Special Report

India's Pharma Pulse: Empowering India's Healthcare Potential

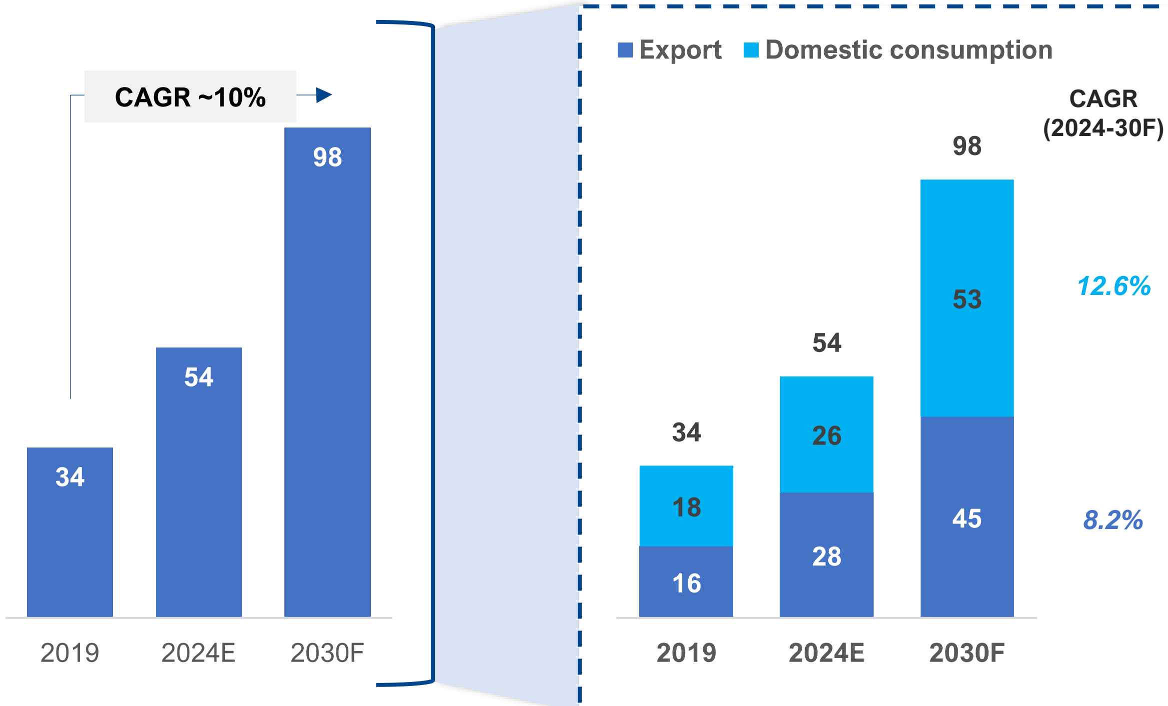
Confidential
November 2025

Comparison of India with Global Economies

India's pharmaceutical industry remains resilient and competitive, with exports nearly matching domestic demand - driven by strong local manufacturing, accounting for 85% of the total volume

Indian Pharma Market (in Value)
FY19-30

Export vs. Local Consumption
FY19-30



INDIA AS THE WORLD'S PHARMACY

- 3rd largest by volume; 14th by value
- 85% locally manufactured; 10,000+ facilities, 650 USFDA-compliant plants
- Key export hub – strategically located to cater to neighboring markets
- 20% global generics; 60% UNICEF vaccines exported

***Source**: Secondary Research, Aranca Analysis*

Indian Pharmaceutical Market Size by Segment

India's pharma market is expanding beyond generics, led by high-growth segments like OTC, biologics, branded generics, and vaccines and driven by e-commerce, cost efficiency, and infrastructure advancements

India's Growing Share in the Global API market

FY 2019-2024E

Segment	2019		2024E		CAGR (2019-24E) (%)
	% share	USD Bn	% share	USD Bn	
Generics	70%	23.8	**65%**	**35.1**	**8.0%**
Branded Generics	15%	5.1	**18%**	**9.7**	**13.7%**
Vaccines	7%	2.3	**8%**	**4.3**	**12.6%**
Biologics & Biosimilars	6%	2.0	**8%**	**4.3**	**16.1%**
Over-the-Counter (OTC)	2%	0.7	**3%**	**1.6**	**18.9%**

- **Branded Generics:** Opportunity to command higher profit margins
- **Biosimilars and Biologics:** 30-40% lower manufacturing costs
- **Vaccines**: Produces ~60% global volumes
- **OTC:** Growth driven by e-commerce % retail network expansion

***Source**: Secondary Research, Aranca Analysis*

Contract Research & Manufacturing Services (CRAMS) in India

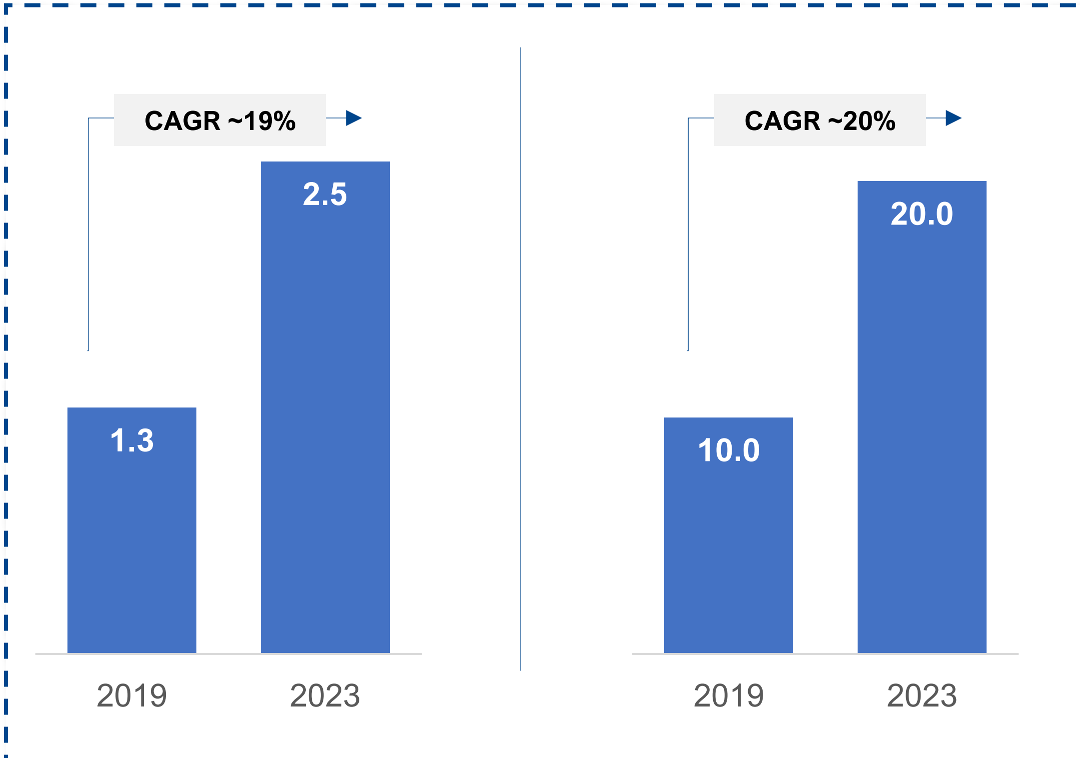
India's CRAMS sector is scaling quickly, with exports set to rise from USD 18 Bn in 2023 to USD 44 Bn by 2030 majorly because of strong talent, AI adoption, and global demand

Indian CRO Market

2019– 2023 | Values in USD billion

Indian CDMO Market

2019– 2023 | Values in USD billion



India's combined CDMO-CRO exports are projected to grow from USD 18 Bn (2023) to USD 44 Bn by 2030, driven by:

- **A large, highly skilled talent pool:**
  - 2 million annual science and engineering graduates
  - 15,000+ pharma scientists with strong English proficiency
  - 650+ USFDA-approved plants in India
- **AI-based drug discovery:**
  - USD 20 billion R&D AI investments expected by 2030, with India-based startups and CDMOs participating in this shift.
  - AI-driven patient recruitment reduce enrollment times by 30–40%, accelerating CRO offerings
- **Strong export network to developed markets:**
  - Pharma exports reached USD 25.4 Bn in FY23, of which CDMO/CRO services contributed ~USD 18 Bn (2023) — projected to grow at ~13% CAGR to USD 44 Bn by 2030, with the U.S. (30%) and EU (20%) as top destinations.

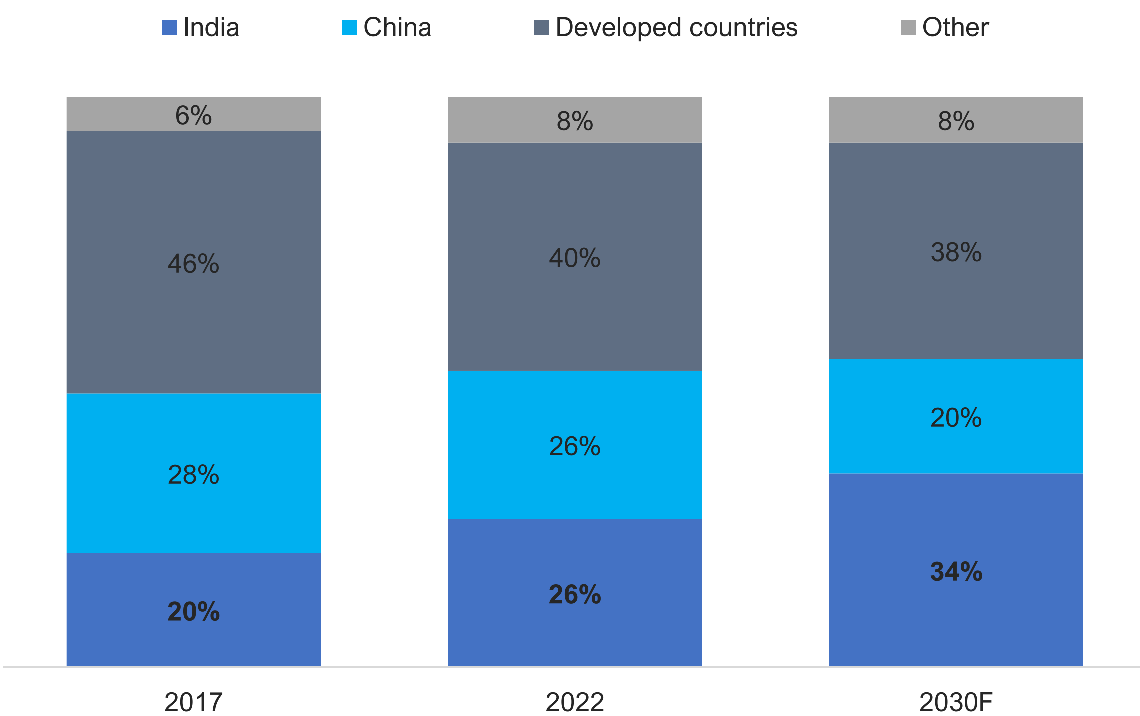
***Source**: Secondary Research, Aranca Analysis*

Geography-wise share of API procurement by Big Pharma

India is set to capture 20-30% of the outsourced API market by 2030, driven by global efforts to diversify supply chains and reduce dependence on single-source suppliers like China

India's Growing Share in the Global API market

FY 2017-2027F



- The API market is undergoing structural shifts
- Countries seek to reduce reliance on single sources
- China's share of outsourced market to drop by ~10% points
- **India's Opportunity:** Well-positioned to gain 20-30% of the share lost by China – lower costs, higher service levels, and a skilled workforce

Source: *Secondary Research, Aranca Analysis*

Growth Enablers of the Indian Pharma Market

The overall growth in India's pharma market will be propelled by strong pharmaceutical infrastructure, supportive government incentives, and an abundant skilled workforce

Pillars Driving Growth & Innovation in Indian Pharma industry

Pharmaceutical Infrastructure

- 118 clusters (~7.500 manufacturing units) across 19 states, enabling large-scale production
- INR 3,000 Cr (JPY 50 Bn) scheme to set-up three Bulk Drug Parks in Gujarat, Andhra Pradesh, and Himachal Pradesh

Fiscal Incentives and Policy Reforms

- **Production-Linked Incentives:**
  - **INR 15,000 Cr. (JPY 254 Mn)** up to FY 2028-29; incentives on incremental sales
- **FDI and Tax Exemptions**
  - 100% FDI under the automatic route
  - Manufacturing unit in SEZ areas can avail **100% duty exemption** on **imported goods**

Resources

- **Skilled Labour force:**
  - ~700K Science and Engineering graduates, with 15K scientists across fields
  - Salaries 1/3rd-1/5th of that in developed countries
- **Regional hubs:**
  - Talent pool concentrated in Hyderabad , Bengaluru, Mumbai & Gujarat

***Source**: Secondary Research, Aranca Analysis*

Case examples of Foreign Investments in India

Drawn by cost benefits, local expertise, and supporting infrastructure, global players like GSK, Baxter, and Ajinomoto are investing in India, reinforcing India's appeal as a pharma hub

Global Presence Enhancing India's increasing Capabilities

GlaxoSmithKline (GSK) from the United Kingdom invested USD 150 million to construct a state-of-the-art tablet and capsule manufacturing facility in Karnataka, India, along with an additional USD 13 million to upgrade its existing plant in the country.

Baxter International acquired Ciaris Injectables (Ahmedabad-based) and invested an additional USD 70 million to expand the facility, with a total investment of USD 625 million to establish it as a hub for sterile generic injectables.

Ajinomoto Bio-Pharma Services of Japan fully acquired its API joint venture with Granules India for USD 15 million, thereby gaining complete ownership of a facility that specializes in API and intermediate manufacturing.

Novartis/Sandoz, based in Switzerland, established a 32,000 m^2 manufacturing facility in Mumbai dedicated to the production of generic cancer drugs, strengthening its presence in the Indian pharmaceutical landscape.

***Source**: Secondary Research, Aranca Analysis*

How can we help?

Aranca helps global clients identify growth opportunities and set up and expand their businesses. They also deliver research and insightful analysis to allow the client get a comprehensive understanding of the market

Market and Opportunity Assessment	▪ Identify and understand key market nuances and growth opportunities globally
Partnerships and Acquisitions	▪ Facilitate partnerships and acquisitions, including tech transfer and engagement with local companies
Business Planning and Project Management Operations (PMO)	▪ Develop broad-based plans for commercial setups, manufacturing, and M&A strategies tailored to local needs ▪ Guide implementation to build commercial capabilities and ensure a successful market entry
Feasibility Studies	▪ Analyze financial viability and infrastructure requirements to support market entry or expansion
Location Analysis	▪ Evaluate optimal locations based on supply chain dynamics, cost efficiency, and market access

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