



INDIA'S PHARMA SECTOR: A BOOSTER SHOT FOR ITS NEXT PHASE OF GROWTH

From affordable medicines to advanced therapies, India's pharma opportunity is broadening.

Growing treatment needs, expanding exports and capabilities in research and advanced manufacturing are creating opportunities across its pharmaceutical industry.

Anatomy of an industry

Often called the “pharmacy of the world”, India is the largest supplier of generic medicines globally and a major producer of affordable vaccines.



Serving India and the world

The industry not only meets treatment needs at home but also supplies medicines to healthcare systems overseas.



An extensive industry network

This scope is supported by an extensive network of manufacturers, suppliers and researchers.



Expanding into more complex medicines

Backed by policy support, the sector has significant potential to grow by combining its existing strengths with expanding capabilities in research and more complex therapies.

India pharma in numbers

3rd

Largest pharma producer globally, by volume

20%

India's share of global generic medicine supply by volume

200+

Countries reached by Indian pharmaceutical exports

~31

US\$ billion in pharmaceutical exports in FY2026

Pharma industry: Key segments



APIs

The ingredients

Active pharmaceutical ingredients are the components that give medicines their therapeutic effect.



CRAMS

Contract Research and Manufacturing Services.

Specialist companies undertake research and manufacturing work for other pharmaceutical businesses.



Formulations

The finished medicines

Tablets, capsules, injections and other treatments. These include branded medicines and generics.



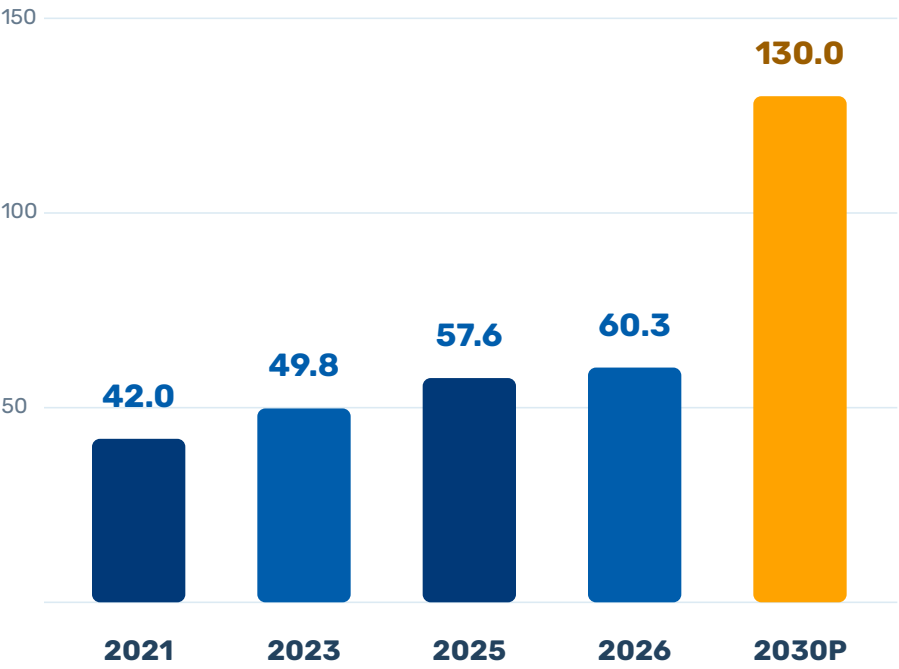
Biologics and biosimilars

Complex therapies

Medicines derived from living systems, and highly similar versions of approved biologic medicines.

A larger market taking shape

Indian pharmaceutical market | US\$ billion



P = Projected. The 2030 figure is a projection cited by IBEF.



What is supporting growth?

- More patients accessing treatment**

Expansion into smaller cities and rural markets can widen access to medicines.
- Growing healthcare needs**

Rising incomes and the increasing incidence of lifestyle diseases support demand for treatment.
- An established export business**

India supplies medicines across developed and emerging markets, including the US, Europe and Africa.
- A broader product opportunity**

Research services, biosimilars and more advanced medicines create additional avenues for growth.

Source: IBEF Pharmaceuticals Report, May 2026, data as per latest available.

BUILDING ON INDIA’S STRENGTHS

India's opportunity extends across the pharmaceutical chain – from essential ingredients and affordable medicines to research and specialised manufacturing.

Why India has an edge

01

Cost-efficient production

Manufacturing capabilities and competitive costs underpin India’s position as a global supplier of affordable medicines.

02

Scientific talent

A skilled workforce and technical expertise support capabilities in drug ingredients, formulations, research and biosimilars.

03

An established manufacturing ecosystem

Existing infrastructure and experience supplying global markets provide a foundation for expansion.

04

Experience in global markets

India has the largest number of US FDA-approved pharmaceutical manufacturing plants outside the US, supporting its established role in global medicine supply.

05

Policy support

Government initiatives support India’s pharma industry through incentives for manufacturing, research and the development of more advanced medicines.

Key policy initiatives



Pharma PLI scheme

Offers production-linked incentives to expand domestic manufacturing and encourage higher-value pharmaceutical products.



PRIP scheme

Supports research and innovation in pharmaceuticals and medical technology, including collaboration between industry and research institutions.



Biopharma SHAKTI

Aims to strengthen India’s capabilities in biologic medicines and biosimilars through research, manufacturing and clinical trial infrastructure.

Opportunities across the sector

1

Patent expiries open new markets

Medicines coming off patent create opportunities for Indian manufacturers to introduce competing products.

3

Biosimilars broaden the opportunity

Growing capabilities in complex therapies can expand the range of medicines Indian companies develop and supply.

2

Global outsourcing supports specialist services

Drugmakers’ use of external research and manufacturing partners creates opportunities for Indian service providers.

4

Domestic reach can deepen

Distribution networks in smaller cities and rural areas offer scope to serve more patients.



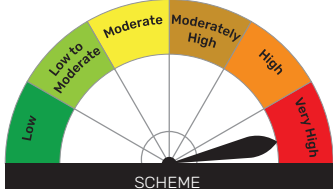
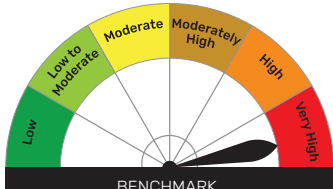
Our view on the pharma sector

Pharmaceuticals have a sizeable presence across several of our schemes, reflecting our early conviction in the megatrends shaping the sector’s long-term growth. We remain positive on India’s pharma opportunity, with a particular focus on CRAMS and generics—areas that draw on India’s research capabilities, manufacturing strengths and established role in affordable medicines.

Alongside our diversified funds, investors seeking dedicated exposure to this space can consider the Bajaj Finserv Healthcare Fund, which invests across pharma, healthcare and allied businesses. Its megatrend approach focuses on structural shifts that could shape the sector’s long-term growth.

Source: IBEF Pharmaceuticals Report, May 2026, data as per latest available.

Please note that the reference to any industry/sector/stock is provided for illustrative purposes only. This should not be construed as a research report or a recommendation to buy or sell any security or sector. Past performance may or may not be sustained in the future.

Bajaj Finserv Healthcare Fund		
An open ended equity scheme investing in pharma, healthcare and allied theme		
	SCHEME RISK-O-METER	BENCHMARK RISK-O-METER
This product is suitable for investors who are seeking*: - wealth creation over long term - to invest predominantly in equity and equity related instruments of pharma, healthcare and allied companies. *Investors should consult their financial advisers if in doubt about whether the product is suitable for them	 SCHEME The risk of the scheme is very high	 BENCHMARK The risk of the benchmark i.e. BSE Healthcare Total Return Index (TRI) is very high

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.