

SETTING MILESTONE First packaged foods co in India to breach mark after 9% rise in net sales

Parle Crosses \$2 billion in Annual Revenues in FY22

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Mumbai: Parle Products, which retails brands including Parle G, Monaco and Melody, crossed \$2 billion in annual revenues during FY22, becoming the first packaged foods company in India to breach the mark.

The biscuit maker posted a 9% increase in net sales at ₹16,202 crore while profit slipped 81% to ₹256 crore during the year ended March. A year ago, it had sales of ₹14,923 crore and profit of ₹1,366 crore, according to the company's filing to the Registrar of Companies.

Parle said its value-for-money products, especially Parle-G, have been crucial in growing the brand consistently over the years, more so during inflationary times when consumers are cutting spends and opting for smaller packs.

"The growth was also driven by rural areas, which account for nearly 55-60% of the overall sales. We also expanded our distribution by 12% last year, which helped," said

Biscuits Sell Like Hot Cakes

PARLE PRODUCTS SAID ITS VALUE-FOR-MONEY PLANK CRUCIAL IN GROWING BRAND



Growth driven by rural areas

Distribution expanded 12% last year, says senior executive



Consumers cutting spends and opting for smaller packs

Per capita consumption of biscuits still very low

Mayank Shah, senior category head at Parle Products. "Last year's profit was abnormal when we didn't run any schemes or promotions in the trade, curtailed advertising and saved significantly on variable costs during Covid."

The five-rupee a-pack Parle-G had also become the second Indian fast-moving consumer goods brand to cross the \$1 billion-mark in retail sales last year, after Haldiram's. The biscuit brand has been India's top FMCG brand every year

since a decade, according to Brand Footprint, Kantar Worldpanel's annual ranking of the most chosen consumer brands in India.

Two years ago, the 90-year-old company had outpaced rivals including Britannia and Nestle to become the country's biggest food company by annual revenue. Britannia had revenues of ₹14,359 crore while Nestle had sales of ₹14,829 crore last fiscal.

To be sure, Parle's biggest rival Britannia is the market leader by

value in biscuits category and has been gaining market share consecutively over the past 38 quarters after trebling its dealership and retail coverage over the past 7-8 years. In fact, after outpacing Parle in 2015-16, Britannia has widened the gap and now controls over 40% value share in the ₹45,000-crore biscuit market. Parle, however, leads in volume and sells 1.2 million tonnes of biscuits annually.

As per Kantar, daily groceries and essentials consumers bought during the year ended March fell 0.8% after consistent price hikes forced people to cut back on household spending. Parle said its ubiquitous glucose biscuit brand benefited as prices of other packaged foods surged. Biscuits category has been growing consistently even as other consumer goods faltered.

The per capita consumption of biscuits is still very low despite being a basic necessity in most markets. Also, price of biscuits per kilogram is lowest within the packaged foods segment at ₹100-120 compared to other snacks that sell for over ₹250 per kg, added Shah.