

INDIAN PHARMACEUTICAL INDUSTRY

India's CRDMO industry to expand
by 15% per annum over the next
decade

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India's CRDMO industry is evolving from its traditional role as a generics pharmaceutical contract manufacturer to assuming a more strategic position in global drug development.

India's CRDMO industry is experiencing rapid growth, spurred by rising global outsourcing from pharmaceutical companies and increasing demand for biologics.



India's contract research and development and manufacturing organisation (CRDMO) sector is experiencing strong growth, driven by increasing global pharmaceutical outsourcing and rising demand for biologic medicines. The country is evolving beyond its traditional role as a generics pharmaceutical manufacturer to emerge as a key partner in advanced drug development and pharmaceutical innovation.



The Asia-Pacific region holds a 21-26% share in the US\$ 180-200 billion global CRDMO market, driven by its cost-efficient manufacturing and strong growth in both China and India. China contributes 18-21%, while India accounts for 2-3%, reflecting their relative significance in global pharmaceutical outsourcing.



ICRA estimates the size of the domestic CRDMO market at US\$ 3.4–4.0 billion in CY2025, which is forecast to register a strong compounded annual growth rate (CAGR) of 15-16% between CY2026 and CY2035. This is expected to propel the industry to US\$ 7-9 billion by CY2030 and further to US\$ 14-18 billion by CY2035.



In CY2025, the global biopharma industry faced significant funding challenges, creating strong headwinds. Reductions in critical funding streams such as National Institutes of Health (NIH) grants and venture capital have especially impacted the early-stage and mid-sized biopharma companies, in turn impacting growth of CRDMO companies in CY2025.



The revenue growth of ICRA's sample set of CRDMO companies is forecasted at 8-10% in FY2026, reflecting the short-term effects of reduced biopharma funding, although the long-term growth prospects remain favourable. ICRA projects the operating profit margin (OPM) to remain stable at 21-23%, supported by a healthy revenue growth, benefits from economies of scale and efficient resource utilisation. Despite the projected Rs. 50-60 billion capital expenditure (capex) in FY2026, leverage (total debt/ OPBDITA) is expected to remain healthy at 1.3-1.5x in FY2026.

1 Overview of CRDMO industry



2 Asia is redefining the global CRDMO landscape



3 India's CRDMO opportunity



4 Outlook



5 ICRA ratings in the CRDMO Industry





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