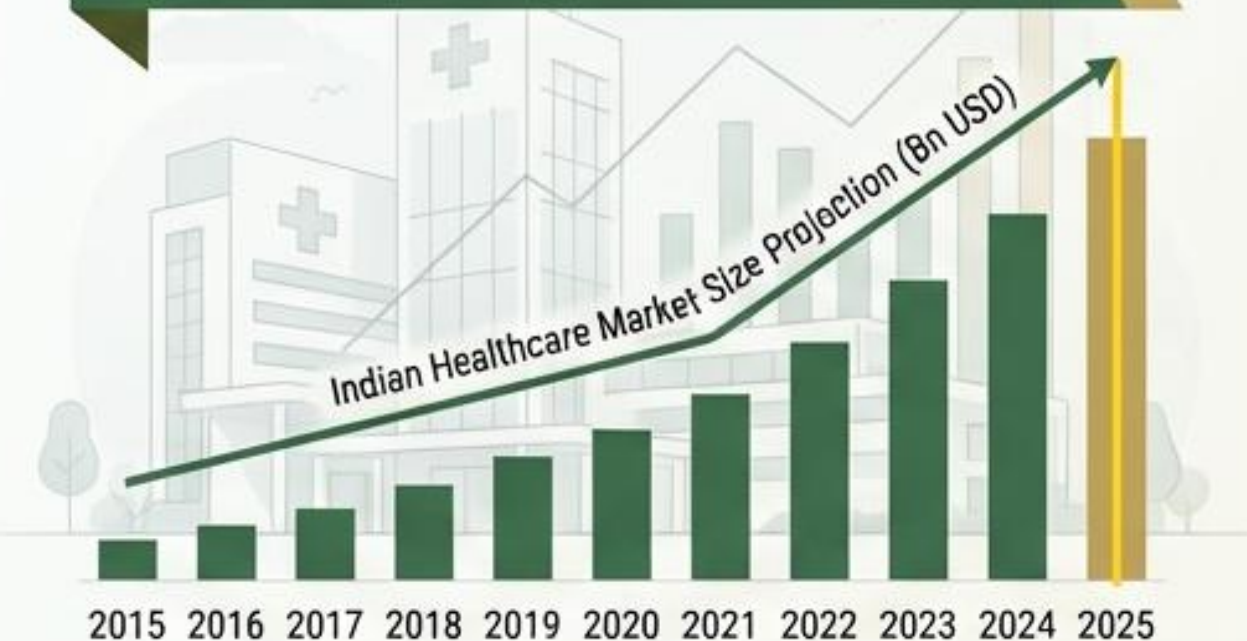


Indian Healthcare: The \$638 Billion Paradox

Industry Overview, Growth Drivers, and the Investment Thesis for a Generational Opportunity.

Generational Opportunity:
From ~\$180 Bn (2024) to ~\$638 Bn (2025) with 17.5% CAGR.



Growth Drivers & Investment Thesis

- Rapid Urbanization & Rising Incomes
- Increasing Insurance Penetration
- Technological Advancements
- Strong Policy Support & Digital Infrastructure

Structural Deficits & Challenges

- Low Government Spending (~1.6% GDP)
- High Out-of-Pocket Expenditure
- Infrastructure & Workforce Disparity
- Quality & Accessibility Issues

Structural Highlights & Convergence

- Ayushman Bharat & Digital Mission
- Private Sector Innovation & Consolidation
- Telemedicine & AI Adoption
- Convergence of Public & Private Efforts

~\$180 Bn
Market Size
(2024, Nexdigm)

~\$638 Bn
Projected Size
(2025, Bajaj Finserv AMC)

17.5%
10-Year Growth CAGR

#3
Global Ranking

A Highly Diversified \$180 Billion Ecosystem

KPI Inter



Hospitals & Clinics (~40%)

\$99 Bn market

Projected 8% CAGR to 2032

KPI Inter



Pharmaceuticals (~22%)

\$50 Bn (FY24)

Targeting \$130 Bn by 2030

KPI Inter



Health Insurance (~8%)

₹1,18,688 Cr premium (FY25)

Aggressive 20-21% growth expected in FY26

KPI



Medical Devices (~7%)

\$11-15 Bn market

Targeting \$50 Bn by 2025

KPI



**Digital Health /
Telemedicine (~5%)**

\$8.79 Bn

Explosive 17.67% CAGR
to 2033

KPI Inter



Diagnostics (~6%)

~₹90,000 Cr

Steady 7% CAGR

KPI



Medical Tourism (~5%)

\$7.69 Bn

Scaling to \$14.31 Bn by 2029

KPI

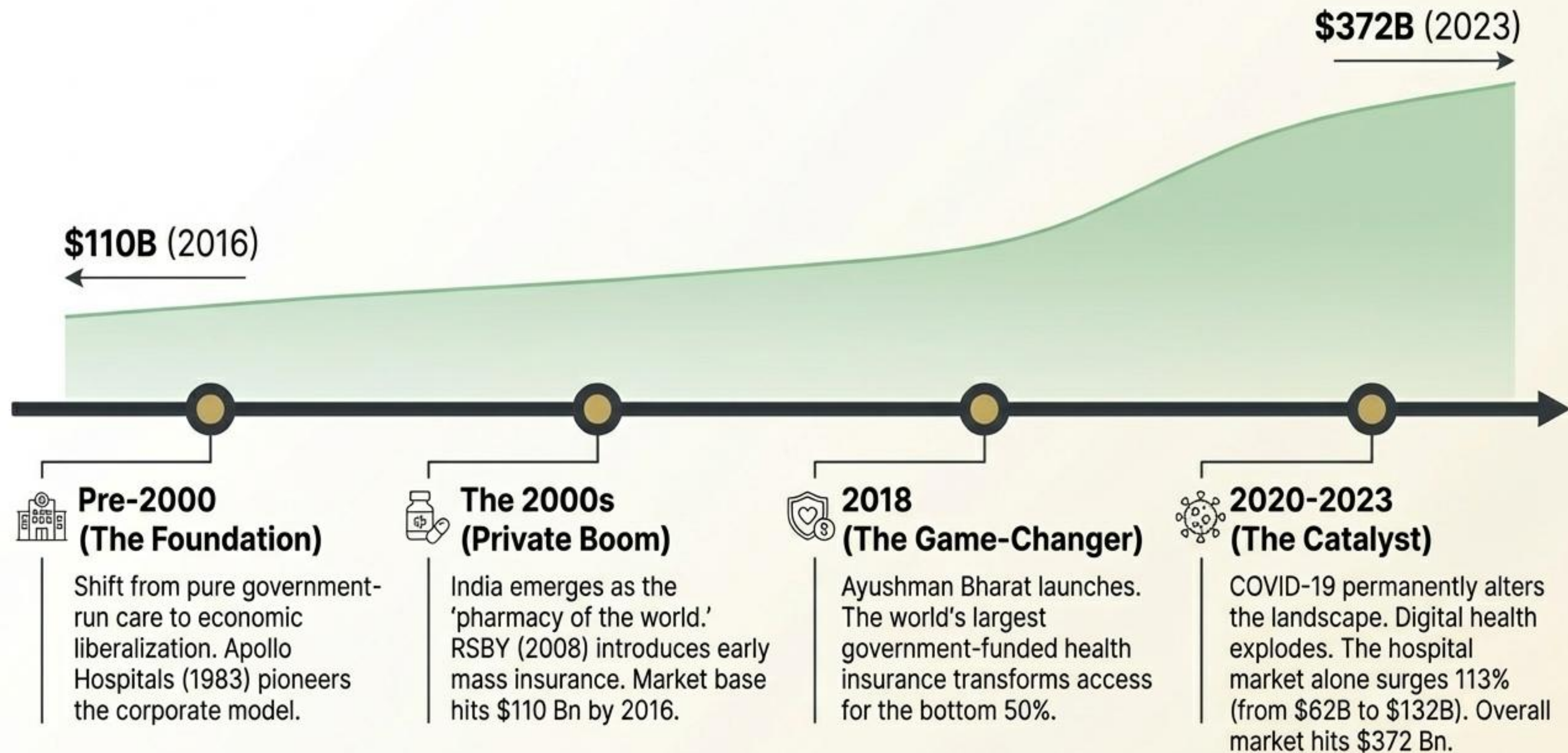


Home Healthcare (~3%)

\$9.74 Bn

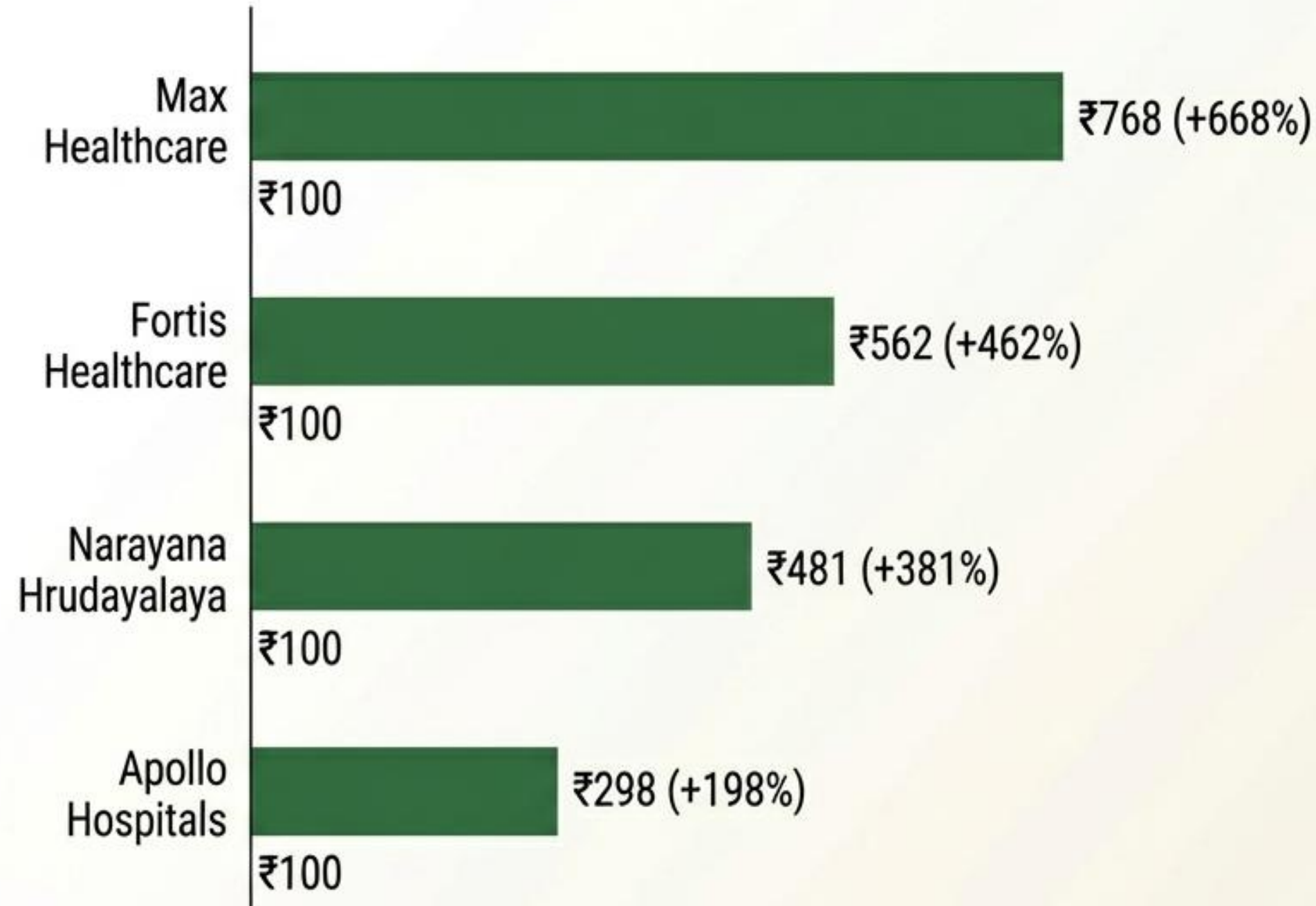
High 18.13% CAGR to 2030

The Inflection Points Driving a 3x Expansion



Financial Powerhouses: The Golden Era of Listed Hospitals

5-Year Wealth Creation (Value of ₹100 invested)



Key Operational Metrics

Apollo Hospitals

- The scale leader. ₹21,794 Cr FY25 Revenue, 8,000+ beds.

Max Healthcare

- The efficiency champion. Highest ARPOB at ₹2.84 Cr/bed/yr. Massive 51.8% FII holding.

Fortis Healthcare

- The turnaround story. 17.7% EBITDA margin (FY25) driven by focus specialties.

The Catalyst: ₹99,858 Crore in Public Healthcare Allocation

FY26 Union Budget Allocation: ₹99,858 Cr (+9.78% YoY).

Pillar 1: PM-JAY (Insurance)



- Cashless cover up to ₹5 lakh/family.
- Covers ~55 crore individuals.
- Recently expanded to all seniors 70+. (41 Cr+ cards issued).

Pillar 2: Ayushman Arogya Mandirs (Infrastructure)

- Village-level community health centers providing free preventative and diagnostic care, linked via telemedicine.



Pillar 3: Digital Mission (Data)



- A national digital locker for medical history.
- ₹1,600 Cr allocated.
- Over 78 crore Digital Health IDs (ABHA) issued by mid-2025.

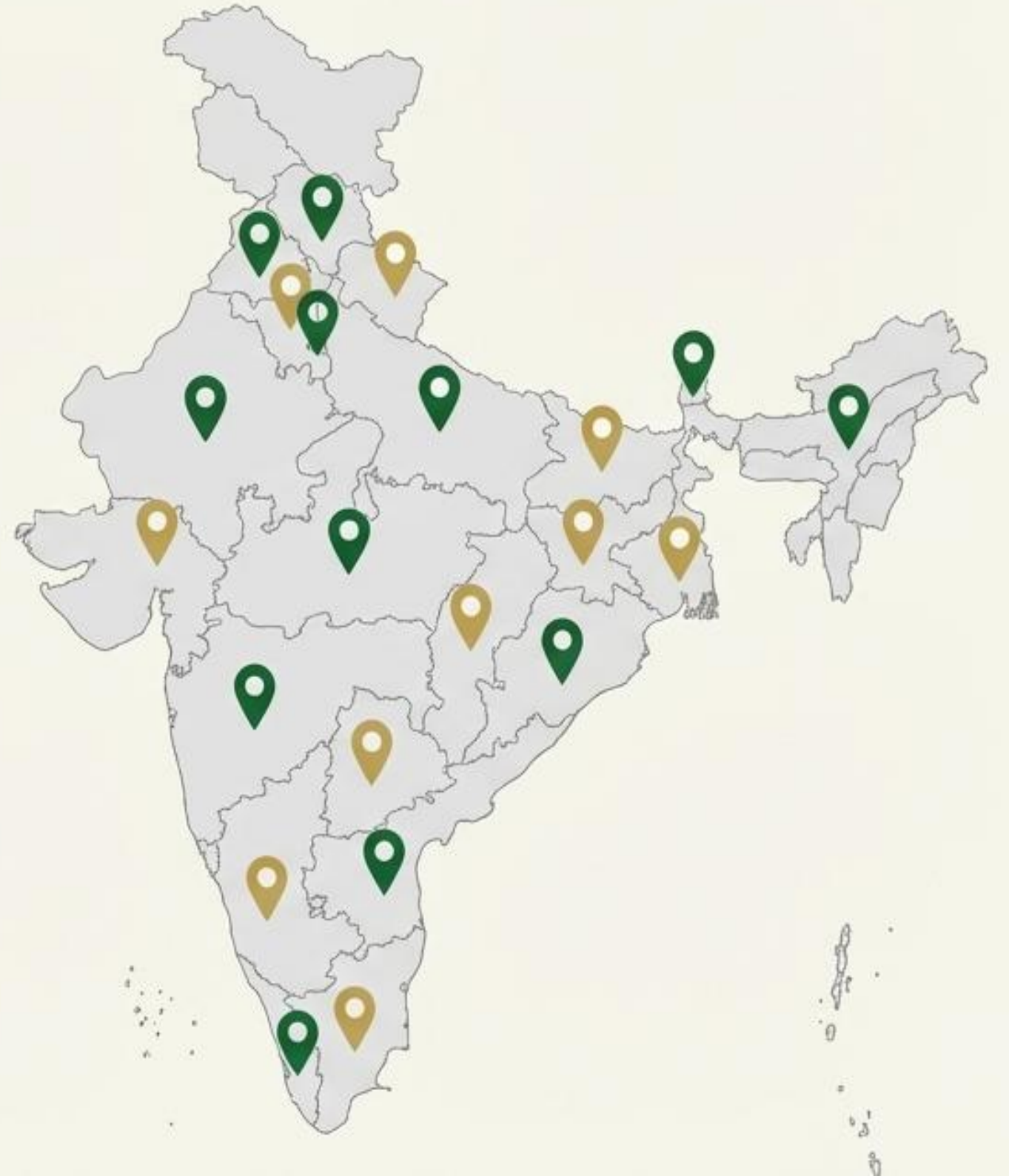
The Great Infrastructure Build-Out

Private Sector Capex

- **Apollo Hospitals:** ₹8,200 Cr investment to add 4,444 beds over 4 years.
- **Industry-Wide Additions:** Private hospitals expected to add 4,000+ beds in FY26 alone with ₹11,500 Cr investment.

Public Sector Mega-Projects

- **New AIIMS:** 22 new premium institutes approved; 18 already operational or under construction. Includes ₹5,500.92 Cr specifically for AIIMS Delhi upgrades.
- **Medical Colleges:** 157 new colleges established by upgrading district hospitals (131 operational).



A Dual Global Powerhouse: Tourism & Pharmaceuticals

Medical Tourism (Inbound)

- Market scaling from **\$7.69 Bn** (2024) to **\$14.31 Bn** (2029).
- Over **6.35 lakh** foreign arrivals in 2023 (6.87% of total foreign tourists).
- **Value prop:** Major surgeries cost **~20%** of US/UK equivalents with matching quality.



Pharmacy of the World (Outbound)

- **\$50 Bn** industry targeting **\$130 Bn** by 2030.
- Supplies **>60%** of global vaccine demand (UNICEF/WHO).
- Accounts for **20%** of global generic medicine exports.
- Government injecting **₹10,000 Cr** via Biopharma SHAKTI to build a biosimilars ecosystem.



The Digital Health Revolution: A \$47.8 Billion Trajectory

Explosive Growth

- Market jumping from **\$8.79 Bn** to projected **\$47.8 Bn** by 2033 (**17.67% CAGR**).

Venture Capital Influx

₹7,095 Cr (\$828M) invested in health-tech startups in H1 2025 alone.



37.2 Crore

eSanjeevani remote consultations bridging the rural distance gap.

AI Integration

Rapid adoption in X-ray/CT reading and robotic surgery. AI is expected to create **3 million new healthcare jobs** by 2028.

The Pivot: The Paradox of Indian Healthcare

**₹22,279 Crore
(\$2.6 Billion)**

PE/VC capital invested in Indian Healthcare in just Q1 2025.

80% vs 68%

80% of India's doctors are located in cities, while 68% of the population lives in rural areas.

A market capable of world-beating returns that still struggles with fundamental access

The Rural-Urban Divide & The Infrastructure Gap

The Resource Imbalance: A patient in rural India often travels 62+ miles to access affordable specialist care due to the chronic misallocation of doctors.

Doctor Shortage



per 1,000 people. (WHO Standard: 1.0).

Current deficit: 80,000 doctors in government facilities.

Bed Shortage



per 1,000 people. (Target: 3.0).

Total deficit: 3 million additional beds required.

Future Requirement: 1.54 million additional doctors and **2.4 million nurses** needed and 2.4 million nurses needed by 2030 to meet rising demand.

The Financial Burden & The 'Missing Middle'

Out-of-Pocket Expenditure (OOP) Comparison



The 'Missing Middle'

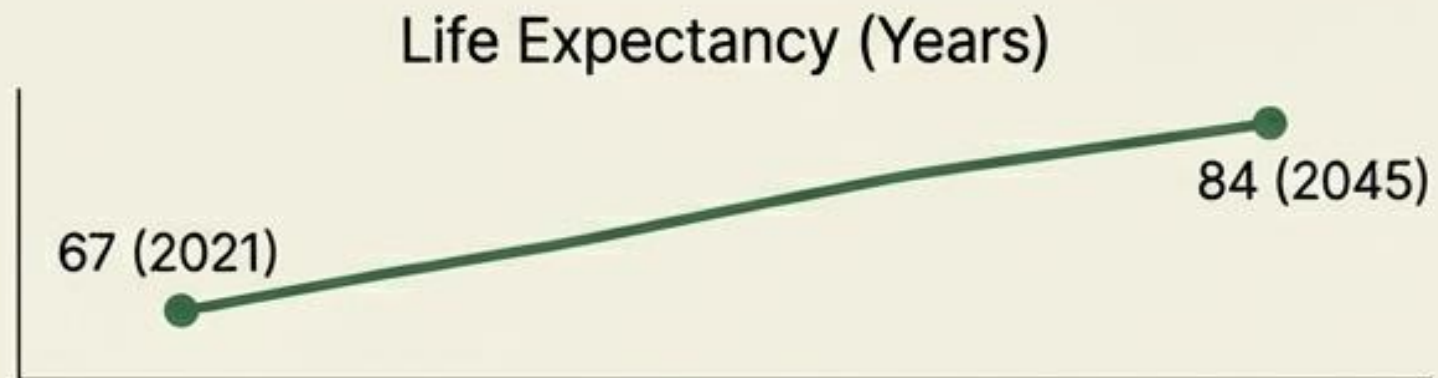
~350 million Indians remain uninsured. They are not poor enough for PM-JAY, yet not affluent enough for private health insurance.

Public Spending Reality Check

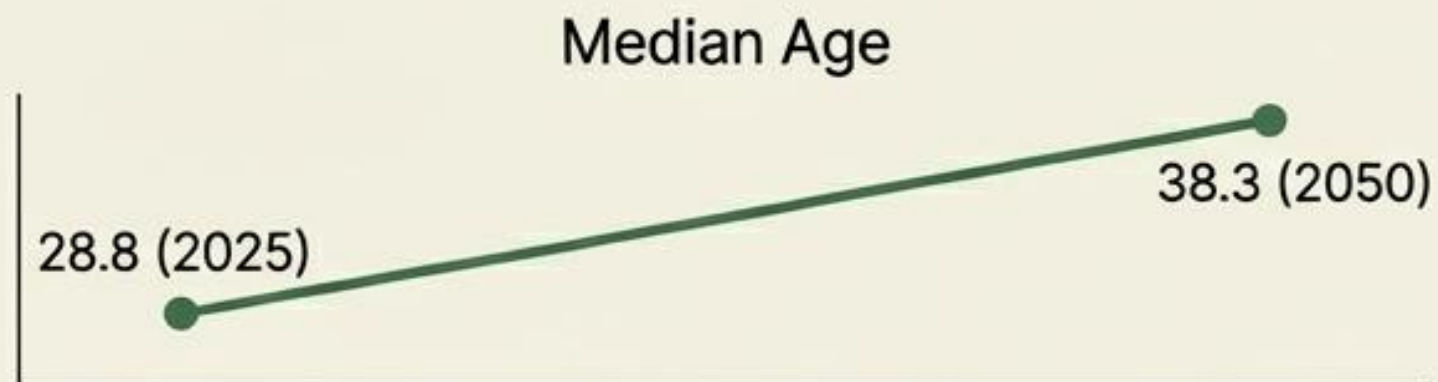
Public health spending expected at 1.9% of GDP in FY26, falling short of the National Health Policy target (2.5%) and expert recommendations (5%).

Convergence: Demographic Shifts & Geographic Expansion

Demographic Tides



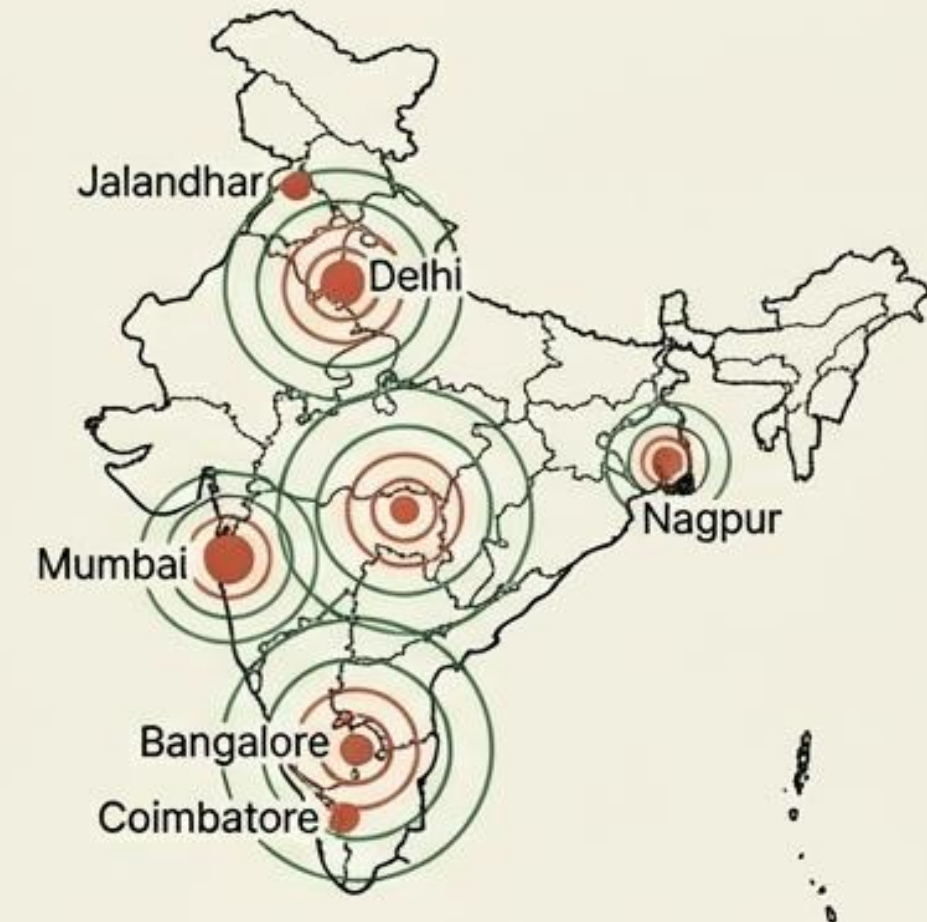
Life expectancy jumping from 67 (2021) to 84 (2045).



Median age rising from 28.8 (2025) to 38.3 (2050).

Result: A decades-long structural demand cycle for geriatric care, oncology, and chronic disease (NCD) management.

Tier-2 & Tier-3 Expansion

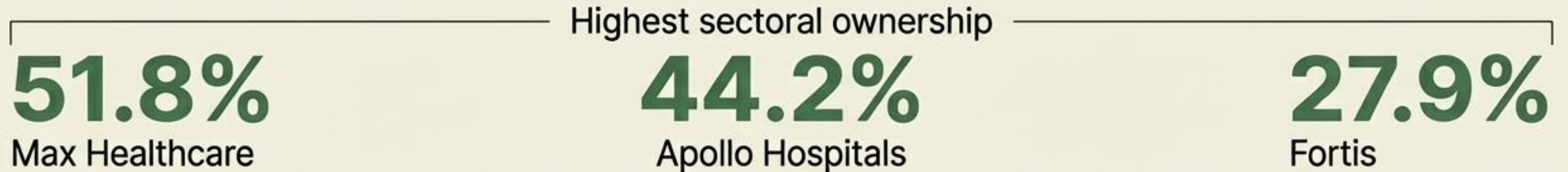


Growth is migrating outside metros to cities like Jalandhar, Coimbatore, and Nagpur.

Ayushman Bharat acts as a de-risking mechanism, pulling private hospital investments into smaller towns by guaranteeing a baseline patient volume.

The Investment Landscape: Unprecedented Capital Influx

Foreign Institutional Confidence (FII)



Foreign Direct Investment (FDI)

\$24.62 Billion

cumulative FDI in pharmaceuticals.

\$12.25 Billion

cumulative FDI in hospitals and diagnostics.

Private Equity & M&A Activity (2025 Snapshot)

₹22,279 Cr (\$2.6B) PE/VC deployed in Q1 2025 alone. M&A drives **57%** of deal value, signaling massive industry consolidation.

Notable mega-deals: Apollo 24|7/Keimed merger (**₹2,475 Cr**); Apollo Health & Lifestyle stake acquisition (**₹1,254 Cr**).

Healthcare as a Primary Economic Engine



Job Creation Scale

Already one of India's largest employers with **7.5 million+ jobs generated (FY24)**

Demand for healthcare professionals expected to **double nationally and globally by 2030**

The Macro Thesis

A healthy population is the absolute prerequisite for a **sustainable \$5 Trillion economy**. The sector **leads emerging markets in consumer wellness spending growth**.

The AI Jobs Boom

AI integration alone is projected to create **nearly 3 million new specialized healthcare roles by 2028**

The Road to Universal Health Coverage

The Synthesis: The Indian healthcare paradox is a feature, not a bug. The severe structural deficits provide the exact roadmap for deployment of capital and technology over the next two decades.

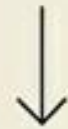
Private Capital

Scaling Tier-2/3 infrastructure and consolidating an fragmented market for world-class returns.



Technology

Using AI and eSanjeevani to bypass physical doctor shortages and democratize diagnostic quality.



Government Action

Expanding Ayushman Bharat and the Digital Health Mission to create the financial and data infrastructure necessary to protect 1.4 billion people.



The chapters ahead—universal health coverage, AI-powered diagnostics, and India as a global biotech hub—are the most compelling yet.