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IMAGES Business *OF food*

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FMCG - OUTLOOK

5-6% volume growth likely over the next 12-18 months.

PACKAGED FOOD

How Low Price Units continue to redefine the market.

Quality and Ethics in the DNA - Madhusudan



L to R:
Sh. Mool Chand Aggarwal, Chairman & MD and
Sh. Amit Aggarwal, Director,
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Café Delhi Heights

Eyeing 55 outlets by FY25 and 120 outlets with Rs.500 crore revenue by 2028.

VIKRANT BATRA,
Co-founder,
Café Delhi Heights

EDITOR-IN-CHIEF: **Amitabh Taneja**
EDITORIAL ADVISOR: **R S Roy**
CEO: **Nikhil Behl**
DIRECTOR: **Anjali Sondhi**
PUBLISHER: **S P Taneja**

Editorial

EDITOR: **Sanjay Kumar**
BUSINESS REPORTER: **Jigyasa Aggarwal**

Creatives

ART DIRECTOR: **Pawan Kumar Verma**
DY. ART DIRECTOR: **Deepak Verma**

Production

SR. GENERAL MANAGER: **Manish Kadam**

Support

SR. GM ADMINISTRATION: **Rajeev Mehandru**

Advertising

BENGALURU

VICE PRESIDENT: **Suvir Jaggi**
suvirjaggi@imagesgroup.in

MUMBAI

GENERAL MANAGER: **Rajesh Acharya**
rajeshacharya@imagesgroup.in

DELHI

ASST. GENERAL MANAGER: **Vandana V Thakur**
vandanathakur@imagesgroup.in

consumer connect & Subscription

ASST. GENERAL MANAGER: **Priti Kapil**
pritikapil@imagesgroup.in

For subscription related queries, email to:
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visit us at www.imagesgroup.in

Images Multimedia Pvt. Ltd.
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Registered Office:

S-61 A, Okhla Industrial Area Phase 2,
New Delhi 110 020
Ph: +91 11 40525000, Fax: +91 11 40525001
Email: info@imagesgroup.in

Mumbai:

E 517, Floral Deck Plaza, Central MIDC Road,
Opp SEEPZ, Andheri East, Mumbai 400 093
Ph: +91 22 28398000
Email: info@imagesgroup.in

Editor's Note



India's FMCG sector is showing clear signs of revival. With easing inflation and GST 2.0 bringing price relief, consumers — especially in smaller towns and rural areas — are spending more as digital and quick-commerce channels expand rapidly. Big brands are sensing the shift: volumes are rising, confidence is improving, and sentiment is turning upbeat. As detailed on *pages 28-38*, this phase marks not just recovery but the start of a more durable growth cycle driven by affordability, accessibility, and smarter execution. If trends hold, FY26 could usher in a broad-based FMCG upswing.

Within this larger story lies a compelling sub-plot — how India's smallest packs tell its biggest consumption story. The Re 1 shampoo sachet, Rs.5 biscuit pack, Rs.10 noodle pouch, and single-serve spice sachet capture the pulse of everyday India. As detailed on *pages 50-53*, these Low Price Units have reshaped brand marketing and distribution while creating one of the world's most inclusive and resilient consumption ecosystems.

The same idea of staying accessible, relatable, and rooted in everyday India defines our cover story brand — Café Delhi Heights. Featured on *pages 58-64*, this homegrown chain has turned comfort dining into a national phenomenon. Since its first outlet in 2011, CDH has expanded to 48 outlets across 17 cities, serving over 3.5 crore guests. Co-founder Vikrant Batra plans to reach 55 outlets this fiscal and 120 outlets with Rs.500 crore in revenue by 2028 — proof that a deep connect with the Indian palate and consistent experience can drive scale as effectively as price and accessibility in FMCG.

Even as restaurants like CDH expand their footprint, they're also adapting to the evolving digital food delivery space. Visibility on delivery platforms is now essential for both new and established eateries. Yet, as our story on *pages 54-56* explores, this convenience raises tough questions about cost, control, and long-term benefits.

As India's food and FMCG industries evolve in parallel, the common thread is: growth belongs to those who understand the consumer best.

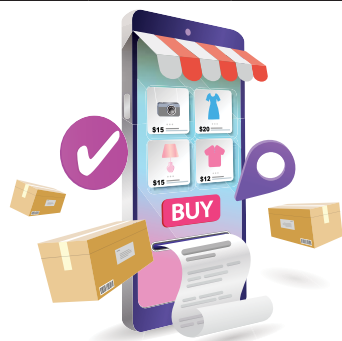
Amitabh Taneja | Editor-in-Chief

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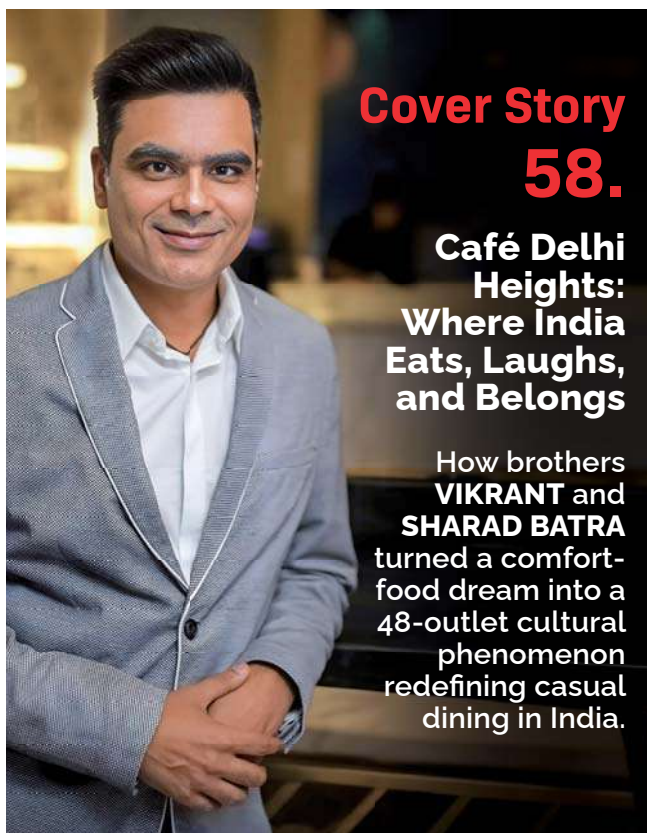
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Scaling D2C Brands: Why an all-in-one POS Solution is a Game-Changer

As D2C brands expand from digital-first models to physical retail spaces, the integration of seamless, omnichannel POS systems becomes crucial. From inventory management to personalized customer experiences, technology is empowering these brands to scale effectively and stay ahead in an increasingly competitive marketplace.

By Varun Tangri

In recent years, D2C brands have experienced a surge in popularity and business, reshaping the retail landscape. Direct-to-consumer (D2C) sales offer businesses substantial advantages, primarily by enhancing accessibility and consumer choice. India's D2C market is booming, expected to grow around 39% from 2024 to 2032, driven by the rise of internet users, online payment platforms, and evolving consumer preferences.

While online channels have fueled D2C brands' initial success, many are now expanding their presence offline to enhance visibility, offer a tangible touch-and-feel experience, and build deeper consumer trust. Physical retail, whether through experience centers, pop-up stores, or dedicated brand outlets, plays a critical role in reinforcing brand credibility and attracting new customers. However, going offline brings operational challenges, making a robust POS solution essential for managing sales, inventory, and customer data seamlessly across channels.

A major factor behind this remarkable growth of D2C brands is the integration of modern technology that enables

How GST 2.0, easing inflation and renewed consumption are lifting India's FMCG story

How GST 2.0, easing inflation and renewed consumption are lifting India's FMCG story



By R S Roy

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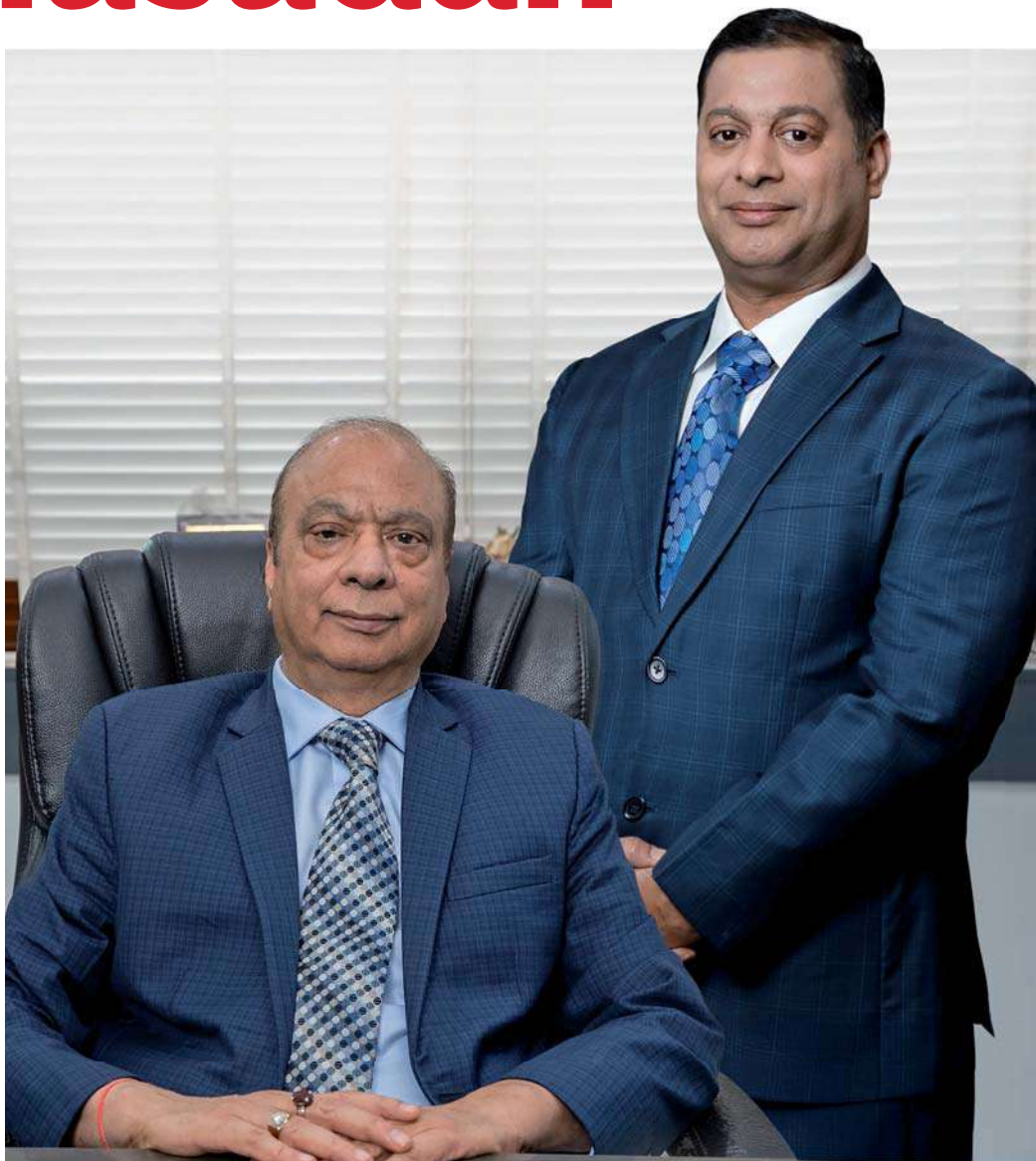
- Volume growth ~3.9% (year ending July 2025), down from 5.4% a year prior. Value growth diverged sharply

■ **Consumer sentiment:** households overwhelmingly prioritized essentials, reduced discretionary purchases, and tried low-cost alternatives. The “main basket” concept emerged as decisive — savings matter most when aggregated across many items.

Quality and Ethics in the DNA - Madhusudan

In a nation where milk isn't just a drink but a daily ritual, Madhusudan has become part of the country's emotional and nutritional fabric. From a humble dairy initiative to a modern, multi-category dairy enterprise, parent company Creamy Foods Limited has built its success on three timeless values — trust, purity, and consistency.

Behind every pack lies three decades of persistence and purpose, driven by the leadership of Sh. Mool Chand Aggarwal, Chairman and Managing Director, and Sh. Amit Aggarwal, Director. Together, they have transformed Madhusudan into one of India's most respected dairy brands — an enterprise where technology, transparency, and tradition flow seamlessly together.



L to R:

Sh. Mool Chand Aggarwal, Chairman & MD and
Sh. Amit Aggarwal, Director, Creamy Foods Ltd

When Small is Big: How LPUs Continue to Redefine India's FMCG Market

In the early 1980s, India's FMCG scene was sharply divided—urban middle classes bought bottled shampoos and creams, while rural consumers largely relied on homemade or unbranded alternatives. CavinKare's Chik shampoo shattered this divide by introducing a Re. 1 sachet that brought personal care to every household. The innovation was deceptively simple: make the entry point small enough for everyone, yet big enough for brand recall.

The results were seismic. Within years, the shampoo market exploded. Competitors like Clinic Plus, Sunsilk, Pantene, and Nyle followed suit, turning sachets into the default format for a billion heads of hair. By the mid-1990s, over 65% of shampoo sales in rural India came from sachets—a model that would later inspire food and beverage brands to reimagine their packaging and pricing architecture.

The LPU Logic: Why Small Works in India

At its heart, the LPU strategy rests on an elegant triad of truths about Indian consumption:

- **Affordability Drives Adoption:** For a nation where nearly 800 million people live on daily budgets under Rs.250, the Rs.5–Rs.20 band is psychologically and financially accessible. LPUs transform aspiration into action.
- **Trial Drives Trust:** Smaller units reduce perceived risk. Consumers can “test” a brand without long-term commitment.
- **Volume Beats Margin:** While margins per pack may be thin, the velocity of volume across India's 12 million kirana stores creates profitability through scale.

No wonder every FMCG CEO in India refers to the LPU as “the ultimate penetration lever.”

Are Food Delivery Apps Squeezing the Very Restaurants They Depend On?

What began as a lifeline for restaurants during the pandemic has now become a double-edged sword. Food delivery platforms—once hailed as the great equalizer for the industry—are now being questioned for the very economics that made them popular. For every order delivered at the tap of a button, a growing number of restaurants are asking a harder question: at what cost? With industry bodies stepping in and emerging platforms experimenting with subscription-based or zero-commission models, the question is no longer whether restaurants need food delivery apps, but whether they can afford to stay on them.

By Mandar Lande

For both new and established restaurants, being available on food delivery apps has become a top priority. These platforms offer visibility, convenience, and access to customers far beyond the Dine-in customers. But behind the appealing idea of “getting discovered online,” there’s a growing downside. As behind this digital convenience lies a growing concern: are these apps helping restaurants thrive, or slowly squeezing them out?

The Growing Discontent

This year on July 1st, 2025, 85 restaurants in Namakkal, Tamil Nadu opted out of big food delivery players. The move has surprised many, but their reasons are clear:

- High commissions ranging from 30% to 35%, plus GST.
- Discounts are announced without consulting or informing the restaurants, often reducing their share of profits and resulting in lower profit margins.
- Poor communication and constantly changing policies leave owners frustrated and confused.





CAFÉ DELHI HEIGHTS:

Where India Eats, Laughs and Belongs

How brothers Vikrant and Sharad Batra turned a comfort-food dream into a 48-outlet cultural phenomenon redefining casual dining in India.

By Sanjay Kumar

Walk into any Café Delhi Heights (CDH) outlet, and the vibe hits you before the menu does—a buzz of laughter, familiar tunes, and the unhurried joy of people truly enjoying themselves. That atmosphere was no accident. It was, as **Co-founder Vikrant Batra** recalls, the cornerstone of a very simple founding vision: “We wanted to create a place where everyone in a joint Indian family could sit together and eat comfortably—grandparents, parents, kids, all generations under one roof. From a place that offers traditional dishes for the elders to trendy, global flavours for the younger ones, Café Delhi Heights was designed to be a true family experience.”

From its first outlet at Crosspoint Mall in Gurugram in 2011, CDH has grown into a pan-India comfort-dining brand, with 48 outlets across 17 cities and more than 3.5 crore guests served. Its appeal cuts across generations because the idea has never been just about food—it is about warmth, belonging, and connection.

“Every outlet and every menu still has to pass one test,” says Batra. “Would it be relevant to our own family? If yes, we go ahead.” That “family test” has become the brand’s cultural spine, guiding everything from its eclectic menu to its welcoming interiors and distinctive brand personality. “We never wanted to be intimidating,” says Batra. “Our diners should feel like they’ve come to a familiar place — somewhere between their living room and a good vacation.”

Why Food Safety is a Brand Differentiator in India's Competitive QSR Market



In a diverse country like India, food is more than sustenance, it is a reflection of culture, comfort, as well as a medium of celebration. With the rapid growth of Quick Service Restaurants (QSRs), especially in urban and tier-2 cities, customers now have abundant choice. However, in this fast-paced, price-sensitive, and highly competitive segment, what truly sets a QSR brand apart is not just taste or speed but its trust and credibility. At the core of that trust lies food safety, which is a non-negotiable pillar.

By Kewal Ahuja

The Indian QSR industry is projected to grow rapidly over the coming years due to factors like growing urbanization, changing customer preferences, a youthful population, and increased disposable income. One of the areas of the Indian food and beverage industry that is expanding the fastest is the Quick Service Restaurant (QSR) sector. Having been part of this journey, both as a food entrepreneur and taps on QSR trends, I believe that food safety is no longer just a regulatory mandate but it is a strategic business differentiator.

Over the last five years, the QSR landscape has also witnessed a major shift in the way consumers define "quality." Earlier, the focus was on taste and price; today, it's about how responsibly that food reaches the plate. Brands that demonstrate visible hygiene, transparent sourcing, and trained staff win a larger share of repeat orders. This is reflected in how digital review platforms now highlight hygiene ratings and kitchen visuals as a key part of consumer feedback.



The Evolving Indian Diner: Aware and Observant

Today's diners are no longer passive customers. Due to the growing influence of social media, food influencers, and online review platforms, people are far more aware and engaged when it comes to their dining choices. From behind the scenes food stories on Instagram to reviews about hygiene on food apps, every detail on food preparation is being noticed by the people.

People now are more health conscious and want to know what they're eating, where it came from, and how it was handled. Cleanliness in the kitchen, safe packaging, and transparent processes have become just as important as the final dish itself.

Growth of Retail in Tier-2 and Tier-3 Cities: The Next Frontier of Indian Consumption

India's retail transformation is being defined not in the metros, but in the dynamic heartlands of Tier-2 and Tier-3 India. Here, consumers are discerning yet grounded—seeking quality, hygiene, and trusted brands while valuing familiarity, relationships, and regional relevance. The new playbook is clear: smaller, smarter store formats, locally curated assortments, empowered teams, and omnichannel engagement that builds both reach and trust. The future of Indian retail is unfolding across these cities—steadily, confidently, and with purpose.

By K Devendra Kumar

Consumers in smaller cities are discerning and aspirational. They seek trusted brands, hygienic environments, and quality products—but they also value relationships and local relevance. Successful retailers must, therefore, blend modern retail practices with traditional community engagement. Understanding regional preferences, linguistic nuances, and local buying patterns is essential to winning trust and repeat visits.

Leadership Mindset: Patience and Perseverance

Building a retail presence in these markets requires strategic patience and perseverance. Store profitability may take time, but consistent focus on customer experience, team capability, and process discipline ensures sustainable growth. Retailers must adopt a long-term view, treating every store as a learning ground for improving assortment, pricing, and local sourcing efficiency.

