

Indian Pharmaceutical Industry

Operating profit margins to remain healthy at 24-25% in FY2026

**SEPTEMBER 2025** 



## **Agenda**







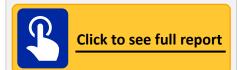






### **Highlights**

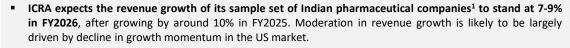




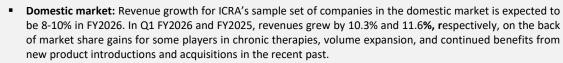
While the Indian pharmaceutical industry has been exempted from the US tariffs, any future imposition could have a bearing on the credit profile of the industry and remains a key monitorable.



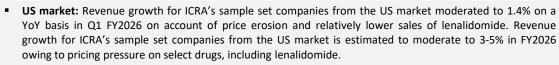




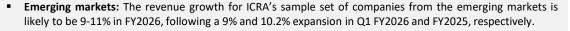














• The operating profit margin (OPM) for the sample set is projected to remain stable at 24-25% in FY2026 in line with 24.6% in FY2025, supported by healthy performance in key markets, in addition to relatively stable raw material costs.



USFDA<sup>2</sup> inspections have gained traction after the pandemic and higher issuances of warning letters/import
alerts have resulted in delays in product launches, translating into failure-to-supply penalties. The associated
remedial measures also entail significant costs.



• ICRA maintains its Stable outlook for the Indian pharmaceutical industry on the back of the well-established business position of Indian pharmaceutical players and steady demand from export and domestic markets, which are expected to enable the industry to maintain a steady margin profile.

<sup>&</sup>lt;sup>1</sup> ICRA's sample set of 25 leading listed Indian pharmaceutical companies, which account for around 60% of the overall industry; <sup>2</sup> USFDA: United States Food & Drug Administration



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