Healthcare

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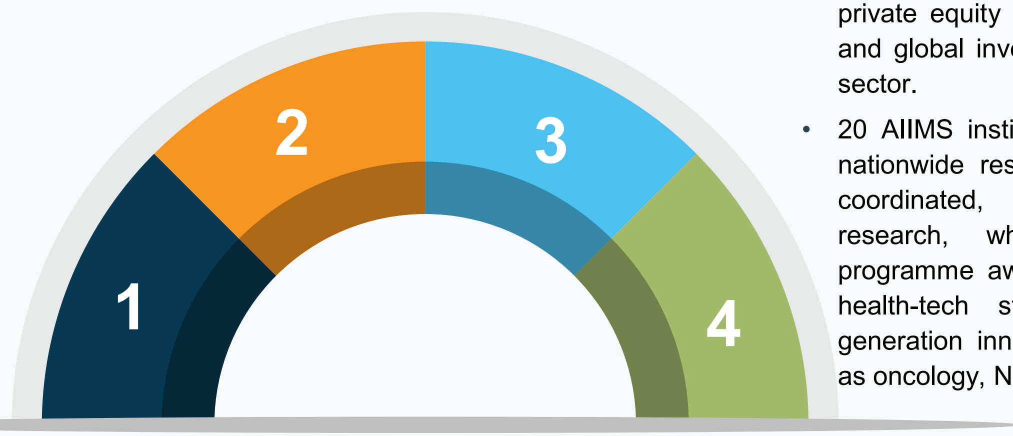
Executive summary

2. IMPRESSIVE GROWTH PROSPECTS

- The Indian healthcare sector, valued at Rs. 7,17,590 crore (US$ 110 billion) in 2016 and Rs. 29,21,668 crore (US$ 372 billion) in 2023, is projected to reach Rs. 55,17,022 crore (US$ 638 billion) by 2025, growing at a robust 21.57% CAGR, driven by innovation across hospitals, pharmaceuticals, and diagnostics.
- The global remote patient monitoring market is projected to expand at a CAGR of 12.8% to reach US$ 66.33 billion by 2031.
- India's hospital market is estimated at US$ 122.3 billion in 2025 and expected to be valued at US$ 135.3 billion in 2026 and is projected to reach US$ 202.5 billion by 2030, growing at a CAGR of 10.61%.

1. FOURTH-LARGEST EMPLOYER

- India held the 41st position in IMD's World Competitiveness Index 2025 and 38th position in the Global Innovation Index, highlighting growing capabilities in healthcare innovation, digital health, and research ecosystems.
- As of FY24, the Indian healthcare sector employed a total of 7.5 million people with professional demand expected to double by 2030.



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 supporting FDI, rising public healthcare allocations, and continued infrastructure expansion under government initiatives are strengthening the investment landscape, attracting private equity (PE), venture capital (VC), and global investors to India's healthcare sector.
- 20 AIIMS institutions have established a nationwide research consortium to drive coordinated, high-quality biomedical research, while Pfizer's INDovation programme awarded grants to 14 Indian health-tech startups, supporting next-generation innovation across areas such as oncology, NCDs, and maternal health.

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

Advantage India

Advantage India

2. ATTRACTIVE OPPORTUNITIES

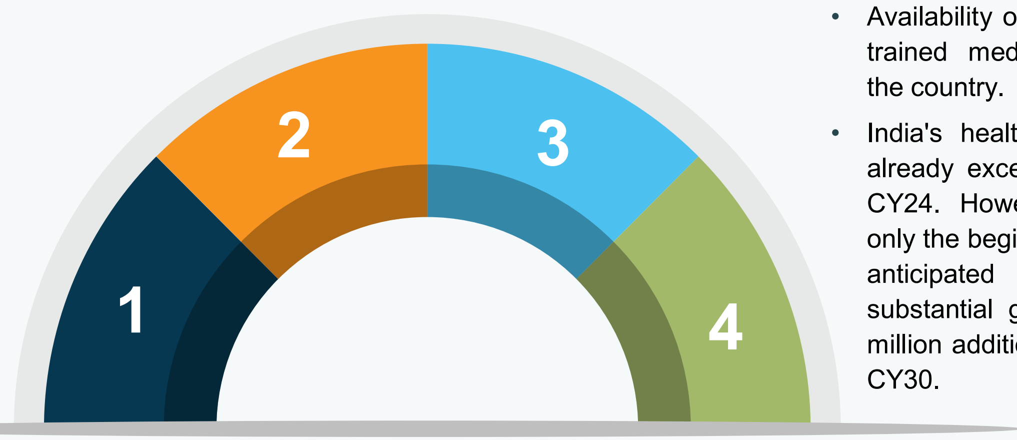
- Q2 FY26 witnessed announced transactions exceeding Rs. 10,000 crore (US$ 1.13 billion) across the hospitals, diagnostics, and specialty care segments, including buyouts, minority investments, and cross-border acquisitions.
- The healthcare innovation opportunity is projected to reach US$ 60 billion by FY2028, driven by ecosystem shifts such as consolidation, changing profit pools, and increasing partnerships.
- Average revenue per occupied bed (ARPOB) across leading hospital networks increased by 10–16% year-on-year, driven by effective pricing strategies and a higher proportion of complex medical procedures.

3. POLICY AND GOVERNMENT SUPPORT

- The Government aims to develop India as a global healthcare hub.
- The Union Budget 2026–27 allocated Rs. 1,06,530.42 crore (US$ 12.06 billion) to the Ministry of Health and Family Welfare, marking a ~10% increase over the Revised Estimates of FY 2025–26.
- Government initiatives such as Ayushman Bharat and ABDM continue to expand healthcare access, insurance coverage, and digital health infrastructure.
- The Department of Health and Family Welfare receives Rs. 1,01,709 crore (US$ 11.51 billion) which is 95% of the total budget allocation to the Ministry in FY26.

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.
- In FY26, private hospitals are expected to add over 4,000 beds with investments of Rs. 11,500 crore (US$ 1.34 billion) post addition of around 6,000 beds in FY25.
- India has 5,310 nursing institutions, including 806 government institutes, producing nearly 3.82 lakh nursing personnel annually, supporting the country's growing healthcare workforce.



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, PIB, Bain & Co., Media Reports, News Articles*

MARKET OVERVIEW AND TRENDS

The healthcare market functions through five segments

Healthcare

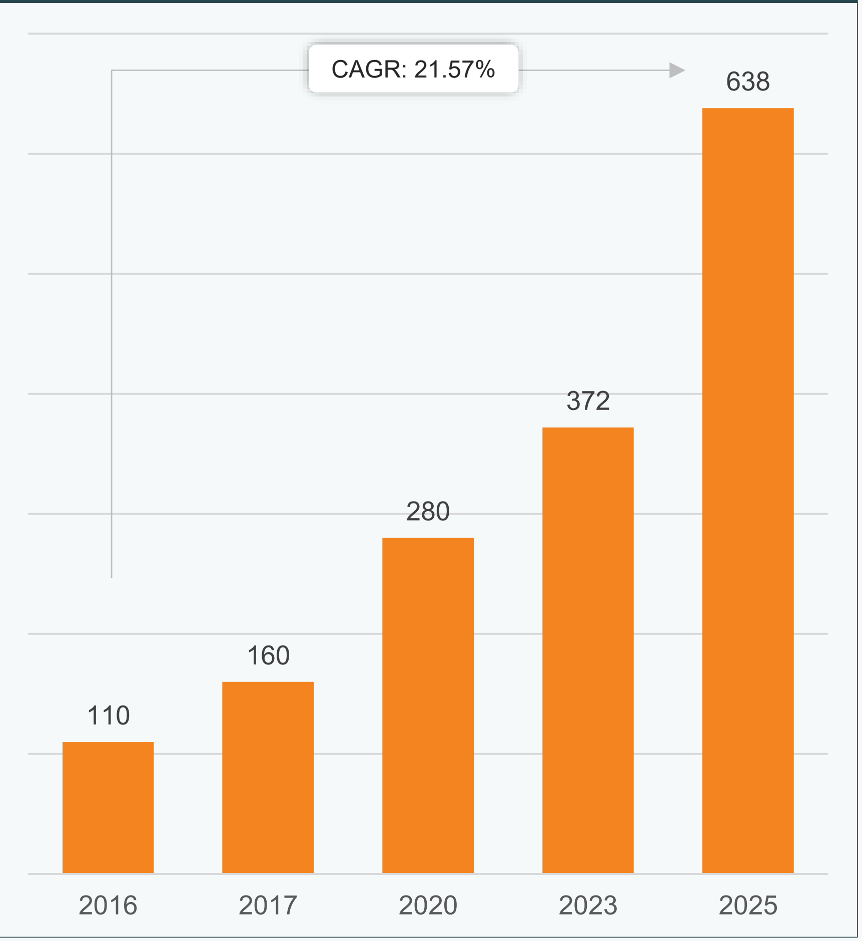
- **Hospitals**
  - Government hospitals - It includes healthcare centres, district hospitals and general hospitals.
  - Private hospitals - It includes nursing homes and mid-tier and top-tier private hospitals.
- **Pharmaceutical**
  - It includes manufacturing, extraction, processing, purification and packaging of chemical materials for use as medications for humans or animals.
- **Diagnostics**
  - It comprises businesses and laboratories that offer analytical or diagnostic services, including body fluid analysis.
- **Medical equipment and supplies**
  - It includes establishments primarily manufacturing medical equipment and supplies, e.g. surgical, dental, orthopaedic, ophthalmologic, laboratory instruments, etc.
- **Medical insurance**
  - It includes health insurance and medical reimbursement facility, covering an individual's hospitalisation expenses incurred due to sickness.
- **Telemedicine**
  - Telemedicine has enormous potential in meeting the challenges of healthcare delivery to rural and remote areas besides several other applications in education, training and management in health sector.

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. 7,17,590 crore (US$ 110 billion) in 2016 and Rs. 29,21,668 crore (US$ 372 billion) in 2023, is projected to reach Rs. 55,17,022 crore (US$ 638 billion) by 2025, growing at a robust 21.57% CAGR, driven by innovation across hospitals, pharmaceuticals, and diagnostics.
- In 2026-27, the Ministry will spend 37% of its total budget on NHM. The mission aims at strengthening public health services in rural and urban areas.
- As of 2023, India's healthcare spending accounted for 3.34% of the Indian GDP and is expected to increase to 5% by 2030.
- Q2 FY26 witnessed strong mergers and acquisitions activity, with over Rs. 10,000 crore worth of announced transactions across hospitals, diagnostics, and specialty care segments. The quarter highlights the structural resilience of India's healthcare sector, with a continued shift toward specialties such as oncology, cardiology, and neurology, supported by rising occupancy levels and double-digit growth in average revenue per occupied bed (ARPOB) across leading hospital chains.
- India's telemedicine market is expected to grow at a CAGR of 20.42% through 2034 reaching US$ 20.02 billion, while the global remote patient monitoring market is projected to expand at a CAGR of 12.8% to reach US$ 66.33 billion by 2031.

Healthcare Sector Growth Trend (US$ billion)

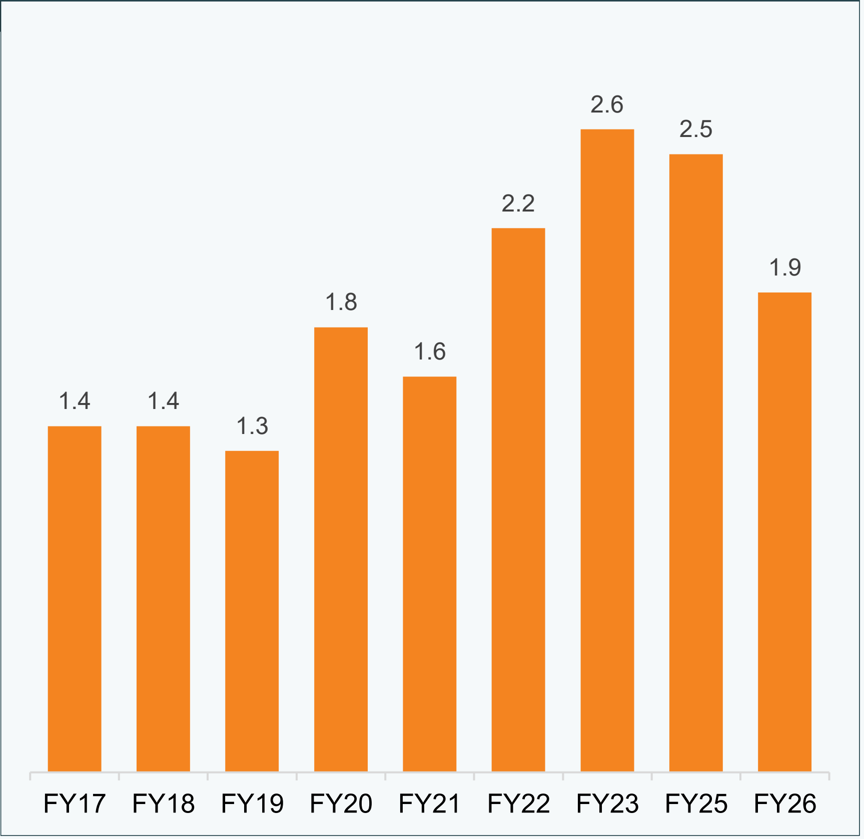


Source: *Frost and Sullivan, Media Reports, News Articles, Deloitte, OECD*

Per capita healthcare expenditure has risen at a fast pace

- Rising income levels and an expanding middle class are driving higher healthcare spending and demand for quality services across India.
- Greater penetration of health insurance aided the rise in healthcare spending, a trend likely to intensify in the coming decade.
- Growing insurance penetration is supporting affordability, with standalone health insurers reporting 10.4% YoY premium growth to Rs. 3,622 crore (US$ 409.87 million); total premium income is expected to reach Rs. 3.21–3.24 lakh crore (US$ 34.01–34.33 billion), followed by further growth of ~10.9% in FY27.
- Digital transformation moved into a more mature phase in 2025: Over 90% of retail policies are now estimated to be issued digitally across insurers. A growing share of health claims, 60–70% in urban markets, are processed through digital or cashless modes.
- Economic prosperity is driving the improvement in affordability for generic drugs in the market.
- The Union Budget 2026–27 marks a significant milestone in strengthening India's healthcare system, with allocation to the Ministry of Health & Family Welfare increased to Rs. 1,06,530.42 crore (US$ 12.06 billion), reflecting a ~10% rise over the previous year.
- Continued policy support and investment are enhancing healthcare infrastructure, expanding access, and driving long-term sector growth.

Government Healthcare Expenditure as a % of GDP

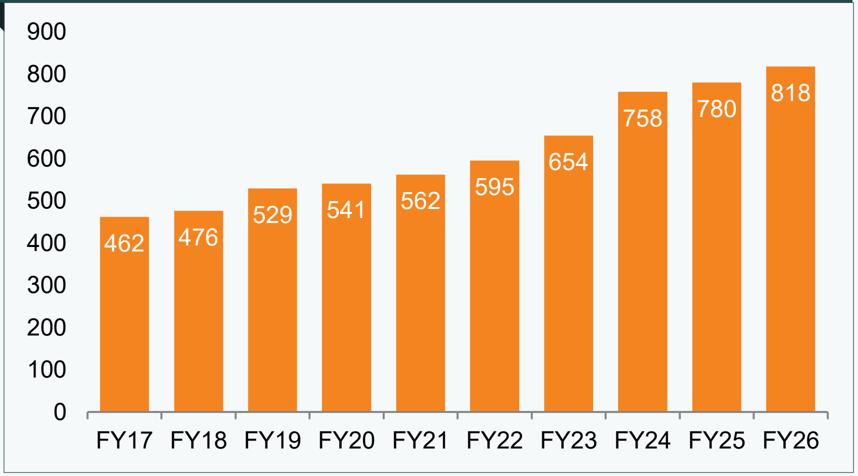


Source: *World Bank, Press Information Bureau, Economic Times*

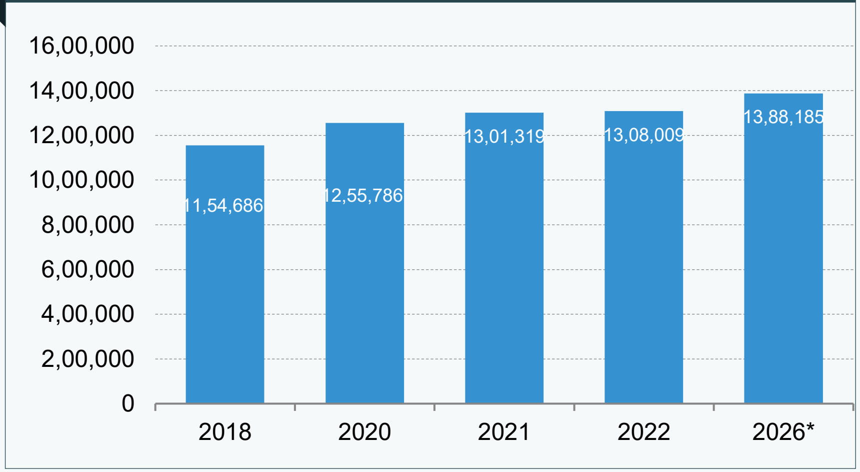
Recent Trends and Strategies

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, private hospitals are expected to add over 4,000 beds with investments of Rs. 11,500 crore (US$ 1.34 billion) post addition of around 6,000 beds in FY25.
- As of March 2026,
  - There are 13,88,185 registered allopathic doctors and 7,51,768 registered 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.
- India has 1,28,875 MBBS and 80,291 postgraduate medical seats in government and private medical colleges across the country during the academic year 2025-2026.

Source: *News Articles, PIB, *- till March 2026*

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, 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

- Tier II cities are expected to add 40 million people by FY27. More than 15,733 Private Hospitals empanelled Under Ayushman Bharat–PMJAY as on 31 December 2025.
- Eleven listed hospital players along with two large unlisted players are expected to add ~14,500 beds over FY2026–FY2027, representing ~26% expansion over their FY2025 bed capacity, with significant additions across metros and Tier II/III cities such as Nagpur, Lucknow, Ongole, and Coimbatore to meet rising demand.

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.
- India's telemedicine market is expected to grow at a CAGR of 20.42% through 2034 reaching US$ 20.02 billion, 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)

- The Indian AI market is expected to grow to US$ 131.31 billion by 2032 at a CAGR of 42.2%. Indian AI startups raised US$ 1.34 billion in 2025 through 198 deals. The Indian AI in healthcare market is projected to grow from US$ 1,331.1 million in 2025 to US$ 21,588.4 billion by 2033 at CAGR of 41.7%.
- 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.
- In FY26, a total of 27,86,548 Reproductive and Child Health (RCH) IDs have been linked with ABHA IDs, including 2,59,050 linked through new ABHA ID creation and 25,27,498 using existing ABHA IDs.
- As of 2026, over 500 million ABHA numbers have been created, making it one of the largest digital health identity systems in the world.

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.

Source: *News Articles*

Notable trends in the Indian healthcare sector … (3/3)

7

Focus on universal immunization programmes (UIP)

- Every year, UIP targets 2.54 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 Immunisation Coverage (FIC) has reached an impressive 98.4% in January 2026, reflecting the government's strong commitment to preventive healthcare.

8

Technological initiatives

- Pfizer awarded grants of over Rs. 8 crore (US$ 0.91 million) to 14 Indian health-tech startups under its INDovation programme in February 2026, supporting next-generation innovations across areas such as oncology, NCDs, and maternal health.
- IT innovation budgets in Indian hospitals are expected to grow by 20–25% over the next 2–3 years, with nearly half of healthcare providers already allocating 20–50% of their spending to digital innovation, reflecting a strong shift towards technology-driven care. Healthcare providers are increasingly adopting AI to enhance clinical data visibility and generate actionable insights, with key focus areas including clinical documentation and data analysis, decision support systems, and medical imaging, improving efficiency and patient outcomes.
- 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, EY*

Strategies adopted

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).

2. DIFFERENTIATION AND DIVERSIFIED BUSINESS APPROACH

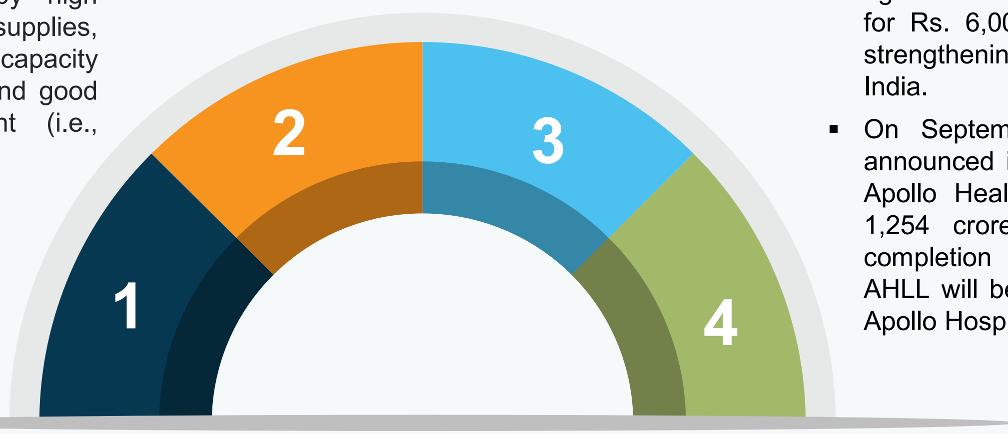
- Players in the industry are trying to differentiate themselves by providing multiple healthcare services under one roof.
- Offering a range of healthcare and wellness services under a single brand has become a trend. Patients and healthcare services-seekers find it convenient. Demand of such arrangements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

3. CO-DEVELOPMENT

- Healthcare players are increasingly partnering with AI and digital health companies to co-develop solutions in clinical decision support, remote monitoring, and healthcare analytics.
- In January 2026, the Technology Innovation Hub (TIH) at IIT Bombay concluded its ATMAN 3.0 accelerator programme, with six out of 173 health-tech startups recommended for cumulative seed funding of up to Rs. 6 crore (US$ ~0.68 million), supporting innovations across AI diagnostics, robotic rehabilitation, antimicrobial research, and remote patient monitoring.
- 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.

4. MERGERS & ACQUISITIONS (M&A)

- In 2025-26 alone, the healthcare sector saw US$ 3.5 billion of investment in 46 M&A deals.
- On July 2025, Manipal Hospitals signed agreements to acquire Sahyadri Hospitals for Rs. 6,000 crore (US$ ~679 million), strengthening its presence in western India.
- On September 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.



Source: *News Articles*

Growth Drivers

Indian healthcare sector is poised to grow

2. POLICY SUPPORT

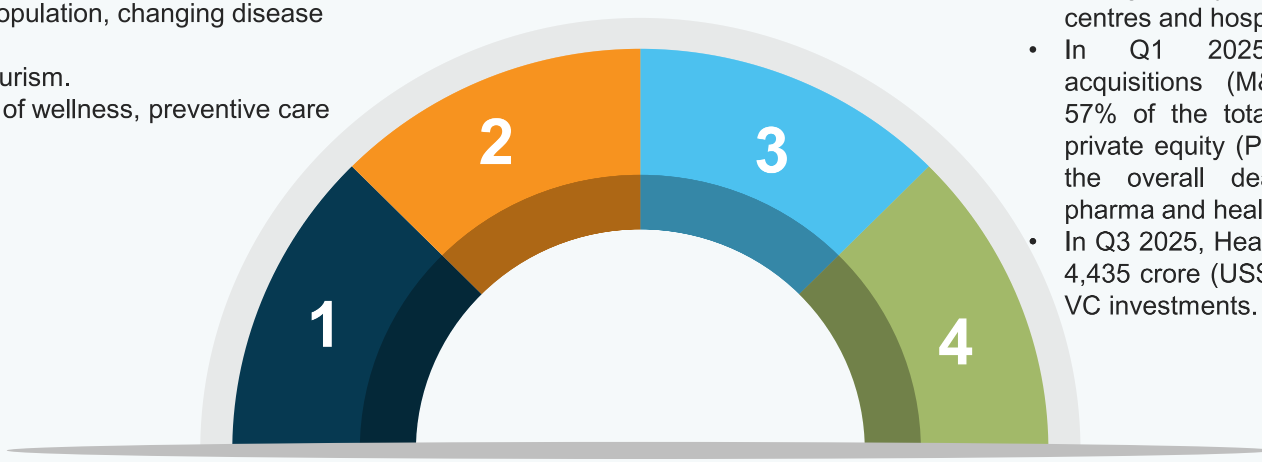
- Encouraging policies for FDI in the private sector.
- Reduction in customs duty and other taxes on life-saving equipment.
- The WHO and G20 India presidency launched the Global Initiative on Digital Health (GIDH) at the G20 Summit's Health Minister's Meeting, aiming to leverage digital health for universal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

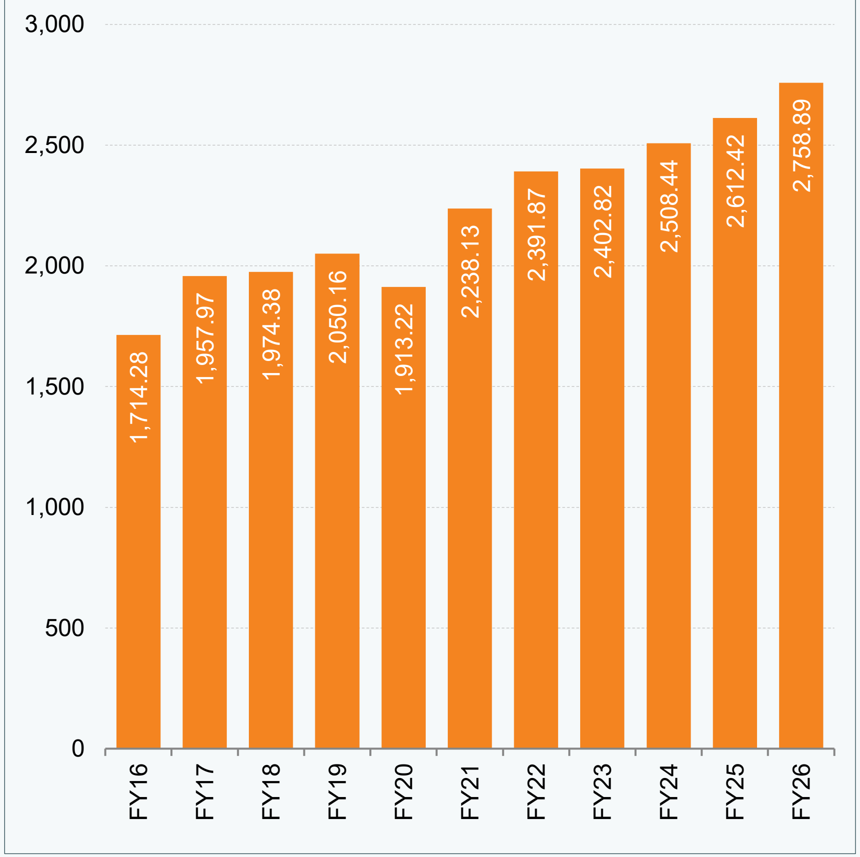
- Lucrative M&A opportunities.
- Foreign players setting up R&D centres and hospitals in India.
- In Q1 2025, Mergers and acquisitions (M&A) accounted for 57% of the total deal value, while private equity (PE) made up 59% of the overall deal volume in the pharma and healthcare sector.
- In Q3 2025, Healthcare 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$ 2,758.89.

GDP per Capita at Current Prices (US$)



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.
- 507,244 foreign nationals arrived specifically for medical treatment in 2025 in India. 2025 data shows that medical tourism constitutes approximately 5.5% of total Foreign Tourist Arrivals (FTAs).
- Indian medical tourism market is estimated at US$ 8.71 billion in 2025 and is projected to grow to US$ 16.2 billion by 2030, at a CAGR of 13%.
- 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.
- According to 2025 figures, the top source countries for medical tourists include Bangladesh (3,25,127 arrivals), followed by Iraq (30,989), Uzbekistan (13,699), Somalia (11,506), Turkmenistan (10,231), Oman (9738), and Kenya (9,357).

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, Brickwork*

Re-emergence of traditional medical care

1. Market size and services offered

- The Indian Ayush Market is projected to grow from US$ 43.3 billion in 2024 to USD$ 200 billion in 2030.
- In India, plant-based prescriptions constitute over 90% of the traditional healthcare systems, such as Unani, Ayurveda, Homeopathy, and Siddha.
- 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 2026-27 emphasizes healthcare infrastructure by increasing the allocation for the Ministry of Ayush to Rs. 4,408.93 crore (US$ 467.15 million) from Rs. 3,671.82 crore (US$ 415.51 million) as per revised estimates in FY25.

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.

5. Recent Developments

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***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*

Policy support and government initiatives… (1/6)

1

Pradhan Mantri Jan Arogya Yojana (PMJAY)

- The government announced Rs. 9,500 crore (US$ 1.08 billion) outlay for PMJAY in the Union Budget 2026-27, an increase of 5.56% rise over the Revised Estimates of FY 2025–26.
- As on February 28, 2026, a total of 43.52 crore Ayushman cards have been created, including 1.14 crore Ayushman Vay Vandana cards created for senior citizens aged 70 years and above, and a total of 36,229 hospitals have been empanelled under the scheme across the country, out of which 19,483 are public and 16,746 are private hospitals.

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, 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.

Source: *News Articles*

Policy support and government initiatives… (2/6)

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 (AWCs) 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.
- 25,962 Growth Monitoring Devices (Infantometer, Stadiometer, Mother and Child weighing scale, Infant-weighing scale) at Rs. 8,500/- per set have been supplied in all AWCs. 28,484 smartphones with power banks at Rs. 9,900/- each have been purchased for all Anganwadi workers and supervisors and delivered to all districts.

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 during January-March 2025

6

National Health Mission (NHM)

- The FY2026-27 budget allocation for the National Health Mission (NHM) has been enhanced to Rs. 39,390.00 crore (US$ 4.46 billion), reflecting 6.17% rise over the Revised Estimates of FY2025–26 of Rs. 37,100.07 crore (US$ 4.29 billion).

Source: *News Articles*

Policy support and government initiatives… (3/6)

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 Rs. 50,000 (US$ 565.80) 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$ 39.21 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.

Source: *News Articles*

Policy support and government initiatives… (4/6)

10

Bilateral ties

- India's pharmaceutical industry is anticipated to undergo significant growth, with exports projected to reach Rs. 32,99,500 crore (US$ 350 billion) by FY47, representing an increase of 10 to 15 times from current levels of Rs. 2,45,962 crore (US$ 28.44 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.

Source: *News Articles*

Policy support and government initiatives… (5/6)

13

Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

- In the Union Budget FY 2026-27, Rs. 11,307 crore (US$ 1.28 billion) 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. 33,081.82 crore (US$ 3.74 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*

Policy support and government initiatives… (6/6)

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 on February 28, 2026, a total of 43.52 crore Ayushman cards have been created, including 1.14 crore Ayushman Vay Vandana cards created for senior citizens aged 70 years and above, and a total of 36,229 hospitals have been empanelled under the scheme across the country, out of which 19,483 are public and 16,746 are private hospitals.

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.

18

Universal Immunization Programme

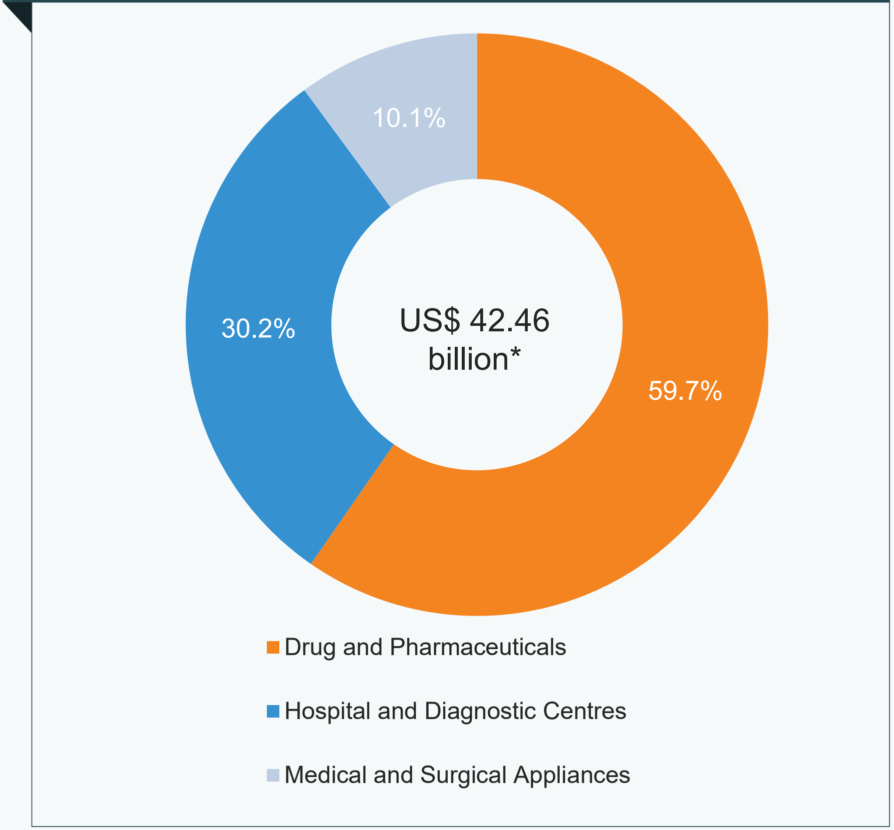
- India's Universal Immunization Programme vaccinates 2.54 crore newborns and 2.9 crore pregnant women annually, helping achieve 98.4% full immunisation coverage with all scheduled vaccines in the first year of life.

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 Indian pharmaceutical sector has emerged as a key destination for foreign investment and ranks among the top industries attracting FDI in India. The Drugs & Pharmaceuticals sector received cumulative FDI inflows of Rs. 1,59,102.60 crore (US$ 25,331.05 million) between April 2000 and March 2026), reflecting strong investor confidence supported by expanding manufacturing capacity, a stable regulatory environment, and India's position as a global pharmaceutical hub.
- Inflows in sectors such as hospitals and diagnostic centres and medical and surgical appliances stood at Rs. 91,284.53 crore (US$ 12,843.85 million) and Rs. 30,760.65 crore (US$ 4,287.32 million), respectively, between April 2000 and March 2026, reflecting sustained investor interest in healthcare infrastructure and medical technologies.

Cumulative FDI inflows from January 2000-March 2026 (US$ billion)



Note: *FDI - Foreign Direct Investment, * - Drugs & Pharmaceuticals sector + hospitals and diagnostic centres + medical and surgical appliances FDI data between April 2000 and March 2026.*

Source: *Department for Promotion of Industry and Internal Trade*

Opportunities

Opportunities in healthcare

2. RESEARCH

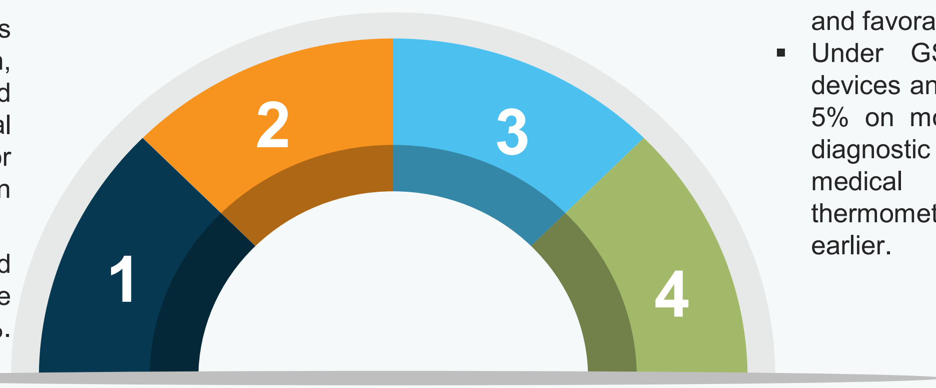
- The Union Budget 2026–27 reflects enhanced allocation, including strengthened financial support for the Department of Health Research (DHR) at Rs. 4,821.21 crore (US$ 545.57 million). This represents a cumulative increase of over 194%, translating into an additional Rs. 70,349.75 crore (US$ 7.96 billion) compared to the health budget of FY2014–15.
- The sustained rise in public expenditure highlights the Government's continued commitment to expanding healthcare access, strengthening infrastructure, promoting medical research and innovation, and ensuring affordable, quality healthcare for all citizens.

3. HEALTH-TECH

- India's health-tech sector raised approximately US$ 9.9 billion in 2025, reflecting sustained investor interest and a maturing ecosystem with increased focus on scalable, outcome-driven healthcare solutions.
- India's health-tech ecosystem witnessed over 1,160 funding rounds in 2025, spanning both early-stage and growth-stage companies. Key investments were seen in players such as Inito, Reveal HealthTech, Complement 1, and Even Healthcare, along with emerging startups in AI diagnostics, femtech, and healthcare automation, highlighting strong investor focus on scalable, technology-driven healthcare solutions.

1. HEALTHCARE INFRASTRUCTURE

- India has approximately 1.3 hospital beds per 1,000 population (or ~13 beds per 10,000), significantly lower than the global median of 29 beds, highlighting substantial opportunities for healthcare infrastructure expansion.
- The public healthcare system provides around 0.7 beds per 1,000 population, with the country requiring an estimated ~3.5 million additional beds to meet global standards, indicating strong potential for capacity augmentation and investment in the sector.
- The private sector contributes around 62% to India's healthcare infrastructure and public sector contributes around 38%.



4. MEDICAL DEVICES

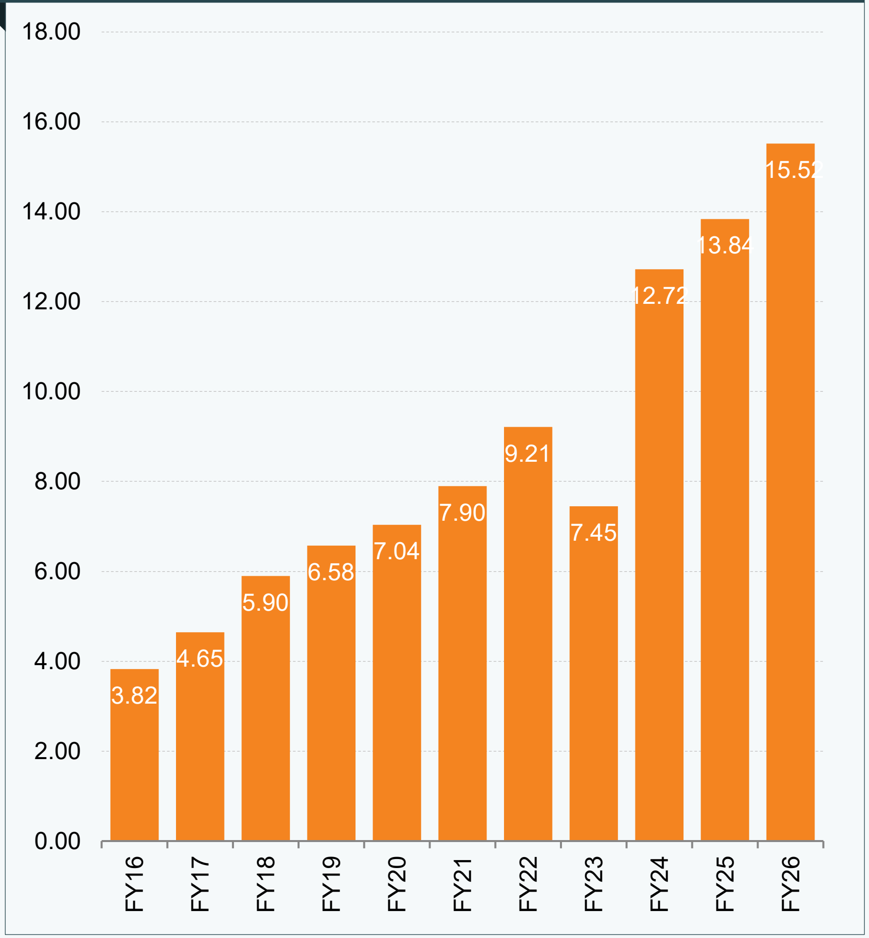
- The Indian medical devices sector has witnessed remarkable growth in recent years and is expected to reach Rs. 4,71,875 crore (US$ 50 billion) by FY31 driven by increasing demand for quality healthcare, advancements in technology, and favorable government policies.
- Under GST 2.0, taxes on medical devices and consumables are reduced to 5% on most devices and supplies like diagnostic kits, reagents, glucometers, medical oxygen, gauze, bandages, thermometers, down from 12-18% earlier.

Source: *News Articles*

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.
- Total health insurance premium in FY26 stood at Rs 1,37,144 crore (US$ 15.52 billion), up from Rs 1,18,688 crore (US$ 13.84 billion) in FY25.
- In July 2025, standalone health insurers' premiums grew 10.4% YoY to Rs. 3,622 crore (US$ 409.87 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.
- Health insurance continued to strengthen its lead within India's non-life insurance sector in FY26, with its market share rising to 40.8% from 38.6% in the previous year. Standalone health insurers contributed 32.7% of the total health insurance premium.
- India's healthcare IT market is projected to reach US$ 112.09 billion by 2034, 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

Key industry contacts

Agency		Contact Information
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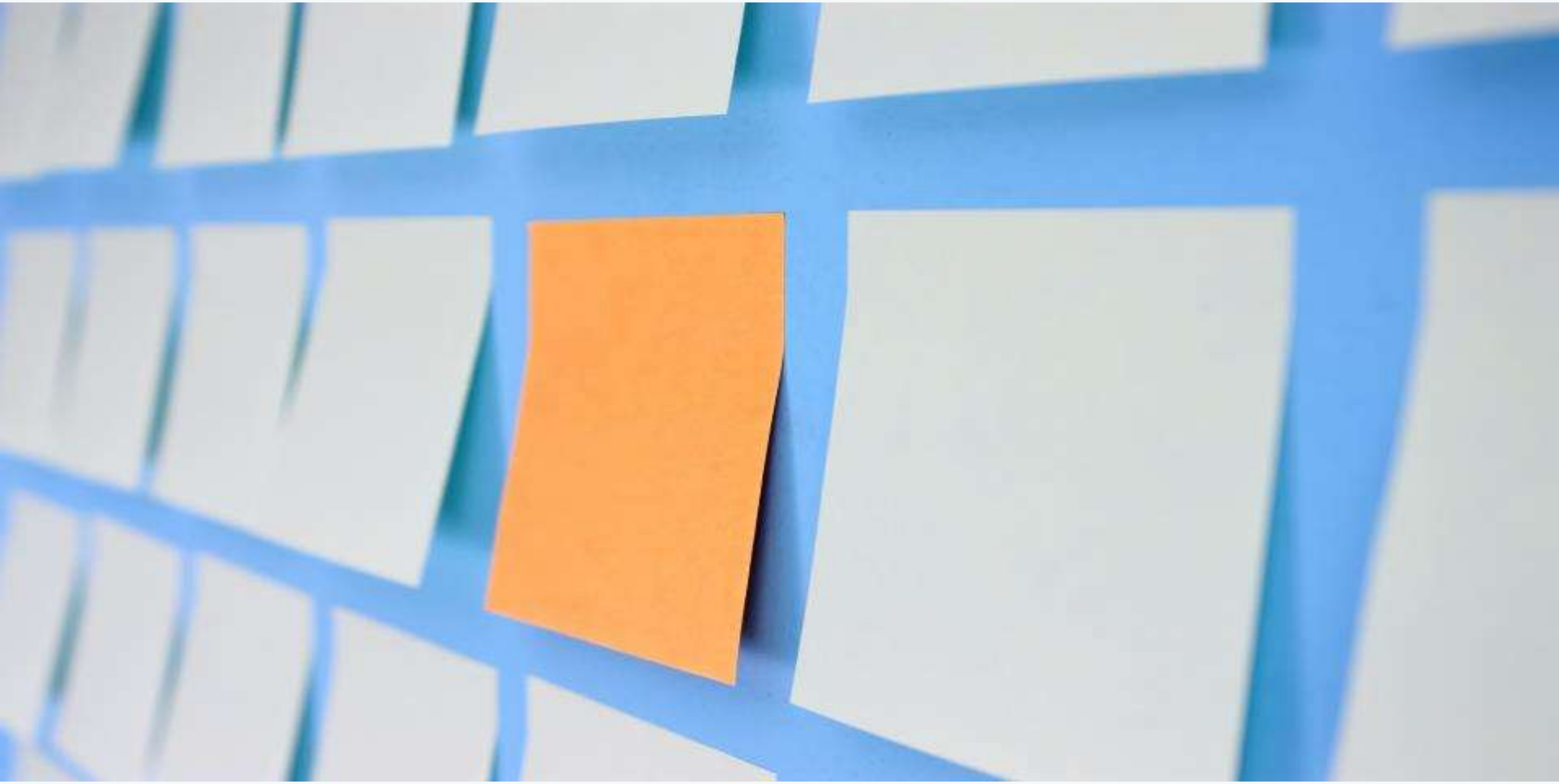
	The Federation of Obstetric and Gynaecological Societies of India	C-5,6,7,9,12,13, 1st Floor, Trade World, D-Wing Entrance, S. B. Marg, Kamala City, Lower Parel (W), Mumbai- 400013, India Telephone: 022-35405608, 022-35406402, 022-35406848, 022-35406988 Website: www.fogsi.org E-mail: fogsi2007@gmail.com

Appendix



Glossary

- ARPOB: Average Revenue per Occupied Bed
- 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	88.37
2026-27*	94.38

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	87.16
2026*	92.66

Note: **- Until May 2026*

Source: *Foreign Exchange Dealers' Association of India*

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