

The Indian FMCG* sector – Q3FY26

KPMG. Make the Difference.

*Fast moving consumer goods

India's FMCG sector is expected to experience a slight revenue increase of 100-200 basis points to 6-8 per cent in FY26 due to rising urban and stable rural demand¹



INR55 tn

Projected market size FY21-27¹

27.9%

Expected CAGR* FY21-27¹

INR30 tn

Expected annual gross merchandise value by 2030¹

-2.7%

Food inflation in Dec 2025²

*Compounded annually growth rate

Segmental performance

India's fourth-largest sector, FMCG plays a vital role in the economy, with household and personal care products alone contributing 50 per cent of total FMCG sales¹

Urban²

-2.1%

Food inflation rates for Dec 2025²

Rural²

-3.1%

Segment performance¹

INR200 bn

Healthy snack market by 2030

11-13%

Indian dairy firms by FY26

INR49 tn

Indian food processing market by 2028

Performance snapshot

Trends

Increase in consumer confidence in Jan 2026³

98.1pts

Urban consumer confidence held broadly stable

Household debt rose to⁴

41.3% (Mar 2025)

of gross domestic product (GDP) due to increased consumption-based debt

Government interventions to drive growth¹

0.14mn

Food processing projects approved to boost rural economy

Rural segment leads in premium FMCG¹

42%

Rising volume of super-premium products

Challenges

Uneven demand recovery, rural still lags urban base¹

Modern trade is growing at 19.5 per cent, while rural still recovering at volume rate of 6.4 per cent as of 2025

New-product success rates are low amidst clutter¹

Only ~4 per cent of new launches achieved ≥1 per cent market penetration in May-2025

Sustainability and compliance¹

Companies are committing to net-zero and renewable sourcing compliance and cost curves may pressure margin

GST transition complexity touches end-to-end ops¹

GST changes impact pricing, working capital, vendor/customer contracts, enterprise resource planning (ERP), processes, controls

Outlook



The e-commerce is projected to contribute 11 per cent of the overall Indian FMCG companies in 2030¹



The Indian health-tech market is expected to grow at a CAGR of 39 per cent by 2033¹



India's alcoholic beverage industry is projected to 8-10 per cent revenue growth in FY26¹



Good and service tax (GST) rationalisation is expected to make daily essentials and FMCG products more affordable¹

Key takeaways



To boost FMCG sector, government approved 100 per cent foreign direct investment (FDI)¹



Technologies like artificial intelligence, big data and predictive analysis used by FMCG companies to predict customer behaviour¹



Around two-third of acquisitions by FMCG firms from FY21-25 have been in direct-to-consumer (D2C) space¹



FMCG companies may invest in Indian pet food market driven by rise in pet ownership and disposable income of owners¹



Quick-commerce is growing at a 70-80 per cent CAGR and operating across 80 cities¹

Source: 1) FMCG Industry in India, IBEF, Nov 2025; 2) Consumer price index numbers on base 2012=100 for rural, urban and combined for the month of december, 2025, PIB, Jan 2026; 3) Urban Consumer Confidence Survey, RBI, Jan 2026; 4) Indian economy continues to grow at a strong pace, supported by robust domestic demand, prudent macroeconomic policies, IBEF, Jan 2026

KPMG in India contacts:

Neeraj Bansal
Partner and Head – India Global
E: nbansal@kpmg.com

Vaibhav Sharma
Director - Markets
E: vaibhavsharma20@kpmg.com

Follow us on:

kpmg.com/in/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

KPMG Assurance and Consulting Services LLP, Lodha Excelus, Apollo Mills Compound, NM Joshi Marg, Mahalaxmi, Mumbai - 400 011 Phone: +91 22 3989 6000, Fax: +91 22 3983 6000.

© 2026 KPMG Assurance and Consulting Services LLP, an Indian Limited Liability Partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

This document is for e-communication only.



Access our latest insights on KPMG Insights Edge