FOOD PROCESSING

Towards Sustainable Growth Opportunities

Sector Profile

Beverages

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Preface

The Indian food-processing sector has witnessed remarkable growth, during the last 9 years ending 2023-24, Food Processing Industries sector has been growing at an Average Annual Growth Rate (AAGR) of around 6.55% as compared to around 6.06% in manufacturing at 2011-12 prices. The sector constituted as much as 7.93% share of FPI in manufacturing sector in 2023-2024. The sector is one of the largest employment providers in the organised manufacturing sector with 12.91% employment in the total registered/organised sector. This highlights its competitiveness and capacity to cater to global markets.

India is the world's largest producer of milk, pulses and jute and ranks as the second largest producer of rice, wheat, sugarcane, groundnut, vegetables, fruit and cotton. It is also one of the leading producers of spices, fish, poultry, livestock and plantation crops. This abundant raw material base offers immense potential for value addition and export. Notably, India reported the processed food exports amounted to USD 10.09 billion in 2024-2025 with significant shares in processed vegetables and fruits, pulses, cereal preparations etc. Further, the sector has attracted 7.21 billion FDI inflow in the last one-decade ending 2024-25. Recognizing the sector's significance, Ministry of Food Processing Industries has extended support and incentives for creation of modern infrastructure with efficient supply chain management, creation of employment opportunities, reducing post-harvest losses, increasing the processing level and enhancing export of the processed foods.

As India's beverage industry continues to evolve, both alcoholic and non-alcoholic segments present significant opportunities and challenges for businesses aiming to tap into the country's vast and dynamic consumer base. Overall, the beverages sector in India has immense potential in both domestic and global markets. Through an emphasis on cutting-edge technologies, sustainable packaging, and new products, the Indian beverages industry can make use of the resources, adapt to shifting customer preferences, and leverage the growing demand for healthy and functional beverages.

1. Introduction

India's diverse beverage landscape reflects a rich tapestry of cultural traditions, flavours, adaptations and preferences. In the alcoholic beverages segment, India boasts a vibrant array of options, including traditional spirits like whisky, rum, gin and brandy, alongside indigenous concoctions such as toddy, Chaang, Chuwarak, Handia and Feni, which are deeply rooted in regional heritage. Additionally, the emergence of craft breweries and boutique distilleries has ushered in a wave of innovation, offering consumers an expanding selection of artisanal beers, spirits, and liqueurs. Conversely, India's non-alcoholic beverage market is equally dynamic, with a spectrum ranging from age-old favourites like masala chai and lassi to globally popular soft drinks, fruit juices, and health-conscious options such as herbal teas and functional beverages infused with ayurvedic ingredients.

In terms of alcoholic beverages, India is the one of the fastest growing consumer markets. The global alcoholic beverages market size was valued at USD 1,616.59 billion in 2024 to reach USD 1,996.7 billion by 2033, exhibiting a CAGR of 2.30%[1]. Europe currently dominates the market, holding a market share of over 45.0% in 2024.[2] India is the fifth largest player in the global alcohol beverage market. The industry contributed to nearly 2% of India's nominal GDP, with some of the fastest growth rates as a sector to the economy. The Indian Alcohol Beverage Industry is estimated to grow from USD 39.30 billion in 2024 to USD 68.75 by 2034 at a of 5.8% (CAGR 2025-2034)[3]. India's non-alcoholic beverages market was valued at USD 30,846.6 million in 2023 and is projected to reach USD 64,248.9 million by 2033 growing at a CAGR of 7.66% from 2024 to 2033[4].

In India, the non-alcoholic beverages segment has been experiencing growth in the past decade across various categories, especially juices, mineral water, and non-cola carbonates (especially lemon-based ones). The growth in the sector is due to demand side factors such as favourable demographics, higher disposable income, rising affordability, growing spending on packaged products, and supply side factors such as innovations in product packaging and size, especially in rural areas. With the rising consumer base and increasing number of people willing to experiment with different products, the sector is expected to grow at a fast pace. Products such as health drinks, plant-based drinks, organic drinks, sports drinks etc. are expected to witness substantial growth in the coming years. This puts the sector on a very optimistic cusp of opportunities. Globally, innovative product varieties like dairy alternatives, plant-based protein drinks like almond milk, soy preparations etc., have found its way to the households, especially in high income economies. Other beverage groups with increasing demand are functional fortified beverages, naturally healthy and organic certified drinks etc.

[1] https://www.imarcgroup.com/alcoholic-beverages-market
[2] https://www.imarcgroup.com/alcoholic-beverages-market
[3] https://www.marketresearchfuture.com/reports/indian-alcohol-market-25149
[4] https://www.apollorr.com/industry-reports/India-Non-Alcoholic-Beverage-Market-Report-With-Global-Overview

2. Non-Alcoholic Beverages

2.1 Global Trends in Non-Alcoholic Beverages

Non-alcoholic beverages are the drinks that are either totally free from alcohol or that have less than 0.5 percent alcohol by volume (abv). The non-alcoholic beverages market consists of sales of roasted coffee, coffee concentrates, coffee extracts, flavourings, and syrups, instant tea, blending tea, tea concentrate, herbal tea, tea extracts, carbonated soft drinks, ice flakes, ice cubes, ice nuggets, bottled water, Ready to Drink (RTD) tea and coffee, juices and juice concentrates, functional drinks, and other non-alcoholic beverages. The companies in the non-alcoholic beverages industry process raw materials into non-alcoholic beverages, package and distribute them through various distribution channels to both individual customers and commercial establishments.

Non-alcoholic beverages sector is an important component of the food processing industry in India. This sector has evolved significantly over the past years and has been a major contributor to the Indian economy in terms of revenue, output, exports, and investment. It generates employment to over 80 lakh people in related sectors such as agriculture, F&B, retail and hospitality. The major players of the non-alcoholic market are The Coca-Cola Company, PepsiCo, and Nestle. India non-alcoholic beverages market was valued at USD 14.95 billion in 2024 and is anticipated to grow with a CAGR of 7.36% till 2030.[5] Additionally, increased awareness of sustainability and wellness is influencing consumer choices, prompting companies to invest in eco-friendly packaging and natural ingredients. This dynamic market continues to expand as it adapts to changing consumer lifestyles and preferences.

The non-alcoholic beverage market based on category is led by water. Innovations in premium and flavoured water products are further driving this growth. Asia Pacific led the market in 2024, holding the largest share (38.7%) and is expected to continue its dominance with the fastest growth rate.[6]

Table 1: Top 5 countries by Revenue in Non-alcoholic Beverage Market by 2025

Country	**Revenue (in billion USD)**[7]
USA	441.793
China	150.731
India	108 .88
Germany	93.188
United Kingdom	82.378

[5] https://www.techsciresearch.com/report/india-non-alcoholic-beverages-market/9430.html
[6] https://www.grandviewresearch.com/horizon/outlook/non-alcoholic-drinks-market/india
[7] https://www.grandviewresearch.com/horizon/outlook/non-alcoholic-drinks-market/india

The table displays India as a major player in the non-alcoholic beverage market. Mineral water (packaged drinking water/ natural mineral water) has the highest growth projection in Asia, with India being one of the largest markets. Globally, there is an increase in health awareness and companies are innovating new products to cater to such need, leading to a proliferation of nutritious products.

The global carbonated beverages market size was valued at USD 613.3 million in 2024 and is projected to grow at a CAGR of 6.4% from 2025 to 2030. Buyers prefer such drinks as they have an acidic bite, produce a pleasant tingling, and offer a cooling sensation with every sip. The carbonated soft drinks segment recorded the largest revenue share of 49.8% in 2024, powered by its widespread popularity among consumers, diverse flavour offerings, and strong brand presence. Major companies have heavily invested in marketing and distribution, ensuring that carbonated soft drinks are accessible and appeal to a broad demographic. Furthermore, innovations such as low-calorie, sugar-free, and functional beverages have helped attract health-conscious consumers. The convenience of easy availability across multiple retail channels and consistent consumer demand further ensures the dominance of soft carbonated drinks on the global market.[8]

2.1.1 Global Consumption Scenario

The global non-alcoholic beverage market in 2024 is characterized by robust growth, driven by health consciousness, youth demographics, social dynamics/social pressures in certain cultures with innovative product offerings, and shifting social norms.

With the increase in population and inclination towards convenient and functional foods and ever-increasing awareness about the packaged food industry, the non-alcoholic beverage production globally is expected to rise further in the future. The demand for various beverage products has increased gradually across all major regions in the world. This increase is driven by economic prosperity and enhanced disposable incomes in emerging economies as well as rise in demand among major African nations.

Asia Pacific holds the largest market share in 2024, this region's growth is propelled by rising disposable incomes, urbanization, and a shift towards healthier beverage choices.[9]

Matured markets like U.S.A & Europe markets are witnessing increased demand for non-alcoholic beverages, driven by health trends, lifestyle changes, and a growing preference for low-sugar and functional beverages.

Table 3: The top 3 countries by non-alcoholic beverage production volume in 2024[10]

Country	Production Volume in 2024
United States	67 billion litres
China	35 billion litres
India	14 billion litres

[8] https://www.grandviewresearch.com/industry-analysis/carbonated-beverages-market
[9] Non-Alcoholic Beverages Market Size to Surpass USD 2.68 Trn by 2034
[10] https://www.indexbox.io/blog/non-alcoholic-beverage-not-containing-milk-world-market-overview-2024-1

2.1.2 Global Trade Scenario

The Netherlands stands as the leading global exporter by value, leveraging its strategic location and advanced logistics infrastructure to distribute a wide range of non-alcoholic beverages. Germany maintains a strong position in both volume and value, exporting a diverse array of non-alcoholic beverages, including mineral waters and flavoured drinks. Switzerland's exports are notable for their high value, reflecting the premium nature of its non-alcoholic beverage products. Thailand leads in the Asia-Pacific region, with significant exports of non-alcoholic beverages, particularly those not containing milk. Mexico has shown remarkable growth in its non-alcoholic beverage exports, with a compound annual growth rate (CAGR) of +23.2% from 2013 to 2024[11].

Table 4: Top 5 exporters of Non-alcoholic beverages in 2024[12]

S. No.	Country	Export vol. (million Litres)	Export value (USD billion)
1.	Netherlands	809	1.6
2.	Germany	780	1.5
3.	Switzerland	705	1.4
4.	Thailand	700	0.694
5.	Mexico	583	0.583

As of 2024, the global import market for non-alcoholic beverages continues to grow, with key countries leading the charge in importing these products. The top five importers of non-alcoholic beverages tend to be those with large populations, high consumption rates, and strong international trade networks. Here are the top 5 importers of non-alcoholic beverages based on data trends:

The U.S. remains the largest importer of non-alcoholic beverages**.** Key drivers are high demand for healthier options (e.g., juices, flavoured water), the popularity of energy drinks, and a large consumer base. Germany is the largest importer of non-alcoholic beverages in europe. A well-established retail market, increasing health-conscious consumer behaviour, and Germany's position as a hub for beverage trade in Europe.[13]

Table 5: Top 5 importers of Non-alcoholic beverages in 2024[14]

S.No.	Country	Export value (USD billion)
1.	United States of America	17
2.	Germany	9
3.	United Kingdom	7
4.	France	6
5.	China	5

[11] https://www.fas.usda.gov/data/visualization-january-trade-spotlight-non-alcoholic-beverages
[12] https://www.trademap.org/Country_SelProductCountry_TS.aspx
[13] https://www.trademap.org/Country_SelProductCountry_TS.aspx
[14] https://www.trademap.org/Country_SelProductCountry_TS.aspx

2.2 Overview of Non-Alcoholic Beverages in India

In India, the tea segment is expected to be the highest contributor to this market, with USD 12.14 billion in 2023, and is anticipated to reach USD 24.07 billion by 2033, registering a CAGR of 7.13%. Bubble/Sparkling Water segment is anticipated to reach 0.918 billion by 2033 with the highest CAGR of 13.74%. Packaged Water continues to dominate in volume, driven by urbanization and increased health awareness. Juices & Nectars maintain steady demand, particularly among health-conscious consumers.

India is the second largest producer of several fruits and vegetables in the world, which is a raw material in the production of non-alcoholic beverages. With abundant raw materials the country has a natural advantage in the manufacturing of non-alcoholic beverages, which is a key component of India's food processing industry.

The following are the potential non-alcoholic beverages widely used in Indian market:

- Carbonated soft drinks
- Sports drinks
- RTD teas & coffees
- Energy drinks
- Juices
- Dairy substitutes
- Pulp-based concentrates
- Bottled water

2.2.1 Market Scenario[15]

- Revenue, at home (e.g., revenue generated in supermarkets and convenience stores) in the Non-Alcoholic Drinks market amounts to US$17.42bn in 2025.
- Revenue, out-of-home (e.g., revenue generated in restaurants and bars) amounts to US$2.32bn in 2025.
- Revenue, combined amounts to US$19.74bn in 2025.
- The revenue, at home is expected to grow annually by 4.87% (CAGR 2025-2029).
- In global comparison, most revenue, at home is generated United States (US$225bn in 2025).
- In relation to total population figures, the average revenue per capita, at home of US$11.90 are generated in 2025.
- In the Non-Alcoholic Drinks market, volume, at home is expected to amount to 34.12 billion litres by 2025.
- Volume, out-of-home is expected to amount to 747.92 million litres in 2025.
- Volume, combined is expected to amount to 34.87 billion litres in 2025.
- The Non-Alcoholic Drinks market is expected to show a volume growth, at home of 1.3% in 2026.
- The average volume per person, at home in the Non-Alcoholic Drinks market is expected to amount to 23.31L in 2025.

[15] https://www.statista.com/outlook/emo/beverages/non-alcoholic-drinks/india

2.2.2 Key Growth Drivers

- **Favourable Demographics**: India boasts a sizable young and middle-class populace eager to explore various offerings within this category. Additionally, with the burgeoning urban population, there's an anticipated uptick in demand for such products, driven by aspirations for an elevated standard of living.
- **Rising Health Consciousness:** Increasing awareness about lifestyle-related diseases is pushing consumers toward healthier drink options like herbal teas, fruit juices, low-sugar beverages, and functional drinks.
- **Urbanization & Changing Lifestyles:** Rapid urbanization and busy urban lifestyles are increasing demand for convenient, ready-to-drink beverages like packaged water, cold coffee, and on-the-go juices.
- **Premiumization & Innovation**: Companies are innovating with natural ingredients, functional benefits (e.g., immunity-boosting, detox drinks), and unique flavours, appealing to aspirational and experimental consumers.
- **Rise of Organized Retail & E-commerce:** Improved access to beverages via modern retail chains and online platforms is significantly increasing product visibility and consumer reach.
- **Government Initiatives & Infrastructure:** Government policies promoting Make in India, food processing industries, and cold chain infrastructure are indirectly aiding beverage production and distribution
- **Climate and Seasonality:** India's warm climate, especially during long summers, naturally boosts the demand for cooling, hydrating drinks such as packaged water, juices, and cold beverages.
- **Brand Investments and M&A Activity:** Major players like Coca-Cola, PepsiCo, Tata Consumer, and Dabur are expanding their product portfolios and investing heavily in marketing and distribution.
- **Growing Café & Quick-Service Restaurant (QSR) Culture:** As dining out and café culture becomes more common, demand for branded non-alcoholic beverages like cold brews, iced teas, and smoothies is rising.
- **Enhanced Infrastructure**: With advancements in the logistics and infrastructure sectors, the reach of the food and beverage industry has notably widened. This progress encompasses improvements in cold chain infrastructure, transportation networks, and physical infrastructure such as roads, thereby facilitating increased access to rural markets. Additionally, advancements in packaging solutions have contributed to extending the shelf-life of products.

2.2.3. Key Industry Players

Table 6: List of major players engaged in non-alcoholic beverages (apart from wines)

Key Players	Description
Dabur India Ltd	Strong in health-based and Ayurvedic beverages like Real fruit juices, Real Activ, and glucose drinks; leadership in natural and immunity-boosting drinks
Pepsi co	Major player in carbonated beverages (Pepsi, Mountain Dew), juices (Tropicana), and hydration drinks (Gatorade, Aquafina); strong distribution and marketing network
Zydus Wellness	Known for functional and wellness drinks, especially glucose and energy drinks under the brand Glucon-D; focus on health, nutrition, and supplement-based beverages
Hector Beverages (Paper Boat)	Niche player specializing in traditional Indian drinks with modern packaging e.g., Aam Panna, Jaljeera, Kokum; strong storytelling and regional appeal
Nestlé India Ltd.	Strong in dairy-based drinks (Nescafé cold coffee, Milkmaid drinks) and nutrition-based beverages; emerging focus on healthy, ready-to-drink formats
Bisleri International Pvt. Ltd.	Market leader in packaged drinking water; also produces carbonated soft drinks and energy drinks (Bisleri, Vedica, Fonzo, Spyci)
Parle Agro Ltd	Known for fruit-based and flavored beverages like Frooti, Appy, Appy Fizz, and Bailley; pioneer in tetra pack juices and sparkling fruit drinks
ITC Limited	Diversifying into fruit juices and bottled beverages under B Natural brand; emphasis on Indian fruit sourcing, pulp-based drinks, and no added preservatives
Coca Cola India Ltd	Wide portfolio including carbonated drinks (Coca-Cola, Thums Up), juices (Minute Maid), hydration (Kinley), and traditional drinks (Maaza); deep market penetration
Manpasand Beverages	Focused on affordable fruit-based drinks for semi-urban and rural markets; key products include Mango Sip and Fruits Up

3. Alcoholic Beverages

3.1 Global Trends in Alcoholic Beverages

The global alcoholic beverages market size was valued at USD 1.617 trillion in 2024. The global market is estimated to reach USD 1.997 trillion by 2033, exhibiting a CAGR of 2.30% from 2025-2033[16]. Europe currently dominates the market, holding a market share of over 45.0% in 2024. The global alcoholic drinks market is strongly influenced by growing consumer demand for premium and craft products. As incomes increase, especially in emerging economies, there is a strong trend toward drinks that provide unique taste, authenticity, and craftsmanship. Consumers are putting more emphasis on the factors of origin, production method, and ingredient openness. This trend is most evident among 13-28 and 29-44 years old consumers respectively, who prefer special and curated experience over mass-produced options. Regionally made wines, small-batch spirits, and craft beers are becoming more popular across markets because they are perceived as having higher quality and being exclusive. Additionally, the global scope of digital technology and travel has made consumers exposed to a greater variety of drinks, driving cross-border demand faster. Moreover, the increased demand for premium and craft products continues to have a central position in influencing product innovation, marketing, and consumption trends in the global alcoholic drinks industry

The alcoholic beverages market constitutes approximately 26.6% of the total global food and beverage market in 2024[17].

Table 7: Top 5 Alcoholic Beverage Exporting Countries in 2024[18]

Country	Value	Description
United Kingdom	Approximately USD 10.3 billion	The UK continues to lead in spirits exports, particularly whisky, with a notable increase in demand from markets like India following recent trade agreements
France	Approximately USD 6.42 billion	Renowned for its wine and brandy exports, France maintains a strong presence in global markets
Mexico	Approximately USD 5.85 billion	A significant exporter of tequila and mezcal, Mexico's exports have seen steady growth
United States	Approximately USD 2.33 billion	The U.S. exports a diverse range of alcoholic beverages, including bourbon and vodka
Singapore	Approximately USD 1.81 billion	A key player in the Asian market, Singapore serves as a major re-export hub for premium spirits

[16] https://www.imarcgroup.com/alcoholic-beverages-market
[17] https://www.fortunebusinessinsights.com/alcoholic-beverages-market-107439
[18] https://oec.world/en/profile/hs/hard-liquor

3.1.1 Global Trends in Alcoholic Beverages Industry

- **Premiumization:** There's a growing demand for premium and craft alcoholic beverages across various categories, including beer, wine, and spirits. Consumers are willing to pay higher prices for products perceived as higher quality, artisanal, or offering unique flavor profiles and experiences.
- **Controlled consumption theory:** Health-conscious consumers are seeking lower-alcohol or alcohol-free alternatives, leading to the rise of products such as low-ABV (alcohol by volume) beers, non-alcoholic spirits, and mocktails. This trend is driven by concerns about alcohol's impact on health, as well as a desire for moderation and balance in lifestyle choices.
- **Sustainability:** Environmental sustainability is becoming increasingly important in the alcoholic beverages industry. Consumers are seeking products that are produced using environmentally friendly practices, with a focus on reducing carbon emissions, conserving water, and minimizing waste throughout the production process.
- **Flavor Innovation:** Innovation in flavor profiles and ingredients is driving product differentiation and consumer interest. Craft breweries, distilleries, and wineries are experimenting with unique ingredients, aging techniques, and flavor combinations to create distinctive and memorable products.
- **Convenience and Accessibility, E-Commerce:** The rise of e-commerce and online retail platforms has made alcoholic beverages more accessible to consumers, allowing them to purchase a wide range of products from the comfort of their homes. This convenience factor, coupled with the availability of delivery services, has contributed to the growth of online alcohol sales.
- **Cocktail Culture:** There's a resurgence of interest in cocktail culture, with consumers experimenting with mixology at home and seeking out premium ingredients to create craft cocktails. This trend has led to increased sales of cocktail mixers, bitters, syrups, and garnishes, as well as a renewed focus on classic cocktail recipes and techniques.
- **Regional and Artisanal Offerings:** Consumers are showing a preference for locally produced and artisanal alcoholic beverages, supporting small-scale producers and regional specialties. This trend is driven by a desire for authenticity, unique flavor profiles, and a connection to the local community.

3.1.2 Global Players

Table 8: List of major players engaged in Alcoholic Beverages:

Key Players	Description
Anheuser-Busch InBev	A global leader in the beer industry, known for brands like Budweiser and Corona
Heineken N.V.	A prominent player in the global beer market, recognized for its flagship Heineken brand
Diageo	A major producer of spirits, including brands like Johnnie Walker and Guinness
Pernod Ricard	Known for a diverse portfolio of premium spirits, including Absolut Vodka and Chivas Regal
Constellation Brands	A significant player in the beer, wine, and spirits sectors, with brands like Corona and Robert Mondavi

3.2 Overview of Alcoholic Beverages Sector in India

An alcoholic beverage is a drink containing ethanol, commonly known as alcohol. Alcoholic beverages are divided into three general classes: beers, wines, and spirits. Alcoholic beverages are considered a sunrise industry owing to their high-growth potential and increasing social acceptance.

Indian alcohol market size was estimated at 39.30 (USD Billion) in 2024. The Indian Alcohol Market CAGR (growth rate) is expected to be around 5.8% during the period (2025-2034)[19].

India's alcohol market consists of two main kinds of liquor – Indian-made Indian liquor or IMIL, and Indian-made foreign liquor, or IMFL. This was in addition to beer, wine, and other imported alcohol. The two segments in the liquor segment, country liquor, and Indian Made Foreign Liquor, both cater to different sections of society. Low-income groups in rural areas consume the former, while the middle and high-income groups consume the latter.

3.2.1 Export Scenario

In fiscal year 2023-24, the export value of alcoholic beverages from India amounted to USD 262.1 million. [20]

Table 9: Value of alcoholic beverages exported from India between the financial year 2019 and 2024[21]

Year	Exports (USD million)
2019-20	201.06
2020-21	209
2021-22	204.85
2022-23	325
2023-24	262.1

3.2.2 Demand & Consumption

In India, alcohol consumption stood at 4.9 litres per capita with male alcohol consumption at 8.1 litres per capita[22]. Alcohol consumption is expected to increase to 5 litres per capita in 2025 and to 6 litres per capita by 2030[23]. The alcohol consumption in 2021 amounted to about 5.3

[19] https://www.marketresearchfuture.com/reports/indian-alcohol-market-25149
[20] https://tradestat.commerce.gov.in/eidb/ecomq.asp
[21] https://tradestat.commerce.gov.in/eidb/ecomq.asp
[22] Global status report on alcohol and health and treatment of substance uses disorders. Geneva: World Health Organization; 2024. Licence: CC BY-NC-SA 3.0 IGO.: https://www.who.int/publications/i/item/9789240096745
[23] Global status report on alcohol and health and treatment of substance uses disorders. Geneva: World Health Organization; 2024. Licence: CC BY-NC-SA 3.0 IGO.: https://www.who.int/publications/i/item/9789240096745

billion litres. In 2024, the total volume of alcoholic beverages consumed in India is expected to be around 11.6 billion litres[24], encompassing both at-home and out-of-home consumption.

3.2.3 Revenue & Growth Projections[25]

Indian alcohol market size was estimated at 39.30 (USD Billion) in 2024. The Indian Alcohol Market CAGR (growth rate) is expected to be around 5.8% during the period (2025-2034). Beer emerges as a dominant force within this market, boasting a valuation of 13.5 USD Billion in 2023, with expectations to expand to 22.0 USD billion by 2032 Similarly, the spirits segment, valued at 12.0 USD Billion in 2023 and projected to reach 20.0 USD billion by 2032. Wine, while smaller in comparison, with a market valuation of 6.0 USD billion in 2023, is expected to increase to 10.0 USD Billion by 2032. Ready-to-drink (RTD) beverages represent an emerging segment in this landscape, valued at 3.64 USD Billion in 2023 and forecasted to grow to 6.1 USD Billion by 2032.

3.2.4 Key Players of Alcoholic Beverages in the Indian Market[26]

Table 10: Key Market Players of Alcoholic Beverages in India

Key Players	Description
Tilaknagar Industries Monteith's	Specializes in Indian brandy; best known for Mansion House Brandy and Courrier Napoleon; strong presence in southern and western India
United Spirits Limited (now majority-owned by Diageo but originally Indian)	India's leading spirits company with flagship brands like McDowell's No.1, Royal Challenge, Signature; strong presence across price segments
Carlsberg India (Indian subsidiary of Danish company Carlsberg)	Subsidiary of Carlsberg Group; known for Carlsberg, Tuborg, and premium beer variants; focus on strong beer segment and urban youth market in India
Radico Khaitan	Prominent Indian spirits company; known for Magic Moments Vodka, 8 PM Whisky, Morpheus Brandy; strong in both domestic and export markets
Allied Blenders Distillers (ABD)	Major Indian spirits producer; known for Officer's Choice Whisky, Sterling Reserve, and Jolly Roger Rum; strength in mass-market and value segment

[24] https://es.statista.com/outlook/cmo/alcoholic-drinks/spirits/india
[25] https://www.marketresearchfuture.com/reports/indian-alcohol-market-25149
[26] https://www.marketresearchfuture.com/reports/indian-alcohol-market-25149

3.2.5 Market Segmentation[27]

Beer

In 2024, the revenue in the Alcoholic Beer market in India is projected to reach a staggering amount of USD 9.8 billion. This market segment is expected to experience an annual growth rate of 6.89% (CAGR 2024-2028). When compared globally, the highest revenue is generated in the United States, with a predicted revenue of USD 72.7 billion in 2024. Beer worth USD 34 million was exported from India in 2023.

Whiskey

In 2024, the revenue in the Whiskey market in India is projected to get to USD 17.4 billion. Projected to grow annually by 5.30% (CAGR 2024-2028). When compared globally, India generates the highest revenue in the Whisky sector. Whiskey worth USD 124.1 million was exported in 2022-2023 from India.

Brandy

In 2024, the revenue in the Brandy market in India is estimated to reach to USD 3.7 billion. Projected to grow annually by 4.33% (CAGR 2024-2028). When compared globally, in the United States generates the highest revenue in the Brandy market, with USD 9.3 billion projected for 2024. India exported wine worth USD 11.9 million.

Gin

The Gin market in India to generate a revenue of USD 1.7 billion in 2024. Projected to experience an annual growth rate of 7.78% (CAGR 2024-2028). When compared globally, in the United Kingdom leads the market with a revenue of USD 2.3 billion in 2024.

Rum

In 2024, the revenue in the Rum market in India is projected to amount to USD 1.2 billion. Projected to grow annually by 5.65% (CAGR 2024-2028). When compared globally, in the United States generates the highest revenue with USD 1.5 billion in 2024.

Vodka

In 2024, the revenue in the Vodka market in India amounts to USD 37.8 million. It is projected to grow annually by 2.13% (CAGR 2024-2028). The United States generates the highest revenue with USD 12.8 billion in 2024.

Wine

In 2024, the revenue in the Still Wine market in India amounts to USD 7 billion. It is projected to experience an annual growth rate of 14.57% (CAGR 2024-2028). The United States generates the highest revenue in this market, with USD 31 billion in 2024. India exported wine worth USD 3.8 million in 2022-2023.

[27] https://www.statista.com/outlook/cmo/alcoholic-drinks/india

4. Investment Potential in the Beverages Sector

4.1 Expanding Domestic Consumption Across Beverage Categories

India's beverage market covering spirits, beer, wine, soft drinks, juices, dairy-based drinks and ready-to-drink (RTD) continues to expand on the back of rising disposable incomes, rapid urbanisation and a young demographic profile. Alcoholic beverages benefit from a growing middle class willing to buy premium labels, while non-alcoholic segments enjoy higher penetration as health-conscious consumers gravitate toward functional, low-sugar and natural formulations. Together, these trends underpin a large and steadily broadening demand base that supports new capacity investments in processing, packaging and cold-chain infrastructure.

4.2 Attractive Market Economics and Growth Drivers

India's favourable price elasticity, especially in Tier-2 and Tier-3 cities, leaves substantial headroom for volume growth. Shifts in lifestyle such as increased dining-out frequency, acceptance of social drinking and the popularity of café culture translate into higher per-capita consumption. In parallel, e-commerce and home-delivery platforms shorten go-to-market cycles for both alcoholic and non-alcoholic products, allowing processors to capture incremental margins while scaling quickly.

4.3 Supportive Policy Environment

Central and state governments continue to prioritise food processing by offering production incentives, streamlined approvals and 100 % foreign direct investment through the automatic route. For beverages, targeted schemes encourage modernisation of bottling lines, adoption of aseptic and hot-fill technologies, establishment of fruit-based processing clusters, lowering entry barriers, and improving project viability for green-field or expansion investments.

4.4 Innovation, Premiumisation and Brand-Building

Growth in craft spirits, micro-breweries, artisanal coffees, botanical teas and functional health drinks illustrates a consumer shift toward differentiated, experience-driven products. Small-batch and premium-plus categories command significantly higher gross margins than mass-market SKUs, offering investors an opportunity to pursue capital-efficient models focused on intellectual property (unique yeast strains, proprietary nutraceutical blends) and strong brand stories rather than scale alone.

4.5 Export Upside and Free-Trade Levers

Although still a modest share of total output, exports of Indian whisky, gin, fruit-juice concentrates and RTD beverages are rising as trade agreements lower tariffs and improve market access. Participation in regional value chains particularly those linking South-East Asia and the Gulf Cooperation Council creates additional demand for India-processed beverages, encouraging processors to design plants with flexible lines that can switch between domestic and export SKUs.

4.6 Sustainability and Integrated Supply-Chain Efficiency

Regulatory pressure to reduce plastic waste, conserve water and improve energy efficiency is prompting beverage companies to invest in lightweight glass, aluminium cans, recycled PET (rPET) and biomass boilers. Such upgrades not only future-proof operations against tightening environmental standards but also unlock concessional finance from green-bond issuers and development institutions, thereby improving project returns.

5. Government Interventions for supporting Beverages Sector

5.1 Pradhan Mantri Kisan Sampada Yojana (PMKSY)[28]

Ministry has been implementing Central Sector Umbrella Scheme –Pradhan Mantri Kisan Samapada Yojana(PMKSY) since May, 2017 across the country including NER with an allocation of Rs. 6,000 Crores for the period 2016-20 co terminus with the 14th Finance Commission Cycle. A new scheme "Operation Greens" was introduced in PMKSY in November, 2018 for integrated development of value/supply chain of tomato, onion and potato (TOP) crops in selected States on pilot basis with an outlay of Rs 500 Crores, which was subsequently extended to all notified crops and later to 22 perishables. Continuation of restructured PMKSY during 15th Finance Commission cycle i.e. till 31.03.2026 has been approved with an allocation of Rs. 5520 crores with following component schemes-

- Integrated Cold Chain and Value Addition Infrastructure
- Creation/ Expansion of Food Processing and Preservation Capacities (Unit Scheme)
- Infrastructure for Agro-processing Clusters
- Food Safety and Quality Assurance Infrastructure
- Human Resources and Institutions –Research & Development
- Operation Greens

The component schemes of Mega Food Park, Creation of Backward & Forward Linkages, Human Resource & Institution - Promotional Activities, Skill Development & HACCP, a component of Food Safety and Quality Assurance Infrastructure have been discontinued in the 15th FC cycle with the provision of committed liability.

Under constituent component schemes of PMKSY, the MoFPI provides mostly credit linked financial assistance (capital subsidy) in the form of grants-in-aid to the individuals, farmers, Farmer Producer Organizations (FPOs), Entrepreneurs, Cooperatives, Societies, Self Help Groups (SHGs), Private Companies and Central/ State PSUs etc. for setting up of food processing/preservation industries. Financial assistance to the eligible applicant is provided as per the Scheme guidelines and against the Expression of Interest issued by the Ministry from time to time to enable them to set up various food processing/preservation projects.

5.2. PM Formalization of Micro Food Processing Enterprises (PMFME):

MoFPI is implementing a centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" under Aatma Nirbhar Bharat Abhiyaan initiative for providing financial, technical and business support for upgradation of micro food processing enterprises in the country. The scheme is operational from 2020-21 to 2025-26 with an outlay of Rs 10,000 Crore. Two lakh micro food processing units will be directly

[28] https://sampada-mofpi.gov.in/

assisted with credit linked subsidy, capacity building and marketing and branding support. The objectives of the scheme are as under:

i) Increased access to credit by existing micro food processing entrepreneurs, FPOs, Self Help Groups and Co-operatives;

ii) Integration with organized supply chain by strengthening branding & marketing;

iii) Support for transition of existing 2,00,000 enterprises into formal framework;

iv) Increased access to common services like common processing facility, laboratories, storage, packaging, marketing and incubation services;

v) Strengthening of institutions, research and training in the food processing sector; and

vi) Increased access for the enterprises, to professional and technical support

The scheme aims to:

i) Enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector; and
ii) Support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain.

One District One Product:

PMFME Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP scheme provides the framework for value chain development and alignment of support infrastructure. The scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, R&D, marketing & branding. These provisions would primarily be for ODOP products.

5.3. Production Linked Incentive Scheme for Food Processing Industry (PLISFPI):

For enhancing India's manufacturing capabilities and improving exports, in November 2020, Government gave approval to introduce the Production-Linked Incentive (PLI) Scheme in 10 key sectors, including food processing sector. The Union Cabinet approved the Production Linked Incentive (PLI) Scheme for the food processing industries on 31.03.2021 with a total outlay of Rs. 10,900 crores to be implemented over six years from 2021-22 to 2026-27.

The food segment identified includes Ready to Cook/ Ready to Eat (RTC/ RTE) foods including Millets based products, Processed Fruits & Vegetables, Marine Products and Mozzarella Cheese, and production of Innovative/ Organic products of SMEs including Free Range - Eggs, Poultry Meat, Egg Products. The scheme would also support for branding and marketing abroad to incentivise emergence of strong Indian brands for in-store Branding, shelf space renting and marketing.

The Scheme supports food manufacturing entities with stipulated minimum sales and willing

to make minimum stipulated investment for expansion of processing capacity and Branding abroad to incentivise emergence of strong Indian brands. It aspires to not only support creation of global food manufacturing champions, but also to strengthen select Indian brand of food products for global visibility and wider acceptance in the international markets, increase employment opportunities of off-farm jobs and ensue remunerative prices of farm produce and higher income to farmers.

5.4 Non-Alcoholic Beverages Sector

Government of India has taken up various initiatives to boost the non-alcoholic beverages sector.

The Agriculture Infrastructure Fund (AIF) has been set up for funding Agriculture Infrastructure Projects at farm-gate & aggregation points (Primary Agricultural Cooperative Societies, Farmers Producer Organizations, Agriculture entrepreneurs, Start-ups, etc.). Impetus for development of farm gate & aggregation point, affordable and financially viable Post Harvest Management infrastructure. Under the same, Interest subvention of 3% p.a., limited to ₹2 Crore per project in one location, though loan amount can be higher is offered. For a private sector entity, such as farmer, Agri entrepreneur, start-up there will be a limit of maximum of 25 such projects.

- The government classified food processing sector including dairy processing under 'agricultural activity' and is considered under Priority Sector Lending for ensuring credit availability in the sector.
- Lower GST for raw and processed products, with more than 71.7% of food products under various chapter heads/sub-heads covered in lower tax slabs of 0% & 5%.
- Setting up of a Special Fund of ₹2,000 crore in National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for designated Food Parks and agro-processing units.

5.5 Alcoholic Beverages Sector

- Foreign direct investment of 100% is allowed under the automatic route for brewing and distillation of liquor subject to licensing.
- To give further boost to the fast-growing wine sector, the government has proposed to constitute a National Grape and Wine Board (NGWB) on the lines of existing commodity boards like the Coffee Board, Tea Board etc.
- Fruit/honey-based wine are eligible for financial assistance for modernization/capacity enhancement under the scheme for creation/Expansion of food processing and preservation capacities (Ministry of Food Processing Industries, 2020). **Sula Vineyards** is a beneficiary under the Unit Scheme of MoFPI.
- The agriculture and processed food products export development authority (APEDA) promotes "Wine of India" globally. APEDA has been entrusted with the responsibility of export promotion and development of scheduled products which includes alcoholic and non-alcoholic beverages.

- APEDA’s Market Development Assessment Scheme: for packaging development, feasibility Studies, Surveys, Consultancy and Database Up-gradation, and Export Promotion and Market Development.
- FSSAI regulates alcoholic beverages through the Food Safety and Standards (Alcoholic Beverages Standards) Regulations, 2018. Here's a brief overview of the regulations:
    - Definitions: The regulations define various terms related to alcoholic beverages, such as "Alcoholic Beverages," "Country Liquor," "Foreign Liquor," "Fermented Beverages," etc.
    - Standards: FSSAI sets standards for different types of alcoholic beverages, including their composition, purity, and labeling requirements. These standards ensure the safety and quality of alcoholic products sold in India.
    - Ingredients: The regulations specify permissible ingredients and additives that can be used in the production of alcoholic beverages. This includes requirements for raw materials, flavorings, and other substances used in the manufacturing process.
    - Labeling: FSSAI mandates labeling requirements for alcoholic beverages, including information such as product name, brand, alcoholic strength, ingredients, net quantity, manufacturer's details, and statutory warnings.
    - Packaging: Guidelines are provided for the packaging of alcoholic beverages to ensure their safety and integrity during transportation, storage, and sale.
    - Hygiene and Safety: The regulations outline hygiene and safety requirements for the production, storage, and handling of alcoholic beverages to prevent contamination and ensure consumer safety.
    - Licensing and Registration: FSSAI requires manufacturers, importers, and distributors of alcoholic beverages to obtain appropriate licenses and registrations to ensure compliance with food safety standards.
    - Adulteration and Contaminants: Regulations prohibit the adulteration of alcoholic beverages with harmful substances and set maximum limits for contaminants to safeguard public health.
    - Alcohol Content: FSSAI specifies permissible alcohol content limits for different categories of alcoholic beverages to prevent the sale of products with excessive alcohol concentrations.
    - Import and Export: Guidelines are provided for the import and export of alcoholic beverages, including documentation requirements, quality standards, and compliance with international regulations.

Additionally, since, alcohol is a state subject, different State Governments have incentives across their different departments for grape processing, setting up wineries, etc. For instance, under the National Horticulture Mission of Karnataka, a subsidy of ₹50,000 per hectare for new plantations is being provided. The Karnataka Wine Board was also established to conduct various market promotion activities including wine festivals, appreciation/tasting courses in smaller towns in the state as well as initiation of certification courses recognized

by the Government of Karnataka. Under the Industries & Commerce Department a capital subsidy of up to 35% is provided by the State Government.

In the case of Maharashtra, the State Government has eased licensing requirements and regulations for establishing wineries and wine retail outlets. In addition, the state government established wine industrial parks to facilitate investment in the industry. The Maharashtra State Government has also finally passed the proposal to re-introduce the Wine Industrial Promotion Scheme (WIPS) which was started in 2009. Under the same, wine sold in Maharashtra has a 20% value-added tax (VAT) levied. Under the Wine Industrial Promotion Scheme, 80% of this VAT is returned to the producer at the end of the year.

Additionally, in Uttar Pradesh as per the new excise policy, wine produced from fruits grown within the state will enjoy free excise duty and several other considerations for the next five years. This will include tasting and selling wines at the winery with a nominal license fee of ₹50,000 a year.

Recently, in Meghalaya, the state announced setting up of a wine incubation center which would provide a platform for aspiring entrepreneurs to test and utilize machinery, encouraging innovation, and economic growth through winemaking.

6. R&D and Skill Development Ecosystem for Beverages Processing

6.1 Non-Alcoholic Beverages

Institutions	Highlights
National Institute of Food Technology Entrepreneurship and Management (NIFTEM)	• National Institute of Food Technology Entrepreneurship and Management, Kundli (NIFTEM-K) was established as a Centre of Excellence in the field of Food Science and Technology by the Ministry of Food Processing Industries (MoFPI), Government of India in 2012. • NIFTEM Technology Innovation and Business Incubation Foundation (NTIBIF) as an incubator offers Food-Agri based Startups unparalleled access to our wide network of industry experts including NIFTEM Faculty, State-of-the-art research resources and office infrastructure, mentorship and focused industrial training by dedicated professionals, and access to funding organizations such as Angel Investors, Venture Capitalists and Government Grants. Through its affiliation with the NIFTEM and MoFPI, NTIBIF partners Startups with technical/research teams on creating a successful path to the market.
Central Food Technological Research Institute (CSIR-CFTRI) - Mysore	• The institute came into existence during 1950. Research focus of CSIR-CFTRI has been revolved around broadly into the following areas: o Engineering Sciences o Technology Development o Translational Research o Food Protection and Safety • CSIR-CFTRI has been undertaking R&D projects to enable them to manufacture carbonated fruit juice beverages with fruit juice. Conducted several Research in the fields of natural beverages, probiotic cold coffees, Banana Pseudo Stem Beverage and Beverage Blends etc.
ICMR-National Institute of Nutrition	• ICMR-National Institute of Nutrition founded the year 1918 The Institute pioneers' studies on various aspects of nutrition research and its activities are broad-based, encompassing the whole area of food and nutrition.
Indian Food and Beverage Association	• Indian Food and Beverage Association (IFBA) is a not-for-profit Industry body founded by like-minded food and beverage companies and stakeholders who wish to achieve the common goals of protecting, supporting, and growing the packaged and processed food and beverage industry in India. • Supports the government's goal of reducing waste, enhancing food security and driving the industry growth. • Promote the industry by communicating about retaining nutritive value, food safety, improved shelf life, etc.
Trade promotion	• TPCI is an apex trade and investment promotion organization

Council of India (TPCI)	recognized and supported by the Department of Commerce, Govt. of India. • The council provides strategies for expanding business internationally, by organizing specialized business events and simultaneously working with the Government. • The organization works towards advanced trade research, trade promotion, trade facilitation and investment promotion. TPCI has been a pioneer institution in suggesting government to announce incentives for R&D and marketing in food and beverages industry.

6.2 Alcoholic Beverages

Institutions	Highlights
ICAR-National Research Centre for Banana (NRCB), Tiruchirapalli	• Licensed banana wine and vinegar technologies; focuses on tertiary processing to reduce waste, improve farmer incomes, and foster small-scale alcohol production
Central Food Technological Research Institute (CFTRI), Mysuru (CSIR)	• Houses a panel on alcoholic beverages; expertise in fermentation microbiology and safety standards; supports research in product quality and fortification
National Chemical Laboratory (NCL), Pune (CSIR)	• Maintains industrial microorganisms (NCIM); develops fermentation catalysts, yeast strains, and process chemistry applicable to spirits & bioethanol
ICAR-Central Citrus Research Institute (CCRI), Nagpur	• While focused on citrus, it develops fermented citrus-based beverages and functional drinks, including carbonated vitamin C drinks—relevant for flavored alcoholic beverage R&D
ICAR-National Research Centre for Grapes (NRCG), Pune	• Provides expertise in grape fermentation, varietal development, wine production practices, and residue analysis; a reference lab for FSSAI .

Conclusion

The beverage market in India, both alcoholic beverages & non-alcoholic beverages, offers numerous possibilities for expansion and improvement. India has developed into a significant market for non-alcoholic beverages thanks to a sizable consumer base and structural shift in consumer preferences.

The government's initiatives and assistance have been crucial in fostering the industry's expansion.

The Government of India has proactively encouraged investment, provided regulatory support, and facilitated R&D in the sector. These actions have prioritised upholding quality and safety standards, encouraged innovation, and fostered an atmosphere that is favourable for business in the sector.

Continued government backing, investments in technology and infrastructure, and an emphasis on product diversity are all necessary to realise the beverage market's future potential in India. For the industry to expand, it is essential to strengthen supply chains, improve cold storage and distribution systems, and use sustainable packaging techniques. The sector's future prosperity can also be bolstered by promoting healthy beverage options, supporting home-grown beverage manufacturers, and stimulating research and development. Adopting digital platforms and technology can expand market reach and boost customer engagement. The industry has the potential to make a significant contribution to job creation, economic expansion, and satisfying the wide range of consumer tastes in India. In conclusion, the government's support, regulatory oversight, and industry activities are poised to accelerate expansion in the Indian non-alcoholic beverage sector. India can realise the full potential of its non-alcoholic beverage sector with consistent efforts and cooperation from the government, industry stakeholders, and consumers, assuring sustainable growth and meeting the evolving demands of a dynamic market.

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