

The Indian pharma sector – Q3FY26



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The Indian pharma sector is expected to continue as one of the leading global suppliers of affordable generics and vaccines¹



INR 11 tn

Projected market size (FY30)¹

INR 100 bn

Five-year outlay for boosting biologics and biosimilars²

INR 659 bn

Drugs and biologicals export (Q3FY26)³

INR 52 tn

Worth of EU pharma market opened by India-EU FTA⁴

**Free trade agreement*

Segmental performance

API* push to strengthen domestic manufacturing¹



INR 600 bn

**Active pharmaceutical ingredients*

Share of India in global generic drug exports¹



20%

Indian hospital market projected value¹



INR 17.2 tn
(FY32)

Vaccination dosages supplied¹



301 mn
(more than 100 countries)

Medical devices (INR 1 tn as of FY24)¹



INR 4.2 tn
(FY30 target)

Performance snapshot

Drivers

Increased budget allocation⁵

INR 59 bn

To department of pharma (FY27, up by ~13 per cent Y-o-Y)

PLI* scheme⁶

INR 254 bn

For pharma, medical devices and bulk drugs (FY28-30)

Increased funding for research⁵

INR 7.5 bn

Allocated to PRIP* (FY27, vs INR 2.5 bn in FY26)

**Promotion of research and innovation in Pharma Medtech*

Expiry of patents¹

INR 857 bn (2029)

Off-patent drugs expected to create major opportunity¹

Challenges

Continued dependence on imports³



The sector may continue to face vulnerability due to dependence on imported raw materials, evidenced by ~11.5 per cent Q-o-Q growth in imports

Regulatory compliance and quality standards¹
Tougher global regulations may raise operational complexity.

** Production-linked incentives*

Outlook

INR 30 tn

Projected Indian pharmaceutical exports (2047)¹

INR 165 bn

Share of health in Indian non-life insurance market (Aug'25)¹

10.5%

Expected CAGR* of the Indian life insurance market (2025-35)¹

INR 1.5 tn

Cumulative foreign direct investment (FDI) received (Jan 2000 to Sep 2025)⁷

** Compound annual growth rate*

Key takeaways

+ 25,000

Jan Aushadhi Kendras to be opened by FY27¹

740 mn

Ayushman Bharat Health Accounts (ABHA) created (Feb'25)¹

INR 115 bn

Expected investment by private hospitals to expand capacity (FY26)¹

INR 30 bn

Outlay in union budget for development of bulk drug parks (FY27)⁸

Sources: 1) Indian Pharmaceutical Industry, IBEF, November 2025; 2) Transforming India into a Global Biopharma Hub: PIB, 2 February 2026; 3) Foreign Trade Data Dissemination Portal, Directorate General of Commercial Intelligence and Statistics (DGCIIS); 4) India-EU FTA opens new doors for pharma, MedTech; Nadda hails access to \$572.3 billion EU market: DD News, 28 January 2026; 5) Department of Pharmaceuticals Notes on Demands for Grants, 2026-2027: Union Budget Documents 2026-27; 6) Department of Pharmaceuticals Annual Report 2024-25; 7) Sector-wise / Year-wise FDI Equity Inflow From January 2000 To September 2025: Department for Promotion of Industry and Internal Trade; 8) Union Budget FY 2026-2027: Chemical Parks: PIB, 4 February 2026

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