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FMCG
Why India's Contract
Manufacturing will
Fuel the Next Decade
of FMCG Growth.

INDIA FOOD FORUM
How India's
Foodservice Leaders
are Redefining Growth,
Grit and Purpose.



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STAR BRAND

**Brands that win at the
shelf—and are built to
scale for what's next**

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The Union Budget 2026–27 arrived at a crucial moment for India's food retail and food service ecosystem; an industry balancing scale, affordability, and evolving consumer expectations. From an industry perspective, the Budget offered steady structural support through continued investment in agricultural infrastructure, value-chain development, and expanded access to credit. These measures strengthen supply chains, improve sourcing efficiencies, and enhance product availability across organised retail and neighbourhood formats. At the same time, the absence of targeted tax relief or GST rationalisation for food marts and supermarkets reflects a missed opportunity for short-term margin support.

This balanced policy landscape mirrors many of the themes explored in this February edition of Business of Food. In our FMCG Manufacturing feature, Mahima Gupta examines how contract manufacturing is reshaping growth strategies as brands respond to evolving consumer expectations around quality, transparency, and consistency. As food retailers curate increasingly diverse assortments, this shift will play a defining role in ensuring supply reliability and cost efficiency.

The Cover Story on Star Localmart highlights how disciplined execution and deep localisation can unlock growth in Tier 2 and 3 markets. Shrenik Ghodawat's approach demonstrates that strong fundamentals in form of store economics, community relevance, and operational rigour remain central to sustainable food retail expansion. Meanwhile, the Retail Insights section, explores emerging supply chain management trends for 2026. From AI-led planning to sustainability priorities, these developments align closely with the Budget's long-term focus on infrastructure and resilience.

Together, these narratives reflect an industry in transition moving from volume-led growth to value-driven ecosystems. While the Budget reinforces foundational strengths, the next phase of progress will depend on how effectively businesses translate policy support into execution excellence.

As food retail and food service continue to evolve, success will be shaped not only by fiscal frameworks, but by innovation, collaboration, and an unwavering focus on consumer trust and operational discipline.



Amitabh Taneja | Editor-in-Chief

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Retailer 30.

Inside **Star Localmart's** Relentless Focus on Small-Town India In an era where Indian retail is increasingly defined by hyper-speed, hyper-scale, and hyperbole, Star Localmart is quietly building something more difficult: a system of neighbourhood stores that work day after day in small towns.



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2024 **INR 82.96 LAKH CR.**

2030-2032 **INR 125.98 LAKH CR.**

CAGR **4.75%**



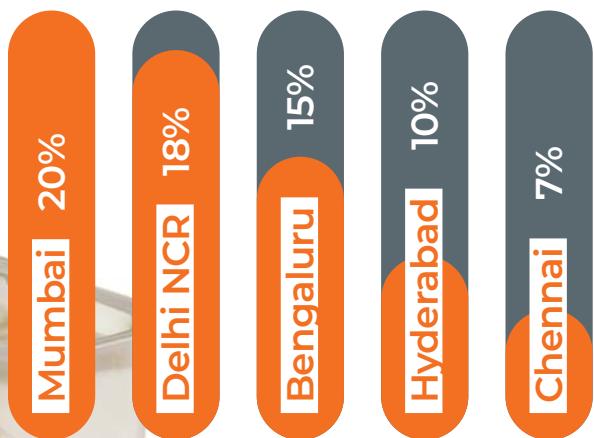
2024 **RS.18,975 CR.**

2030-2032 **RS.57,001 CR.**

CAGR **12.4%**

Fastest Growing Region: **Asia-Pacific (4.8 to 7.1% Share)**

India's City-wise Consumption (Estimated Share)



Source: D2P Consultancy

Inspira Global to acquire controlling stake in Restaurant Brands Asia; QSR Asia to exit

Restaurant Brands Asia Ltd. (RBA), the operator of Burger King in India, entered into definitive agreements for Inspira Global to acquire a controlling interest in the company, subject to regulatory and shareholder approvals. The transaction marks the complete exit of existing promoter QSR Asia Pte. Ltd., majority owned by Everstone Capital, in line with its planned investment lifecycle.

The acquisition will be executed through Lenexis Foodworks Private Ltd., Inspira Global's food and beverage arm, which operates 250+ Chinese Wok restaurants across 45+ cities in India. As part of the transaction, Inspira Global will acquire QSR Asia's entire 11.26% stake in RBA for approximately Rs.460 crore. Additionally, it will infuse around Rs.900 crore through a preferential allotment of equity shares and Rs.600 crore via preferential allotment of warrants, triggering an open offer to public shareholders under SEBI Takeover Regulations.

Commenting on the development, **Rajeev Varman, Whole-time Director and Group CEO, RBA**, said, "We are excited to welcome Aayush Agrawal and Inspira

Global as our new promoter. RBA will continue to operate with its existing leadership team, operational structure, and brand identity fully intact."

Aayush Madhusudan Agrawal, Inspira Global, stated that the acquisition is a long-term value creation initiative, strengthening

Inspira Global's focus on consumer businesses and deepening its presence in the high-growth QSR segment.

Rafael Odorizzi, President Asia-Pacific, Restaurant Brands International, said RBI looks forward to working with Inspira Global as long-term partners, while **Sameer Sain, Co-Founder & Group CEO, Everstone Group**, reflected on Everstone's 12-year journey of building Burger King in India to over 575 outlets and passing the baton to a new promoter.

The transaction was advised by Bathiya Advisors, with Motilal Oswal Investment Advisors Limited acting as manager to the open offer.



EU-India Free Trade Agreement set to unlock agri-food exports and cut tariffs sharply

The long-anticipated EU-India Free Trade Agreement (FTA) delivered unprecedented market access for European agricultural and processed food exporters into India. The deal targets one of the most protected segments of India's import regime. Indian average tariffs on EU agri-food products currently hover around 36%, with some duties as high as 150%. Under the new agreement, many of those barriers will be substantially cut or eliminated, opening access to India's 1.45 billion consumers for a broad basket of European food and drink goods.

Tariff reductions for key EU products

- **Wine:** From 150% to 20-30% depending on segment.
- **Spirits:** Up to 150% duties cut to 40%.
- **Beer:** From 110% to 50%.
- **Olive oil & other vegetable oils:** Tariffs reduced to 0%.
- **Processed foods (bread, pastries, pasta, chocolate, pet food):** Duties phased to 0%.
- **Fruit juices & non-alcoholic beer:** Tariffs eliminated.
- **Sheep meat:** Duty-free access from 33%.

This access package is described by Brussels as "unmatched" compared with India's existing pacts with other partners, including the UK and Australia.

Swiggy enables food and grocery ordering via ChatGPT, Claude and Gemini

Swiggy rolled out a new feature allowing users in India to order food and groceries, and book restaurant tables, directly through conversational AI platforms such as ChatGPT, Anthropic's Claude, and Google Gemini.

The integration is powered by the Model Context Protocol (MCP), an open-source standard that connects AI agents with live services. The functionality spans Swiggy Food, Instamart for groceries, and Dineout for restaurant reservations.

The company said the initiative is aimed at reducing friction in everyday ordering and improving personalisation by allowing consumers to interact with Swiggy services conversationally rather than through traditional app navigation.



Key SCM Trends Across Industries in 2026: Insights from o9

o9, a leading enterprise AI software platform provider for transforming planning and decision-making, shares key insights from its supply chain experts and leaders, highlighting interesting trends that will redefine Supply Chain Management (SCM) across the Grocery, Retail sectors and Top Sustainability Priorities for 2026.

By Business Of Food Bureau

As grocery and retail supply chains head into 2026, the operating environment is being reshaped by a convergence of volatility, technology disruption, and rising cost pressures. From demand swings and margin-dilutive omnichannel models to geopolitical shocks and sustainability mandates, supply chains are no longer back-end functions but strategic control towers for growth and resilience. Insights from o9's supply chain experts reveal that the coming year will mark a decisive shift: away from fragmented legacy systems and reactive planning, and toward AI-led, scenario-driven decision-making that integrates S&OP, inventory, assortment, and execution into a single, agile planning fabric—capable of responding in real time to consumers, markets, and regulation alike.

Top Grocery Supply Chain Trends & Challenges in 2026

1 Legacy Systems Slowing Progress: Grocery supply chains continue to grapple with outdated, siloed legacy systems that limit visibility, slow decision-making, and hinder the adoption of modern AI-based capabilities. This technology debt is becoming one of the biggest obstacles to agility. As a result, grocers will prioritize end-to-end integrated planning platforms that unify S&OP (Sales & Operations Planning), category planning, and supply chain execution to enable faster, more informed responses.

2 AI Becomes Core to Grocery Planning: Generative AI and machine learning forecasting are emerging as foundational tools across grocery operations. With demand volatility and fresh complexity rising, grocers are turning to AI to improve forecast

How India's Foodservice Leaders are **Redefining Growth, Grit and Purpose**

India's foodservice sector is growing faster than ever—but beneath the surface, operators are grappling with rising costs, fragile supply chains and an acute people challenge. At India Food Forum, some of the country's most influential F&B leaders came together to unpack the new rules of the table—and what it really takes to build businesses that are resilient, profitable and purposeful.

By Business Of Food Bureau

India's foodservice industry has never lacked ambition. What it increasingly lacks, however, is margin for error. As consumption expands and formats multiply, operators are navigating a far tougher reality—rising costs, fragile supply chains, chronic talent shortages, and customers who demand value, consistency and meaning all at once.

It was against this backdrop that a powerful CEO-level conversation unfolded at India Food Forum, titled 'The New Rules of the Table: Building Resilience, Profitability & Purpose.' Moderated by Anurag Katriar, Founder & CMD, Indigo Hospitality, the panel brought together founders, brand custodians, social entrepreneurs and supply-chain architects to examine a single question: What does it really take to build a food business that lasts?

Growth is Given. Resilience is Earned

Setting the context, Katriar laid out the contradictions of the moment. "Everybody knows the foodservice sector is growing, and it's growing fast. But there are newer challenges—changing taste buds, thinning margins, supply-chain issues, talent shortages. What we're really trying to understand is what is working, what is not, and what we should be doing to sustain and grow the F&B business." The panel quickly converged on a central truth: growth without discipline is fragile.



Inside Star Localmart's Relentless Focus on Small-Town India

“ We were very clear from the beginning. Star Localmart was not about transplanting a metro model into smaller towns. It was about understanding how people actually shop in these markets—and then building a system that serves them better, every single day.



SHRENIK GHODAWAT
MD, Ghodawat Consumer Ltd.

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Astonishing stories of product innovation, brand salience and market smarts from India's most high-potential food & grocery brands

- How legacy and challenger brands are adapting to the hybrid food economy—new launches, new platforms, and new partners
- How both legacy and D2C food brands are rebuilding around digital-first distribution, ecommerce platforms, and direct-to-consumer models
- Case studies of omnichannel pivots, brand collaborations with marketplaces, or influencer-led product launches
- Conversations with brand heads and digital transformation officers across FMCG verticals



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Brands that Win at the Shelf—and are Built to Scale for What's Next

In a food market as vast, layered, and competitive as India's, real success is no longer defined by ambition alone—but by what performs, repeats, and scales at the shelf. As consumption habits fragment across channels and formats, a new class of brands is quietly setting the benchmark for what sustainable growth looks like.

The Future Forward Star Brands package brings together a select cohort of such brands—recognised and conferred by Reliance Retail's Smart Bazaar—that have demonstrated consistent consumer pull, strong retail velocity, and executional discipline across modern trade. These are brands that are not merely future-ready in intent, but future-proof in performance.

Spanning legacy players and new-age challengers, the brands featured here reflect the changing anatomy of FMCG success in India: omnichannel thinking, data-led decisions, sharper shelf conversion, and the ability to deliver value simultaneously to consumers, retailers, and the category at large. Together, their journeys offer powerful masterclasses—revealing how brands are being re-engineered to win in India's fast-evolving hybrid food economy.

Taken together, the Future Forward Star Brands do more than showcase individual success stories—they map the direction of India's food and FMCG future. They remind us that the brands that endure will be those that listen closely to consumers, collaborate deeply with retailers, and execute relentlessly at scale. In a marketplace defined by constant change, these brands are not chasing tomorrow—they are already building it.

By Business of Food Bureau



Why India's Contract Manufacturing will Fuel the Next Decade of FMCG Growth

For decades, FMCG growth in India was built on brand muscle and distribution scale. Today, a quieter but far more consequential shift is underway—one where manufacturing capability is emerging as a decisive competitive advantage. As portfolios diversify, regulations tighten, and consumers demand more from everyday products, contract manufacturing is fast becoming the backbone of how FMCG brands will grow, scale, and sustain relevance in the decade ahead.

By Mahimm Gupta



India's FMCG sector is entering a phase where growth is no longer driven only by brand creativity or distribution reach. Manufacturing capability has become just as important. As consumer expectations rise and product portfolios expand, contract manufacturing is emerging as a central force shaping how FMCG companies grow, scale, and compete. Over the next decade, the strength of India's contract manufacturing ecosystem is likely to determine which brands succeed sustainably and which struggle to keep pace.

The Changing Nature of FMCG Growth in India

The FMCG market in India has traditionally been built on high volumes, mass distribution, and cost efficiency. This approach worked well when product ranges were limited and consumer needs were relatively uniform. Today, the market looks very different. Consumers expect more choice, better ingredients, cleaner labels, and consistent quality across regions.

New categories such as better-for-you foods, personal care with fewer additives, and premium daily-use products have expanded rapidly. These categories demand tighter control over formulation, processing, and quality. Many brands, especially emerging ones, no longer see owning factories as the fastest or smartest route to growth. Instead, they are turning to contract manufacturers who can offer scale, flexibility, and technical expertise.

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Images Business of Food invites contributions from industry professionals, experts, and analysts to share their insights on the food & grocery (F&G) and foodservice sectors. We welcome thought leadership articles that explore India's rapidly evolving food retail and HoReCa landscape, as well as their insights on key topics such as: Emerging consumption trends in the F&G and foodservice markets; Innovative strategies by foodservice brands and F&G retailers; Success stories, case studies, and breakthrough concepts in F&G and HoReCa; The potential of 'Make in India' in the food sector; The dynamic landscape of Modern Trade vs. Traditional General Trade and wholesale markets in India; Investment opportunities within food retail and foodservice operations; High-impact brand-retailer collaborations and partnerships; The rise of private labels and their market potential; Effective marketing, branding, and sales campaigns by foodservice brands and retailers. We encourage contributors to provide valuable insights that drive forward-thinking discussions and contribute to shaping the future of India's food industry.

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