

The Indian pharma sector – Q4FY26



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India is expected to become a global medical tourism hub, offering affordable and advanced treatments through major healthcare reforms



INR 6.9 tn
Projected market size FY31¹

INR 2.7 tn
India's pharmaceuticals export in FY26¹

3rd largest
India's pharmaceutical sector globally by volume as of FY26¹

INR 2.5 tn
Pharmaceutical industry recorded domestic market sales in FY26¹

Segmental performance

India's rapidly expanding CDMO* and CRO** sector, which may offer a significant opportunity for global pharmaceutical outsourcing and high-value drug development partnerships

India's generic injectable market²



INR 658 bn by FY33
(INR 260 bn in FY24)

Indian bioeconomy market¹



INR 28 tn by FY30
(INR 17 tn in FY25)

API*** is crucial segment¹



INR 600 bn investment as of Dec' 2025

Biosimilar market¹



INR 1.1 tn in FY25

Drug formulations and biologicals market¹



INR 1.9 tn in FY25

*Contract research, development and manufacturing organisation, **Contract research organisation ***Active pharma ingredients

Performance snapshot

Drivers

Position India as a global biopharma hub³

INR 100 bn

Union budget 2026-27, shifting India from generics to biopharma and complex drugs

Patent expiry driving generics opportunity¹

INR 857 bn by FY29

Upcoming patent expiries are creating generics opportunity for Indian pharma by FY29

Rise of integrated CRDMO ecosystem⁴



Shifting toward integrated CRDMO* models, driven by stronger industry-academia collaboration and policy-led R&D** push

Challenges

High API import dependence remains a supply-chain risk¹



Government launched a INR 600 bn API push to cut import dependence

Regulatory scrutiny and domestic price controls are pressuring growth¹



Stringent regulatory scrutiny and domestic price controls are putting pressure on margins and impacting growth of generics and injectable segments

*Contract research, development and manufacturing organisation, **Research and development

Outlook

INR 115 bn

India's private hospitals are expected to add over 4,000 beds with an investment in FY26¹

INR 27 tn

Projected outlook for India's healthcare sector by 2028¹

INR 2 tn

Projected medical devices by 2031, with at a CAGR* of 7.8 per cent (FY25-31)¹

INR 4 tn

The government has a goal to enhance the medical devices sector, aiming to increase its value by 2030¹

*Compound annual growth rate

Key takeaways



India, recognised as the 'pharmacy of the world', supplies one in five generic medicines globally¹



India may lead with the most USFDA*- compliant plants outside the U.S. and 2,000+ WHO-GMP** approved facilities, exporting to over 150 countries¹



Largest exporter of formulations in terms of volume, with 14 per cent market share and 12th in terms of export value¹



Gross direct premiums increased from INR 2.9 tn in FY24 to INR 3.0 tn in FY25, reflecting a 6.19 per cent Y-o-Y growth¹

*United States Food and Drug Administration, **World Health Organisation-Good Manufacturing Practices

Sources: 1) Indian Pharmaceutical Industry, IBEF, February 2026; 2) How India is Becoming a Global Leader in Generic Injectables, IBEF, October 2025; 3) India's Pharmaceuticals in Global Healthcare, PIB, March 2026; 4) India Pharma 2026 Showcases Sectoral Transformation Through Four Key Plenary Discussions, PIB, April 2026

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