



Euromonitor
International

Hot Drinks in India

March 2026

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EXECUTIVE SUMMARY

Youthful population and cut in GST are key growth drivers in 2025

KEY DATA FINDINGS

INDUSTRY PERFORMANCE

Hot drinks sees strong growth buoyed by a young, modern and urban population

Search for new experiences fuels premiumisation in the market

Cut in GST makes coffee and other hot drinks more affordable

WHAT'S NEXT

Rising cost of key ingredients could disrupt the market

Geopolitical uncertainty casts a shadow over the future of hot drinks

Health and wellness concerns set to shape the future direction of the market

COMPETITIVE LANDSCAPE

Nestlé making significant gains in coffee

Hindustan Unilever remains on top following aggressive expansion policy

CHANNELS

Quick commerce benefits from the rapid digitalisation of the Indian market

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KEY DATA FINDINGS

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Coffee seeing widespread adoption by India's youthful population

INDUSTRY PERFORMANCE

Changes to the Goods and Services Tax (GST) drive demand for coffee in India

Young demographic driving a boom in coffee sales in India

WHAT'S NEXT?

Companies are expected to focus on affluent consumers by integrating a forward supply chain and leveraging e-commerce platforms

Café culture set to remain a key growth driver for coffee in India

Quick commerce set to play a pivotal role in driving coffee sales across urban areas

COMPETITIVE LANDSCAPE

Nestlé launches first Nespresso store in India

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[Tea in India](#)

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2025 DEVELOPMENTS

Tea remains an important staple

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Premiumisation a growing feature of the market

Tea consumption across India rises as commodity inflation eases

WHAT'S NEXT?

Health and wellness trend expected to shape the tea market

Rising costs expected to place significant pressure on manufacturers' bottom lines
Companies will leverage the power of social media for their premium assortments

COMPETITIVE LANDSCAPE

Tata focuses on wellness-oriented launches to cement its lead in tea
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[Other Hot Drinks in India](#)

KEY DATA FINDINGS

2025 DEVELOPMENTS

Drop in GST supports growth but health concerns persist

INDUSTRY PERFORMANCE

Other hot drinks benefits from decline in GST and an expanding customer base
Sugar content and a shifting regulatory landscape impact demand

WHAT'S NEXT?

Rising prices is expected to be the primary challenge for the category
Malnutrition concerns should sustain demand for malt-based hot drinks
Taste versus nutritional value

COMPETITIVE LANDSCAPE

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