

Healthcare



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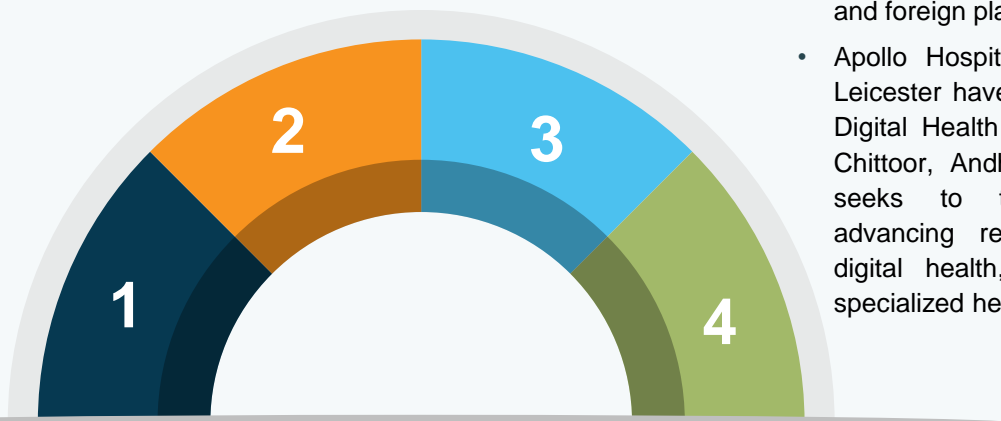
Executive summary

2. IMPRESSIVE GROWTH PROSPECTS

- The Indian healthcare sector, valued at Rs. 9,42,590 crore (US\$ 110 billion) in 2016 and Rs. 31,87,668 crore (US\$ 372 billion) in 2023, is projected to reach Rs. 54,67,022 crore (US\$ 638 billion) by 2025, growing at a robust 17.5-22.5% CAGR, driven by innovation across hospitals, pharmaceuticals, and diagnostics.
- The telemedicine market is expected to reach Rs. 47,130 crore (US\$ 5.4 billion) by 2025, driven by increased demand for remote healthcare solutions and advancements in technology.
- India's hospital market was valued at US\$ 126 billion in FY24, projected to grow at a CAGR of 8.0% from FY24 to FY32, reaching an estimated value of US\$ 193.59 billion by FY32.

1. FOURTH-LARGEST EMPLOYER

- India held the 39th position in IMD's World Competitiveness Index 2024 and 38th position in World Bank's Logistics Performance Index 2023.
- As of FY24, the Indian healthcare sector is one of India's largest employers as it employs a total of 7.5 million people. Progress in telemedicine, virtual assistants, and data analytics is expected to create 2.7-3.5 million new tech jobs.



3. STRONG FUNDAMENTALS AND COST ADVANTAGE

- Rising income levels, an ageing population, growing health awareness and a changing attitude towards preventive healthcare is expected to boost healthcare services demand in the future.
- The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research.

4. FAVOURABLE INVESTMENT ENVIRONMENT

- Conducive policies for encouraging FDI, tax benefits, and favourable Government policies coupled with promising growth prospects have helped the industry attract private equity (PE), venture capitals (VCs) and foreign players.
- Apollo Hospitals, and the University of Leicester have established the Centre for Digital Health and Precision Medicine in Chittoor, Andhra Pradesh. This initiative seeks to transform healthcare by advancing research and education in digital health, precision medicine, and specialized healthcare programs.

Source: Media Reports, News Articles, Ministry of External Affairs, Lancet Study, World Bank

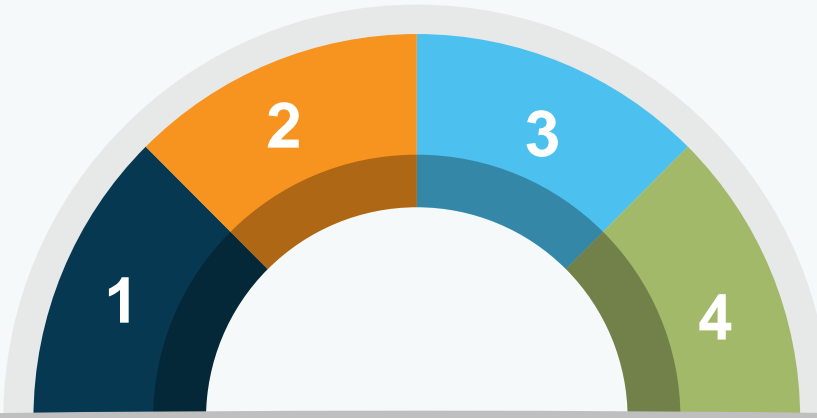


2. ATTRACTIVE OPPORTUNITIES

- India's public expenditure on healthcare is expected to be 1.9% of GDP in FY26, compared to 2.5% in FY25, as per the Economic Survey 2024-25.
- The Indian healthcare sector is witnessing unprecedented growth, with private equity investment in Indian healthcare surging to Rs. 4,900 crore (US\$ 572 million) across 33 deals in Q2 CY25.
- As of 2024, automation and AI tools have enabled insurers in India to instantly process up to 70% of simple health insurance claims, significantly reducing turnaround times.

1. STRONG DEMAND

- The demand for Indian healthcare professionals is expected to double nationally and globally by 2030 due to a shortage of healthcare workers in India, where there are only 1.7 nurses per 1,000 people and a doctor-to-patient ratio of 1:1,500 nationwide.
- By 2025, India will require three million additional hospital beds to achieve the target of three beds per 1,000 people, along with 1.54 million doctors and 2.4 million nurses to address the growing healthcare demand.



3. POLICY AND GOVERNMENT SUPPORT

- The Government aims to develop India as a global healthcare hub.
- The government has allocated Rs. 99,858 crore (US\$ 11.50 billion) to the healthcare sector in the Union budget 2025-26 for the development, maintenance, and enhancement of the country's healthcare system. This reflects a 9.78% increase from the previous allocation of Rs. 90,958 crore (US\$ 10.47 billion) in FY25.
- On January 25, 2025, India's Prime Minister, Mr. Narendra Modi, and Indonesia's President, Mr. Prabowo Subianto, signed a Memorandum of Understanding (MoU). This MoU aims to establish quality assurance standards for traditional medicine, representing a significant advancement in the pursuit of global standards in this field.

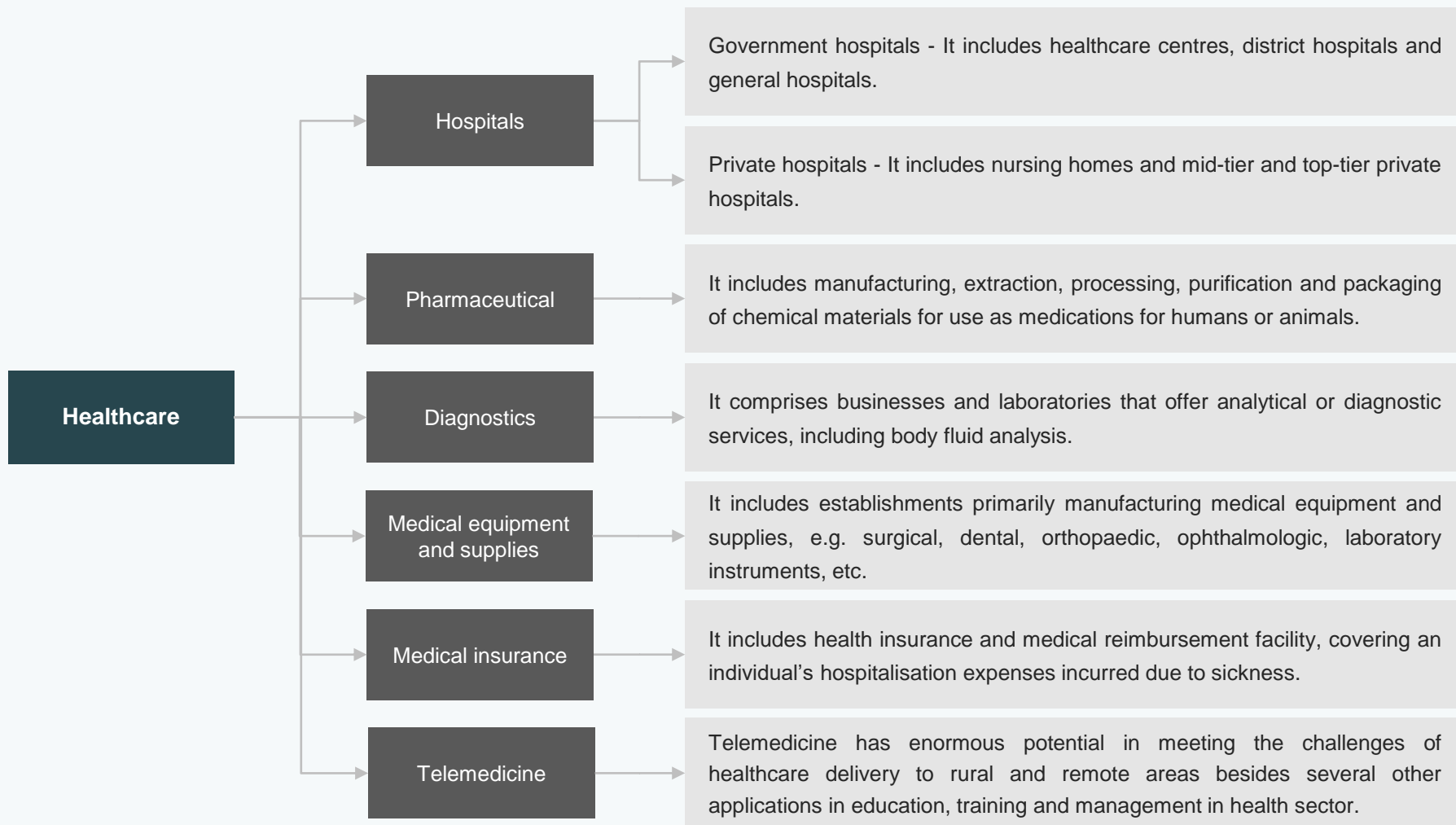
4. RISING MANPOWER

- Availability of a large pool of well-trained medical professionals in the country.
- India's healthcare workforce has already exceeded 6 million as of CY24. However, this represents only the beginning, as the sector is anticipated to experience substantial growth, with over 6.3 million additional jobs expected by CY30.

Source: KPMG, Deloitte, Media Reports, News Articles



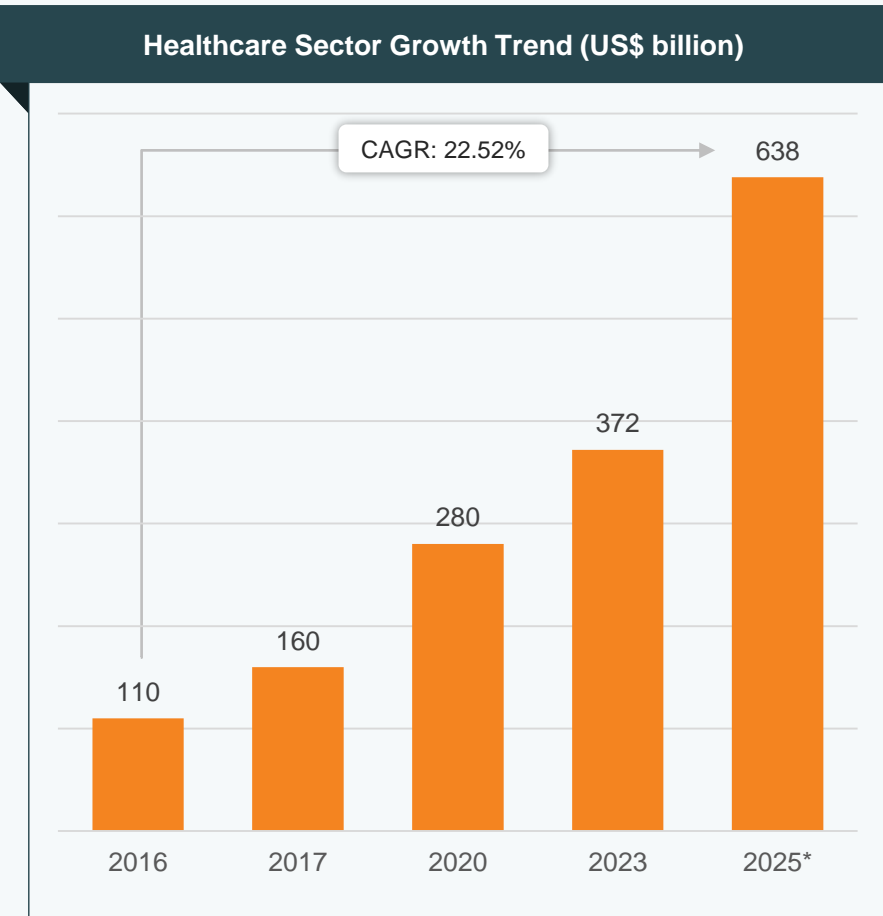
The healthcare market functions through five segments



Source: Media Reports

Strong growth in healthcare expenditure over the years

- Healthcare has become one of India's largest sectors, both in terms of revenue and employment. The industry is growing at a tremendous pace owing to its strengthening coverage, service and increasing expenditure by public as well private players.
- The Indian healthcare sector, valued at Rs. 9,42,590 crore (US\$ 110 billion) in 2016 and Rs. 31,87,668 crore (US\$ 372 billion) in 2023, is projected to reach Rs. 54,67,022 crore (US\$ 638 billion) by 2025, growing at a robust 17.5-22.5% CAGR, driven by innovation across hospitals, pharmaceuticals, and diagnostics.
- As of 2022, India's healthcare spending accounted for 3.3% of the Indian GDP and is expected to increase to 5% by 2030.
- India's health-tech sector is poised for strong growth, with healthcare hiring intent rising to 52% in H1 2025, up 5% from H2 2024, driven by demand for digital health, diagnostics and specialised care roles.
- Indian Digital Health Market was valued at Rs. 75,658 crore (US\$ 8,794 million) in 2024 and is expected to reach Rs. 4,11,275 crore (US\$ 47,806 million) by 2033, at a CAGR of 17.67% during the forecast period 2025 to 2033.



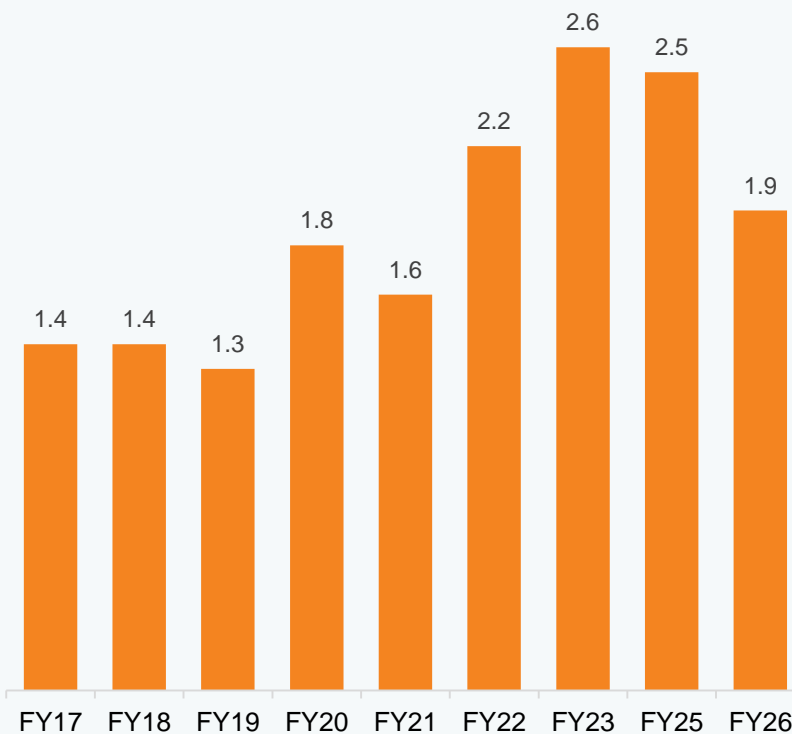
Note: * - Forecast

Source: Frost and Sullivan, Media Reports, News Articles, Deloitte,

Per capita healthcare expenditure has risen at a fast pace

- This is due to rising income, easier access to high-quality healthcare facilities and greater awareness of personal health and hygiene.
- Greater penetration of health insurance aided the rise in healthcare spending, a trend likely to intensify in the coming decade.
- Economic prosperity is driving the improvement in affordability for generic drugs in the market.
- The government has allocated Rs. 99,858 crore (US\$ 11.50 billion), which is 1.9% of GDP in the Union budget 2025-26 for the development, maintenance, and enhancement of the country's healthcare system, reflecting a 9.78% increase from the previous allocation of Rs. 90,958 (US\$ 10.47 billion) crore in FY25.

Government Healthcare Expenditure as a % of GDP



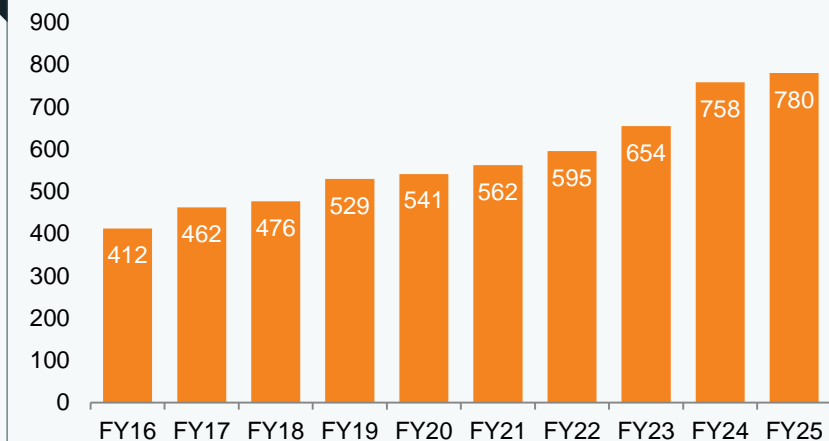
*Note: *-Projected*

Source: World Bank, Press Information Bureau, Economic Times

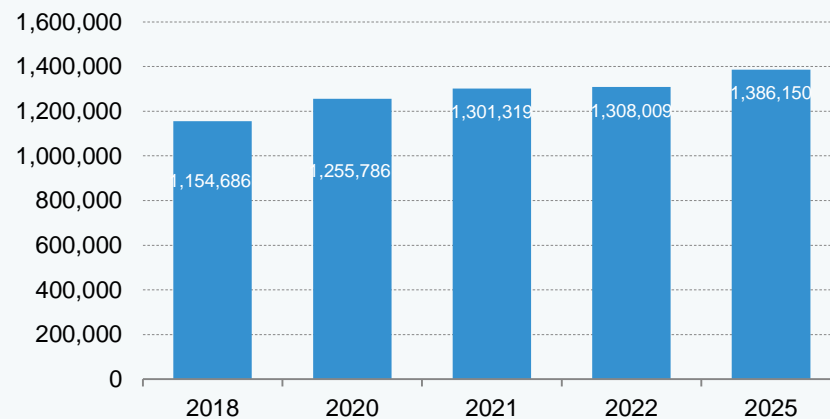


Healthcare infrastructure has risen at a fast pace

Number of Medical Colleges



Number of Doctors



- India's medical educational infrastructure has grown rapidly in the last few decades.
- The Government of India's FY25 interim budget proposes expanding medical colleges using existing hospitals, building a stronger foundation for future healthcare professionals.
- In FY26, India's private hospitals are expected to add over 4,000 beds with an investment of Rs. 11,500 crore (US\$ 1.34 billion), maintaining their capacity expansion momentum from the previous fiscal.
- As of April 1, 2025,
 - India has 13,86,150 registered allopathic doctors and 7,51,768 AYUSH practitioners, resulting in an estimated doctor-to-population ratio of 1:811.
 - A total of 157 new medical colleges are being established by upgrading district and referral hospitals, of which 131 are already operational.
 - Under the Central Sector Scheme for setting up new AIIMS, 22 institutes have been approved, with undergraduate courses commenced in 19 of them.
 - There are a total number of 74,306 Postgraduate seats and 1,18,190 MBBS seats in the country.

Source: News Articles, PIB

Notable trends in the Indian healthcare sector ... (1/3)

1

Shift from communicable to lifestyle diseases

- With increasing urbanisation and problems related to modern-day living in urban settings, currently about 50% of spending on in-patient beds is for lifestyle diseases, this has increased the demand for specialised care. In India, lifestyle diseases have replaced traditional health problems.
- Most lifestyle diseases are caused by high cholesterol, high blood pressure, obesity, poor diet and alcohol.

2

Expansion to Tier II and Tier III cities

- Healthcare demand in Tier II and Tier III cities is projected to grow at 16-18% CAGR over the next few years, higher than the 12-14% CAGR in metros, showing continued momentum beyond 2025.
- Tier II cities are expected to add 40 million people by FY27, while 70% of hospitals are already empanelled under Ayushman Bharat as of 2025, improving access and accelerating infrastructure expansion toward FY27.

3

Emergence of telemedicine

- Telemedicine is a fast-emerging sector in India. Virtual care constituting teleconsult, telepathology, teleradiology and e-pharmacy, is experiencing a stimulus in India. Major hospitals (Apollo, AIIMS, Narayana Hrudayalaya) have adopted telemedicine services and entered into a number of PPPs.
- The telemedicine market is expected to reach US\$ 5.4 billion by 2025, driven by increased demand for remote healthcare solutions and advancements in technology.
- HealthNet Global (HNG) launched a Tele-ICU program at Apollo Spectra Hospital in Pusa Road, Delhi, enhancing remote monitoring and expert intervention for critical care. This initiative improves access, especially in rural areas, speeds up patient transfer decisions, and lowers costs.

Note: PPP is Public - Private Partnerships

Source: IRDA, CII, Grant Thornton, Gartner, Technopak, News Articles

Notable trends in the Indian healthcare sector ... (2/3)

4

Rising adoption of artificial intelligence (AI)

- AI expenditure in India is expected to reach US\$ 11.78 billion by 2025 and add US\$ 1 trillion to India's economy by FY35. The AI in Healthcare Market is projected to grow from US\$ 14.6 Billion in 2023 to US\$ 102.7 Billion by FY28.
- Iswarya Hospital launched in Chennai with twelve-story building features 14 operational rooms and 72 clinical service departments. It is equipped with AI-powered CT and MRI machines, a catheterization lab, advanced surgical interventions, and specialized therapies in cardiology, orthopaedics, and neurology.

5

Ayushman Bharat Digital Mission

- Ayushman Bharat Digital Mission (ABDM) has been launched with the aim to enable interoperability of health data within the health ecosystem and creating longitudinal electronic health records of every citizen. ABDM comprises key registries such as the Ayushman Bharat Health Account (ABHA), healthcare professional registry (HPR), health facility registry (HFR), and drug registry.
- As on November 20, 2025, a total of 51,36,284 Reproductive and Child Health (RCH) IDs have been linked with ABHA IDs, including 16,18,209 linked through new ABHA ID creation and 35,18,075 using existing ABHA IDs.

6

Point of care treatment

- It encompasses any tests that are performed at or near a patient and at the site where care or treatment is provided. Results are typically available relatively quickly so that they can be acted upon without delay.
- The most common point-of-care tests include blood glucose monitoring, home pregnancy tests, tests for haemoglobin, faecal occult blood, rapid strep, as well as Prothrombin Time/ International Normalized Ratio (PT/INR) for people on the anticoagulant warfarin.
- It further helps to alleviate emergency room overcrowding by reducing the time it takes to treat people and thus shortens their stays.

7

Focus on universal immunization programmes (UIP)

- Every year, UIP targets 2.6 crore newborns and 2.9 crore pregnant women, aiming to ensure that every child is fully immunized in their first year of life.
- As a result of sustained efforts and outreach, India's Full Immunization Coverage (FIC) has reached an impressive 94.1%, reflecting the government's strong commitment to preventive healthcare.

8

Technological initiatives

- Union Minister of Health and Family Welfare, Dr. Mansukh Mandaviya, launched 'MedTech Mitra,' a strategic initiative aimed at empowering MedTech innovators and advancing healthcare solutions in India. This platform will support young talents by refining their research and aiding in regulatory approvals, fostering a collaborative environment for emerging start-ups.
- In February 2025, Metropolis Healthcare has partnered with Roche Diagnostics India to launch a self-sampling HPV DNA test for cervical cancer screening. This innovative test empowers women to take charge of their health by allowing them to collect their samples for testing in a comfortable and convenient manner.
- Union Minister of Health and Family Welfare and Chemicals & Fertilizers Dr. Mansukh Mandaviya launches 'MedTech Mitra', a platform to support MedTech innovation in India by leveraging advanced technologies and reducing import dependence, aiming to transform the healthcare sector by FY47.

Source: News Articles, PIB

Strategies adopted

2. DIFFERENTIATION AND DIVERSIFIED BUSINESS APPROACH

- Players in the industry are trying to differentiate themselves by providing multiple healthcare services under one roof.
- Offering a range of healthcare and wellness services under a single brand has become a trend. Patients and healthcare services-seekers find it convenient. Demand of such arrangements boosts the healthcare sector.

3. CO-DEVELOPMENT

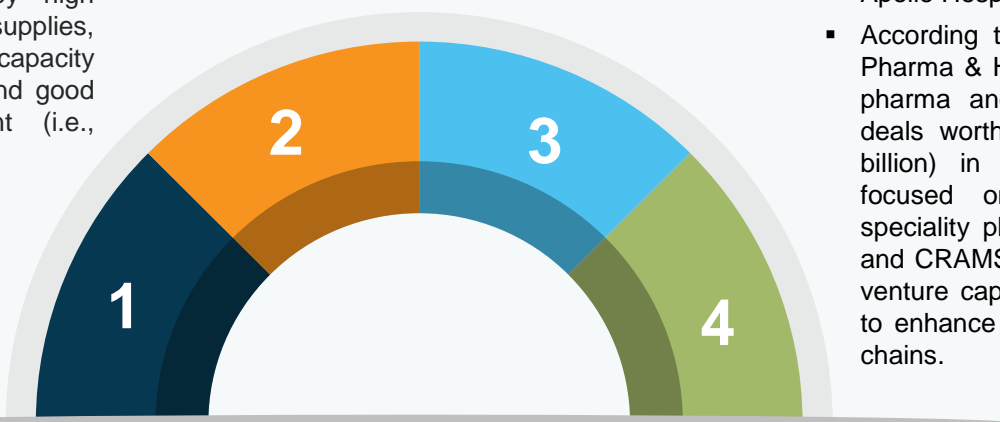
- Key players in the industry are focusing on start-ups for co-developing innovative healthcare solutions. In December 2020, a cohort of six health-tech start-ups - AarogyaAI, BrainSightAI, Fluid AI, InMed Prognostics, Wellthy Therapeutics and Onward Assist - were selected by the India Edison Accelerator. This start-up partnership program focused on Indian mentors, creating strategic partners to co-develop healthcare solutions.
- IIT Delhi, in collaboration with AIIMS, has launched an online Postgraduate Diploma in Healthcare Product Development. The program focuses on equipping professionals to design and innovate medical products. It combines expertise from engineering, medicine, and design to address real-world healthcare challenges. The course is tailored for graduates and working professionals in healthcare and related fields.

1. COST LEADERSHIP

- Private players in the industry are making their supply chains efficient and leveraging economies of scale to reduce costs. One such example is Narayan Hrudayalaya (NH), where healthcare is provided at an affordable cost. NH reduces costs by high procurement of medical supplies, high-volume by high-capacity utilization, staff productivity and good human capital management (i.e., training).

4. MERGERS & ACQUISITIONS (M&A)

- On September 9, 2025, Apollo Hospitals announced it will acquire a 31% stake in Apollo Health and Lifestyle Ltd for Rs. 1,254 crore (US\$ 146 million). Upon completion of the proposed acquisition, AHLL will become a 99.4% Subsidiary of Apollo Hospitals.
- According to the Grant Thornton Bharat Pharma & Healthcare Dealtracker, India's pharma and healthcare sector saw 71 deals worth Rs. 22,279 crore (US\$ 2.6 billion) in Q1 2025, with investments focused on scalable global models, speciality pharma, biotech, digital health, and CRAMS, supported by private equity, venture capital, and strategic acquisitions to enhance technology, R&D, and supply chains.





Indian healthcare sector is poised to grow

2. POLICY SUPPORT

- Encouraging policies for FDI in the private sector.
- Reduction in customs duty and other taxes on life-saving equipment.
- The WHO and G20 India presidency launched the Global Initiative on Digital Health (GIDH) at the G20 Summit's Health Minister's Meeting, aiming to leverage digital health for universal coverage and Sustainable Development Goals by 2030.

3. FOCUS

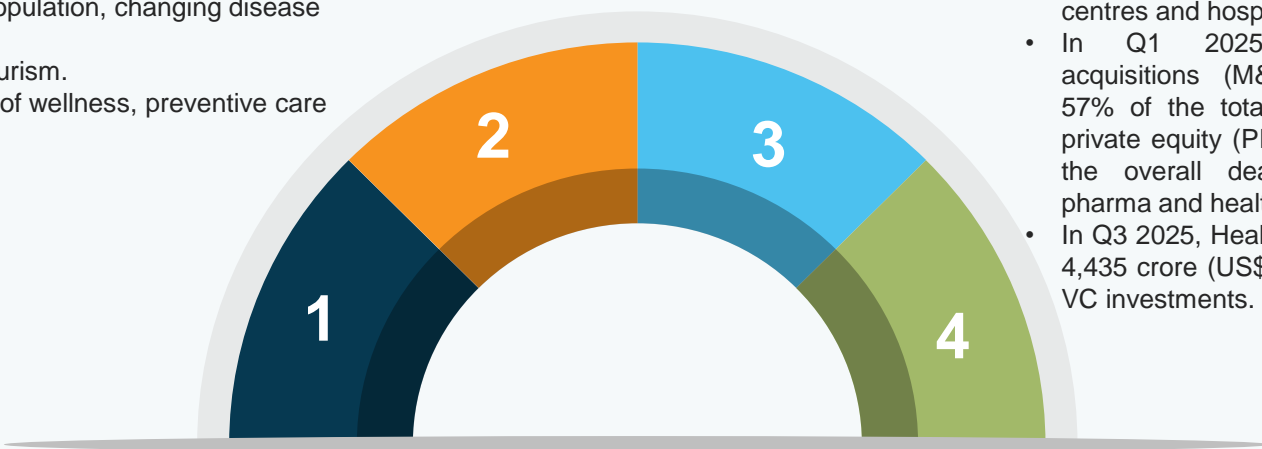
- Expanding R&D and distribution facilities in India.
- Public-private partnerships facilitate collaborative research aimed at addressing specific medical challenges in India.
- The government provides financial grants, tax breaks, and subsidies to encourage research and development in pharmaceuticals.

1. GROWING DEMAND

- Rising income and affordability.
- Growing elderly population, changing disease patterns.
- Rise in medical tourism.
- Better awareness of wellness, preventive care and diagnosis.

4. M&A AND PE/VC

- Lucrative M&A opportunities.
- Foreign players setting up R&D centres and hospitals in India.
- In Q1 2025, Mergers and acquisitions (M&A) accounted for 57% of the total deal value, while private equity (PE) made up 59% of the overall deal volume in the pharma and healthcare sector.
- In Q3 2025, Healthcare attracted Rs. 4,435 crore (US\$ 500 million) in PE-VC investments.



Note: FDI - Foreign Direct Investment, M&A - Mergers and Acquisitions NRHM - National Rural Health Mission

Source: Ministry of Health and Family Welfare, Government of India

Rising income, ageing population to be key healthcare demand driver

- Rising income means a steady growth in the ability to access healthcare and related services.
- Life expectancy in India is projected to reach 84 years by 2045, up from 67 years in 2021. Meanwhile, the country's median age is expected to increase by 1.3 times, from 28.8 in 2025 to 38.3 in 2050. This increase in life expectancy, and an aging population is expected to fuel growth in the healthcare sector, boosting demand for age-related healthcare services.
- Per capita GDP at current prices in FY26 is expected to be US\$ 3,374.80.



Note: F-Forecasted
Source: International Monetary Fund, World Economic Outlook Database

Medical tourism: A new growth factor for India's healthcare sector

Overview

- India attracts medical tourists due to its top-tier healthcare, skilled experts, and cost-effective treatments. Additionally, major surgeries in India cost about 20% of what they do in developed countries.
- With US\$ 5-6 billion size of Medical value travel (MVT) and 5,00,000 International patients annually, India is among the global leader destinations for international patients seeking advanced treatment.
- Indian medical tourism market was valued at US\$ 7.69 billion in CY24 and is expected to reach US\$ 14.31 billion by CY29.
- Telangana is positioning itself as a medical tourism hub by planning a 1,000-acre health tourism center, aiming to enhance infrastructure and attract international patients seeking quality healthcare services.
- On July 30, 2025, it was reported that NRIs are driving a surge in India's medical tourism, with a 150% YoY rise in health insurance adoption among them.
- India's medical tourism is set to exceed pre-pandemic levels, reaching 7.3 million tourists in CY24. Major hospital chains like Max Healthcare, Fortis Healthcare, and Apollo Hospitals are driving this growth. With top-notch infrastructure and skilled experts, medical tourism is expected to contribute 10-12% to hospital revenue, outpacing industry growth.

Ayush

- Yoga, meditation, ayurveda, allopathy and other traditional methods of treatment are major service offerings that attract medical tourists from European nations and the Middle East to India.
- The Government of India liberalised its policy by providing 100% FDI in the AYUSH sector for the wellness and medical tourism segment.
- In 2025, the Ministry of AYUSH has developed the Central Sector scheme for Promotion of International Cooperation for AYUSH (ICScheme) to boost exports, recognition, research, and international collaboration in AYUSH systems.
 - WHO with the support of Ministry of Ayush have developed and published standardized terminology documents for Ayurveda, Unani, and Siddha systems, helping to create a globally accepted, unified language for these traditional medical practices.
 - Under the ICScheme, India has signed 25 country-to-country MoUs, 52 institute-to-institute MoUs, and 15 AYUSH Chair MoUs.

Source: Ministry of Health, News Articles, PIB, Bajaj AMC

Re-emergence of traditional medical care

1. Market size and services offered

- The overall Ayush industry in the country is worth over US\$ 50 billion in FY24.
- Ayurveda and Unani medicines consist of more than 90% of plant-based formulations.
- The sector has broadened its offerings and now includes services on diet and nutrition, yoga, herbal medicine, humour therapy and spa.



2. Leading brands and players

- Many big players such as Apollo, VLCC and Manipal Group are setting up wellness centres across India with traditional healthcare remedies as the focus of their offerings.

3. Developing infrastructure

- The Union Budget 2025-26 emphasizes healthcare infrastructure by increasing the allocation for the Ministry of Ayush to Rs. 3,992 crore (US\$ 465 million) in FY26 from Rs. 3,712 crore (US\$ 433 million) in FY25.

5. Recent Developments

- In 2025, the Ministry of AYUSH has developed the Central Sector scheme for Promotion of International Cooperation for AYUSH (ICScheme) to boost exports, recognition, research, and international collaboration in AYUSH systems.
- WHO with the support of Ministry of Ayush have developed and published standardized terminology documents for Ayurveda, Unani, and Siddha systems, helping to create a globally accepted, unified language for these traditional medical practices.
- Under the ICScheme, India has signed 25 country-to-country MoUs, 52 institute-to-institute MoUs, and 15 AYUSH Chair MoUs.

4. Notable trends

- The traditional medical sector is developing a traditional knowledge digital library to prevent companies from claiming patents on such remedies. There is a growing interest from numerous PE firms in the traditional healthcare sector in India.

Notes: AYUSH - Ayurveda, Yoga, Naturopathy, Unani, Siddha and Homoeopathy, MoU - Memorandum of Understanding

Source: Ministry of Health, Make in India, RNCOS, KPMG, Ayurveda Industry Market Size, Strength and Way Forward report by Confederation of Indian Industry (CII), News Articles

1

Pradhan Mantri Jan Arogya Yojana (PMJAY)

- The government announced Rs. 9,406 crore (US\$ 1.08 billion) outlay for PMJAY in the Union Budget 2025-26, an increase of 28.8% from Union Budget 2024-25.
- As on November 20, 2025, 84,395 Ayushman Cards were created in a day, contributing to a total of 42,70,73,674 cards issued overall.
- Under AB-PM-JAY, a total of 32,544 hospitals are empanelled, including 17,037 public and 15,507 private hospitals (overall).

2

GST 2.0

- Health insurance: Individual health insurance premiums (including family floater and senior citizen plans) are now GST-exempt; the earlier 18% GST is removed, lowering retail premiums by roughly 18% from the effective date.
- Medicines: A uniform 5% GST applies to all drugs/medicines except 33 life-saving therapies placed at nil rate, and 3 additional life-saving drugs moved from 5% to nil; intent is to cut patient costs while preserving input tax credit to avoid upstream cost build-up.
- Medical devices and consumables: GST reduced to 5% on most devices and supplies (diagnostic kits, reagents, glucometers, medical oxygen, gauze, bandages, surgical gloves, thermometers), down from 12-18% earlier.
- Hospital services: Core healthcare services by hospitals/doctors/ambulances remain exempt; non-ICU room rent above Rs. 5,000 (US\$ 58.34) per day continues at 5% without input tax credit, unchanged in principle but aligned to the two-slab structure.

3

Credit incentives for healthcare infrastructure

- The Indian government is planning to introduce a credit incentive programme worth Rs. 500 billion (US\$ 6.8 billion) to boost the country's healthcare infrastructure. The programme will allow firms to leverage the fund to expand hospital capacity or medical supplies with the government acting as a guarantor and strengthen COVID-19-related health infrastructure in smaller towns.

4

National Nutrition Mission

- The programme is planning to reduce the level of stunting by 2%, under-nutrition 2%, anaemia by 3% and low birth babies by 2% every year.
- PoshanAbhiyan is a Centrally Sponsored Scheme with the implementation of the scheme being done by States/UTs. To ensure that all Anganwadi Centres are equipped with Smartphones and Growth Monitoring devices (GMDs) such as Infantometer, Stadiometers, and Weighing Scale for Mothers and Infant, the Ministry has released revised guidelines for technical specifications and replacement of GMDs by the States.
- Over 100 million people are expected to be benefited by this programme, all states and districts will be covered within the programme.

5

National Zero Measles-Rubella Elimination Campaign

- Launched during World Immunization Week on April 24, 2025, the National Zero Measles-Rubella Elimination Campaign aims for 100% coverage with two doses of MR vaccine.
- So far 332 districts have reported zero measles and 487 zero rubella cases in Q1 2025.

6

National Health Mission (NHS)

- The Government of India approved continuation of 'National Health Mission' with a budget of Rs. 38,183 crore (US\$ 4.60 billion) under the Interim Union Budget 2024-25.

Source: News Articles

7

Incentives in the medical travel industry

- Incentives and tax holidays are being offered to hospitals and dispensaries providing health travel facilities. Senior citizens above 80 years of age will be allowed deduction of US\$ 491 towards medical expenditure if they are not covered under health insurance.

8

Universal health

- The Government of India has positioned Ayushman Bharat as the core pathway to achieving Universal Health Coverage, ensuring that every citizen especially vulnerable families receives affordable, quality healthcare throughout the care continuum.
- The Union Budget 2021 announced the launch of 'Jal Jeevan Mission' (Urban) to achieve universal health. The mission is aimed at universal supply of water to all 4,378 urban local bodies, with 2.86 crore household tap connections, and management of liquid waste in 500 AMRUT cities. It will be executed with an outlay of Rs. 2,87,000 crore (US\$ 39.41 billion) over five years.

9

Tele-medicine initiatives

- State Telemedicine Network (STN): The states and union territories have been provided support under the National Health Mission (NHM) under Program Implementation Plan (PIP) to create a reliable, ubiquitous and high-speed network backbone. eSanjeevani telemedicine service of Union Health Ministry has crossed 3 crore tele-consultations.
- The eSanjeevani platform has experienced remarkable growth, with its user base increasing more than 2.5 times within a single year. Impressively, the app has garnered an astonishing three million downloads, with approximately 10% of its users being senior citizens.
- eSanjeevani has served 42,92,52,796 patients so far, with 2,88,062 patients served on November 20, 2025, supported by 2,29,707 onboarded providers, 1,36,337 spokes and 18,140 hubs across 151 specialties.

10

Bilateral ties

- India's pharmaceutical industry is anticipated to undergo significant growth, with exports projected to reach Rs. 30,76,500 crore (US\$ 350 billion) by FY47, representing an increase of 10 to 15 times from current levels of Rs. 2,59,658 crore (US\$ 30.38 billion) in FY25.
- The India-UK Free Trade Agreement signed on July 24, 2025, introduced duty relief enabling Indian pharmaceutical companies' easier access to UK drug stores, with zero tariffs on nearly 99% of exports.

11

Single window system

- The Drug Controller General of India (DCGI) has proposed to set up a single window system for start-ups and innovators seeking approvals, consents, and information regarding regulatory requirement.

12

Medical institutions

- On February 25, 2024, Prime Minister Mr. Narendra Modi inaugurated five new All India Institute of Medical Sciences (AIIMS) across different states. These AIIMS facilities, situated in Rajkot (Gujarat), Bathinda (Punjab), Raebareli (Uttar Pradesh), Kalyani (West Bengal), and Mangalagiri (Andhra Pradesh), signify a transformative step towards bolstering tertiary healthcare infrastructure.
- India and Singapore have strengthened their bilateral ties in healthcare, finalizing several agreements focused on cooperation in this sector during the recent India-Singapore Ministerial Roundtable. outcomes.

Source: News Articles

13

Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

- In the Union Budget 2024-25, Rs. 2,200 crore (US\$ 263 million) was allocated to the scheme.
- The Government of India will use this money to boost the medical education infrastructure of the country and set up AIIMS across the country.

14

'Vision 2035: Public Health Surveillance in India'

- To make the public health surveillance system in India more flexible and predictive to strengthen action preparedness at all levels.
- A citizen-friendly public health surveillance system, supported by a consumer feedback process, would ensure individual privacy and confidentiality.
- To improve data-sharing system for effective disease control between the center and states.
- India aims to provide regional and international leadership in managing events of global concern, which constitute a public health emergency.

15

PM Ayushman Bharat Health Infrastructure Mission (PM-ABHIM)

- Under PM-ABHIM, the Centre has approved Rs. 33,081 crore (US\$ 3.86 billion) from FY22 to FY26 for health infrastructure upgrades, including 10,609 building-less Ayushman Arogya Mandirs, 5,456 urban Ayushman Arogya Mandirs, 2,151 Block Public Health Units, 744 district Integrated Public Health Labs, and 621 Critical Care Hospital Blocks.

Source: News Articles, Press Information Bureau

16

Ayushman Bharat

- Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PM-JAY) - Under PM-JAY, Bihar has achieved 100% coverage of all eligible families. As of September 2025, more than four crore Ayushman Cards have been created in the state. In just one year, this has resulted in savings of over Rs. 1,000 crore (US\$ 116.7 million) in out-of-pocket healthcare expenses for the people of Bihar.
- Ayushman Bharat Digital Mission (ABDM) - Bihar has also secured the first rank in the implementation of ABDM.

17

Digital India Initiative

- Under the Digital India initiative of the Ministry of Electronics and Information Technology, the e-Hospital, e-BloodBank, and Online Registration System (ORS) applications have been launched. The e-Hospital platform is a Hospital Management Information System (HMIS) designed to streamline hospital operations and internal processes. This integrated solution connects patients, hospitals, and doctors on a single digital interface and is offered to Central, State, Autonomous, and Cooperative hospitals via a cloud-based Software-as-a-Service (SaaS) model.
- As of September 2025, e-Hospital is live in 2,713 hospitals across India, with real-time dashboards tracking OPD/IPD, labs, pharmacy, billing, and ABHA linkages.

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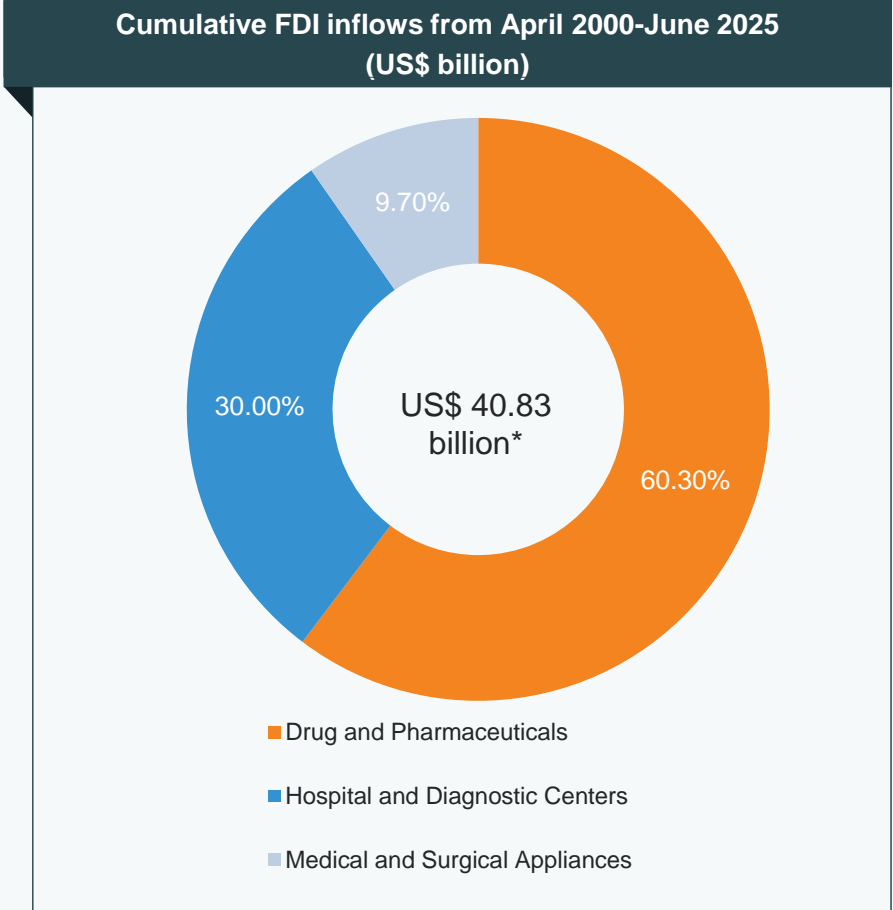
Universal Immunization Programme

- India's Universal Immunization Programme vaccinates 2.6 crore newborns and 2.9 crore pregnant women annually, helping achieve 94.1% full immunisation coverage with all scheduled vaccines in the first year of life.

Source: News Articles, Press Information Bureau

FDI inflow

- 100% FDI is allowed under the automatic route for greenfield projects.
- For brownfield project investments, up to 100% FDI is permitted under the government route.
- Demand growth, cost advantages and policy support have been instrumental in attracting FDI.
- The Drugs & Pharmaceuticals sector received FDI inflow of Rs. 2,10,940 crore (US\$ 24.62 billion) from April 2000-June 2025.
- Inflows in sectors such as hospitals and diagnostic centres and medical and surgical appliances stood at Rs. 1,04,970 crore (US\$ 12.25 billion) and Rs. 33,933 crore (US\$ 3.96 billion), respectively, between April 2000-June 2025.



*Note: FDI - Foreign Direct Investment, * - Drugs & Pharmaceuticals sector + hospitals and diagnostic centres + medical and surgical appliances FDI data till June 2025.*
Source: DPIIT



Opportunities in healthcare

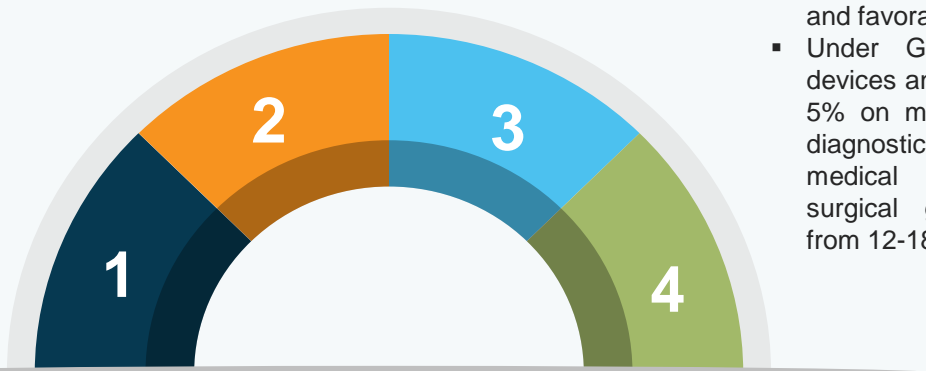
2. RESEARCH

- In Union Budget 2025-26, the Department of Health Research is receiving a special enhancement of Rs. 531 crore (US\$ 62 million) over the next five years to support AI in healthcare, new therapies like gene therapy, cancer and anaemia research, pandemic preparedness, and boosting medical research institutes.

1. HEALTHCARE INFRASTRUCTURE

- By 2025, India will require three million additional hospital beds to achieve the target of three beds per 1,000 people, along with 1.54 million doctors and 2.4 million nurses to address the growing healthcare demand.
- An additional three million beds will be needed for India to achieve the target of three beds per 1,000 people by 2025. Further, another 1.54 million doctors and 2.4 million nurses will be required to meet the growing demand for healthcare in India by 2025.
- Over US\$ 500 billion is expected to be spent on medical infrastructure by 2030.

Source: News Articles



3. HEALTH-TECH

- In H1 2025, the Indian health-tech startups received Rs. 7,095 crore (US\$ 828 million) in funding, a sign of continued investor confidence in the sector.
- In January 2025, Innovaccer Inc. raised Rs. 2,356 crore (US\$ 275 million) in a Series F round to scale its Healthcare Intelligence Cloud, build new AI- and cloud-capabilities (like copilots/agents for clinical decision support, utilization management etc.), expand its developer ecosystem, and deepen collaboration with its 130+ healthcare customers.

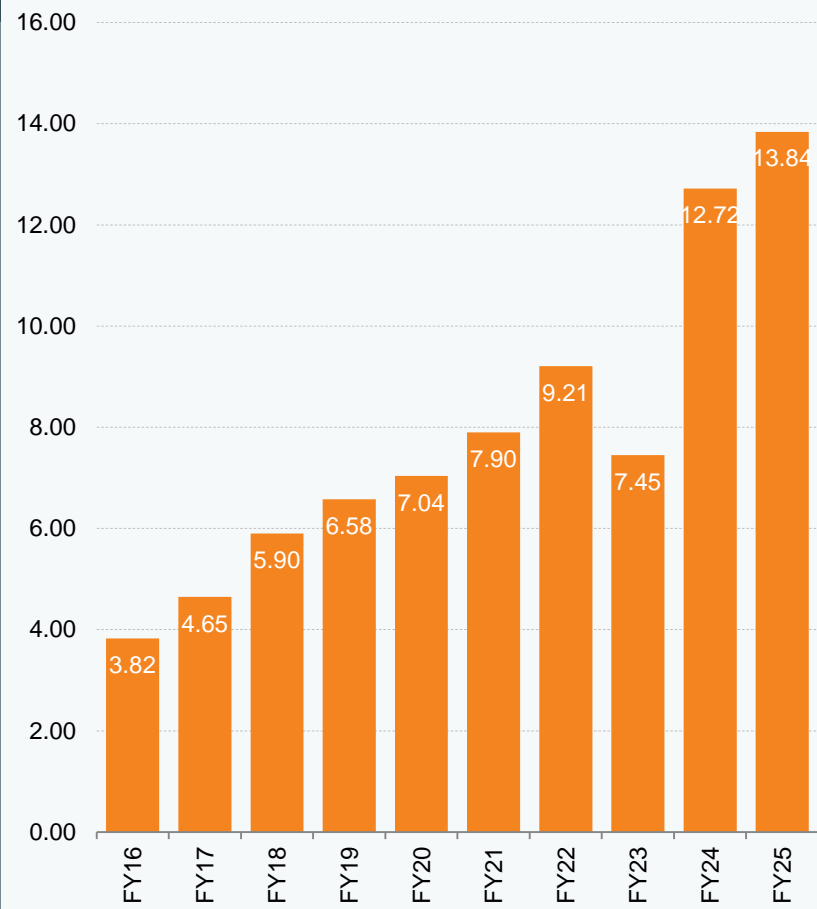
4. MEDICAL DEVICES

- The Indian medical devices sector has witnessed remarkable growth in recent years and is expected to reach Rs. 4,34,350 crore (US\$ 50 billion) by FY31 driven by increasing demand for quality healthcare, advancements in technology, and favorable government policies.
- Under GST 2.0, taxes on medical devices and consumables are reduced to 5% on most devices and supplies like diagnostic kits, reagents, glucometers, medical oxygen, gauze, bandages, surgical gloves, thermometers, down from 12-18% earlier.

Opportunities in health insurance

- A growing middle-class, coupled with rising burden of new diseases, are boosting the demand for health insurance coverage. With increasing demand for affordable and quality healthcare, penetration of health insurance is poised to expand in the coming years.
- According to data released by Just Dial Consumer Insights, the demand for health insurance in India increased by 321% after COVID, with Star Health, Max Bupa, Aditya Birla, HDFC Ergo, and Acko dominating the top five searched and desired insurance brands.
- Health Insurance gross direct premium income rose to Rs.37,528.92 crore (US\$ 4.39 billion) in March 2025 from Rs. 32,354.28 crore (US\$ 3.79 billion) in the previous year, reflecting strong YoY growth.
- Total Health Insurance Premium in FY25 stood at Rs 1,18,688 crore (US\$ 13.84 billion), up from Rs 1,09,007 crore (US\$ 12.72 billion) in FY24.
- In July 2025, standalone health insurers' premiums grew 10.4% YoY to Rs. 3,622 crore (US\$ 422.7 million), reflecting rising demand and wider health coverage adoption.
- India's non-life insurers expect double-digit growth in 2025, led by health insurance and supported by new segments, GST relief, revised motor rates, and digital innovation.
- On July 30, 2025, it was reported that NRIs are driving a surge in India's medical tourism, with a 150% YoY rise in health insurance adoption among them.
- India's seven standalone health insurance companies (SAHIs) have captured 41% market share of the non-life insurance sector as of April-December FY25, up from 30% in FY20, driven by superior product innovation and customer support. Standalone health insurers are projected to achieve 20-21% growth in FY26, outpacing general insurance growth of 13%, driven by retail expansion and enhanced agency networks.
- India's health-tech sector is projected to reach Rs. 4,43,500 crore (US\$ 50 billion) by 2033, driven by AI and automation, supporting faster claim decisions and smarter underwriting.



Health Insurance Premium Collection (US\$ billion)



Source: GIC, News Articles



Key industry contacts

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- CAGR: Compound Annual Growth Rate
- EPA: Externally Aided Projects
- FDI: Foreign Direct Investment
- FY: Indian Financial Year (April to March)
- So FY10 implies April 2009 to March 2010
- GOI: Government of India
- ICT: Information and Communications Technology
- IMF: International Monetary Fund
- Rs.: Indian Rupee
- M and A: Mergers and Acquisitions
- NHRM: National Rural Health Mission
- PPP: Public Private Partnerships
- R and D: Research and Development
- US\$: US dollar
- WHO: World Health Statistics
- Where applicable, numbers have been rounded off to the nearest whole number

Exchange rates

Exchange Rates (Fiscal Year)

Year	Rs. Equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89
2019-20	70.49
2020-21	73.20
2021-22	74.42
2022-23	78.60
2023-24	82.80
2024-25	86.47
2025-26*	86.70

Exchange Rates (Calendar Year)

Year	Rs. Equivalent of one US\$
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36
2019	69.89
2020	74.18
2021	73.93
2022	79.82
2023	82.61
2024	84.49
2025*	86.80

*Note: *- Until October 2025*

Source: Foreign Exchange Dealers' Association of India

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