

Indian Pharmaceutical Industry

**Credit profiles to remain resilient
despite the inflationary impact of
geopolitical risks**

March 2026



1 Q3 FY2026 Financial Performance



2 Geography-wise Growth Trends and Outlook



3 ICRA's Outlook on the Industry



4 Peer Comparison



5 ICRA Ratings in the Pharmaceutical Industry





[Click to see full report](#)

The Indian pharmaceutical industry has remained relatively unaffected so far by the ongoing conflict in West Asia as the region generates only around 2% of the total sales (domestic + exports) of Indian pharmaceutical companies and 7% of total imports. However, a prolonged conflict resulting in sustained high freight and solvent costs, thereby increasing the input costs, might pose some downside risk to the profitability of Indian pharmaceutical companies.



- **ICRA forecasts the revenues of its sample set of Indian pharmaceutical companies¹ to grow by 9-11% in FY2026 and 6-8% in FY2027**, after increasing by around 10% in FY2025. Moderation in revenue growth in FY2027 is to be largely driven by lower growth in the US market.



- **Domestic market (29% of total FY2025 revenue):** Revenue growth of ICRA's sample set of companies in the domestic market is expected to be 8-10% in both FY2026 and FY2027. In 9M FY2026, revenues grew by 8.6% on the back of market share gains for some players in chronic therapies, volume expansion and continued benefits from new product introductions. While growth in Q2 FY2026 was partly impacted by the implementation of the Goods & Services Tax (GST) 2.0, as some distributors recalibrated purchases, growth improved in Q3 FY2026 to 12.6% on a year-over-year (YoY) basis.



- **US market (34% of FY2025 revenues):** Revenue growth of ICRA's sample set companies from the US market was 10.7% on a YoY basis in 9M FY2026, supported by a one-time licensing income for one of the companies and healthy performance of some limited competition products despite continued price erosion and relatively lower sales of lenalidomide, a prescription drug used in cancer and blood disorder treatments. Revenue growth of ICRA's sample set of companies from the US market is projected to moderate to 4-6% in FY2027 after an 8-10% growth in FY2026, owing to patent expiry of lenalidomide which contributed significantly to revenues over the last two fiscals.



- **Emerging markets (17% of FY2025 revenues):** The revenue growth of ICRA's sample set of companies from the emerging markets is likely to be 14-16% in FY2026 and 10-12% in FY2027, following a 16.4% growth in 9M FY2026 with continued focus on diversifying global presence.

¹ ICRA's sample set of 25 leading listed Indian pharmaceutical companies, which account for around 60% of the overall industry;



- **The operating profit margin (OPM)** for the sample set is expected to remain stable at 24-25% in FY2026 and FY2027, supported by healthy performance in key markets. Impact of any further depreciation of the rupee against the dollar and any adverse effect of the West Asian conflict on raw materials/ freight costs will remain a key monitorable.



- **USFDA² inspections** have gained traction in recent years, and higher instances of warning letter issuances/ 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** on the Indian pharmaceutical industry given the well-established business position of Indian pharmaceutical companies and steady demand from export and domestic markets, which are expected to result in healthy growth of revenues and earnings.

² USFDA: United States Food & Drug Administration



ICRA

Analytical Contact Details

Name	Designation	Email	Contact Number
Jitin Makkar	Senior Vice-President and Group Head	jitinm@icraindia.com	+91 124 – 4545 368
Kinjal Shah	Senior Vice-President and Co-Group Head	kinjal.shah@icraindia.com	+91 22 – 6114 3442
Deepak Jotwani	Vice-President and Sector Head	deepak.jotwani@icraindia.com	+91 124 – 4545 870
Mythri Macherla	Vice-President and Sector Head	mythri.macherla@icraindia.com	+91 97011 91490
Gaurav Kushwaha	Assistant Vice President	gaurav.kushwaha@icraindia.com	+91 40 – 6939 6405





ICRA

Business Development/Media Contact Details

Name	Designation	Email	Contact Number
L Shivakumar	Chief Business Officer	shivakumar@icraindia.com	022-61693304
Sai Krishna	Head - Research Sales and Investor Connect	sai.krishna1@icraindia.com	9840774883
Rohit Gupta	Head Business Development – Infrastructure Sector	rohitg@icraindia.com	0124-4545340
Vivek Bhalla	Head Business Development – Financial Sector	vivek.bhalla@icraindia.com	022-61693372
Vinita Baid	Head Business Development – East	vinita.baid@icraindia.com	033-65216801
Shivam Bhatia	Head Business Development – Corporate Sector – North & South	shivam.bhatia@icraindia.com	0124-4545803
Sanket Kulkarni	Head Business Development – Corporate Sector – West	sanket.kulkarni@icraindia.com	022-6169 3365
Naznin Prodhani	Head - Group Corporate Communications & Media Relations	communications@icraindia.com	0124-4545860





© Copyright, 2026 ICRA Limited. All Rights Reserved.

All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies, while publishing or otherwise disseminating other reports may have presented data, analyses and/or opinions that may be inconsistent with the data, analyses and/or opinions in this publication. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

#35YearsofUnwaveringCredibility



ICRA

35
Years of
Unwavering
Credibility

Thank You!

#35YearsofUnwaveringCredibility

Sensitivity Label : Public