## The Indian pharma sector - Q2FY26

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## India's pharma sector is expected to stay strong with $-3,000\,\mathrm{drug}$ firms and 10,500 manufacturing units<sup>1</sup>





**Projected market** size (FY30)1



**Projected research** and development investments (FY28)1



**Pharmaceutical** products export (Q2FY26)2

**INR 1.2** tn **Projected CRDMO\*** 

industry (FY28)<sup>1</sup>

\*Contract Research, Development and Manufacturing Organisation

Segmental performance

**Contribution to** global generic drug exports1

Indian bioeconomy (third largest in biotech in APAC\* region)1

API\*\* market (500+ APIs manufactured)1

8% share in global API\*\* industry (Nov'24)

Medical devices (INR1 tn in FY24)1

One of the largest exporter of formulations in terms of volume1



14% share in global INR4.2 tn target formulations market (Aug'25)

\*Asia-Pacific \*\*Active pharma ingredients

**Drivers** 

Increased allocation<sup>1</sup>



To Department of Pharma (FY26, up by 29 per cent Y-o-Y)

Rise in medicine spend<sup>1</sup>



Growth projected over the next five years

Sector deals and transactions<sup>3</sup>



Across 72 transactions (Q2FY26)3

Government support1



PLI\* scheme to boost pharmaceutical manufacturing1

**Challenges** 

Regulatory compliance and Supply chain and import dependence<sup>1</sup> quality standards1

The sector is likely to remain vulnerable due to reliance on imported raw materials

Stringent global norms may increase operational

Pricing pressure and cost competitiveness<sup>1</sup>

complexity

Global pricing pressure and domestic price controls continue to challenge margins, forcing companies to adopt cost leadership strategies

\* Production-linked incentives

Performance snapshot

## **11 INR 658** bn

**Projected Indian generic** injectable market (FY33)4



In global pharmaceutical production by volume and 14th in terms of value (Aug'25)1



**Expected CAGR\* of** Indian telehealth market (FY25-30)5



**Cumulative foreign direct** investment (FDI) received (April 2000 to June 2025)1

\* Compound annual growth rate

Key takeaways

**⊕** ~8,000 Additional Jan

Aushadhi Kendras by FY261



Of WHO's\* DPT\*\* vaccine demand is met by India (May'25)1



**100** INR **254** tn

Financial outlay for PLI scheme across pharma, bulk drugs and medical devices (FY28-30)<sup>6</sup> **⊨**4,000

Hospital beds expected to be added by private hospitals (FY26)1

Farmarked in union budget for development of bulk drug parks (FY26)1

\*World Health Organisation \*\*Diptheria, Pertussis and Tetanus

Sources: 1) Indian Pharmaceutical Industry, IBEF, August 2025; 2) Quarterly Review of Merchandise Foreign Trade July-September, 2025, Directorate General of Commercial Intelligence and Statistics (DGCIS); 3) Pharma, healthcare sector deals hit US\$ 3.5 billion in September quarter: Report: IBEF, October 29, 2025; 4) How India is Becoming a Global Leader in Generic Injectables: IBEF, October 29, 2025; 5) India's Healthcare Revolution: How Telemedicine Is Making Healthcare More Accessible Across India: IBEF, September 25, 2025; 6) Department of Pharmaceuticals Annual Report 2024-25

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