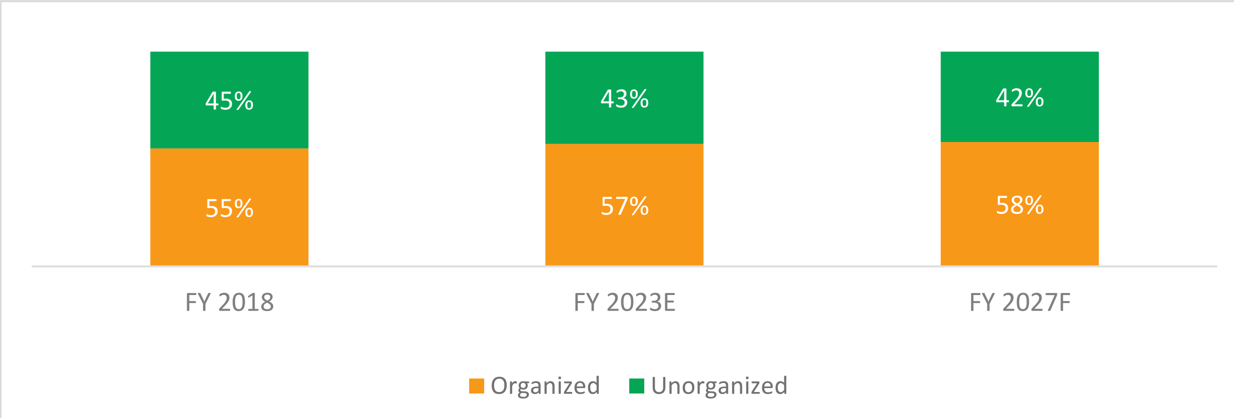
Exhibit 28: Growth trajectory of Organized Indian Savoury Snacks market, INR Billion



During the past few years, the organized segment has been consolidating its position in the market for savoury snacks through the introduction of new products and product innovations that primarily target urban as well as rural consumers. The organized sector contributed to INR 335 billion in FY 2018 and reached a market value of INR 452 billion in FY 2023E. Organized sector is anticipated to further register a CAGR of 11.7% during 2023E-2027F. One of the major contributors to the growth of the organized sector is the significant advertisements and promotions through celebrity endorsements along with push from the ecommerce channels. Additionally, rise in demand for packaged food products due to hygiene concerns among consumers has been supporting the growth of organized sector majorly post COVID-19 pandemic.

3.4 Estimation of Trends of Growth- Organized Versus Unorganized Indian Savoury Snacks Market

Exhibit 29: Market Share Growth Trend for Organized Versus Unorganized Sector of Indian Savoury Snacks



Source: Frost & Sullivan Analysis

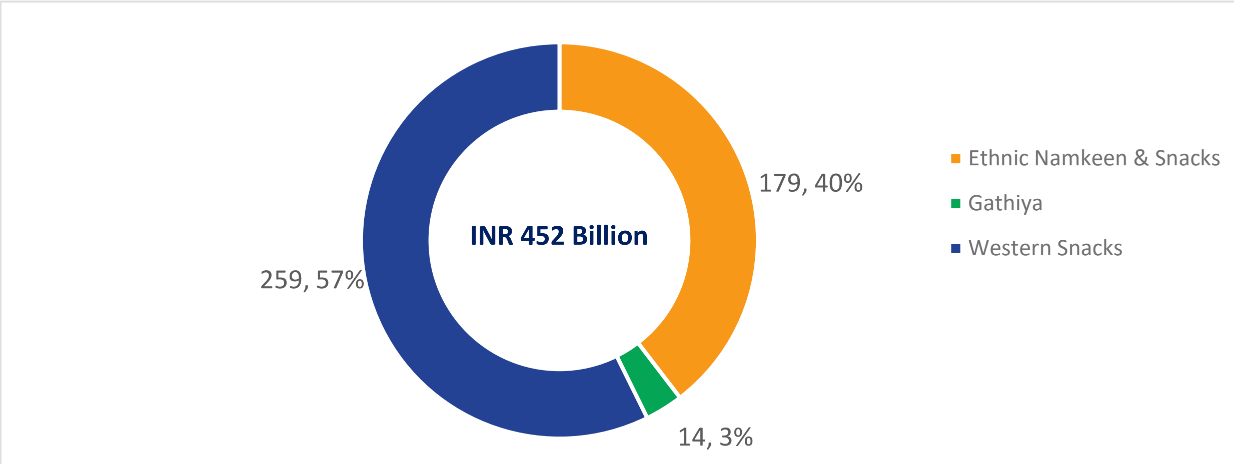
In the Indian snack industry, the organized market holds a market share of ~57% in FY 2023E and is forecasted to dominate the Indian market accounting for a market share of ~58% by 2027F. The segment is anticipated to register the highest CAGR of 11.7% during FY 2023E-2027F and is supported by the increasing urbanization, rising health awareness, and shifting lifestyles. The surge in organized retailing of Indian savoury snacks have resulted in increasing the demand for imported products as well. Moreover, the relaxed import guidelines and regulations along with decreased import obligations have additionally expanded the interest for imported snack items into the country.

However, despite the fact that organized players maintain a firm presence throughout India and most of the market share in certain regional pockets, 43% of the packaged savoury snack market is still unorganized in FY 2023E. The food, culture, and traditions of India vary and hence India's snack preferences vary by region as well. The unorganized sector caters to the local and regional demands. For instance, in states like Gujarat and Maharashtra, traditional snack like Fafda, Khakhra, Dhokla, Shankarpali and Bhelpuri are more prominent and popular. In the central and northern India, Bhujia Sev is consumed more as snack option. While, in southern India snacks prepared with fruits such as banana chips are highly popular.

The market share, however, is anticipated to decrease to ~42% by FY 2027F due to significant expansion in the organized sector.

3.5 Segmentation of Organized Indian Savoury Snack Market, by Type

Exhibit 30: Organized Indian Savoury Snacks market- Market size by Type, FY 2023E

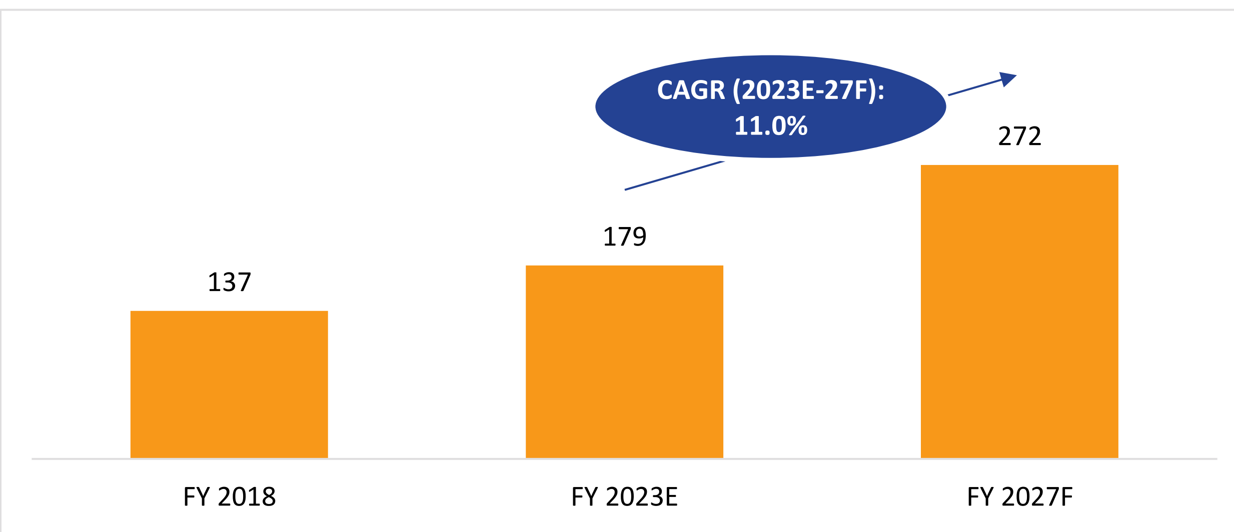


Source: Frost & Sullivan Analysis

In FY 2023E, western snacks dominated the organized market and holds a major market share of 57% in the Indian savoury snacks segment. On the other hand, ethnic namkeen and snacks together contributed to ~40% of the organized savoury market.

With rapid urbanization and rising population of consumers migrating to different regions, the demand for regional snacks is increasing in pan-India. This has led to domestic expansion of many regional players like Gopal Snacks, Real Namkeen, Chitale, Kaka Halwai etc. in the respective states. Additionally, the perception of better quality through packaged snack, higher shelf-life offered have shifted the consumer's preference from the unorganised to the organised sector offerings leading to strengthening the presence of organized players.

Exhibit 31: Organized Indian Ethnic Namkeen & Snacks Market- Market growth, INR Billion



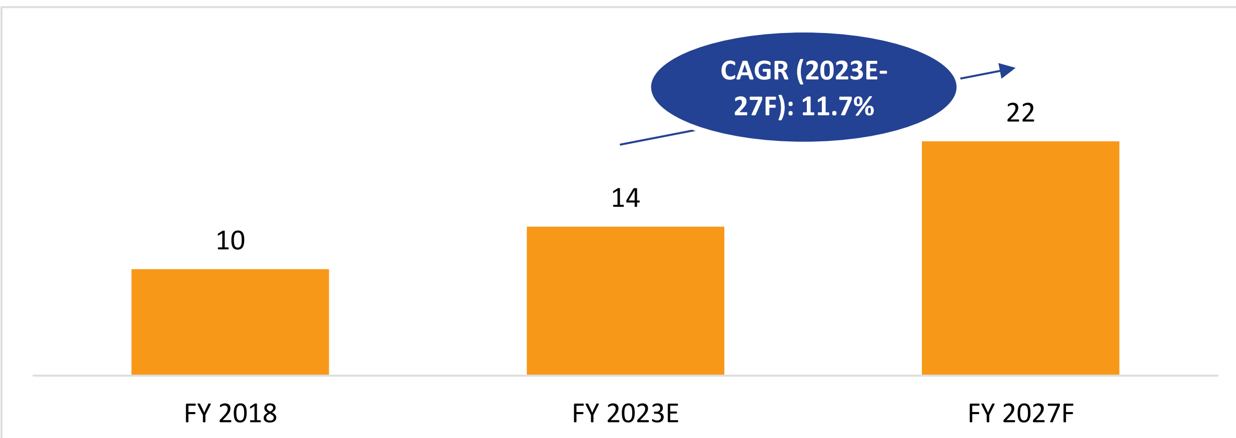
Source: Frost & Sullivan Analysis

In FY 2023E, the organized Indian ethnic namkeen and snacks market is valued at INR 179 Billion. Increased hygiene issues among the consumers post COVID-19 pandemic have supported the growth of branded and packaged namkeen in the last few years.

In addition, it is anticipated that sales of ethnic namkeen and snacks will continue to dominate the organized sector and grow at a CAGR of 11% between the years FY 2023E and 2027F. The rise in packaged namkeen and snack consumption among Indian consumers is illustrated by major players entering the market with extensive product offerings.

It is noteworthy that the sales of snacks in India is surging and experiencing healthy growth. Amidst the same, Ethnic namkeen and snacks is seen as a lucrative sector based on the growth and higher margins offered to the manufacturer. Overall, the industry is moving in the direction of a more organized presence; where few established Indian players such as PepsiCo and Haldiram have started to incorporate locally or regionally consumed products into their offerings and are even marketing the products internationally.

Exhibit 32: Organized Gathiya Market- Market growth-FY 2018, FY 2023E and FY 2027F, INR Billion

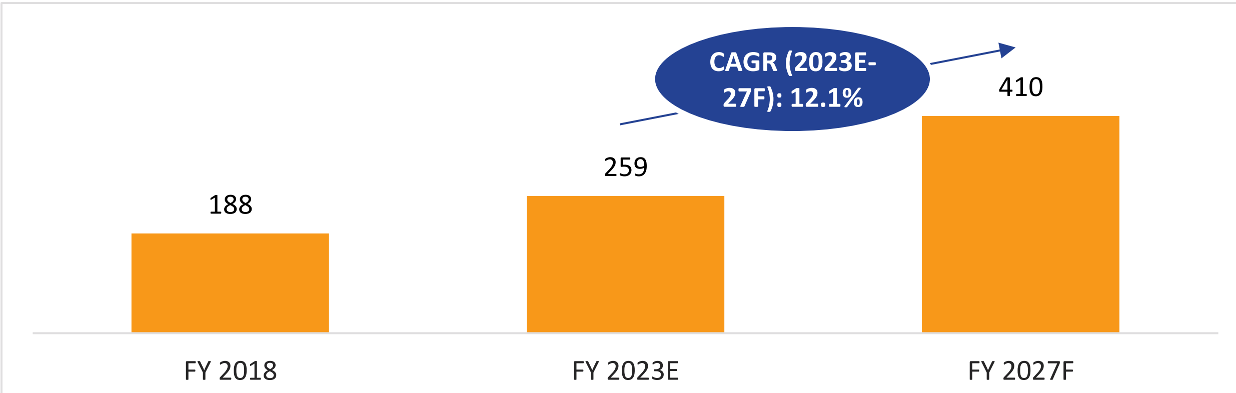


Source: Frost & Sullivan Analysis

Gathiya is a speciality traditional savoury snack majorly consumed across Gujarat. It is a fried crispy snack prepared with chickpea flour (besan). Gathiya could be prepared in various flavours and forms with the blend of spices. Gathiya as a snack holds prominence in the state of Gujarat and is gradually gaining popularity in other major states including Uttar Pradesh, Madhya Pradesh, Maharashtra and Rajasthan. However, the segment is niche and holds high growth opportunities. Some of the major varieties of Gathiya include Bhavnagari Gathiya, Papadi Gathiya, and Nylon Gathiya among others. Gathiya market has been dominated by unorganized sector majorly because it's a region-specific snack. However, organized players such as Gopal Snacks Limited have established their brand as a major Gathiya producer and is working towards establishing and scaling their product offerings at a national level.

In FY 2023E, the organized market for Gathiya stood at INR 14 billion accounting for 3% of the total organized Indian savoury snack market and it is forecasted to be growing at a CAGR of 11.7% during FY 2023E-2027F.

Exhibit 33: Organized Western Snack Market in India- Market growth-FY 2018, FY 2023E, and FY 2027F, INR Billion



Source: Frost & Sullivan Analysis

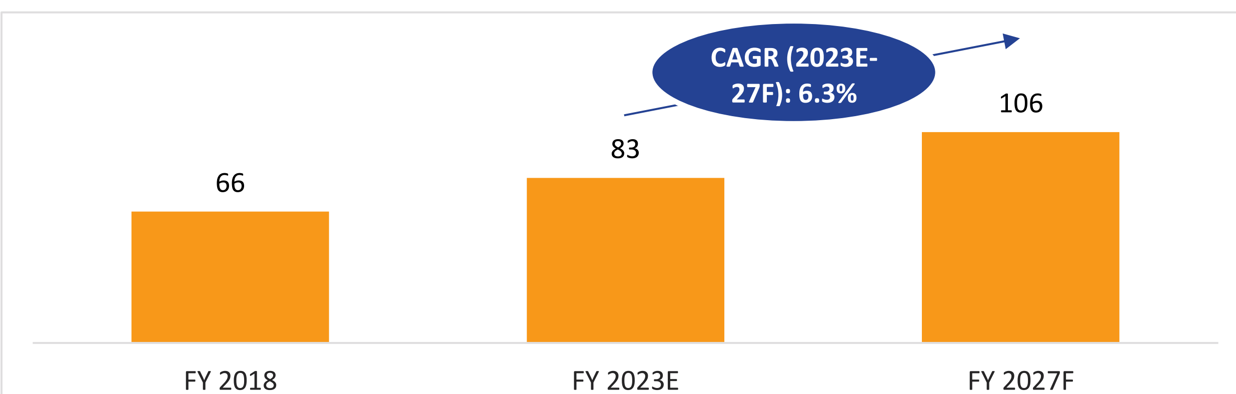
In FY 2023E, the organized western snacks market in India is valued at with INR 259 billion and is projected to register a CAGR of 12.1% till FY 2027F. Chips contributes towards the largest market share of ~53% followed by extruded snacks and puffs (~22%) in FY 2023E. Key entities in the western snack industry include established players such as ITC and PepsiCo, Balaji Wafers and Prataap snacks among others. The wide range of product offerings, flavours and single serving SKUs offered by the entities attract the consumers towards their product lines.

It is often witnessed that a lot of unorganized players are also established in the western snack market in India. However, these players are restricted to a single locality.

Gopal Snacks Limited has a potential opportunity in the western snack sector where its market share is low. Chips/wafers dominates the western snack category with an estimated market size of INR 30-35 Billion in Gujarat (inclusive of organized and unorganized sector).

3.6 The Indian Papad Market

Exhibit 34: Papad Market in India- Market growth-FY 2018, FY 2023E and FY 2027F, INR Billion

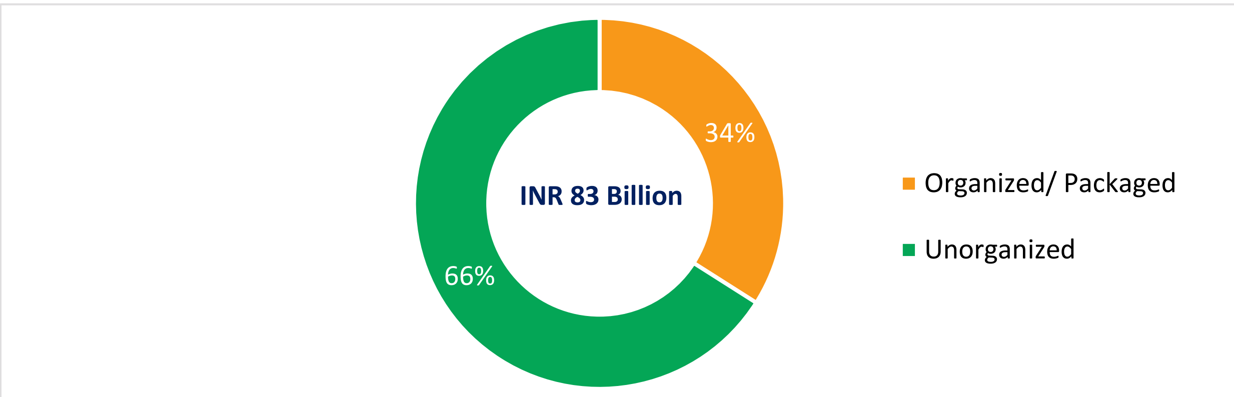


Source: Frost & Sullivan Analysis

In FY 2023E, the Indian papad market is valued at INR 83 billion and is projected to reach INR 106 billion by 2027F with a CAGR of 6.3%.

Papad is a prepared food or ready-to-cook product that can be roasted or fried and consumed as a snack or with meals. Papad is made from cereal flour, rice flour, pulse flours, potato, sabudana, among various other ingredients and are either handmade or manufactured using machines. The Indian markets have the widest selection of papad products, including the major ones such as urad papad, garlic papad, Bikaner papad, and kali mirch papad, among others. Papad are also manufactured in various sizes such as mini papad, small papad and big-sized papad. In the packaged snack industry, papad-making business in India is regarded as a very lucrative and profitable opportunity.

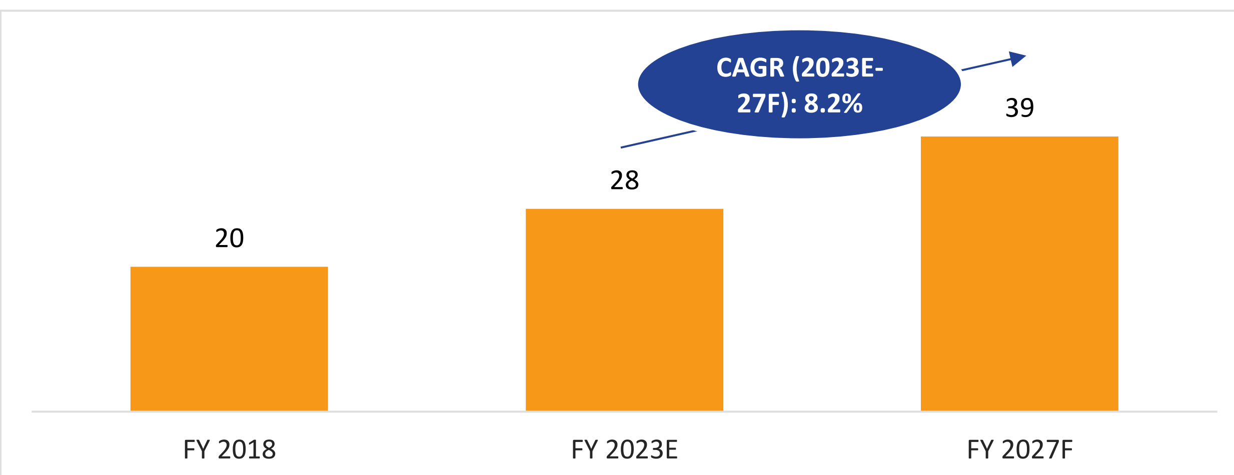
Exhibit 35: Papad Market in India- Organized Versus Unorganized Market Share, FY 2023E, INR Billion



Source: Frost & Sullivan Analysis

In FY 2023E, the organized market for papad in India is valued at INR 28 billion and is growing at CAGR of 8.2%. The Indian papad industry is dominated by the unorganized sector, some of which are women's self-help organizations that provide women in all regions of India with a means of generating income. The unorganized papad sector in India would hold a massive share of 66% in FY 2023E and is valued at INR ~55 billion.

Exhibit 36: Organized Papad Market in India, Market growth-FY 2018, FY 2023E and FY 2027F, INR Billion

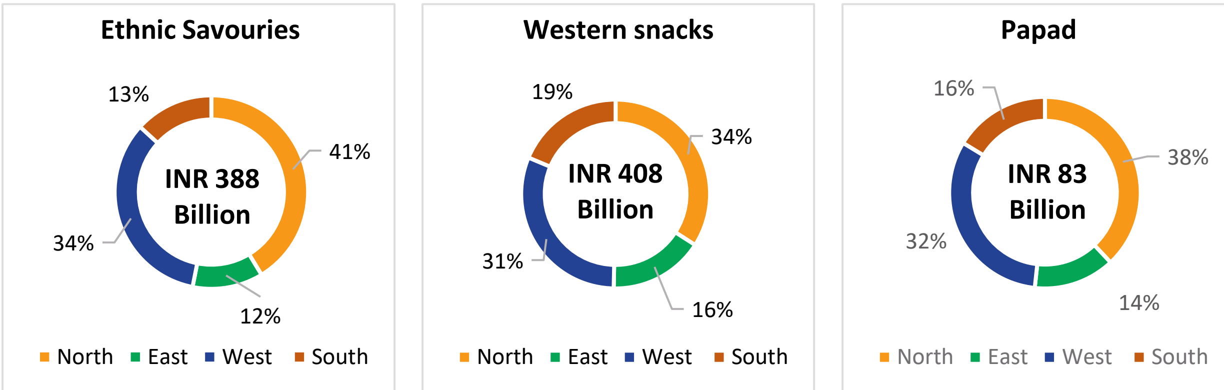


Source: Frost & Sullivan Analysis

The organized papad sector is projected to experience a high CAGR growth of 8.2% during FY 2023E- FY 2027F. The growth of organized papad sector is supported by incorporation of machines in the manufacturing units which increases the overall production of machine-made papad along with various entities offering employments to increase the production of their hand-made papad category. Rising domestic as well as international demands has influenced the growth of organized papad sector.

3.7 Split of the industry by Region, FY 2023E

Exhibit 37: India Savoury Snacks and Papad Market – Split by Region, FY 2023E



Source: Frost & Sullivan Analysis

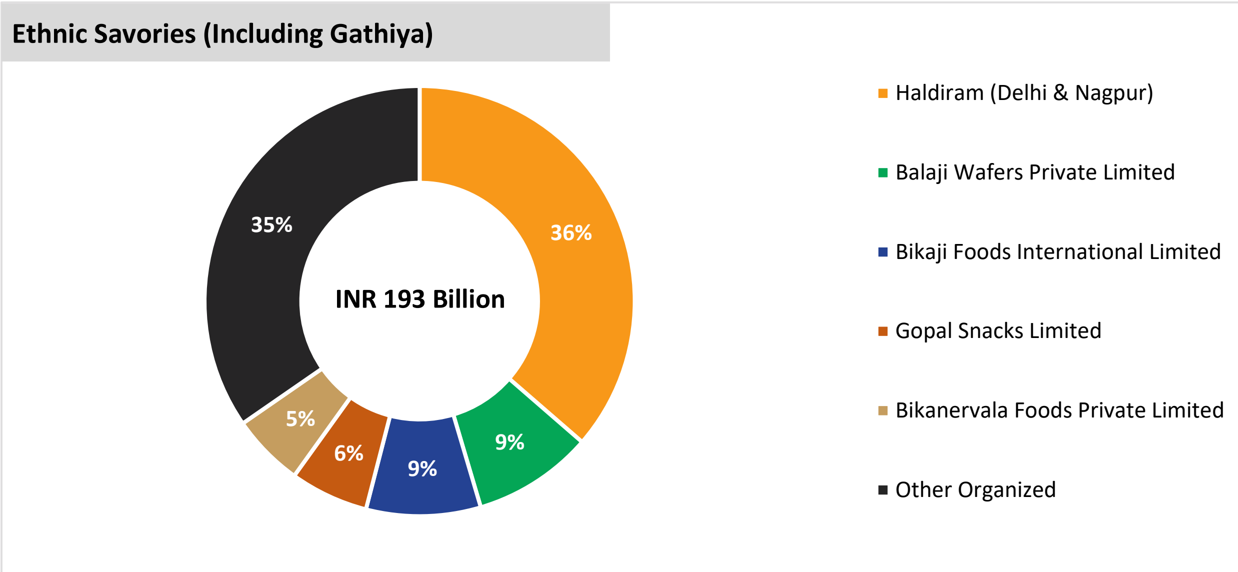
Northern region accounts for 41% i.e., INR 159 billion in Indian ethnic savouries market. Demand in the northern region is fuelled by rise in demand for snacks from various states in the region. Demand has been back to pre- Covid levels and organized players have been targeting customers with multiple product SKU's and variants. The northern region has been home to popular brands such as Haldiram's, Bikaji and Bikanervala. When it comes to western snacks, northern states account for ~34% i.e., INR 139 billion. Prataap Snacks is prominent in the region with their "Yellow Diamond" brand and are planning to achieve major growth in UP, Punjab, and Delhi. Papad market accounted for INR 31 billion in northern region.

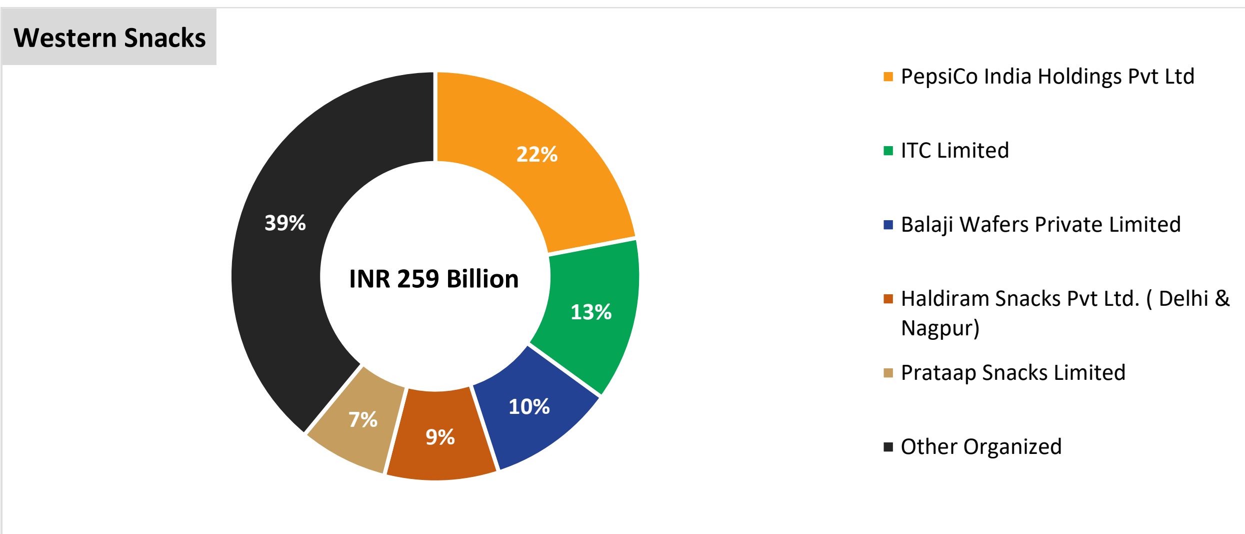
Western region is the fastest growing zone for consumption of savouries and papad. The region accounts for 34% i.e. INR 134 billion in the Indian ethnic savouries market. It is home to brands such as Gopal Snacks, Prataap Snacks, Chheda Specialties, Chitale Bandhu, Haldiram Foods International (Nagpur) and so on. Namkeen, Gathiya and Papad has been staple food to this region. Consumption is further bound to increase with companies launching healthier versions of savouries snacks. Papad market accounts for ~32% in western region. Lijjat Papad- the largest papad making women's worker cooperative is headquartered in Mumbai, Maharashtra.

Companies have started venturing into eastern and southern states with customized local variants of ethnic savouries and western snacks. Ethnic savouries and western snack together accounted for ~INR 112 billion and INR 128 billion for East and South region respectively. These regions tend to have higher western snacks consumption owing to pricing, flavours, consistent availability, and convenience of buying. Eastern and Southern states of India are dominated by local/regional players like Bisk Farm and Adyar Ananda Bhavan among other small-medium enterprises. Papad market in East and South region is ~14% and 16% respectively.

3.8 Estimated Market share captured by Key Players in Pan India

Exhibit 38: Key Players in Organized Sector of Indian Ethnic Savories and Western Snacks- Market Share





Source: Frost & Sullivan Analysis

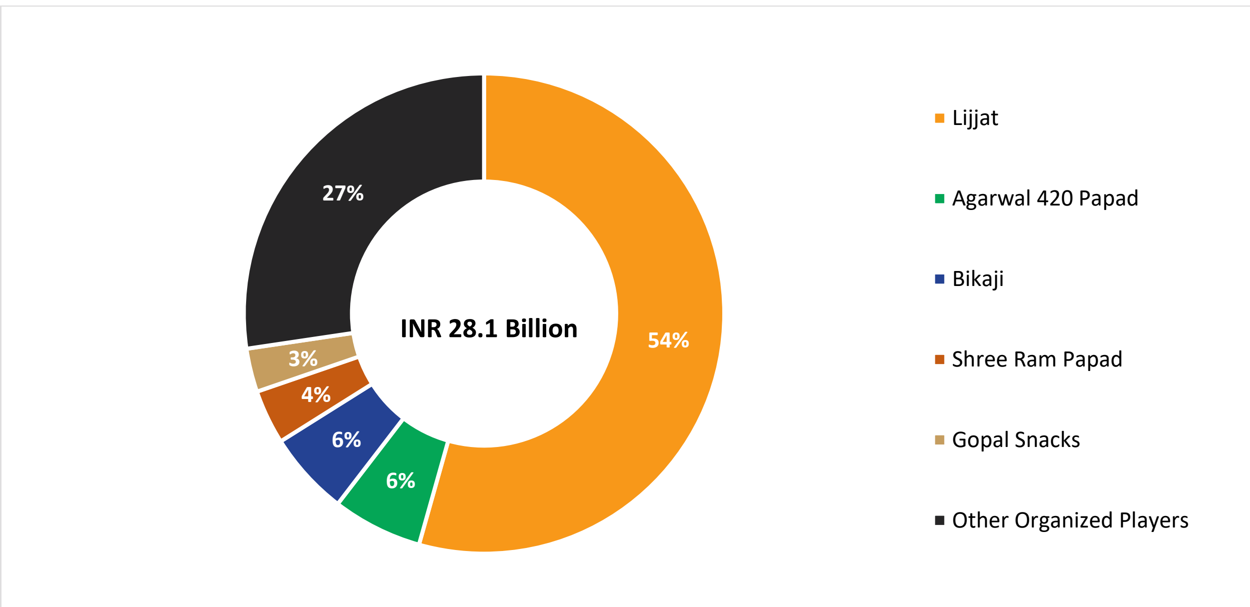
The organized players account for ~57% of the overall Indian ethnic savouries snack market. Among the major organized players, Haldiram (Delhi & Nagpur) stands out to be the market leader followed by Balaji Wafers Private Limited and Bikaji Foods International Limited. The top three players as mentioned account for a dominating market share of ~54% in the organized ethnic savouries sector. The players in the organized market compete in terms of product offerings, flavours and varieties offered, price point and a strong supply chain to retain their position in the market. Players such as Bikaji Foods International Limited, Haldiram (Delhi & Nagpur) and Bikanervala Foods Private Limited are the market giants in the namkeen sector. On the other hand, Gopal is the leader in the niche sector of Gathiya and holds the highest market share in Gujarat competing with players such as Haldiram. In FY 2023, Gopal Snacks was the fourth largest brand in the organised sector of ethnic savouries (including gathiya) in terms of market share in India. Gopal with their strong foothold in the Gathiya segment also offers a range of other traditional snacks based on which it has been positioned among the top 5 leading entities in the ethnic savoury snack market in India.

The western snack category is quite significant in India with brands like PepsiCo's Lay's and Kurkure holding their prominence in the retail market shelves. PepsiCo holds the highest market share of ~22% in the organized western snack category in India. Followed by PepsiCo, ITC's Bingo holds a 13% of the market share in the organized western snack sector.

The snack consumption trend in India is more inclined towards the western snack category than the traditional ethnic snacks. The mentioned international industry players have established a strong foothold in the Indian market and offers wide range of products catering in accordance with the consumers preferences. The key market strategy used by industry giants such as PepsiCo and ITC include new product launches including themed flavour offerings along with putting more emphasis on advertising and promotions. Their strong supply chain towards regional and local demands plays a significant role in their presence across the country.

Additionally, the mid-sized players such as Balaji Wafers Pvt. Ltd., Haldiram (Delhi and Nagpur) and Pratap Snack Limited's brand Yellow Diamond have also penetrated the market well and compete with the international players with their product offerings and competitive price points.

Exhibit 39: Key Players in Organized Sector of Papad - Market Share, FY 2023E



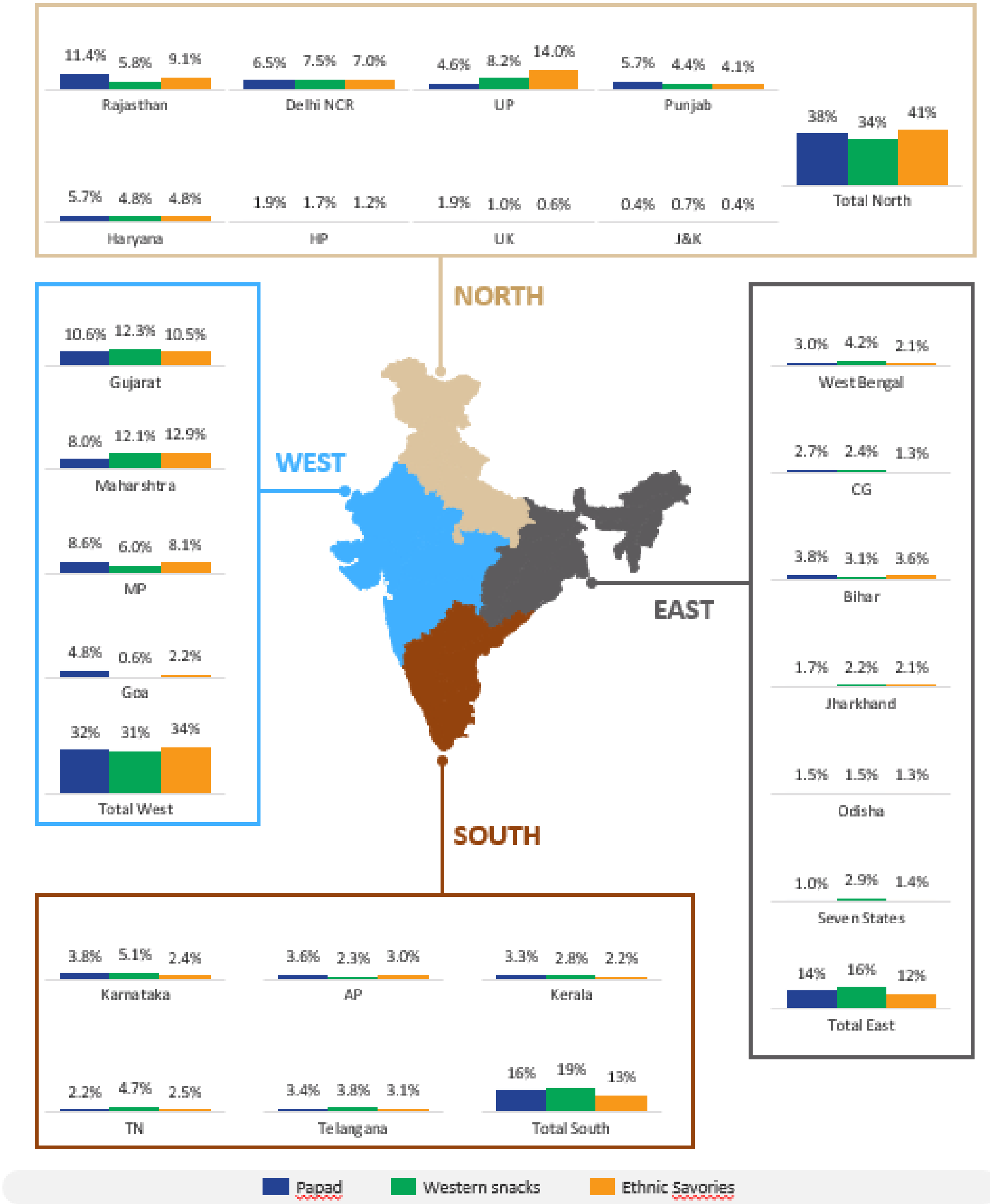
Source: Frost & Sullivan Analysis

The organized papad market in India accounts for a minor share of 34% of the total papad market in FY 2023E. The organized players in the Indian papad industry are majorly concentrated in Maharashtra, Tamil Nadu, and Gujarat. Few of the well renowned brands from the organized sector in India include Lijjat Papad, Bikaji, Agarwal 420, and Shree Ram Papad. Shri Mahila Griha Udyog Lijjat Papad, popularly known as Lijjat is the market leader in the segment and accounts for a major share of 54% in FY 2023E. The entity holds a strong brand image as a women-only business and focuses highly on their target consumers (middle and lower segments) through their competitive pricing strategy.

Focus on product innovations along with quality maintenance are witnessed as the key opportunities towards holding high market share and retaining the market position such as that of Lijjat papad in the Indian market.

Exhibit 40: Market Leaders in Organized Sector of Ethnic Namkeen and Snacks, Gathiya, Chips, Snack Pellets and other Western Snack (including Extruded Snacks & Puffs) and Papad, FY 2022-2023E

3.9 State-wise market share in Ethnic Savories, Western Snack and Papad market in India, FY 2023 (including organized and unorganized sectors)

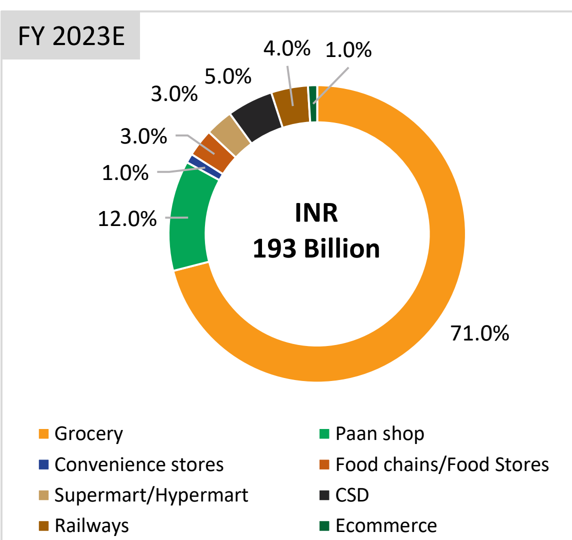


Gujarat is among the most lucrative markets in the Indian snack industry. In FY 2023e, the estimated market value for Gujarat are ~INR 3,800-4,000 Crore, ~INR 4,800-5,000 Crore and ~INR 850-900 Crore in the overall ethnic savories, western snacks and papad segments respectively.

3.10 Sales Analysis by Channel

- **Grocery**: These are stores of the traditional format, the "mom and pop" kind, that sell a wide range of products, predominantly grocery products. They are widespread across the country and are not usually a brand that is recognized beyond the city or the area. They are owned by entrepreneurs owning and operating one or two retail outlets. These are typically family concerns.
- **Convenience Stores**: These are usually present around petrol pumps and are open late into the night. A mixture of grocery and other essential FMCG items will be stocked at such stores.
- **Paan shops:** These are small outlets that sell predominantly food, beverages, and tobacco or a combination of these.
- **Food Chains/Food Stores:** These are retail outlets with small eateries for snacking with ready to eat snacks, sweets sold.
- **Supermarkets / Hypermarkets:** Hypermarkets are chains or independent retail outlets with a selling space of over 2,500 square meters and with a primary focus on selling food / beverages / tobacco and other groceries. They also stock non-grocery merchandise and essential homecare products. Supermarkets are typically smaller versions of hypermarkets.
- **Institutional:** Institutional sales such as sales in CSD – Canteen Department Stores solely owned by Government of India Enterprise under Ministry of Defense where wide product assortments are available.
- **Railways: It** refers to the sale of products in Indian railways stations.

Exhibit 41: India Organized Ethnic Savoury Snacks Market (including Gathiya)- Split by Sales Channel, FY 2023E-2027F



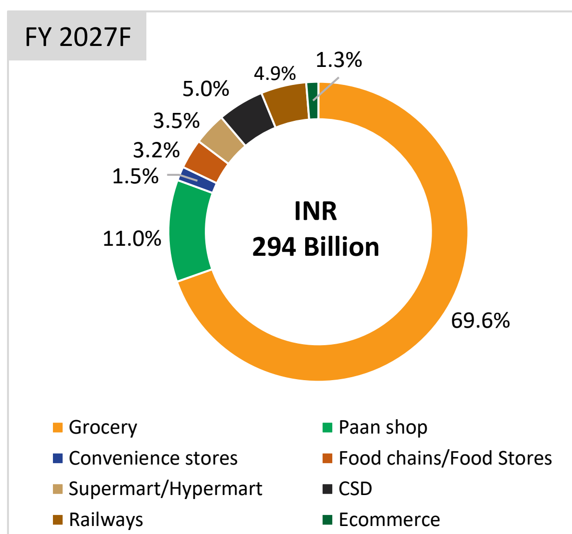
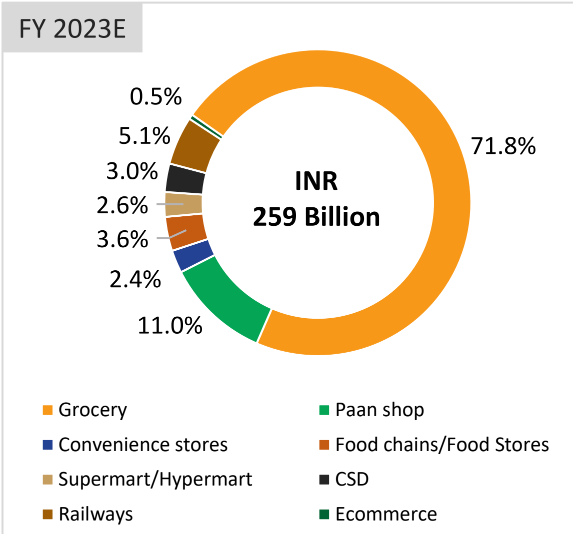


Exhibit 42: India Organized Western Snacks Market- Split by Sales Channel, FY 2023E-2027F



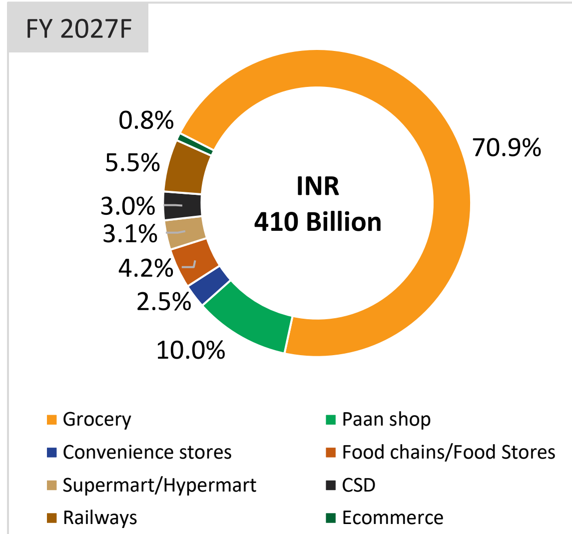
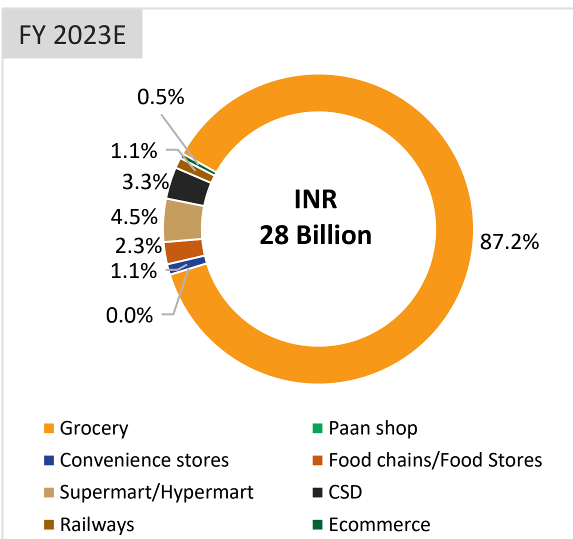
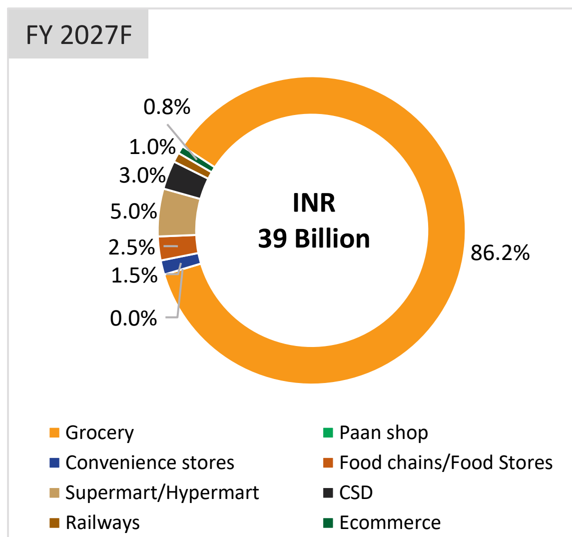


Exhibit 43: India Organized Papad Snacks Market- Split by Sales Channel, FY 2023E-2027F





3.11 Consumers preference for various SKUs among Indian snacks and impulse purchase trends

The popular snack brands in India catering to a wide range of consumers have been following the consumers snacking trend and altering the product launches based on the SKU's preferred. Rising middle-income group along with the on-the-go consumption trend have been driving the market for single-serve small-sized snack portions in India. Based on the trend, the Rs. 5 SKUs in the snack industry is preferred largely by the consumers as it offers an affordable price point to every consumer category and does not feel heavy on the pockets. Additionally, the trend of 'portion control' among the health-conscious consumers have also been fuelling the market for snacks available in smaller pack sizes.

Snack SKUs priced at Rs 5 are majorly individually consumed and has supported players to penetrate the Indian snack sector. The Rs. 5 SKU is the lowest while considering the market entry strategies but helps in driving higher sales and generating higher revenues. Similar trend has been seen for Rs. 10 SKUs majorly in the western snack segment. Players such as PepsiCo have mentioned that based on the rising Indian economy and increase in disposable income among the middle-income group, these smaller SKUs turn out to be more prominent and contribute significantly to the market. ITC's "Bingo No Rule" is dominated by the sales of Rs. 5 pack SKUs. On the contrary "Bingo Mad Angles" witness highest sales in the Rs 10 SKU segment. Single-serving pack size in the snack category is popular among the consumers in India.

However, it cannot be denied that heavy discount offerings on the larger or family-pack size of snacks lures consumers into impulse buying. Supermarket and Hypermarket chain in India often run discounts or display 'buy-1, get-1" offers which tends to increase the sale of such pack sizes as well. Consumers are more interested in getting value for the money they pay which turns in favour of the larger pack sizes offered by the brands. Also, these pack sizes are sold more during the festive seasons when the consumption of traditional as well as western snacks are high.

3.12 Key Growth Drivers and Restraints of the Indian Savoury Snack Market

Drivers

- Increased hygiene concerns and shift from loose food products to packaged products post COVID-19 pandemic supported the industry growth
- Technological advancements leading to improvisations in manufacturing and processing of snacks. Major evolution witnessed in the spaces of extruded and puffed snack products
- Rise in working class population (67.5% of the population in 2021) along with their hectic lifestyle is supporting the growth of on-the-go packaged snacks in India
- Product innovations and attractive varieties offered supports impulsive buying of snacks
- Advertisement and Promotional activities along with celebrity endorsement influences mass population of millennials towards trying the products
- Export assistance from APEDA along with foreign companies entering Indian market is propelling the growth

Restraints

- Rising raw material prices due to low and seasonal availability is a constraint to the snack industry
- Inadequate storage infrastructure along with supply chains gaps specially in the rural parts of India restricts the growth
- Dominance of established organized as well as unorganized regional/local players leading to low penetration
- Higher investments to be done for promotions and marketing activities
- Rise in healthy snacking trend is a constraint to the market as consumers are inclining towards fresh home-made munchies such as baked, roasted, air-fried snack to avoid packaged snacks with added preservatives

3.13 Impact of E-commerce & digitalization on Indian Packaged Snack Segment

Among the various categories, food and essential commodities contribute the highest towards sales via ecommerce platform. Online retail (E-tail) in India has grown immensely in the last five years and is estimated to register a CAGR of over 17% during FY 2023E- FY 2027F. The trend picked-up pace during the COVID-19 lockdown which led to faster adoption of retail avenues across all channels. The trend further is anticipated to witness a surge where consumers would have high inclination towards online shopping backed by their preferences and evolving adoption of technology.

Efficient logistical and shipping, strengthened supply-chains, higher shelf-life of packaged products is supporting the distribution of perishable and non-perishable edibles across the Indian market. Grocery has emerged as the fastest growing segment in the ecommerce segment. It is projected that the sales of packaged grocery products via online retail channel would experience exponential growth during the forecasted period. Today's e-grocery services offer a wide range of goods, including everyday necessities, staples, fresh produce, herbs and spices, snacks and drinks, candy, and personal care items. The online food and grocery delivery platforms in India exhibit huge investment potential.

Many physical retailers are being forced to have an online presence due to increased competition from leading online players. With a number of new businesses emerging in the metropolises over the past three years, online shopping is becoming more and more popular in India. The fact that many venture capitalists are funding e-grocers is encouraging for future development. This further is supporting the growth of snack market wherein consumers can choose from a range of products available online and get them delivered at doorstep with just a click. The technological advancement and consumer's shift towards the adoption of digital media for making their purchase decisions could be at its nascent stage but holds potential opportunity for Indian snack manufacturers to establish their foothold in the market.

On the other hand, adoption of digital technology has emerged as a workable answer to meet the rising consumer demands and boost industry output. Among the plethora of technologies, automation is highly implemented to improve food production and snack manufacturing operations.

This cutting-edge solution assists in raising productivity by taking care of the routine duties and saving time and money. When robots replace manual labour, food quality is improved, and safety regulations are stringently followed. The corona virus simply accelerated the process of digital disruption, and as a result, automation is becoming more and more important in the food production industry and the market for snack products.

3.14 Key Government Schemes driving the raw material availability, processing, and trade components of Indian Savoury market value chain

Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) by MOFPI (Ministry of Food Processing Industries)	**OBJECTIVE**	• Encourage the emergence of strong Indian brands, support food manufacturers that are willing to make a certain minimum turnover and a certain minimum investment for expansion of processing capacity and branding abroad. • Support creation of global food manufacturing entities • Strengthen select Indian food brands for global awareness and wider acceptance in international markets. • Increase employment opportunities for off-farm jobs. • Ensuring remunerative prices of farm produce and higher income to farmers.
	FEATURES	• Central Sector Scheme with an outlay of Rs. 10,900 crore (March 2022) • The first component relates to incentivizing manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) foods including Millets based products, Processed Fruits & Vegetables, Marine Products, Mozzarella Cheese • According to data reported by PLI scheme beneficiaries, the scheme has attracted an investment of approximately Rs 4,900 crores till Dec 2022. Incentives amounting to Rs 800 crore are likely to be disbursed by March 2023. A sales-based incentive of Rs 107.3 crore has been disbursed so far. The implementation of the scheme would facilitate expansion of processing capacity to generate processed food output of Rs 33,494 crore and create employment for nearly 2.5 lakh persons by the year 2026-27. • Snacks players including Haldiram, Prataap Snacks, Bikaji and Bikanervala have received approval under Production Linked Incentive (PLI) Scheme of Government of India under Ready to Cook/Ready to Eat (RTC/ RTE) segment.

<table>
<tr><td rowspan="4">Food Processing Fund</td><td colspan="2">OBJECTIVE</td></tr>
<tr><td></td><td>• This fund has been selected as the food processing fund to provide adequate credit to food processing units in mega and designated food parks.</td></tr>
<tr><td colspan="2">FEATURES</td></tr>
<tr><td></td><td>• A special fund of Rs.2000 crore has been set up in National Bank for Agriculture and Rural Development (NABARD) to provide credit at affordable rates to boost the food processing sector.
• Under this fund, loan is extended to individual entrepreneurs, cooperatives, farmers producer organizations, corporates, joint ventures, Special Purpose Vehicles, and entities promoted by the Government for setting up, modernization, expansion of food processing units and development of infrastructure in designated food parks.
• Apart from Mega Food Parks of the Ministry of Food Processing Industries, other Designated Food Parks (DFPs) notified by the Ministry in different States have also been included. Till 31.1.2022, term loan of Rs. 466.26 crore has been disbursed from the Fund.</td></tr>
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<tr><td rowspan="4">Creation / Expansion of Food Processing & Preservation Capacities (CEFPPC)</td><td colspan="2">OBJECTIVE</td></tr>
<tr><td></td><td>• The primary goal of the Scheme is to build processing and preservation capacity and modernize/expand existing food processing units. This will increase processing level, value addition, and ultimately reduce wastage while increasing farmers' income.
• In Mega Food Parks (MFPs), Agro-processing Clusters supported by the Ministry, the creation, growth, and modernization of food processing & preservation units will be taken into consideration. However, in States/UTs having no Mega Food Park, Agro Processing cluster, units may be considered anywhere.</td></tr>
<tr><td colspan="2">FEATURES</td></tr>
<tr><td></td><td>• Grants-in-aid subject to a maximum of INR 5 crore per project at 35% of the eligible project cost in general areas and @50% of the eligible project cost in the Northeast States, including Sikkim, and difficult areas, such as the Himalayan States (i.e., Himachal Pradesh, Jammu & Kashmir, and Uttarakhand).</td></tr>
</table>

Scheme		
Creation of Infrastructure for Agro Processing Clusters	**OBJECTIVE**	
		The main objective of this scheme is: • To build modern facilities for food processing nearer to regions of production. • To offer integrated and comprehensive infrastructure services for food preservation from the farm gate to the consumer. • To establish efficient backward and forward connections between groups of farms and producers and the processors and markets via a well-organized supply chain.
	FEATURES	
		• The scheme calls for grants-in-aid at 35% of eligible project costs in general areas and at 50% in difficult areas, such as the Himalayan States (such as Himachal Pradesh, Jammu & Kashmir, and Uttarakhand), State notified ITDP areas, and Islands of Union Territories of Lakshadweep and Andaman & Nicobar Islands, subject to a maximum of INR 10 crore per project.

Scheme		
Agricultural Export Promotion Scheme of Agricultural and Processed Food Products Export Development Authority (APEDA)	**OBJECTIVE**	
		The scheme offers export opportunities by extending financial assistance to the exporters for: • **Export Infrastructure Development**- This part of the system includes both fresh products and processed foods. The aim is to reduce losses caused by spoilage and ensure high quality production of agricultural products. To achieve this, it is planned to establish post-harvest processing facilities. • **Quality Development**- To participate/engage in international trade, it is necessary to comply with Food Safety requirements of different countries. Under this component, assistance is provided to comply with the prescribed standards of importing countries. • **Market Development**- This component helps exporters to achieve market access in new markets and helps sustain their presence in the existing markets. It covers structured marketing strategies for export of food products, market intelligence for taking informed decisions, international exposure, skill development, capacity building and high-quality packaging.
	FEATURES	
		• The subsidy offered is up to 40% of the total cost with a maximum of INR 200 lakhs per beneficiary per location. The maximum amount of assistance provided to each beneficiary per geographical location for all activities shall not exceed INR 200 lakhs, provided that the maximum amount of assistance provided under this sub-component shall not exceed INR 500 lakhs per beneficiary during the five-year plan period (2021–26). • Implementation and certification of quality and food safety management systems for all APEDA scheduled products - assistance up to 50% of total cost but not exceeding INR 5 lakhs per certificate. • Educational and study tours in India and abroad - Assistance up to 50% of travel and tuition fees, subject to a maximum of INR 3 lakh per participant per year. Limited to one participant per organization. APEDA organized/sponsored/facilitated seminars/workshops/programs etc. including preparation of manuals, brochures, manuals etc. as required - assistance up to INR 5 lakhs • New Market/Product Development through Feasibility Studies - Assistance up to 50% of total cost but not more than 10 lakhs per study per beneficiary. • Assistance for trial shipment involving multimodal transport - Assistance up to 50% of total cost but not exceeding 10 lakhs. • Registration of Brand/Intellectual Property Rights outside India - Assistance up to 50% of total cost, maximum INR 20 lakhs per beneficiary

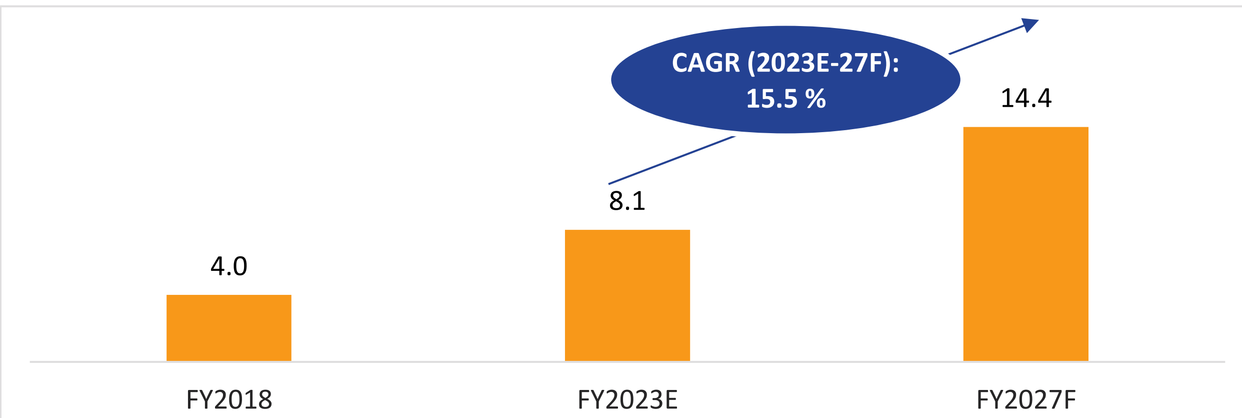
4 INDIAN CHICKPEA FLOUR AND SPICES MARKET

4.1 The Indian Chickpea Flour Market

Chickpea flour, also known as Besan, is a gluten-free flour made from grinding dried Desi or Kabuli chickpeas. Besan has key application in snacks and savoury food segment and is used to make variety of snacks in most parts of India. The snacks produced using chickpea flour or besan include sweets, savouries, snacks, laddus, dhoklas, bhajia, farsan, bhujia among others.

The Indian market of chickpea flour is estimated to be 8.1 million tons in the year 2023E and is projected to reach 14.4 million tons by 2027F, growing at a CAGR of 15.5% over the analysis period FY 2023E-2027F. The capability of converting chickpea flour into various food applications, augmented snacks, and savouries market, increasing demand for gluten-free products, protein, and fibre consciousness of the consumers, growing popularity of plant-based diets are the factors owing to the tremendous rise in the consumption of chickpea flour.

Exhibit 44: Indian Chickpea Flour Market, in Million Tons



Source: Industry experts

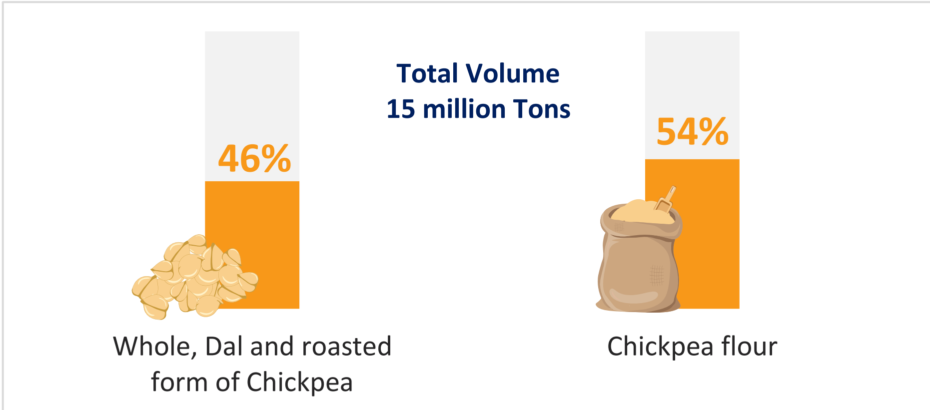
Raw material and Industry Structure:

India is the largest producer and consumer of chickpea flour at the global level. In FY 2023E, it produced over 13 million tons chickpeas and imported around 19 thousand tons of chickpeas; India imports surplus amount of chickpea from Australia, the second largest producer after India. The exports are growing every year with increase in global consumption. The two types of chickpeas grown are Kabuli and Desi chickpeas; later is the most preferred for chickpeas flour though the millers use imported chickpeas to some extent.

The chickpea flour mills are largely located in Madhya Pradesh, Rajasthan, and Uttar Pradesh in the country while most of these mills are extended dal mills which sell their first-grade chickpea split dal; they process second grade and broken dal to manufacture chickpea flour. Freshness and fineness are the key quality parameters for grinding as it impacts the sensory properties of the product. The chickpea flour grades depend on the particle size and application such as Ultrafine grade is used for Soanpapri; Superfine grade is used for Dhokla/steamed products and Fine grade is used for pakoda, laddoo and other deep-fried snacks.

In 2023E, India consumed around ~15 million tons of Chickpea Legume. The market is highly segmented based on its usage; direct food use market, split dal, flour, and roasted/puffed chickpea market. The Indian market consumption pattern for chickpea is slowly drifting towards grounded form owing to consumer preferences on savoury snacks, sweets, street foods, growing organised sector etc. The mills process around 54% of the total chickpeas into chickpea flour and the rest 46% is consumed as whole, dal and roasted form. The percentage share of the flour is expected to increase slowly with varied applications in bakery, confectionery, pulse flour mixes etc.

Exhibit 45: Indian Chickpea Split by Usage, FY2023E



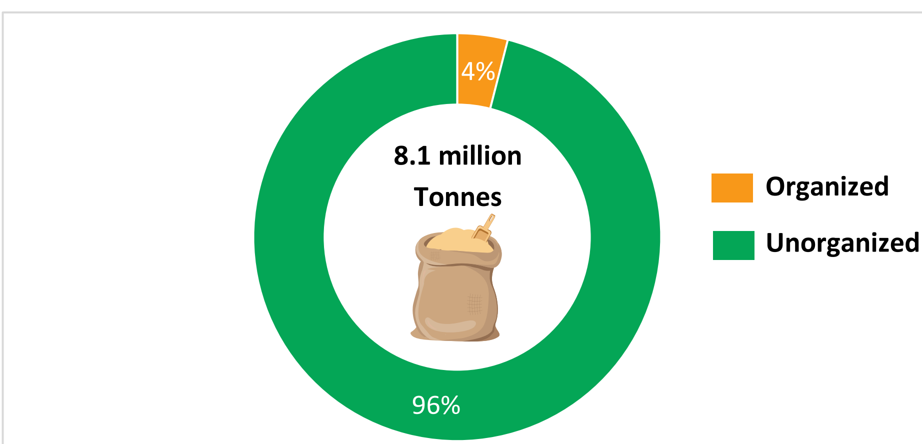
Source: Industry Experts

The chickpea flour manufacturing is highly fragmented in India largely dominated by the local and regional millers. The penetration of the organized segment is at a mere 4%. Organized or branded segment manufactures the semi fine or the coarse varieties. The fine varieties are manufactured as per requirement from specific consumers for sweet manufacturing and for restaurants. The organized segment is predominantly present in urban areas accounting to more than 95% of the sales.

The organized chickpea flour market is estimated to be ~0.3 million tons for 2023E which is growing at more than 18% year-on -year. The organized chickpea flour market is dominated by the regional players and urban consumers dominate the consumption of the same. The inclination towards convenience, health, and lack of storage and perceived high quality of packaged flour are some of the key factors for higher growth trajectory of organised chickpea flour market in India. The strong marketing activities by the companies to differentiate themselves, product quality, better distribution network and constant R&D are expected to fuel the organised chickpea flour market in the forecasted years.

Some of the top brands and manufacturers in the segment include Sampann by TATA; Fortune by Adani Wilmar Limited; Golden Harvest by Golden Harvest Foods Ltd; Rajdhani by Rajdhani Flour Mills Limited, etc.

Exhibit 46: Indian Chickpea Flour Market, Split by Sector, FY2023E



Source: Industry experts and Secondary research

Market Forecast for Indian Chickpea Flour:

The chickpea flour market is likely to grow at a CAGR ~15.5% through 2027F with a projection volume of 14.4 million Tons. The market is predominantly influenced by industry factors such as new product developments in snacks and savoury segment, labelling as gluten-free product, protein consciousness of the consumer, growing packaged food industry are some of the factors contributing to the exponential growth of the chickpea flour in Indian market. However, the side effects of chickpea flour, price fluctuations and supply gap of the raw material may have detrimental effects on the growing market.

Market Drivers:

- ***Expansion in the savories and snacks market in India:***

The chickpea flour has key application in snacks and savoury food segment and is used to make variety of snacks in most parts of India; this includes sweets, savouries, snacks, laddus, dhoklas, bhajia, farsan, bhujia and many more. The overall Indian savoury snacks market is expected to reach INR 1,216 billion by 2027F at CAGR 11.2% from FY 2023E-27F. New products, new tastes, new variations in traditional products, attractive packaging and flexible price points are fuelling the high growth. It is also supported by the large presence of unorganised segment with better penetration in the rural market. The chickpea flour market is expected to grow in line with its end user industry.

- ***Rising health consciousness among the consumers and copious availability of packaged chickpea flour:***

Chickpea has been a part of certain traditional diets and still one of the most widely grown and consumed legumes in the world for its high protein and fibre content. The chickpea flour consumption is being impacted by the rising demand for healthier dietary options along with the soaring consumption of organic and natural products. Packaged flour offers advantages such as usage convenience, higher shelf life and imperative food label which impacts the sale of the product, positively.

- ***Increasing demand for gluten free products:***

There is a growing number of celiac disease and gluten-sensitivity in India. Around 6-8million people are expected to be impacted and the Govt. has taken several initiatives to bring awareness in the consumers. Even otherwise, a small percentage of urban elites are shifting to gluten free diets. Chickpea flour serves a great source of vegetarian protein and fibre for gluten-free diet. Moreover, the manufacturers are leveraging and capitalising with Gluten-free labelling on the product; recently chickpea flour has gained popularity as gluten-free flour. This trend is expected to boost the chickpea flour market to a great extent.

- ***Improved Flour Milling Technology and Government Initiatives:***

The Gram flour production is gradually moving towards more sophisticated milling techniques that produce flour with better yields and higher quality. To promote the gram flour business, the Indian government has initiated several measures, including reducing the price of chickpeas, enhancing storage capabilities, and funding research and development. The Indian government is also promoting the use of gram flour in various food-based welfare programs, including mid-day meals for school children and the Integrated Child Development Services (ICDS) program. This has created a steady demand for chickpea flour in the market, which is driving the growth of the industry.

Lucrative Export Market with augmented global demand:

Indian gram flour has a lot of promise for the export market because of the nation's high supply of chickpeas and inexpensive production costs. Several gram flour producers in India are looking at ways to export their goods abroad. Global Chickpea Flour Market size is estimated at $4.4 billion in 2023E and is projected to reach $5.2 billion by 2027F, growing at a CAGR of ~4% during the forecast period 2023E-2027F.

Key Restraints:

- ***Varying Chickpea production and price volatility***

Weather, pests, and disease outbreaks all have an impact on the production of chickpeas in India. This may affect the supply and cost of the flour by altering the availability of chickpeas for milling into gram flour. For instance, the production of chickpea for 2023E is anticipated to be lower than previous year increasing the prices in Indian and international market. Large Kabul was selling for US$1,550 to $1,600 per ton in 2022 last quarter, increased by US$100 to US$200 per ton compared to last year. Other macro variables, including supply and demand dynamics, governmental regulations, and international prices, can affect the price of chickpeas. This may influence the price of gram flour and make it difficult for producers to keep their costs down and remain profitable.

- ***Competition from other flours***

In the Indian market, gram flour faces competition from other flour types including wheat flour and rice flour. Depending on the cost, flavour, and nutritional value of alternative flours, consumers may decide to forgo using gram flour. This may influence consumer demand for gram flour and the profitability of producers.

- ***Side-effects of excessive chickpea intake are anticipated to hamper the market growth***

Because gram flour contains pollutants such as aflatoxins, there have been questions raised about its safety and purity. This may influence demand and consumer confidence in the product.

4.2 The Indian Spices Market

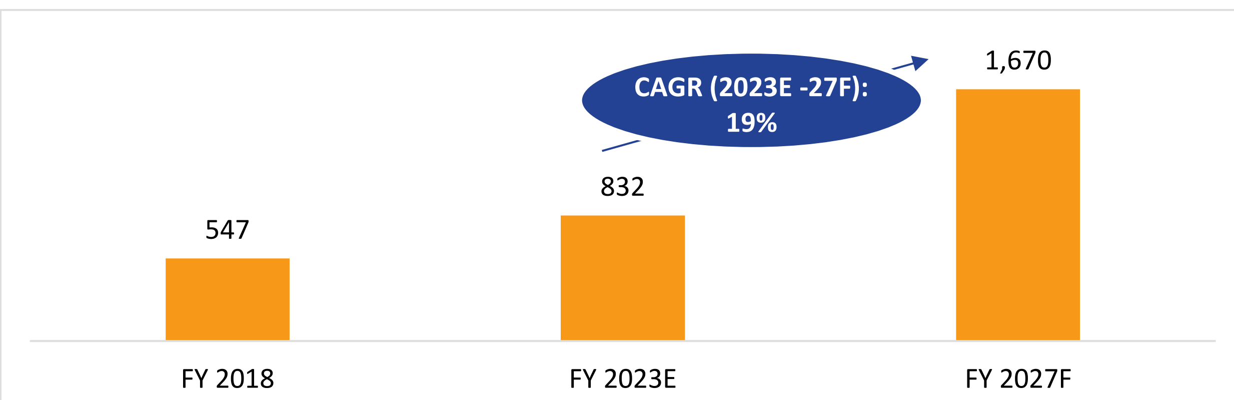
India is the largest producer, consumer, and exporter of spices in the world. The production in 2023E stood at 10.9 million tons. Chilli, cumin, turmeric, coriander, and ginger accounts to 63% of total spices production. India exported 1.5 million tons in 2023E which accounts to 14% of the total spices production.

Though India has been the major exporter of spice to the world, it imports significant quantity of spices accounting to almost ~0.4 million tons. Ginger, turmeric, pepper, cinnamon, coriander, poppy seeds, cloves, nutmeg, cardamom are some of the spices imported in large quantity.

Exhibit 47: Indian Spices Domestic Consumption, in Million Tons, FY2023E

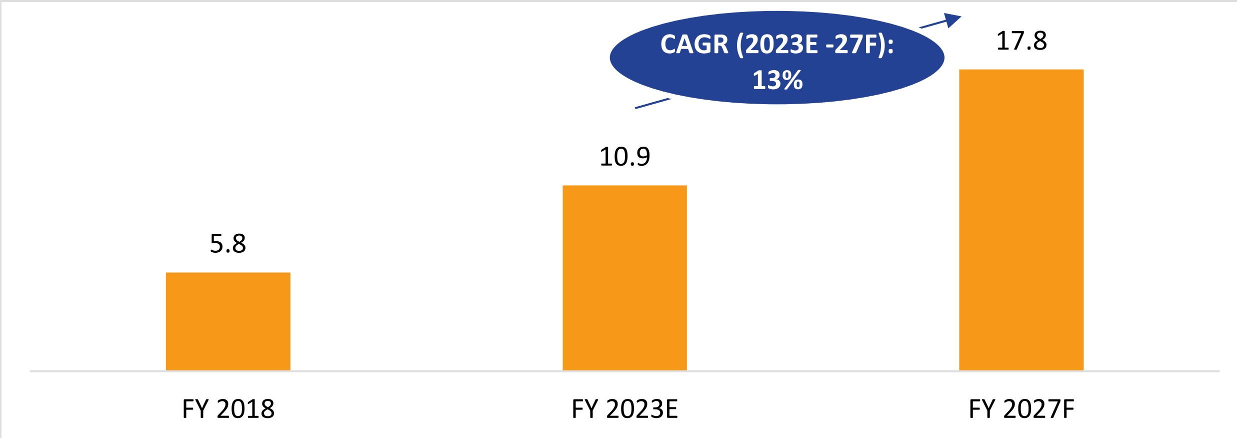
Source: Spice Board of India

Exhibit 49: Indian Spice Market, By Value (INR Billion)



Source: Frost & Sullivan Analysis

Exhibit 48: Indian Spice Market, By Volume (Million Tons)

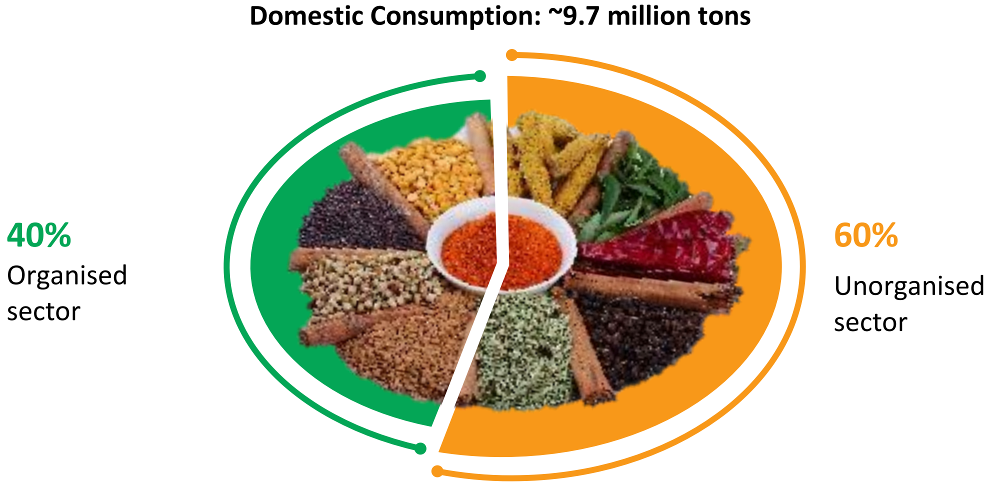


Source: Spices Board of India

The global consumers of spices are reliant on Indian spices though it exports only 14% of its production. India consumed ~9.7 Million Tons of spices in 2023E and imports substantial amount accounting to around 3-4%. The domestic market is valued at around INR 832 billion in 2023E including the organized and unorganised sector; the market is highly fragmented by region, consumption, and varieties of spice available. The branded segment accounts to almost 40% of the total spices market which is further divided into straight whole spices and blended spices.

The Indian branded spice market comprises only of local Indian players due to its regional and local nature. The segment is dominated by local players such as Everest, MDH, Sakthi, Achi and Eastern with a combined share of almost 43% in 2023E. However, the market is witnessing consolidation with major players acquiring regional players. The MNCs face huge challenge to grow organically in the segment owing to customer stickiness and loyalty towards regional brands. In 2022, Spice story and Jayanti herbs merged and in 2021 Orkla purchased 67.82% of Eastern Condiments.

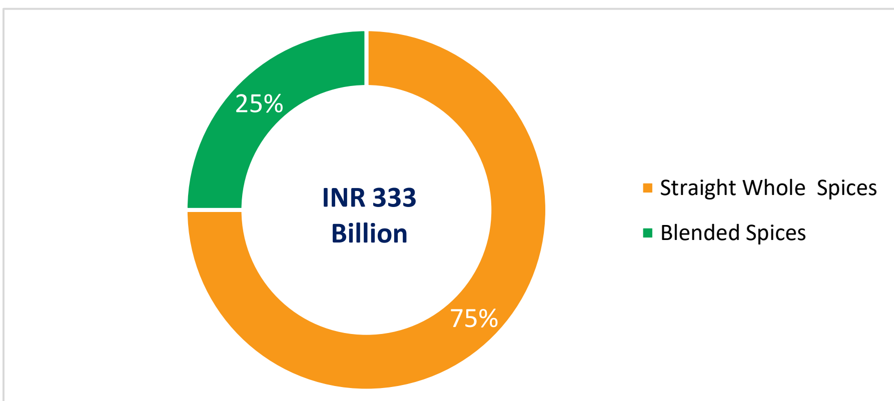
Exhibit 50: Split of Spices market by type - Organized and Unorganized, FY2023E



Source: Secondary Sources

The straight spices mark over 75% of the total organised segment; however, they are growing at the rate of 12% CAGR and expected to represent only 34% of the organised sector by 2027F. Since they are single spice, there is low scope for value addition through product developments. On the contrary, the blended spices segment is growing with over 25% CAGR until 2027F and is expected to account over 66% of the total organised sector.

Exhibit 51: Indian Branded Spice Market, Split by Product Type, FY2023E



Source:Secondary Sources

Market Forecast for Indian Spices Market:

The consumption is growing at CAGR of ~13% from 2023E- 2027F which implies the imports and production are on rise as well. The market witnessed an inclined consumption during covid- 19 throughout the world. The consumption is expected to reach 17.8 Million Tons in 2027F owing to expanding HoReCa sector, consumer preferences of traditional cuisines, growing fondness towards snacks and new flavours and spices availability in various forms of product. Some of the key trends expected to impact the market growth are multiple variants under blended masala; the manufacturers have been working extensively towards achieving the authentic and restaurant like taste with significant adoption of this trend by the consumers. The blended masalas such as chole, rajma, kachori etc are adding value to the home-cooked food.

Adoption of new category of western blends; though this category has huge potential, it is still in nascent stage and still under experimentation.

Organic Spices are produced using natural fertilizers like manure and compost and not chemical pesticides and harmful chemicals. With the consumers awareness on the adulteration in the spices, there is a huge traction in the organic space. Ready-to-cook spices provide consumers the flexibility to try new variations with reduced time in the kitchen. The surge in popularity of organic food products, which include spices, is boosting the demand for organic spices in the market. Furthermore, consumers enjoy the natural flavours that are free of additives. The sales of organic spices are booming as a result of extensive research and development initiatives and social media effects. Additionally, the demand for organic spices is being fuelled by the conservation of rare spices through organic farming.

Key Drivers

- ***High Growth in Blended Spices:***

Fresh cooked meals have always been the priority for Indian households. With the increasing need of convenience, consumers are ready to pay premium to make their cooking process easier and faster. Moreover, the regional players provide right mix of spices specifically for the regions which has augmented the adoption of packaged blended spices. The growth trajectory of the blended spices has direct impact on the growth of branded spices market. The blended spices are expected to contribute to over 66% of the overall spice market and are expected to grow at a CAGR of 25% until 2027.

- ***Convenience and Hygiene factors of branded sector:***

The brands have been focusing on product customisation, product packaging with availability of smaller pack and developments around maintaining the quality. Moreover, increasing working women percentage, awareness towards adulteration of unorganised sector, purchasing power are some of the key factors driving the change in preferences of Indian consumers. Spices segment is the most attractive food segment among the packaged category, with gross margins over 20%. Additionally, the blended spices have higher margin of over 40% and a whopping growth rate of 25% CAGR. With a wider consumer base and every-day usage, high growth and strong margin makes it the most lucrative segment.

- ***New products and strategic marketing and distribution by the players:***

The regional players are controlling the market by matching their spice blends with regional palates, unlike any other F&B segment where the global MNCs are dominant. Growth is further fuelled by product innovation in exotic cuisines. Improved quality, introduction of smaller pack sizes and SKUs, improved shelf life and push on distribution channels are further fuelling the growth of the branded spice segment.

Key Restraints:

- ***Home Ground Spices are still the preference in most of the household:***

Though the packaged spices are convenient and hygienic, the home-made spices are still preferred as they attract moisture easily, fear of adulteration, less aroma and less- environment friendly as they are packed in plastics. People still prefer sun-drying whole spices and powdering them in mills or grinding jars. The innovation in domestic masala grinders plays a crucial role in minimising the growth of the packaged spice market.

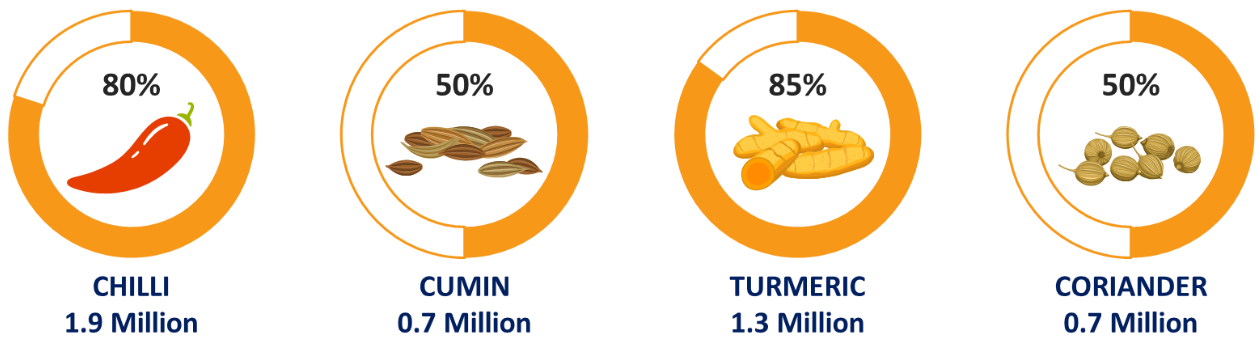
- ***India's cultural and regional diversity makes it challenging to gain market dominance:***

The Indian market is highly fragmented with over 150 cuisines across states and local/unorganised spice makers have established presence from ages and expansion beyond tier-2 cities would be a major challenge for branded products. Modern trade accounts only to 10% and the remaining is still with general trade which gives very little opportunity for the branding and marketing activities for the branded segment.

Spices in Powder form:

The Indian Spices are available in three forms namely, powder, whole and crushed. The Indian spices market is dominated by the powder form of spices to the larger extent. However, the preference of the product form varies from spices. For instance, chilli, turmeric, coriander is predominantly preferred in powder form. The branded spices account to 40% of the Indian spices market and over 90% of them are in powder form. Chilli, Cumin, Turmeric and Coriander are the most consumed spices in India accounting to around 43% of the total production in volume terms.

Exhibit 52: Spices in Powder form, FY2022



Source: Industry Experts

The Indian spice is majorly consumed as powder and the market size of powdered form accounts to almost 70% of the total spices consumed in India which accounts to around 6.8 million Tons.

Exhibit 53: Indian Spice Trade and Domestic Consumption, FY2022

Spices	Total production (2022) (Mn Tons)	Import (2022) (Mn Tons)	Export (2022) (Mn Tons)	Domestic consumption (2022) (Mn Tons)
Chilli	1.9	0.0	0.6	1.3
Turmeric	1.3	0.0	0.2	1.1
Coriander	0.7	0.0	0.0	0.7
Cumin	0.7	0.0	0.2	0.5
Total Million Tons	**4.6**	**Import + Export (2022, Mn Tons) 1**		**3.8**

Source: Spice Board of India

5 COMPETITIVE LANDSCAPE (TOP 8 PLAYERS)

Entity	Revenue from Operations (INR Crore)					Revenue Growth (2019-2023)
Company Name	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	%
Bikaji Foods International Limited	901	1,073	1,311	1,611	1,966	21.4%
Haldiram (Nagpur +Delhi)	5,574	6,491	7,152	8,745	10,480	17.1%
Bikanervala Foods Private Limited	950	1,063	986	1,192	-	-
Prataap Snacks Limited	1,171	1,394	1,171	1,397	1,653	9.0%
Balaji Wafers Private Limited	1,972	2,336	2,939	4,003	4,925	25.7%
PepsiCo India Holdings Pvt Ltd	6,253	5,435	5,251	6,386	8,203	7.0%
DFM Foods Limited	484	508	524	554	586.08	4.9%
Gopal Snacks Limited	816	886	1,129	1,352	1,395	14.3%

Entity	EBITDA (INR Crore)					EBITDA Growth (2019-2022)	EBITDA Growth (2019-2023)	PAT (INR Crore)				
Company Name	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	%	%	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Bikaji Foods International Limited	92	93	145	140	214	14.7%	23.3%	51	56	90	76	127
Haldiram (Nagpur +Delhi)	1,116	1,029	1,188	1,133	1,565	0.5%	8.8%	668	656	756	697	1,029
Bikanervala Foods Private Limited	94	75	101	96	-	0.6%	-	46	31	35	28	-
Prataap Snacks Limited	83	94	63	58	62	-11.2%	-6.9%	45	47	14	3	20
Balaji Wafers Private Limited	251	240	148	154	649	-15.0%	26.8%	128	132	25	6	409
PepsiCo India Holdings Pvt Ltd	324	384	331	286	667	-4.1%	19.7%	13	435	175	42	268
DFM Foods Limited	65	42	56	-17	-43	N.A.	N.A.	33	24	29	-25	-63
Gopal Snacks Limited	55	81	60	95	196	19.8%	37.4%	23	35	21	42	112

Note: Gopal Snacks Limited had the highest EBITDA growth between FY 2019-2022 compared to the key snack companies in India mentioned above.

Entity	ROE (%)					ROCE (%)					Fixed Asset Turnover Ratio				
Company Name	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Bikaji Foods International Limited	10.9%	10.7%	14.9%	9.3%	13.3%	16.4%	12.7%	18.4%	11.6%	16.7%	2.29	2.68	3.20	3.36	3.27
Haldiram (Nagpur +Delhi)	21.8%	17.8%	16.3%	12.4%	15.7%	27.8%	19.8%	18.8%	14.6%	19.9%	3.14	2.89	2.53	2.64	3.23
Bikanervala Foods Private Limited	18.3%	11.1%	11.2%	8.3%	-	21.1%	9.9%	12.4%	9.9%	-	4.46	3.76	2.79	2.51	-
Prataap Snacks Limited	8.0%	7.7%	2.3%	0.5%	3.0%	9.4%	5.6%	1.4%	0.7%	0.0%	2.23	2.37	2.10	2.54	2.85
Balaji Wafers Private Limited	10.2%	9.5%	1.8%	0.4%	22.5%	13.3%	9.8%	1.0%	-0.1%	25.5%	3.58	3.55	3.55	4.38	4.79
PepsiCo India Holdings Pvt Ltd	0.4%	12.2%	5.6%	1.3%	7.7%	-0.4%	9.4%	4.5%	1.0%	13.8%	3.54	2.71	2.27	2.34	2.56
DFM Foods Limited	25.3%	16.8%	16.1%	-16.2%	-65.7%	30.3%	15.6%	25.1%	-17.8%	-36.7%	2.92	3.00	3.24	3.42	3.64
Gopal Snacks Limited	29.7%	30.8%	15.6%	23.4%	38.6%	25.6%	32.1%	13.5%	18.7%	43.1%	6.53	6.30	7.14	6.86	6.27

Note: In FY 2022, Gopal Snacks Limited had the highest ROE,ROCE and fixed asset turnover ratio compared to the key snack companies in India mentioned above.

Concept used for calculation:

- **EBITDA** = EBITDA is defined as operating profit before depreciation, interest, taxes, and other Income
- **ROE (%)** = Profit after Tax /Total Equity
- **ROCE (%)** = (EBITDA - Depreciation and amortisation expense) / (Total Equity + short term borrowings + long term borrowings - cash & cash equivalents)
- **Fixed Asset Turnover Ratio** = Revenue from Operations/ (Property, plant and equipment + Intangible Assets)

6 STRATEGIC POSITIONING FOR GOPAL SNACKS LIMITED

Gopal Snacks Limited is a prominent snack manufacturer in India. It is one of India's fastest growing and fully integrated fast-moving consumer goods (FMCG) company. Rajkot based Gopal was established in 1999 by Mr. Bipin Hadvani as a partnership firm - Gopal Gruh Udyog. It was converted into a corporate entity in 2009 and is presently a limited company. Gopal manufactures 'ready-to-eat' packaged snacks which include wide range of products including ethnic namkeen, gathiya, wafers, snack pellets and other fast-moving consumer goods including extruder products, noodles, spices and flour under its brands – "Gopal" (Namkeen, Gathiya, Snack Pellet, Flour, Spices), "Cristos" (Wafers), "Shot Go" (Noodles) and "Cornigo" (Extruder Snacks).

Gopal Snacks Limited has its manufacturing plants located in Rajkot, Nagpur and Modasa. The plants are strategically located to ensure easy procurement of the raw material. The Modasa facility location provides convenient access to essential raw materials such as potatoes. Additionally, with regards to the supply of namkeen and snack pellets, this facility being situated in Gujarat and close to Rajasthan - regions where ethnic snacks and western snack pellets are popularly consumed. These factors comprehensively enhance this facility's advantageous positioning.

The Rajkot plant operates in three units constituting of a main unit engaged in the production of finished goods; another one for papad, raw snack pellets, and spices & seasonings manufacturing (mainly for captive consumption, other than papad); and the third unit for chickpea flour/besan production (mainly for captive consumption).

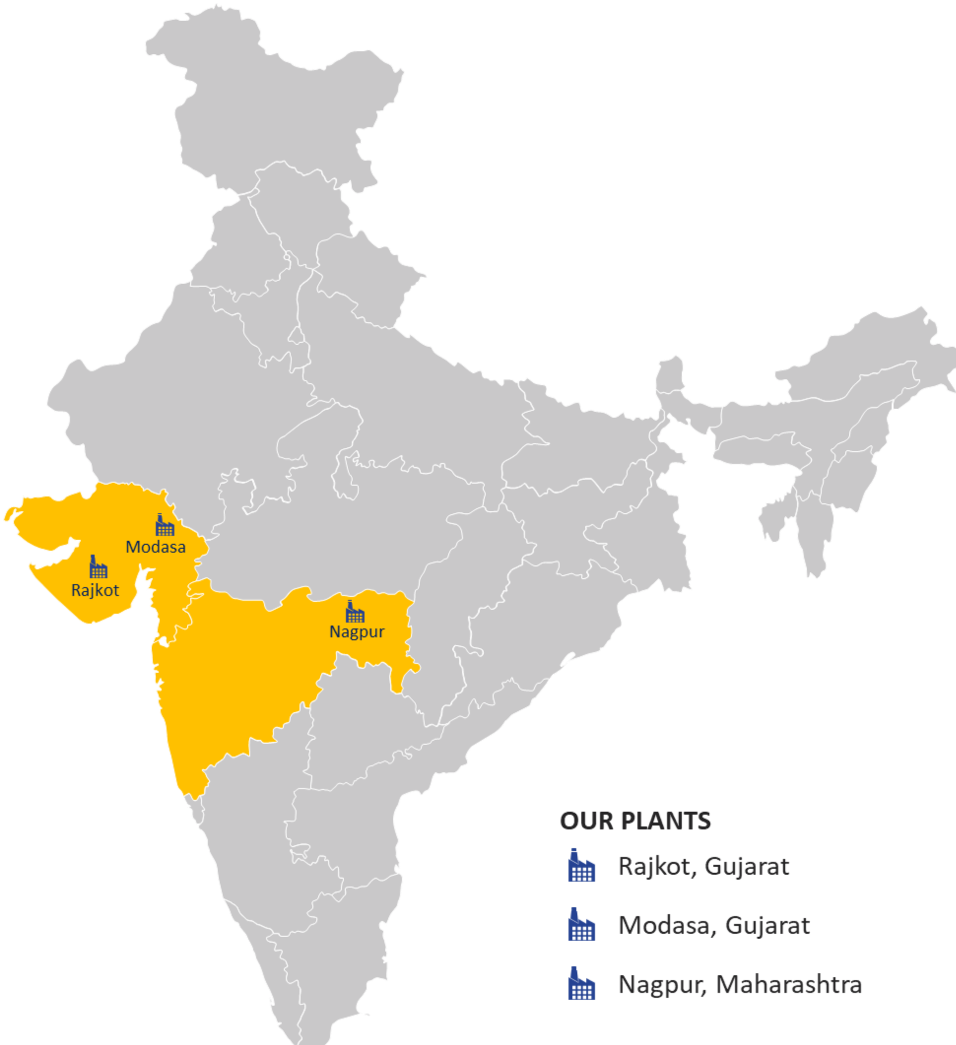
Furthermore, the plant located in Nagpur manufactures finished products while the Modasa plant is dedicated towards production of finished goods and raw snack pellets. Nagpur being situated in the central region of India enables Gopal Snack Limited to cater to a range of states such as Jharkhand, Chhattisgarh, Uttar Pradesh, Bihar, Telangana, Andhra Pradesh, Madhya Pradesh, and the Vidarbha region of Maharashtra.

The installed manufacturing capacity of the manufacturing plants cumulatively (as on 30th September 2023) is 4,04,729 tons Per Annum where the primary facility holds the manufacturing capacity of 3,03,669 tons (for finished products). The processing facilities in Gujarat help to cater to the local market and neighbouring states of Rajasthan and Madhya Pradesh efficiently where the consumption of ethnic snacks and western snack pellets is relatively high. Moreover, Gopal manufacturers its wafers in Modasa-based plant which offers easy availability of potatoes giving the company a competitive edge over other players. The Modasa-based plant operates with its cold storage facility having a capacity of 40,000 tons.

In FY 2023, In terms of sales revenue through the segments, Gopal Snacks Limited stood as the second largest organized ethnic namkeen manufacturer in Gujarat, and fourth largest packaged ethnic namkeen and papad manufacture in India. Further, in FY 2023 the company holds the position of being the largest manufacturer of gathiya (in terms of production volume and sales revenue) and snack pellets (in terms of production volume) in India.

Gopal Snacks Limited exhibits strong foothold in Gujarat. The entity accounts for ~20% of the market share in the ethnic savouries, ~8% in western snacks and ~6% in the papad industry in Gujarat (including organized and unorganized sectors) in FY 2023. Gujarat is considered to be one of the most lucrative markets in the snacks segment and hence established entities Gopal Snacks Limited faces fierce competition from local players such as Gokul Snacks.

Exhibit 54: Manufacturing Facilities of Gopal Snacks Limited

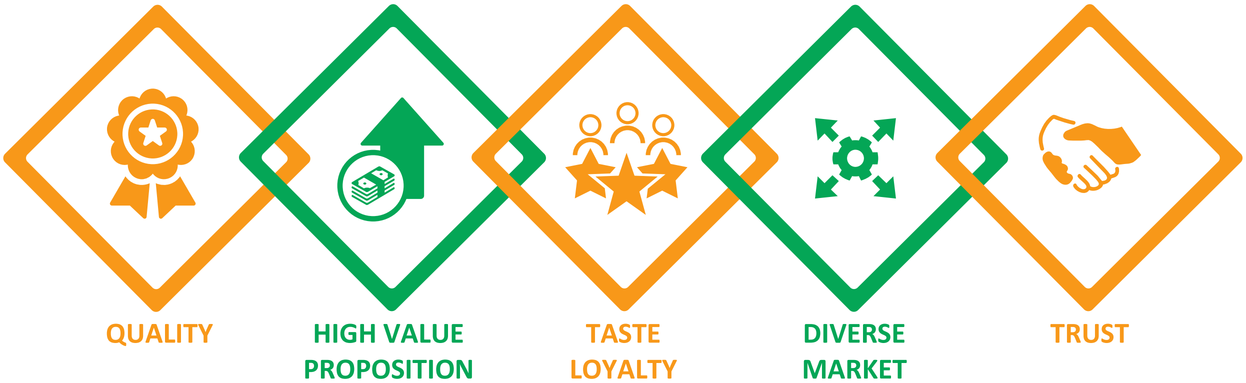


6.1 Diversified Product Portfolio

Gopal Snacks Limited offers wide range of products including Indian ethnic snacks such as Ethnic Namkeen and Gathiya. Their western snack product portfolio includes wafers, nachos, extruder snacks and snack pellet. Over the years, the company has established a leadership position across different product offerings in the organized snacks market in India. The offerings are positioned to cater to varied consumer tastes and preferences. The company has also introduced its product line dedicated at offering premium wafers under the brand name of "Cristos" along with extruder snacks under the brand name of "Cornigo". The product offerings also include FMCG products including gram flour or besan and powdered spices under the "Gopal" brand. Other FMCG offerings of Gopal Snacks Limited include noodles, washing bars, and packaged sweets i.e., soan papdi, rusk and chikki.

The company has 276 SKUs (as on 30th September 2023) in its portfolio. Gopal is dedicated on providing customers with differentiated value through a range of SKUs at affordable prices. It is the first company to launch gram flour or besan in INR 10 SKU. The company sells its products in 10 Indian states and 2 union territories and is one of the fastest-growing snack companies in India.

Exhibit 55: Diversified Products portfolio under Gopal Brand



The company is planning to increase the capacity utilization of existing facilities of Namkeen, Western snacks, Spices and Flour by launching new variants and entering into new markets.

6.2 Largest Manufacturer of Gathiya in India

Gopal Snacks Limited is the largest manufacturer of Gathiya in terms of production volume and sales revenue in India and holds a market share of ~31% in FY 2023 of the organised gathiya market in terms of sales revenue. The company offers a diverse portfolio consisting of about 8 varieties in the segment. Its annual production in FY 2023 for Gathiya stood at 26,375 Tons. The Gathiya segment itself generated a revenue of INR 4,239 million in FY 2023.

The varieties offered in the Gathiya segment by Gopal Snacks create a strong competitive advantage over other established players in the segment. Gopal's Gathiya offerings include *Vanela Gathiya, Fulvadi Gathiya, Tikha Gathiya, Papdi Gathiya, Tikha Papdi Gathiya, Bhavnagari Gathiya, Champakali Gathiya, and Nylon Gathiya* in SKUs of 20-25gm (INR 5), 40-50 gm (INR 10), 250gm and 500gm. It is noteworthy that Gopal Snacks offers larger varieties of gathiya compared to other established competitors in the segment. Key industry players such as Prataap Snacks Limited, Laxmi Snacks Pvt. Ltd., Bikaji Foods International Limited and Haldiram exhibit comparatively lesser product range and SKU offerings specifically in the Gathiya segment.

6.3 Largest Snack pellet manufacturer in organized market in India

Gopal is the largest manufacturer of Snack Pellets in India with a revenue generation of INR 3,095 million through snack pellet segment in FY 2023. Snack Pellet production is becoming a popular choice among both the manufacturers and consumers. The kid's population is highly targeted at with the segment. The category helps in catering to consumer's diverse taste preferences as the semi-finished unexpanded format could be mixed with various combinations of spices and other ingredients during the expanding process to fulfil the end-users demands.

Gopal Snacks Limited is positioned as the largest manufacturer in the snack pellet category in India and operates via its own in-house manufacturing unit for raw snack pellets with an installed production capacity of 35,960 tons (as on 30th September 2023). Gopal Snacks Limited has the largest raw snack pellet production capacity in the Indian packaged snack industry. The company offers 12 varieties of Ready-to-Eat (RTE) snack pellets to consumers. The myriad formats manufactured by the company *include* *mini rings, mini cups, plane, plain ponga, alphabet, rugby balls, sticks, chowkadi, masala cup, tomato cup, masala ponga, and hot wheel*.

Gopal has always been the frontrunner towards technological innovations and focuses on catering to consumer's dynamic demands by upgrading their processing techniques. The diverse range of snack pellets offered by the company has strengthened their position in the snack pellet segment.

6.4 Second largest manufacturer of Ethnic Namkeen in Gujarat and among the leading packaged namkeen players in India

In FY 2023, Gopal Snacks Limited secured the position of being the second largest organized ethnic namkeen manufacturer in Gujarat in terms of its sales revenue. Gujarat is among the top states with high consumption of snacks in India. Gopal Snacks Limited has also established strong portfolio to compete with leading players like Balaji Wafers Pvt. Ltd. Headquartered in Gujarat.

The key strength of the company lies in their product portfolio specifically in the ethnic namkeen category. Ethnic Namkeen and the wide range of products in the category are made available for the end-consumers at economic price points.

Gopal has also secured its position as the 4th largest packaged ethnic namkeen manufacturers in India. It is noteworthy that over 65% of the company's revenue is generated through its namkeen segment. In FY 2023, Gopal's Namkeen segment generated a revenue of INR 8,329 million. The sales volume of ethnic namkeen (excluding Gathiya) is quite significant ~27,630 Tons in FY 2023. As of September 30, 2023, there are 39 products offered under Gopal's ethnic namkeen category out of which 8 are Gathiya which adds to the company's unique selling propositions.

6.5 Strong presence in Papad segment- 4th Largest Manufacturer of Papad in India

In FY 2023, Gopal Snacks Limited is the fourth largest manufacturer of papad in terms of its sales revenue and accounts for a market share of 3% in the Indian papad market. The unique selling proposition of Gopal is the wide range of product offerings and their supreme quality. The entity has established its brand name in the papad industry as well. The Udad Papad produced by the company are manufactured using 100% pure udad flour without the addition of any other flours. These papad are machine-made and manufactured hygienically. The four papad varieties produced and marketed by Gopal Snacks Limited are based on consumers tastes preferences and evolving demands. Gopal focuses on offering diverse flavors along with different size ranges in this category. The papad manufactured by them include both small-sized coin Papad along with others in 5-inch and 7-inch sizes. Papad is made available in SKU's of 100gm, 200gm and 500gm. The varieties include moong papad, coin udad papad, punjabi papad and udad papad.

The revenue contributed by Papad reached INR 529 million in FY 2023. In the Gujarat's organized papad market, Gopal Snacks Limited is anticipated to hold a market share of ~9%. This segment holds high growth potential. Gopal aims to establish their position in the papad industry and has reached a significant production volume of 3,526 tons in FY 2023.

6.6 Expanding footprint in India along with Global Distribution network

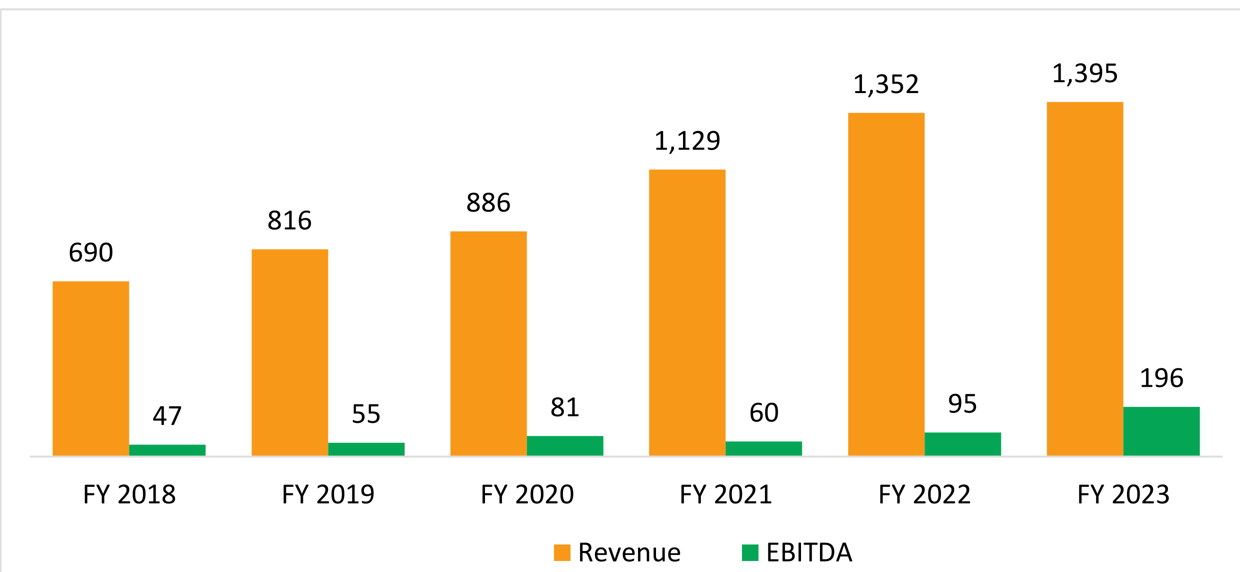
Gopal Snacks Limited is the second largest snack manufacturing company in Gujarat. The company is strategically increasing its pan-India presence, by focusing on Northern India (Uttar Pradesh, Rajasthan, Haryana, Delhi) and Southern India (Karnataka, Telangana). In addition to Gujarat, the company has a strong hold in states of Maharashtra, Uttar Pradesh, Madhya Pradesh, and Rajasthan. Company has a very focused product portfolio that appeal to metropolitan tastes as well as special tastes or preferences of other cultures and areas. Company plans to expand its presence by increasing direct access, focusing on rural consumers, and improving cost and capital efficiencies.

Gopal Snacks Limited has distribution network that includes 617 distributors (as on 30th September 2023). The 'value for money' and 'Superior Quality' market positioning has helped the company build a strong brand image among various customer segments. Gopal's products have started to gain recognition in the international markets. During FY 2021 to FY 2023, the company sold their products to countries including Australia, Kuwait, Saudi Arabia, UAE and USA through both direct exports and merchant exporters.

6.7 Well Established Track record of CAGR growth in Revenue and EBITDA

The company has registered a double-digit revenue growth over the recent years (4-year CAGR of 14% over FY2019-FY2023) and a growth of 37% in EBITDA over the same period, while maintaining healthy profitability. The company has been continuing to report healthy cash flow from operations, with strong liquidity and credit metrics supported by strengthening of their distribution network and entering new states in India.

Exhibit 56: Revenue from Operations and EBITDA, INR Crores (FY 2018 to FY 2023)



Source: Company sources

6.8 Vertically backward and forward integrated along with established in-house logistics division and machine manufacturing

Gopal Snacks Limited has uniquely positioned itself as vertically integrated manufacturing setup with its in-house manufacturing capabilities for machines, raw material such as Chickpea flour (Besan), seasonings, raw snack pellets and owning fleet of trucks for logistics. Chickpea flour (Besan) which is main ingredient in preparation of Namkeen, Gathiya, Sev and other ethnic snacks is manufactured in-house by Gopal. It helps to maintain consistent quality of the products as well as keeps production costs in check. Raw pellets as well as core spices are also manufactured inhouse by the company to ensure quality standardization. Gopal procures key raw materials such as chickpea and potato from local farmers. Company procured chickpea from more than 4,200 farmers associated either directly or through APMC. It also directly procured potatoes from more than 1,300 farmers in FY 2023.

Machinery required for manufacturing of snacks and namkeen is manufactured/ fabricated at their primary plant in Rajkot. This helps in accurate calibration of machinery as per the desired outcome plus saves time and cost by inhouse maintenance. Additionally, as of March 31, 2022 they also command the highest fixed assets turnover ratio (6.86 in FY 2022) and have the lowest repair and maintenance expenses as a percentage of revenue in comparison to the key snack companies in India (i.e., Bikaji Foods International Limited, Haldiram, Bikanervala, Prataap Snacks Limited, Balaji Wafers Private Limited, Pepsico India Holdings Private Limited and DFM Foods Limited) due to their in-house capabilities for manufacturing customised machines. The company also exhibited highest return on equity (23.4%), return on capital employed (18.7%) in FY 2022 in comparison to key snacks companies in India (i.e., Bikaji Foods International Limited, Haldiram, Bikanervala, Prataap Snacks Limited, Balaji Wafers Private Limited, Pepsico India Holdings Private Limited and DFM Foods Limited).

Company also owns 263 specially engineered and self-fabricated vehicles for transportation (as on 30th September 2023). Gopal Snacks Limited has the largest in-house transportation fleet as compared to the key snack companies in India (Bikaji Foods International Limited, Haldiram, Bikanervala Foods Private Limited, Prataap Snacks Limited, Balaji Wafers Private Limited, Pepsico India Holdings Private Limited and DFM Foods Limited) operating in the Indian snack industry. As a result, in FY 2023, they have the lowest transportation cost as a percentage of revenue in the snack sector. The repair and maintenance service of the vehicles is carried out by the entity itself. They also have the largest cold storage capacity in the Indian snack industry with a capacity of 40,000 MT (as of September 30, 2023) which helps in increasing product's shelf life till it is consumed. Both the transportation and cold storage facility allows the company to control the transportation of the products in a temperature and humidity-controlled environment and reduce reliance on third party transport vendors.

Thus, Gopal Snacks Limited is the only company to be this vertically backward and forward integrated with high control over quality and cost of its products.