



The Future of Indian Sweets: Opportunities for Healthier Food Ingredients

Health Meets Tradition

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A Report By **Srivik Management Consulting** & **www.lowcalsugars.com**

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Executive Summary

Indian Sweets Market – A Transformational Opportunity for Ingredient Suppliers

1. Market Overview: A Traditional Industry Undergoing a Health-Conscious Shift

The **Indian sweets (mithai) market**, valued at **₹593 billion (\$7-8 billion)** in **2022**, is experiencing a **significant transformation** driven by **changing consumer preferences, regulatory shifts, and the expansion of branded packaged sweets**. While **90% of the market remains unorganized**, the **organized segment is growing at 16.6% CAGR**, far outpacing the overall market growth of 8-10% annually.

This evolution presents a **major opportunity for food ingredient suppliers** offering **low-calorie sweeteners, dietary fibers, stabilizers, emulsifiers, and functional ingredients** to support the industry's shift toward **healthier, shelf-stable, and premium sweets**.

2. Key Trends Driving Demand for Ingredient Innovation

The modernization of mithai is being shaped by **several key trends** that create demand for **innovative ingredient solutions**:

- **Sugar Reduction & Health-Conscious Indulgence** → Consumers are looking for **low-calorie, sugar-reduced, and diabetic-friendly sweets**, creating demand for **alternative sweeteners and sugar replacers**.
- **Functional Ingredients & Nutritional Positioning** → There is **increasing demand for fiber-enriched, protein-fortified, and low-glycemic sweets**, requiring **dietary fibers, plant proteins, and prebiotic ingredients**.
- **Shelf Stability & Texture Enhancement** → With the **growth of packaged and export-oriented mithai**, brands require **stabilizers, emulsifiers, and texturants** to enhance shelf life and maintain sensory appeal.
- **Premiumization & Clean Label Trends** → Consumers are seeking **natural ingredients**, such as **plant-based alternatives, jaggery, date syrup, and Ayurvedic sweeteners**, to align with clean-label preferences.
- **E-Commerce & Retail Expansion** → As **modern trade and online sales expand**, brands need **moisture-resistant, low-crystallization, and travel-friendly formulations** to maintain product quality.

3. Key Opportunities for Ingredient Suppliers

1. Sugar Reduction Solutions with Low-Calorie & Alternative Sweeteners

The demand for **low-calorie, sugar-free sweets** is surging, but maintaining the **authentic taste and texture of mithai** is a challenge. **Ingredient suppliers** can offer **advanced sugar-reduction solutions** that **mimic sugar’s functional properties** while delivering a **clean sweetness profile**.

Ingredient Category	Key Benefits	Ideal for
Stevia, Monk Fruit Extracts	Natural sweeteners, low glycemic index	Kaju Katli, Gulab Jamun, Halwa
Allulose & Polyols (Erythritol, Maltitol, Xylitol)	Bulk sugar replacement, retains mouthfeel	Laddoos, Soan Papdi, Barfis
Blended Sweetener Systems	Customized sweetness profile with balanced texture	Sugar-Free Mithai Ranges

Success Story: A major ingredient supplier partnered with an Indian sweets brand to develop a **65% sugar-reduced Kaju Katli** using a **stevia-polyol-fiber blend**, achieving **taste parity** with traditional recipes.

2. Fiber Fortification for Sugar Replacement & Digestive Health

As **fiber-rich and low-glycemic sweets** gain popularity, ingredient suppliers can provide **functional fibers** that **enhance texture, improve digestion, and support sugar reduction**.

Ingredient Category	Key Benefits	Ideal for
Inulin & Chicory Root Fiber	Adds dietary fiber, supports gut health	Halwa, Peda, Sandesh
Polydextrose & Resistant Dextrins	Replaces sugar while maintaining structure	Soan Papdi, Kaju Katli, Barfis
Soluble Corn Fiber	Lowers glycemic response, enhances mouthfeel	Energy Laddoos, Nut-Based Mithai

Success Story: A packaged sweets brand collaborated with an ingredient company to create a **30% sugar-reduced, fiber-fortified Soan Papdi**, increasing fiber content by **45%** without compromising flakiness.

3. Hydrocolloids & Texturants for Shelf Stability & Mouthfeel

With the rise of **packaged mithai, exports, and e-commerce**, stabilizers and emulsifiers play a crucial role in **maintaining product integrity** over time.

Ingredient Category	Key Benefits	Ideal for
Pectin & Gellan Gum	Prevents sugar crystallization, enhances syrup stability	Gulab Jamun, Rasgulla
Carrageenan & Locust Bean Gum	Improves softness and moisture retention	Refrigerated sweets (Rabri, Rasmalai)
Modified Starches	Enhances mouthfeel, prevents drying	Burfi, Peda, Chhena-based sweets

4. Protein-Enriched Sweets for Functional & High-Protein Nutrition

As Indian consumers embrace **fitness-friendly and high-protein snacks**, there is increasing demand for **protein-enriched mithai**.

Ingredient Category	Key Benefits	Ideal for
Pea Protein Isolate	High solubility, neutral taste, maintains rich mouthfeel	Protein Laddoos, High-Fiber Barfis
Almond & Coconut Protein	Creamy texture, suitable for plant-based sweets	Vegan Kheer, Dairy-Free Halwa
Soy & Chickpea Protein	Cost-effective, high-protein fortification	Energy Laddoos, Functional Mithai

Success Story: A functional food startup collaborated with an ingredient supplier to create **protein-enriched besan laddoos**, featuring **12g of protein per serving**, targeting **fitness-conscious consumers**.

5. Natural Sweetener Blends & Ayurvedic Positioning

With the **rise of Ayurvedic-inspired sweets**, brands are incorporating **natural sugar alternatives** for **clean-label positioning**.

Ingredient Category	Key Benefits	Ideal for
Jaggery Powder & Blends	Natural sweetness with minerals & antioxidants	Traditional Laddoos, Dry Mithai
Coconut Sugar & Date Syrups	Low glycemic index, mild caramel-like taste	Kheer, Payasam, Fusion Sweets

Success Story: A major FMCG company launched **jaggery-based packaged mithai**, aligning with consumer demand for **healthier, naturally sweetened options**.

4. Why Ingredient Suppliers Should Act Now

- **First-Mover Advantage:** The **organized sweets sector is growing rapidly**, and ingredient innovators can set **industry benchmarks**.
- **Strategic Brand Partnerships:** Collaborations with **leading mithai brands, FMCG players, and startups** can drive innovation.
- **Regulatory & Market Readiness:** With **FSSAI pushing sugar reduction and functional ingredients**, suppliers can align their solutions with **India's evolving food regulations**.



5. Conclusion: Unlocking Growth Through Ingredient Innovation

The **Indian sweets industry** is at a **pivotal moment**, transitioning from **traditional formulations** to **health-conscious, functional innovations**. **Ingredient companies** that **act now** can shape the next generation of mithai.

By **leveraging R&D collaborations, local market insights, and innovative ingredient solutions**, ingredient suppliers can become **key partners in modernizing India's beloved sweets**—bridging tradition with modern health-conscious indulgence.

🚀 Now is the time to seize this opportunity and lead ingredient innovation in the Indian sweets sector! 🚀

1.0 Indian Sweets Sector : An Overview

1.1 Emerging Sector

Indian traditional sweets (mithai) are a staple of festivals, celebrations, and everyday indulgence across the country. The **industry is dominated by an unorganized sector** of countless local sweet shops and halwais (traditional confectioners), which account for roughly **90% of the market by value**

In 2021 the Indian sweets market was estimated around **₹589 billion** (~\$7.7 billion), with only about **10%** (~₹56 billion) in the **organized, branded segment**. This means large national brands represent just a small slice of the pie, while thousands of family-run shops make up the bulk of sales.

Key players in the organized market include **Haldiram's, Bikanervala/Bikano, Bikaji** and a few others, which offer packaged sweets with longer shelf-life and wider distribution. Haldiram's is the clear market leader – it alone holds about **one-third of the organized sweets market** by some estimates. By comparison, most other branded sweet makers have single-digit percentage shares.) These



companies have leveraged **quality, branding and scale** to gain consumer trust, especially post-COVID when demand shifted toward hygienically packaged sweets. For example, Haldiram's (founded 1937 in Bikaner) has grown into a national brand synonymous with sweets and snacks, with revenues over ₹8,800 crore (~\$7.7 billion) in FY22 and a reputation for consistent quality. Bikaji and Bikano (offspring of the same Bikaner legacy) are other major players with a strong presence in packaged **mithai** and namkeen.

Meanwhile, the **unorganized sector** remains vast and varied. **Thousands of independent sweet shops** span every city and village, each known for local specialties. These range from neighborhood halwais to iconic century-old sweet houses. The unorganized market

thrives on **traditional recipes, fresh preparation, and regional loyalties**, but faces challenges with shelf life, quality control and recent regulatory norms. Still, it is the backbone of the industry, especially for **fresh and made-to-order sweets** that consumers buy in person.

Regional variations in product preferences are pronounced, given India’s culinary diversity. Each region has beloved specialties and dominant flavors. **North India** is known for rich khoya- and ghee-based sweets like **laddoos, jalebi, halwa** and **burfi**, often flavored with cardamom and saffron. **East India** (notably West Bengal) favors **chhena (cottage cheese) sweets** – e.g. **rasgulla, sandesh, rasmalai** – with a lighter, spongy texture. **West India** (Maharashtra, Gujarat, Rajasthan) offers a mix: from **pedas** and **gulab jamun** to syrupy **ghewar** and **basundi**, with many dry fruit sweets. **South India** has its own array, like **Mysore pak, payasam (kheer)**, and **coconut-jaggery based sweets**, as well as unique treats like **Ariselu** and **Kozhikode halwa**. These preferences reflect local ingredients (e.g. coconut in the south, cane sugar in the north, dairy in the east) and cultural tastes. In terms of market share, the northern and eastern regions are the largest consumers. For instance, North India accounts for about **35%** of India’s sweets market by value, and the East about **28%**, while the West and South contribute roughly **24%** and **13%** respectively.

The table below summarizes the regional market split:

Region	Share of Total Sweets Market (2021)
North	35% (≈ \$ 2.7 billion)
East	28% (≈ \$ 2.2 billion)
West	24% (≈ \$ 1.9 billion)
South	13% (≈ \$ 0.98 billion)

Despite these variations, certain classics like **gulab jamun, besan laddoo, kaju katli**, etc., have pan-India appeal. And increasingly, larger brands offer **standardized versions of regional sweets** (e.g. canned rosogolla, ready-to-eat gulab jamun) to cater to taste buds across the country. This interplay of local tastes and national brands defines the sector.

1.2 Latest Trends

The Indian sweets industry is **evolving rapidly** as it balances time-honored tradition with modern consumer trends. Several key **trends** have emerged in recent years:

1. Health-Conscious Indulgence: Indian consumers are becoming **more health-aware**, even when it comes to desserts. There is a **growing demand for “better-for-you” sweets** – options that are low in sugar, use natural or functional ingredients, or offer some nutritional benefits. Manufacturers have responded by **innovating with ingredients**: we now see **sugar-free or low-sugar mithai** and inclusion of nuts, seeds, millets or other nutrient-rich ingredients for a healthier profile. For example, many traditional recipes are being tweaked to include **natural sweeteners and high-fiber ingredients** without sacrificing taste. This is driven by urban consumers (and older age groups or diabetics) who want to indulge guilt-free, broadly **“healthier sweets” is a big trend** shaping new product development.

2. New Flavors and Fusion Creations: While traditional flavors remain beloved, there is an **explosion of innovation in flavors and formats**. Brands are experimenting by infusing **Western dessert ideas into Indian sweets**, creating fusion delights. For instance, chefs have created **rasgulla cheesecake, gulab jamun trifle, gulkand (rose-petal) cupcakes, jalebi waffles**, and even **rasmalai cake with rabri frosting**. These gourmet mash-ups put a modern twist on sweets to attract younger consumers and global palates. At the same time, **seasonal and regional flavors** are being packaged for wider distribution. Ingredients like **cardamom, saffron, rose, kesar-pista (saffron-pistachio)** – classic Indian flavor notes – are seeing high demand and even being used in novel contexts. The emphasis on **flavor innovation** is clear: brands recognize that offering something new (chocolate-infused burfi, paan-flavored laddu, etc.) can excite customers while retaining the essence of tradition. As one industry expert noted, *“innovators keep experimenting with taste profiles to offer new experiences and appease the sweet tooth”*. This fusion trend not only appeals to Indian millennials but is also helping Indian sweets gain traction abroad by catering to global tastes without losing authenticity (indianretailer.com)



3. Convenience and On-the-Go Packaging: Changing lifestyles (especially in urban areas) have led to a desire for **more convenient ways to consume sweets**. Busy professionals and younger consumers may not have the time to visit traditional sweet shops frequently or consume sweets only at home. In response, companies are introducing **ready-to-eat, on-the-go sweet snacks** and improving packaging for portability. Smaller portion packs, gift packs, and **vacuum-sealed or nitrogen-flushed packs** to retain freshness are becoming common. For example, bite-sized **sweet snack bars**, **flavored energy ladoos**, and packaged regional sweets (like soan papdi in bar form) target those looking for quick indulgence. **Packaging innovation** has been key – not just for convenience but also for hygiene and shelf life. The COVID-19 pandemic accelerated this, as consumers shifted from buying loose sweets to preferring sealed, safe packs .



4. Digital Transformation & E-Commerce: Perhaps the most significant recent shift is how **sweets are bought and sold** in the digital age. The sweets industry, once very brick-and-mortar, has embraced **online channels** for both marketing and distribution. Large brands and even traditional sweet shops are now present on **food delivery apps, e-commerce marketplaces, and direct-to-consumer websites**. This trend was boosted by the pandemic: with movement restrictions, consumers began ordering sweets online for festivals and gifting. As a result, tie-ups with platforms like **Swiggy, Zomato, Amazon, and Flipkart** became crucial. Digital marketing on social media has also helped sweet brands reach younger audiences. The result is an expanding **online sweets market** – in fact, online sales of sweets and chocolates in India are projected to reach **\$340 million by 2024**, making up about 16.5% of India’s online “food cupboard” segment. Forecasts suggest this could **double by 2028**, growing at nearly 19% CAGR as more consumers get comfortable ordering sweets with a click ([fnbnews.com](https://www.fnbnews.com)). Even small confectioners have started taking orders via WhatsApp or launching Instagram storefronts to capture this demand. Digital transformation is also present in manufacturing: use of **technology in production and supply chain** (for instance, IoT sensors in factories, automated sweet-making machines, etc.) to improve efficiency and hygiene ([fnbnews.com](https://www.fnbnews.com)). In summary, the **e-commerce boom has opened new avenues** for Indian sweets – customers far from home can get their favorite mithai delivered, and sweet makers have a broader reach than ever before.

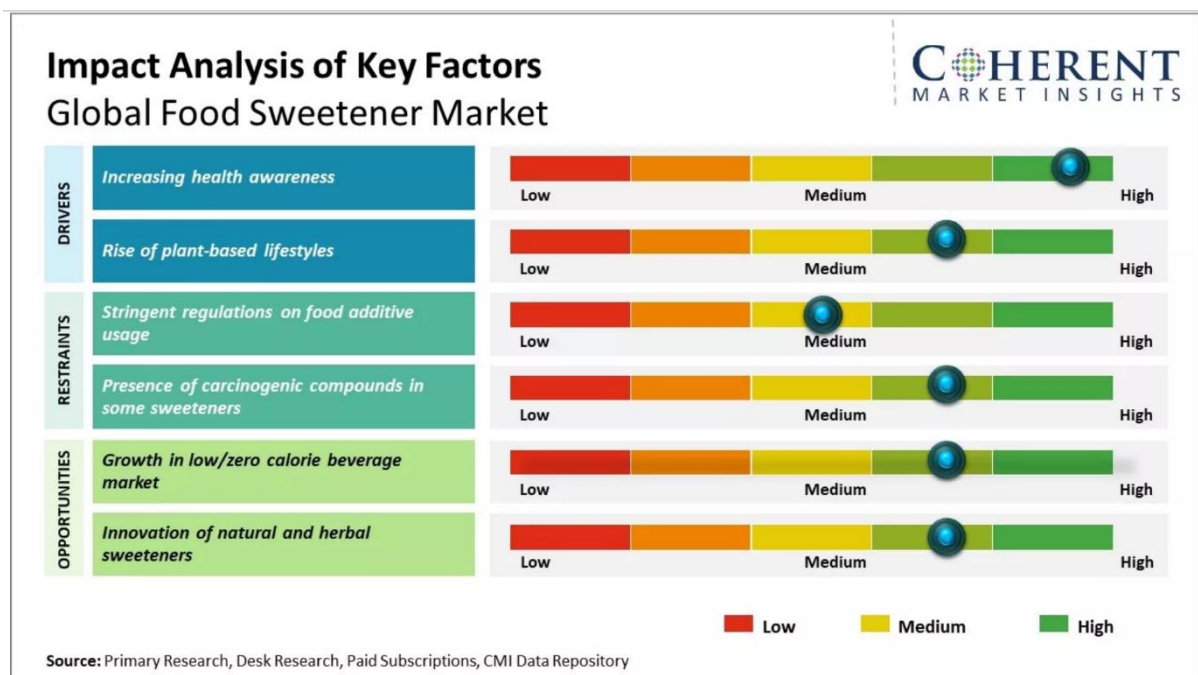
5. Emphasis on Hygiene and Quality: Along with convenience and digital reach, **food safety and quality assurance** have become paramount trends. Consumers today are more wary of hygiene in food handling, which has pushed sweet makers to **upgrade their standards**. Packaged sweets prominently display **ingredient lists, nutritional info, and “best before” dates**, and brands advertise their compliance with **FSSAI (Food Safety and Standards Authority of India) regulations**. The FSSAI, in fact, had even issued directives to label the expiry dates on loose sweets trays (an initiative later made voluntary) to improve transparency. The broader trend is that **organized players are differentiating on quality control** – for example, ensuring no adulteration (a risk in the unorganized sector when milk prices rise, using **biodegradable packaging**, and maintaining consistency. Consumers have responded by showing greater trust in branded sweets post-pandemic. Thus, **trust and safety** are key selling points now, and even traditional shops have put up signs of “Pure Ghee”, “No Adulteration” and so on, to assure customers. This trend ties into the organized vs unorganized dynamic: as regulations and consumer expectations rise, the shift toward organized, quality-focused sweet makers is likely to continue.

In summary, the Indian sweets sector is in a state of **flux and innovation** – balancing the timeless appeal of mithai with **modern twists** in flavor, ingredients, format, distribution, and messaging. As one observer put it, the industry is *“adapting to changing consumer preferences while staying true to its rich culinary heritage”*

2. Market Size and Growth

The **market size of Indian sweets has been growing steadily** over the past several years, driven by rising incomes and year-round demand. Though precise estimates vary, multiple sources indicate a robust growth trajectory:

In **2015**, the Indian sweets market was around **₹400 billion** (~\$5.3 billion), ([bikaji.com](https://www.bikaji.com)) in value. By **2021**, it had grown to approximately **₹589 billion** (~\$7.7 billion), this implies a CAGR of about **9.3%** over that period. Despite pandemic disruptions in 2020, the traditional sweets segment quickly rebounded as demand recovered for festivals in 2021. Looking forward, the growth is expected to continue at a similar or higher pace, which would be ~9–10% annual growth from the current base. In other words, India's sweets market could nearly **double in the next 8–10 years** if current trends hold.



It's also useful to consider the **sweets segment in context of the broader snack industry**. Indian consumers spend heavily on both savory snacks (namkeen, chips, etc.) and sweets. A recent estimate put the combined *traditional snacks and sweets* market at **\$17.5 billion in 2022**, with sweets accounting for **44%** of that (~\$7.7 bn)

A striking feature is the **split between organized and unorganized sectors** in this growth. As noted, only about **10% of the sweets market is organized** today, however, the organized portion is expanding much faster than the overall market. The **organized sweets segment** (packaged/branded mithai) grew from ~₹15.7 bn (~\$ 0.21 bn) in 2015

to ~₹56 bn (~ \$ 0.73 bn) in 2021 and is projected to continue double-digit growth. One report predicts the **packaged Indian sweets market** (organized sector) will grow at **16.6% CAGR** from 2024 to 2032.

This rapid growth in branded sweets is fueled by the trends discussed (healthier options, e-commerce, hygiene concerns, etc., which favor branded products). The organized share of the pie is thus expected to increase, though the unorganized sector will remain significant in absolute terms.

Key **drivers of market growth** include: **population growth and rising disposable incomes** (more people can afford sweets regularly), **urbanization** (which increases exposure to commercial sweets and gifting culture), and **cultural demand** (sweets remain integral to Indian traditions, so there's a floor to demand each festive season). According to industry analysis, other factors like **premiumization** (people trading up to higher-quality sweets), **emergence of niche/fusion products** attracting new audiences, and **expansion of distribution (retail and online)** are further propelling the market. For example, as organized retail and supermarkets penetrate smaller cities, they start carrying branded mithai, creating new revenue streams for sweet makers.

To illustrate the sector's growth, Haldiram's—the market leader—has experienced surging sales in recent years, surpassing \$1 billion in annual snacks and sweets revenue. The brand's success, along with the sector's promising outlook, has attracted major investors. In January 2025, reports emerged that **PepsiCo, along with investment firms Singapore-based Temasek and New York-based Alpha Wave Global**, were competing for a 10-15% stake in Haldiram Snacks, valued at an estimated ₹85,000-90,000 crore (\$10.2bn-\$10.8bn). Such strong investor interest highlights the immense growth potential of India's snacks and sweets market

What PepsiCo stands to gain from a successful bid for family-owned Haldiram Snacks

By Gill Hyslop

16-Jan-2025 Last updated on 16-Jan-2025 at 12:18 GMT



International Market Presence: Indian sweets are not just popular domestically; they are gaining traction globally thanks to the Indian diaspora and an increasing appreciation for ethnic foods. **Exports of Indian sweets are on the rise.** India is actually the **world's leading exporter of "sweets" (by volume of shipments)** – recent export data shows India shipped over **444,000 consignments of sweets to 23,000+ international buyers**

(as of late 2023). The primary destinations are countries with large Indian communities, such as the **United States, Canada, Australia, the UK, and the Middle East** . Common exports include packaged rasgullas, gulab jamun mix, soan papdi, kaju katli, etc., which travel well. Alongside sweets, **namkeen (savory) exports are also significant**, often going to the same markets

Indian sweet brands have started establishing an overseas presence through distributors or even own outlets. For example, **Haldiram's and Bikanerwala have retail stores or franchise partners in cities like New York, London, Dubai, and Sydney**. Regional manufacturers are following suit: **Chitale Bandhu of Pune** now has 11 stores in the US and presence in Mauritius and UAE. The demand is no longer limited to Indian grocery stores abroad; **Indian sweets are entering mainstream supermarkets overseas**, appealing not just to NRIs but also local consumers seeking new flavors. This is a remarkable shift – one can find gulab jamun or halwa in American or European retail shelves where it was unheard of a decade ago.

In summary, the market for Indian sweets is **large and growing**, with robust domestic expansion and a budding international footprint. Both traditional demand (for festivals, gifts, daily consumption) and new drivers (health, premium offerings, online access) are contributing to this growth.



3. Growth Potential and Forecast (Next 5–10 Years)

Looking ahead, the Indian sweets sector is **brimming with potential**. Industry experts forecast strong growth in the next decade, fueled by demographic advantages and evolving consumption patterns. Here are the key points on the **future outlook (5–10 years)**:

3.1 Market Growth and Formalization: The sweets market is expected to maintain a healthy growth rate of **8–10% (or higher) annually**, meaning it could **double in value by approximately 2030–2032**. The organized (packaged) segment will likely grow even faster (in the mid-teens CAGR), increasing its share of the total market. As noted, projections indicate the organized sweets market could quadruple by 2032. This implies that many consumers will shift from buying loose sweets to branded options for reasons of convenience and trust. Overall, India's booming population and rising middle class ensure a growing base of consumers with a *sweet tooth* – one analysis expects the combined savory snacks and sweets market to hit **\$25 billion by 2026**, and continue upward from there. In essence, **demand is not a constraint**; the focus will be on how the industry taps it.

3.2 Emerging Opportunities: Several **opportunities** will drive expansion in coming years:

- *Premiumization:* As incomes rise, consumers are willing to spend more on **premium and artisanal sweets**. We already see boutique mithai brands in metros offering high-end assortment boxes, high value ingredients, etc. Growing urbanization and affluence create a **lucrative market for premium and gift-pack sweets**.
- *Health and Wellness:* The push for **healthy sweets** will intensify. There is a sizeable diabetic and diet-conscious population in India (over 100 million diabetics) looking for **low-calorie, low-glycemic desserts**. This opens up a market for **functional sweets** – think **sugar-free burfi, high-fiber ladoos, protein-enriched bars** etc. Companies that innovate with **natural sugar substitutes, dietary fibers and other healthy ingredients** and market the health aspect stand to gain. The bottom line is consumers want indulgence *without* the guilt, which is an opportunity for growth.
- *E-commerce & New Distribution:* The continued rise of **online ordering, quick commerce, and home delivery** will expand the geographic reach of sweet makers. Even a small regional brand can now sell nationwide through online platforms, which can significantly boost sales. Additionally, there's room for **subscription services or sweet-of-the-month clubs**, curated festive gift deliveries, and other digital-driven

models. The convenience of online access may also spur *impulse purchases* around festivals, adding seasonal sales peaks.

- *Global Expansion:* International markets present a huge untapped opportunity. Thus far, exports have largely catered to diaspora, but as Indian sweets become more familiar globally (sometimes via fusion desserts in restaurants), **export volumes can multiply**. Indian companies can set up local production in target countries to overcome shelf-life hurdles. We might see Indian brands partnering with foreign retailers or participating in global food shows to promote mithai. Some brands are already customizing products (e.g. less sweet, or different packaging) for Western markets. As the “*unique, culturally rich experience*” of Indian sweets catches on abroad, this could be a growth frontier
- *Innovation and Differentiation:* The **emergence of niche categories and novel products** will keep the market dynamic. For example, **vegan sweets, keto-friendly desserts, fusion confections, regional specialties with GI tags** – these niches can grow into significant segments. Also, using technology (AI for flavor R&D, modern retail formats, etc.) can unlock new consumer segments. Essentially, any trend that aligns with consumer preferences (be it nostalgia, novelty, or nutrition) is an opportunity for sweet makers to capitalize on.



3.3 Investments and Expansions: Given these prospects, there is considerable **investment activity in the sector**. We already mentioned the interest from Pepsico and others in Haldiram's. Additionally, **private equity and venture capital** have taken note of the snacks/sweets space. Bikaji Foods, for instance, raised funds and had a successful IPO in late 2022, using proceeds to expand manufacturing. Haldiram's itself is reportedly exploring an IPO. Foreign investors like **Temasek and PE firms (Blackstone, Bain Capital)** have

evaluated deals in this domain. This influx of capital is enabling key players to **scale up production, modernize plants, and expand retail networks**. We also see established companies diversifying: e.g., ITC and Reliance have introduced their own traditional sweet lines within their FMCG portfolios, sensing opportunity. On the ground, major brands are **expanding their store footprints** (Haldiram's and Bikanervala are opening new outlets domestically and abroad) and **upgrading distribution** (tying up with more supermarkets, et cetera).

Moreover, many **startups** are entering with fresh concepts (online-only sweet brands, cloud-kitchen dessert brands, artisanal chocolatiers blending mithai styles, etc.). For example, a startup named **Misht** has aggregated local sweet shops onto a digital platform for pan-India delivery, and brands like **Bombay Sweet Shop** are reimagining Indian sweets for millennials. Such activities indicate a vibrant, growing ecosystem.

3.4 Challenges and Regulatory Considerations: With growth come challenges that need to be managed:

- *Food Safety and Adulteration:* The biggest challenge is ensuring **consistent quality and safety**, especially in the unorganized sector. Cases of adulteration (e.g., using subpar khoya or artificial sweeteners without disclosure) have hurt consumer confidence in the past. Regulators are tightening norms – for instance, the FSSAI has mandated stricter labeling and hygiene standards for sweet manufacturers. Small players will need to upgrade practices or risk losing business. The industry must work to **build consumer trust** through compliance and communication.
- *Rising Input Costs:* Sweets depend on commodities like sugar, milk, ghee, nuts – all of which have seen price volatility. **Fluctuating sugar and milk prices** can squeeze margins for sweet makers. During bad seasons (e.g., milk scarcity), some small vendors resorted to adulteration or cutting portion sizes, which in turn hurts demand. Managing costs through efficient sourcing and perhaps forward contracts will be important. Larger companies are somewhat insulated (due to economies of scale), but local halwais feel the pinch strongly. If ingredient inflation persists, expect **price hikes for consumers**, which could dampen volume growth slightly.
- *Supply Chain and Shelf Life:* As mentioned, sweets (especially those without preservatives) have short shelf lives. Expanding distribution nationally means investing in **cold chain or rapid logistics**. Any supply disruptions (like during the pandemic lockdowns) can lead to wastage of unsold stock. The industry needs to innovate on **extending shelf life naturally** – for example, using modified atmosphere packaging for certain items, or developing powdered mixes that can be reconstituted

into sweets (some brands already sell instant gulab jamun mix, etc.). Over the next decade, solving the shelf life issue will be key to unlocking new markets.

- *Regulatory Changes:* The regulatory environment is something to watch. While the government generally supports the food processing sector, it is also aggressive on **food labeling, anti-adulteration drives, and taxation**. The introduction of GST (Goods & Services Tax) forced many small sweet shops to adapt to formal tax systems, which was initially challenging. Any new regulations (for instance, a cap on sugar in products or mandatory nutritional labeling even for loose sweets) could impose compliance costs. On the flip side, government initiatives like “**One District One Product**” are promoting regional sweets (e.g., Ratlam pedas, Agra petha) for development – a positive for the sector. Also, there’s discussion about geographical indication (GI) tagging famous sweets (like Banglar Rosogolla got a GI tag), which could help in marketing them internationally.
- *Competition and Fragmentation:* As organized players expand, competition will heat up. We might see **price wars in packaged segments** (already, brands like Haldiram’s, Bikano, and even Nestlé’s **Munchilicious** range compete in categories like soan papdi and chocolates). International confectionery giants might also introduce India-focused products (for example, Cadbury launched a *Cadbury Mishti* campaign in Bengal, blending chocolate with sandesh). Traditional sweet shops may need unique offerings or experiences to retain customers as packaged sweets become ubiquitous. In essence, standing out in a crowded market – whether on taste, brand heritage, or price – will be an ongoing challenge.

Despite these challenges, the outlook for the next 5–10 years is **highly optimistic**. Industry players are aware of the issues and are adapting. Many are investing in **sustainable practices** (like biodegradable packaging mentioned earlier) and streamlining operations to guard margins. The general sentiment is that **opportunities outweigh challenges**. As one report stated, the market is “all set for continued growth” irrespective of short-term hurdles

The timeless love for mithai combined with a **younger generation of entrepreneurs** reinventing the business means the sector is likely to flourish. To quote an industry director, “*with a rich culinary heritage, a burgeoning consumer base, and a spirit of entrepreneurship, the industry is well-positioned to navigate the complexities of the modern marketplace and emerge stronger*”.

4.0 Adoption of Healthy Ingredients in Indian Sweets

One of the most significant shifts in the Indian sweets sector has been the **move towards healthier ingredients and recipes**. Traditionally, mithai have a reputation of being indulgent and high in sugar/ghee. But with rising lifestyle diseases and fitness awareness, both consumers and manufacturers are increasingly interested in **making sweets “healthier”** – or at least offering options that cater to health-conscious individuals.

4.1 Low/No-Calorie Sweeteners:

A major trend is replacing or reducing **refined sugar** in sweets. Many brands have launched **sugar-free** versions of popular mithai using /experimenting with alternative sweeteners. These include **artificial sweeteners** like sucralose, as well as **natural zero-calorie sweeteners** such as **Allulose, Stevia and Monk fruit extracts**. For example, **Artinci**, a Bangalore-based startup (featured on Shark Tank India), has built an entire product line of **sugar-free desserts and traditional sweets**. They use natural sweeteners like stevia/monk fruit to create kaju katli, laddus, halwas and cakes that have no added sugar and a low glycemic index. Similarly, bigger brands are jumping in: **Haldiram’s recently introduced a sugar-free Shrikhand** (a sweet yogurt dessert) to expand its “better for you” offerings. This Shrikhand is made with a sweetener blend to retain the creamy taste minus the sugar, targeting traditional sweet lovers who have dietary restrictions. Haldiram’s have already launched sweets using Maltitol, FOS etc Even mass favorites like **Pulse candy** (by DS Group) got a sugar-free variant called *Pulse Zero*, indicating the industry’s pivot towards low-cal options. We can expect **more classic sweets to get the sugar-free treatment**, and clearly labeled “diabetic-friendly” or “zero sugar” sweet boxes in stores.



4.2 High-Fiber and Functional Ingredients:

Beyond cutting down sugar, there's an effort to **boost positive nutrition** in sweets. This includes adding ingredients like **dietary fibers, whole grains, millets, nuts, seeds, and even herbs** to traditional recipes. These add dietary fiber and sometimes protein, making the sweets more satiating and moderate the blood sugar impact. **Nuts and dried fruits** have of course always been part of Indian sweets. But now their role is being highlighted as **functional additions (good fats, protein)** rather than just taste enhancers. Some brands advertise added **flaxseed, sunflower seeds, or chia** in laddoos for Omega-3 and fiber boost. There are also **fortified sweets** – e.g., a brand might add **Ayurvedic herbs or vitamins** to a laddoo and market it as an immunity laddoo or energy bite. According to market analysis, *“functional confectionery with added nutrients and immunity-boosting properties”* is increasingly popular among health-conscious consumers

4.3 Lower-Fat and Baked Options:

Traditionally, many sweets are deep-fried (like gulab jamun, balushahi) or loaded with ghee. To cater to diet-conscious folks, some vendors have introduced **baked versions** of sweets (e.g., baked gujiya, which uses far less oil than the fried version). Others are using **low-fat dairy or plant-based dairy** to reduce saturated fat content. For example, replacing full-fat khoya with part skim milk solids, or using **nut milks** and coconut milk in some recipes to cut cholesterol. These changes are subtle and not yet mainstream, but they indicate an effort to make sweets lighter. One constraint is that the rich taste of ghee is hard to replicate, so any low-fat variant must still satisfy the palate.

4.4 Case Studies of Healthier Sweets:

- *Artisanal Startups:* As mentioned, **Artinci** is a case study of a brand built entirely around healthy indulgence – sugar-free, low-carb desserts that include **traditional Indian mithai reimaged without sugar**
- *Legacy Brands Adapting:* Established sweet companies are also adapting best-sellers to healthier versions. We discussed Haldiram's sugar-free shrikhand. Haldiram's has also rolled out **sugar-free dry fruit halwa** and **low-sugar soan papdi** in some outlets. Similarly, Bikanervala's **“Diet Sweets”** range includes items like **anjeer sugar-free barfi** and **dates roll**. These brands often use a combination of **sugar alcohols (like sorbitol/maltitol) and stevia** to get the sweetness right. The adoption has been positive, with many health-conscious customers opting for these on occasions like **Diwali**, so that even people with dietary restrictions can partake in the celebrations.

- **Ingredient Suppliers:** Another angle is the growing supply of **specialty ingredients** for healthy sweets. Food ingredient companies in India are promoting things like **stevia extracts, soluble fiber powders, plant protein isolates** to sweet manufacturers. This backend development means mithai makers have better access to formulating agents to make their products healthier without sacrificing too much on taste/texture.

4.5 Consumer Reception:

The demand for healthier sweets is clearly rising. A decade ago, “diet mithai” was rare – perhaps only available on request from certain shops. Now, walk into a modern sweets store and you may find a dedicated shelf for **sugar-free** or “**Less Sugar**” **varieties**, indicating consumer pull. According to one report, **61% of Indians prefer snacks that are traditional but also perceive them to be healthier**. The key for manufacturers is to **maintain taste**. As one investor noted, the magic is in making sweets that are “*not only healthy but also delicious*”, because people won’t compromise on taste. We have examples of success here: many who try sweets like **sugar-free kaju katli** often find it very close to the original, which encourages repeat purchase.



It’s also worth noting that “healthier” doesn’t always mean low-calorie in absolute terms. Sometimes it’s about **perception of health** – e.g., a laddoo made with ghee and jaggery might have similar calories to one made with sugar, but consumers may choose jaggery thinking it’s more natural or nutritious. Manufacturers do play into these perceptions in marketing.

Going forward, expect to see **more integration of superfoods into sweets**. The idea is to keep Indian sweets relevant for a generation that’s counting calories and macros, by giving them options that align with their diets (be it low-carb, vegan, high-protein, etc.).

5.0 Customization and Personalization Trends

In addition to health, another way the sweets industry is modernizing is through **customization** – tailoring sweets to individual preferences and specific occasions. Traditionally, one would buy a standard mixed box of sweets or a pre-made selection. Now, both technology and innovative services are enabling a much greater degree of **personalization in Indian sweets**.

5.1 Personalized Sweets and Packaging:

A growing trend is to offer **custom-designed sweets and gift boxes** for events like weddings, festivals, or corporate gifts. For example, some specialty vendors allow customers to **choose exactly which sweets (and in what quantity) go into an assorted box**, essentially a bespoke mix rather than a fixed assortment. Premium sweet boutiques like **Bombay Sweet Shop** advertise “*fully customizable gift boxes*” – they will curate specific sweets and even design personalized packaging for events (weddings, baby announcements, etc.). This level of service elevates mithai from a simple treat to a **personalized gift experience**.

Technology is playing a cool role here: **edible printing and 3D food printing** have made inroads. One unique example is **Amazeology India**, a company that specializes in **custom-printed edible sweets and chocolates**. They pioneered printing **messages, photos, and logos on mithai like kaju katli using edible ink**. So, one could have wedding return gifts with the couple’s photo on each piece of barfi, or corporate logos on sweets for a company event. Amazeology prints on a variety of bases – from chocolates and cookies to Indian **barfis and even invitations made of sugar**. This kind of hyper-customization was unheard of a few years ago. As *The Hindu* reported, Amazeology (an Australia-based startup now in India) banks on the fact that while custom cakes were common, now **custom mithai** is a novelty they are monetizing. Customers can order these personalized sweets online, specifying the design to be printed. It’s a perfect blend of **tech and tradition** – digital printing meets Indian mithai.

Beyond printing, even simpler personalization is trending – like having **names written on sweets or selecting color themes** for the sweets (e.g. all pink and white sweets for a baby girl announcement box). Some confectioners are crafting sweets in custom **shapes** – for instance, modak shaped like corporate logos, or monogrammed chocolates with Indian fusion flavors.

5.2 Role of Technology:

On the consumer side, technology (mainly the internet and apps) has made ordering customized sweets easier. **Websites now let you customize your order** – you can pick and choose items, add special instructions (less sweet, or mix two flavors, etc.), and even design the box or accompanying message. This was not possible with the old model of just walking into a store and taking what’s on display. Some startups have introduced **“Mithai by subscription”** where you can personalize the kind of sweets you get each month according to your taste profile. Additionally, the rise of **data analytics** means companies can track which sweets a customer likes and suggest similar ones or new variants, essentially personalizing recommendations.

Internally, technology aids customization by allowing **smaller batch productions** and flexibility. For example, a modern automated plant can quickly switch to produce a limited edition flavor or shape, enabling more variety. Also, social media listening helps creators come up with custom offerings (if modak donuts are trending, a shop can quickly make those for Ganesh Chaturthi that year).

5.3 Niche Dietary Customization (Vegan/Gluten-Free/Sugar-Free):

We touched on healthier ingredients broadly, but it’s worth noting that **vegan, gluten-free, and sugar-free sweets represent a form of customization to dietary needs**. These were niche segments, now growing rapidly. **Vegan mithai** (completely dairy-free) was nearly impossible traditionally (since ghee and milk are so central), but now we have innovations like **almond milk rabri** or **coconut milk rasgulla**. Entrepreneurs have launched India’s first exclusively vegan sweet shops – for instance, **Vijay Sweets in Coimbatore** claims to be the first 100% plant-based mithai store and even won an award for best plant-based sweets in 2024. They offer dairy-free versions of everything from Mysore pak to gulab jamun. Similarly, a brand in New York, **Tagmo**, sells a **Vegan Mithai Collection** with classics made dairy-free (using plant oils instead of ghee, nut milks instead of dairy) and often **gluten-free flours**. This illustrates that both domestically and globally, **vegan Indian sweets** are now a reality catering to those who avoid animal products.

Gluten-free sweets are a bit more straightforward since many Indian sweets are naturally gluten-free (made of gram flour, rice flour, etc.). But items like sooji halwa or certain wheat-based sweets have been adapted using alternative flours so that people with gluten intolerance can enjoy them. Some vendors explicitly label **“gluten-free besan laddoo”** or use **almond flour** in place of wheat flour in confections.

Sugar-free, we covered under healthy ingredients – it’s essentially customization for diabetics or low-carb dieters.

5.4 Personalization of Experience:

Besides the product itself, sweet retailers are also customizing the **purchase experience**. For example, online orders for festivals allow you to include personalized video messages (QR codes in the sweet box that play a video from the sender – a creative melding of tech and tradition for Rakhi or Diwali gifts). Some high-end sweet boutiques provide **consultations** where they work with a client (say a bride and groom) to **develop a signature dessert for their wedding** – essentially custom-making a new sweet or a unique packaging that tells the couple's story. This is an extension of the broader trend in F&B towards experience personalization.

All these customization trends signal that the **mithai industry is becoming more customer-centric**. Rather than a one-size-fits-all approach, there's recognition that different consumers have different needs – be it dietary (vegan, sugar-free), aesthetic (custom prints, special packaging), or taste (choose your own assortment, fusion flavors). The ability to meet these specific needs not only creates new revenue streams but also rejuvenates the appeal of Indian sweets in an era of myriad dessert choices.

In conclusion, the Indian sweets sector is witnessing **exciting developments on multiple fronts** – from robust market growth and international expansion to product innovation, healthification, and personalization. The age-old mithai business is not only thriving but also reinventing itself to suit modern times. As one industry veteran observed, *“one thing remains constant – the timeless allure of sweets, transcending borders, cultures, and generations”*. With strategic innovation and adaptation, Indian mithai is set to delight taste buds around the world for years to come.



6. Emerging Role of Food Ingredient Companies in the Indian Sweets Sector

As the Indian sweets market evolves, **food ingredient companies** have identified it as a key opportunity for growth. With increasing consumer awareness of health and wellness, ingredient suppliers are actively working with **sweet manufacturers, bakers, and food service providers** to introduce **functional ingredients** that make mithai healthier without compromising on taste, texture, or authenticity.

6.1 How Ingredient Companies are tuning to emerging Trends

The demand for **low-calorie, high-fiber, and protein-enriched sweets** has led to ingredient innovations that cater to both traditional and modern confectionery applications. Several key trends are shaping ingredient positioning:

6.1.1 Low-Calorie and Alternative Sweeteners

- **Food ingredient companies are aggressively promoting low-calorie sweeteners** as replacements for refined sugar in mithai. These include:
 - **Stevia & Monk Fruit Extracts** – Positioned as natural, plant-derived sweeteners with zero calories and a low glycemic index.
 - **Polyols (Erythritol, Maltitol, Xylitol, Sorbitol)** – Sugar alcohols that mimic sugar's sweetness while reducing caloric content.
 - **Blended Sweetener Systems** – Combinations of stevia, erythritol, and soluble fibers to balance sweetness, mouthfeel, and aftertaste.
- Major **global ingredient players** have launched **specially formulated sugar-reduction solutions for Indian sweets**. They are working with traditional sweet manufacturers to ensure that these alternatives:



- **Match the taste profile** of sugar (as Indian sweets are known for their richness).
- **Provide bulking properties** similar to sugar (so that the texture of sweets like burfi and gulab jamun remains intact).
- **Retain stability** during cooking, frying, and storage.

6.1.2 Dietary Fibers for Low-Glycemic and Functional Sweets

- **Soluble fibers** like **inulin, polydextrose, resistant dextrins, and chicory root fiber** are being incorporated into sweets to:
 - **Reduce sugar content** while maintaining bulk and texture.
 - **Improve digestion and gut health**, a rising consumer preference in India.
 - **Lower glycemic index**, making sweets more diabetic-friendly.
- **Companies like Beneo, ADM, and Tate & Lyle** are offering fiber solutions that seamlessly integrate into Indian desserts:
 - **Fiber-fortified ladoos** that provide **prebiotic benefits**.
 - **Halwa with added resistant dextrin**, enhancing satiety and reducing sugar spikes.
 - **Gulab jamun formulations with inulin**, keeping the syrup light while adding a mild sweetness.

6.1.3 Plant Proteins for High-Protein Sweets

- With the **rise of protein-conscious consumers**, ingredient suppliers are pushing **plant-based proteins** for inclusion in Indian sweets. The focus is on:
 - **Pea Protein and Chickpea Protein** – Used in ladoos and energy bars.
 - **Almond and Coconut Proteins** – Providing a rich, creamy taste while adding **nutritional value**.
 - **Soy and Whey Protein** – Being explored for **high-protein mithai**, targeting **gym-goers and health-conscious consumers**.

- **Key Developments:**

- **Bikanervala** launched a **high-protein dry fruit barfi**, using **pea protein isolate** from an international supplier .
- **Nestlé** **Partnered with an Indian sweet chain** to formulate **protein-enriched besan laddoos**, with **12g protein per serving**.

6.1.4 Jaggery, Coconut Sugar, and Other Natural Sweeteners

- To cater to **Ayurveda-inspired and “naturally sweetened” mithai**, ingredient suppliers are marketing:
 - **Jaggery powder and syrup** (rich in minerals, used for natural sweetness).
 - **Coconut sugar** (low glycemic index, with a caramel-like flavor).
 - **Date paste** as a natural binder and sweetening agent.
- These ingredients align with the **“clean label” movement**, where consumers want fewer artificial additives. For example:
 - **Hershey India** introduced **date-sweetened chocolate mithai** for the premium sweets segment .
 - **ITC** launched jaggery-based mithai targeting metro cities.

6.1.5 Emulsifiers and Stabilizers for Shelf Stability

- Ingredient companies are working on **emulsifiers and stabilizers** that:
 - **Enhance the shelf life** of packaged sweets.
 - **Maintain softness** in refrigerated desserts (e.g., rasmalai and rabri).
 - **Prevent sugar crystallization** in dry sweets like soan papdi.
- **Gellan gum, pectin, and modified starches** are now used in commercial sweets to **improve moisture retention** and maintain freshness over time.

6.2 Strategic Positioning of Ingredient Companies in the Indian Sweets Market

To succeed in the Indian sweets sector, **food ingredient players** are adopting **three key strategies**:

1. Collaborating with Sweet Manufacturers

- Large ingredient suppliers are working **directly with mithai chains** to reformulate products.
- **Example: Ingredion India conducted joint R&D** with a leading Indian sweet brand to create a **50% reduced-sugar halwa** using a blend of **erythritol and soluble fiber**.

2. Targeting Health-Conscious Consumers, companies are educating both sweet makers and end consumers about the benefits of:

- **Low-calorie sweeteners** for diabetic-friendly sweets.
- **Protein and fiber-enriched sweets** for better nutrition.
- **Natural, Ayurvedic sugar alternatives.**
- **Example: Beneo India launched a marketing campaign** in 2023 focusing on the benefits of **prebiotic fibers in mithai**, collaborating with chefs to create high-fiber sweets.



3. Expanding into B2B and D2C Channels

- Many **ingredient suppliers** are **launching direct-to-consumer (D2C) brands**, offering **DIY healthy sweets kits** for home chefs.
- **Example: Tata Consumer Products** entered the healthier sweets market with **Tata Soulfull's jaggery-based laddoo mixes**, using **millet and plant proteins**.

6.3 Some Case Studies

Here are **three case studies** showcasing how **food ingredient companies** are influencing the **Indian sweets sector** by introducing healthier alternatives like **low-calorie sweeteners, dietary fibers, and plant-based proteins**.

6.3.1 Case Study 1: Ingredion India's Sugar-Reduced Kaju Katli

Background:

- Kaju Katli, one of India's most beloved sweets, is **traditionally made with cashew paste and sugar syrup**, giving it a rich yet high-calorie composition.

- With rising **diabetes concerns and growing demand for sugar-free sweets**, Ingredient India collaborated with a leading **Indian mithai manufacturer** to develop a **low-sugar version** that retained the original taste and texture.

Solution:

- Ingredient introduced a **custom sweetener blend** combining:
 - **Erythritol and maltitol** – to replicate sugar’s sweetness without the high calories.
 - **Soluble corn fiber** – to provide bulk and maintain the **smooth texture**.
 - **Stevia extracts** – to enhance sweetness naturally.
- The company worked on **several rounds of formulation trials** with the mithai maker to **fine-tune the balance between sweetness, texture, and mouthfeel**.

Results & Market Impact:

- ✓ **Successful sugar reduction by 65%** while maintaining the **same melt-in-the-mouth texture**.
- ✓ **Diabetic-friendly label approval**, making it **suitable for health-conscious consumers**.
- ✓ Commercial launch in **40+ premium retail stores** across Mumbai and Delhi.
- ✓ **E-commerce sales surged** due to a “sugar-free festive gift box” campaign.

Key Takeaway:

Ingredient companies need to **customize solutions** for Indian sweets rather than applying standard sugar-reduction techniques. **Combining alternative sweeteners with fibers** ensures the **right texture, bulk, and taste**.

6.3.2 Case Study 2: Roquette India’s High-Fiber Soan Papdi for a Packaged Mithai Brand

Background:

- Soan Papdi is a **popular North Indian flaky sweet**, but traditional recipes use **high amounts of sugar and refined flour**, making it less appealing for health-conscious consumers.
- A major packaged mithai brand approached Roquette India to create a **high-fiber version** with **better digestive benefits** while keeping the **airy, flaky structure** intact.

Solution:

- Roquette India formulated a new recipe using:

- **Inulin (chicory root fiber)** – to add **dietary fiber** while maintaining lightness.
- **Polydextrose** – a soluble fiber that replaces some of the sugar’s bulk and improves **mouthfeel**.
- **Stevia-maltitol blend** – to reduce sugar while avoiding the crystallization effect.

Results & Market Impact:

- ✓ **45% increase in dietary fiber** per serving, making it **digestive-friendly**.
- ✓ **30% sugar reduction** with no compromise on **flakiness**.
- ✓ Product positioned as “**digestive-friendly Soan Papdi**”, attracting **health-conscious urban buyers**.
- ✓ **Available in 500+ supermarkets** and online grocery platforms across India.

Key Takeaway:

For sweets like **Soan Papdi**, reducing sugar without affecting **texture and flakiness** is key. **Polydextrose and inulin** helped **retain airiness**, making the **healthier version commercially viable**.

6.3.3 Case Study 3: Cargill India’s Protein-Enriched Laddoos for a Gym-Focused Sweet Brand

Background:

- As **fitness culture** grows in India, many consumers **avoid traditional sweets** due to high sugar and low protein content.
- A **startup in Bangalore** wanted to create **high-protein laddoos** targeting gym-goers and **active lifestyle consumers**.

Solution:

- Cargill India helped reformulate **classic besan laddoos** using:
 - **Pea protein isolate** – to **boost protein content** without changing the texture.
 - **Almond protein powder** – to maintain a **rich, nutty taste** while increasing protein levels.
 - **Low-glycemic coconut sugar** – to offer **natural sweetness** with a **lower impact on blood sugar levels**.

Results & Market Impact:

- ✓ Each laddoo contained **12g of protein**, comparable to protein bars.
- ✓ Positioned as a “**pre-workout mithai**”, targeting gym and health-conscious customers.
- ✓ Sales increased **280% in 6 months**, becoming a **bestseller among fitness enthusiasts**.
- ✓ Expanded from **direct-to-consumer (D2C) online sales** to **retail partnerships with health food stores**.

Key Takeaway:

Traditional sweets like **laddoos** can be **reinvented for specific consumer groups** by adding **plant proteins and natural sweeteners**. **Gym-goers and young professionals** are **willing to pay a premium** for functional sweets.

6.4 Conclusion

Food ingredient companies are playing a key role in shaping the future of the Indian sweets sector. As health-conscious consumers demand **better-for-you mithai**, ingredient suppliers are providing **low-calorie sweeteners, dietary fibers, plant-based proteins, and natural sugar alternatives** to help manufacturers **reformulate traditional sweets while maintaining taste and texture**.

With **rising health trends, growing demand for diabetic-friendly and high-protein sweets, and regulatory pushes for cleaner ingredients**, this segment is poised for **rapid growth in the next 5-10 years**. Ingredient companies that effectively collaborate with sweet makers, innovate on **sugar-reduction and functional ingredients**, and educate consumers about **healthier alternatives** will emerge as **key enablers** of the **next phase of the Indian sweets industry**.

