



India's Branded Spices Market is Estimated to Grow 2x to INR 50,000 Cr by 2025: Aventus Capital Study

Mumbai, August 10, 2021

Aventus Capital, India's premier Investment Banking franchise, launched a thought paper on India's branded spices market today. Estimating a market size of INR 50,000 Cr in the next 5 years, the study indicates that blended spices will reach 35% market share of the total organized spices pie by 2025.

According to the Aventus study, branded spices form the most attractive segment within the food space. With a noticeable shift in consumer preferences to the organized branded spices segment and the rising need for convenience aids in hastening the cooking process, the category has witnessed a high growth at 16% CAGR. It also boasts of robust material margins of over 50% for blended spices, given the value add and brand stickiness.

Launching the thought paper, **Abha Agarwal, Executive Director and Co-head, Consumer, Financial Institutions Group (FIG) & Business Services, Aventus Capital** said, "The sector has witnessed significant interest from strategics and Private Equity investors over the past 18 months, and we expect the deal momentum to continue. The value creation runway for India's branded spices segment looks very promising. Of the top 20 food companies in India, 5 are spice companies and their valuation is expected to be up 6-7x by 2030."

The study further reveals that the spices market is dominated by regional players as it is a tough category for MNCs, given local taste preferences. Even national players modify their recipes to suit the taste preferences of a particular region. Major players in the spices segment focus on increasing the share of blended spices to build brand stickiness and command higher margins. Spices, particularly blended spices, are at the top end of the margin profile across F&B categories and brand strength ensures sustainability of margins, despite commodity cycles.

Saloni Jain, Vice President, Consumer, Financial Institutions Group (FIG) & Business Services, Aventus Capital and chief author of the thought paper, added, "Winners in the spices segment enjoy higher valuations, driven by market leadership, brand dominance, and a robust share of blended spices. This also results in a superior margin profile and cash flow generation. We believe this puts heritage regional spice players at a huge advantage to build a platform and scale to a multi-state or national play."

The study also highlights some emerging trends that will further propel the branded spices market. The adoption of western/international spice blends (schezwan, Italian herbs) is expected to go up, along with the demand for multiple variants under blended spices (dish-specific masalas). Gourmet spices will be in vogue, catering to urban consumers and there will be plenty of innovation in the Ready to Cook (RTC) segment, driven by the need for convenience-based products.

Aventus is the #1 advisor in spices and seasonings, having closed 7 deals in this segment.

[Download the report to learn more.](#)

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About Avendus

Avendus Group is a leading financial services firm with a presence in the areas of Investment Banking, Wealth Management, Credit Solutions and Asset Management. Established in 1999 in Mumbai, India, Avendus is today present in 10 cities across India, the US, UK and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus's wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, and M&A advisory.

Avendus Capital Inc located in New York is an Avendus Group entity offering M&A and Private Equity syndication services to clients in the US.

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