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Assessment of Indian animal health and veterinary pharmaceutical industry

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by S&P Global

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Global macroeconomic outlook

Global GDP estimated to grow 3.2% in CY25 and 3.1% in CY26

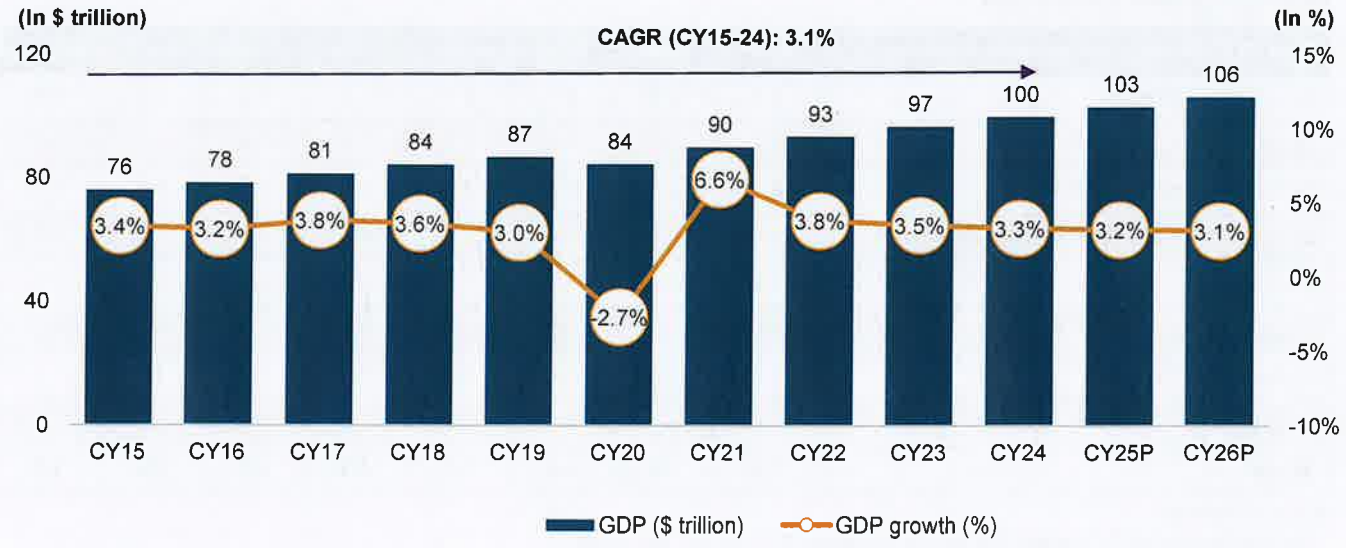
The International Monetary Fund's (IMF) October 2025 update projected global gross domestic product (GDP) to moderate from 3.3% in 2024 to 3.2% in 2025 and to 3.1% in 2026, with the slowdown reflecting headwinds from uncertainty and protectionism, even though the tariff shock is smaller than originally announced.

After the United States introduced higher tariffs starting in February, subsequent deals and resets have tempered some extremes. However, uncertainty about the stability and trajectory of the global economy remains acute. Meanwhile, substantial cuts to international development aid and new restrictions on immigration have been rolled out in some advanced economies. Several major economies have adopted a more stimulative fiscal stance, raising concerns about the sustainability of public finances and possible cross-border spillovers.

Overall, risks to the outlook remain tilted to the downside. Prolonged policy uncertainty could dampen consumption and investment. Further escalation of protectionist measures, including nontariff barriers, could suppress investment, disrupt supply chains, and stifle productivity growth.

As per IMF's October 2025 update, global GDP is expected to expand ~3.2% annually over the medium term (2027-2029).

Global GDP trend and outlook (CY15-26P, $ trillion)



Note: E – Estimated, P – Projected
Source: IMF economic database, Crisil Intelligence

India is among the fastest-growing major economies

India is the world's fourth-largest economy in 2025 and is growing faster than major global economies.

Advanced economies

- **US:** In the United States, growth is projected to slow to 2.0% in 2025 and remain steady at 2.1% in 2026, on account of lower effective tariff rates, a fiscal boost from the passage of the One Big Beautiful Bill Act (OBBBA) and easing financial conditions. However, greater policy uncertainty, higher trade barriers, and lower growth in both the labour force and employment exerted downward pressure of the growth.
- **Euro area:** Growth in the euro area is expected to pick up modestly to 1.2% in 2025 and to 1.1% in 2026 due to elevated uncertainty on multiple fronts and higher tariffs. However, recovering private consumption from higher real wages and fiscal easing in Germany in 2026 is expected to provide a partial offset, whereas strong performance in Ireland lifts growth in 2025. The euro area economy is expected to grow at potential in 2026.

Emerging markets and developing economies

- **China:** In China, the 2025 GDP growth forecast stood at 4.8%. Growth is expected to moderate in 2026 to 4.2%. A stronger-than-expected outturn in the past few quarters, reflecting front-loading in international trade and relatively robust domestic consumption supported by fiscal expansion in 2025, more than offset the headwinds from higher uncertainty and tariffs.
- **India^:** In India, growth is projected to be 6.6% in 2025 and 6.2% in 2026, with carryover from a strong first quarter more than offsetting the increase in the US effective tariff rate on imports from India since July.

Real GDP growth comparison

Real GDP growth (Annual percent change)	2019	2020	2021	2022	2023	2024	2025P	2026P
Advanced economies	1.9	-3.9	6.0	3.0	1.7	1.8	1.6	1.6
Canada	1.9	-5.0	6.0	4.2	1.5	1.6	1.2	1.5
China, People's Republic of	6.1	2.3	8.6	3.1	5.4	5.0	4.8	4.2
Emerging market and developing economies	3.8	-1.8	7.0	4.3	4.7	4.3	4.2	4.0
Euro area	1.6	-6.0	6.4	3.6	0.4	0.9	1.2	1.1
India	3.9	-5.8	9.7	7.6	9.2	6.5	6.6	6.2
United Kingdom	1.6	-10.3	8.6	4.8	0.4	1.1	1.3	1.3
United States	2.6	-2.1	6.2	2.5	2.9	2.8	2.0	2.1
World	**3.0**	**-2.7**	**6.6**	**3.8**	**3.5**	**3.3**	**3.2**	**3.1**

Notes: P- projected
^Numbers for India are for financial year from April to March (2020 is FY21 and so on)
India's FY26 projection as per the CRISIL forecast is 7.0%
Source: IMF economic database, Crisil Intelligence

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Emerging market and developing economies' per capita GDP growing faster than the global average

Between 2019 and 2024, global per capita GDP clocked a CAGR of 3.7% and that of emerging markets and developing economies a higher 4.1%, according to the IMF. Meanwhile, India witnessed a higher per capita GDP CAGR of 5.7%.

GDP per capita of Middle East region registered a CAGR of 3.6% respectively between 2019-24.

GDP per capita, current prices ($)

GDP per capita, current prices ($)	2019	2020	2021	2022	2023	2024E	2025P	2026P	CAGR (CY19-CY24)
Advanced economies	48,629	47,672	53,226	54,190	56,864	58,846	61,967	65,067	3.9%
Canada	46,431	43,573	52,912	56,358	54,376	54,531	54,935	58,244	3.3%
China, People's Republic of	10,334	10,696	12,878	12,968	12,961	13,314	13,806	14,730	5.2%
Emerging market and developing economies	5,478	5,204	6,071	6,438	6,546	6,709	7,028	7,363	4.1%
Euro area	39,317	38,244	43,074	41,768	45,420	46,969	50,512	53,671	3.6%
India	2,041	1,907	2,240	2,347	2,530	2,695	2,818	3,051	5.7%
United Kingdom	42,713	40,231	46,908	46,237	49,383	52,648	56,661	60,011	4.3%
United States	65,561	64,518	71,365	77,944	82,523	86,145	89,599	92,883	5.6%
World	**11,569**	**11,163**	**12,637**	**13,065**	**13,514**	**13,905**	**14,613**	**15,280**	**3.7%**

Notes: P – projected
Source: IMF, Crisil Intelligence

Macroeconomic overview of India

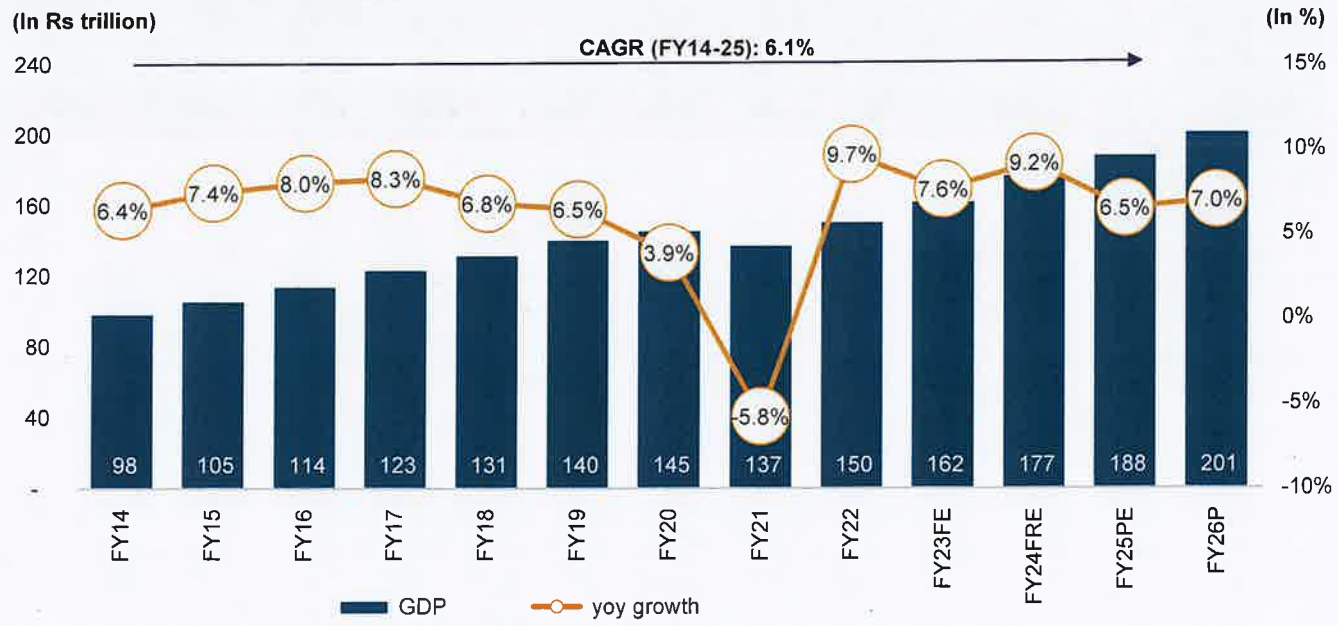
GDP estimated at Rs 188 trillion in fiscal 2025

India's GDP grew to Rs 188 trillion in fiscal 2025 from Rs 98 trillion in fiscal 2014, clocking a 6.1% CAGR. A key contributor to GDP growth during this period was the rise in private final consumption expenditure (PFCE), which constitutes the largest share of GDP. The growth was further supported by expansion of the non-agricultural economy, improvements in exports and an increase in government final consumption expenditure (GFCE).

According to provisional estimates (PE) for fiscal 2025, India's GDP is estimated to have grown at 6.5% in fiscal 2025, a moderation from the 9.2% growth recorded in fiscal 2024. Despite this deceleration, growth remained close to the pre-pandemic decadal (fiscals 2011-2020) average of 6.6%, enabling India to retain its position as the fastest-growing major economy.

Frontrunning of exports to the US helped growth in the first half of this fiscal. However, in the second half, India's exports face headwinds from the current 50% US tariff rate. As a result, GDP growth is likely to moderate to 6.1% in the second half, down from 8% in the first half. A trade agreement with the US, currently under negotiation, could help mitigate some of this impact. Going forward, tax relief measures and the transmission of the RBI's rate cuts are expected to be the primary drivers of growth for the remainder of the fiscal year. Nonetheless, building on a stronger first half, Crisil projects GDP growth to reach 7.0% for the current fiscal year.

India's real GDP growth at constant prices (new series: base year 2011-12)



Notes:
FE – Final estimate, FRE – First revised estimate, PE – provisional estimate, P – Projected
These figures are reported by the government under various stages of estimates
Only actuals and estimates of GDP are provided in the bar graph
India's FY26 projection is Crisil's forecast
Source: Ministry of Statistics and Programme Implementation (MoSPI), Crisil Intelligence

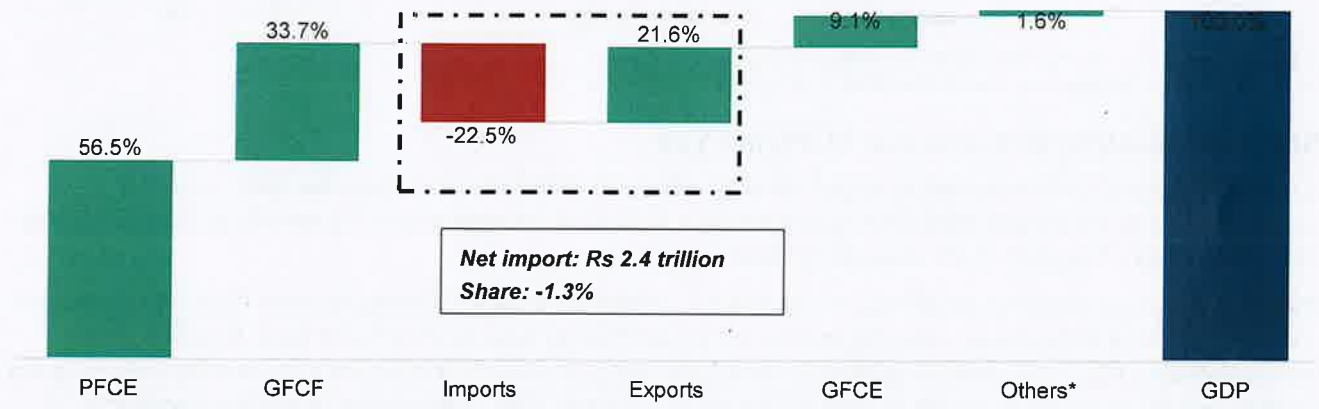
PFCE maintains a leading share in GDP, reflects sustained domestic demand

PFCE, defined as the expenditure incurred by the resident households and non-profit institutions serving households (NPISH) on final consumption of goods and services, whether made within or outside the economic territory, continues to be the largest component of India's GDP, with a 56.5% share in fiscal 2025. It logged a CAGR of 6.1% between fiscals 2014 and 2025, mirroring the overall GDP growth rate during the period. It was estimated at Rs 106.6 trillion in fiscal 2025 compared with Rs 55.6 trillion in fiscal 2014.

GFCF, which refers to aggregate of gross addition to the fixed assets (comprises of buildings, roads & bridges, other construction, machinery equipment and transport equipment) in stocks during a period of account, had the second highest contribution to the GDP at 33.7% in fiscal 2025.

GFCF was followed by Government final consumption expenditure (GFCE), which held the share of 9.1% in fiscal 2025. GFCE is the final consumption expenditure of administrative departments and is equivalent to the current expenditure on compensation of employees, purchase of non-durable goods and services net of sales and the consumption of fixed capital (CFC). By convention, expenditure on durable goods, which are used for defence, are also treated as part of consumption expenditure of the Government.

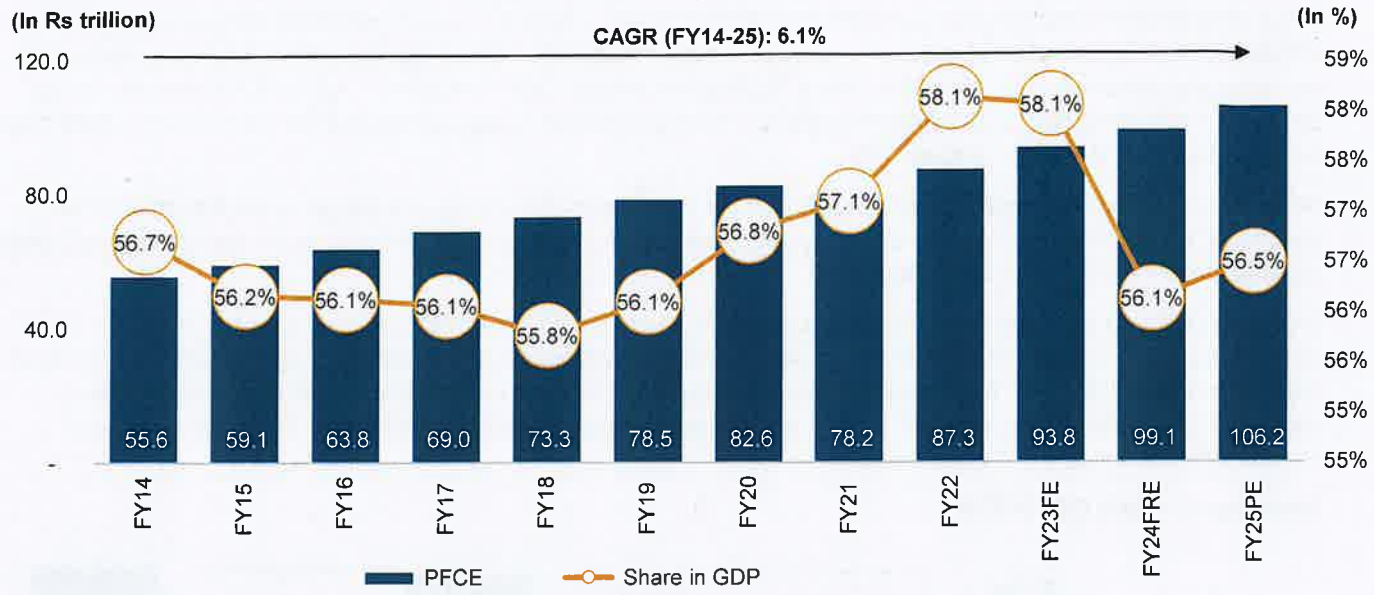
Break-up of India's GDP (FY25)



*"Others" includes change in stocks (CIS), valuables and discrepancies
Note: PFCE – Private final consumption expenditure, GFCE – Government final consumption expenditure, GFCF – Gross fixed capital formation
Source: MoSPI, Crisil Intelligence

PFCE recorded a CAGR of 6.1% between FY14 and FY25, thereby mirroring the overall GDP growth rate during the same period and was estimated at Rs 106.2 trillion in FY25 compared to Rs 55.6 trillion in FY14. Growth was led by healthy monsoon, wage revisions due to the implementation of the Seventh Central Pay Commission's (CPC) recommendations (effective from 1st July 2017), benign interest rates, growing middle age population and low inflation. Furthermore, the tax benefits announced in the Union Budget 2025-2026 are also expected to positively boost the PFCE. Overall, PFCE has consistently led India's GDP growth from the demand side, underscoring sustained domestic consumption.

PFCE (at constant prices)



Note: FE: Final Estimates, FRE: First Revised Estimates, PE: Provisional Estimates.
Source: Provisional Estimates of annual GDP for 2024-25, MoSPI, Crisil Intelligence

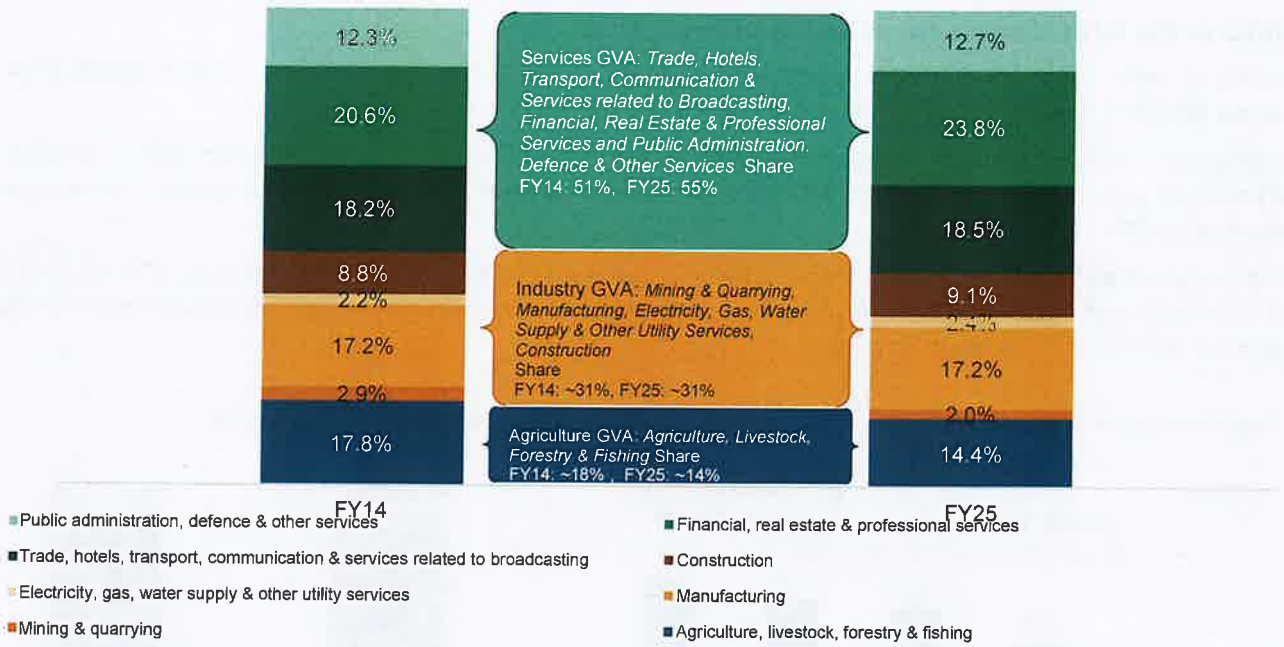
Share of industrial GVA stood at 31.0% in FY25

Gross value added (GVA) is defined as output valued at basic prices, less Intermediate consumption valued at purchasers' prices. As of fiscal 2025, GVA reached Rs 171.9 trillion (at constant prices), up from Rs 90.6 trillion in fiscal 2014, registering a CAGR of ~6.0% between fiscals 2014-25.

Share of agricultural economy, which includes Agriculture, Livestock, Forestry & Fishing, declined from ~18% in FY14 to ~14% in FY25. Within the overall GVA, the services sector continues to be a significant contributor to India's growth, having clocked 6.7% CAGR between fiscals 2014 and 2025. During this period, the service sector's contribution to gross value added (GVA) expanded to 55% in fiscal 2025 from 51% in fiscal 2014, underscoring its growing significance. In absolute terms, the service sector GVA stood at Rs 94.4 trillion in fiscal 2025, compared with Rs 46.3 trillion in fiscal 2014.

Services is followed by the industry sector, which had a ~31% share in fiscal 2025.

GVA break-up (fiscals 2014 and 2025)



Source: MoSPI, Crisil Intelligence

Fundamental growth drivers of GDP

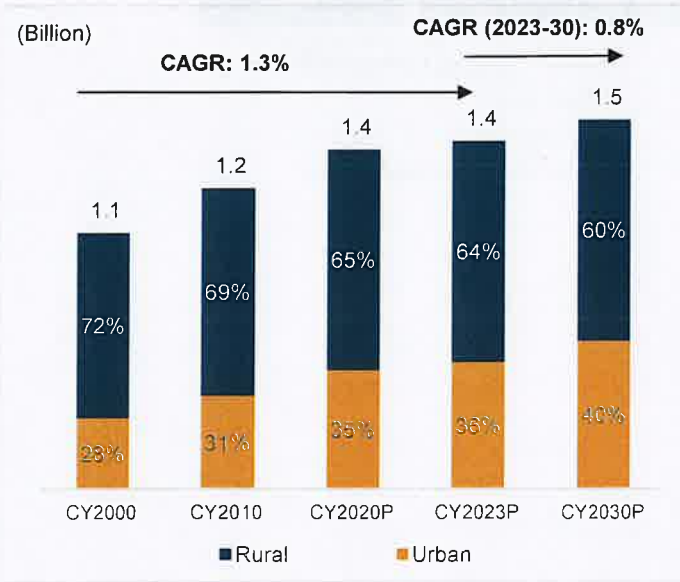
India is the largest economy in terms of population

India's population is estimated to have grown to ~1.4 billion in CY2023, according to World Population Prospects 2024, compared with 1.1 billion in CY2000, clocking a CAGR of ~1.3%.

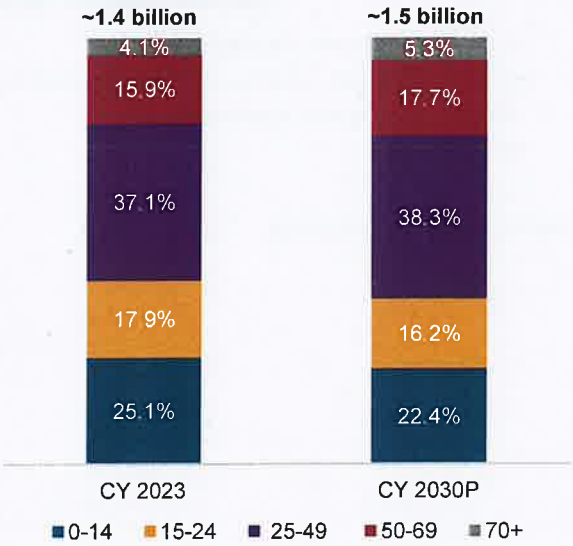
Additionally, the urban population is projected to reach ~40% of the total population by CY2030 from ~36% in CY2023, according to a UN report on urbanisation, as people from rural areas move to cities for better job opportunities, education and quality of life.

Furthermore, the proportion of population aged 25-49 as a percentage of the total population stood at ~37% in CY2023. It is projected to inch up to ~38% by 2030, indicating a possible increase in consumer expenditure through better earning potential, stability and disposable incomes.

India's population trajectory



Indian population by age group



Note: P: Projected

Source: World Urbanization Prospects: The 2018 Revision United Nations Department of Economic and Social Affairs, World Population Prospects 2024, Crisil Intelligence

India saw robust growth in per capita income between FY14 and FY25

India's per capita income, a broad indicator of living standards, rose from Rs. 68,572 in FY14 to Rs. 114,710 in FY25, Growth was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth remained stable at ~1% CAGR.

Per capita net national income at constant (2011-12) prices

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23FE	FY24FRE	FY25PE
Per-capita NNI (Rs.)	68,572	72,805	77,659	83,003	87,586	92,133	94,420	86,034	94,054	100,163	108,786	114,710
Y-o-Y growth (%)	4.6%	6.2%	6.7%	6.9%	5.5%	5.2%	2.5%	-8.9%	9.3%	6.5%	8.6%	5.4%

Note: FE: Final Estimates; FRE: First Revised Estimates; PE: Provisional Estimates

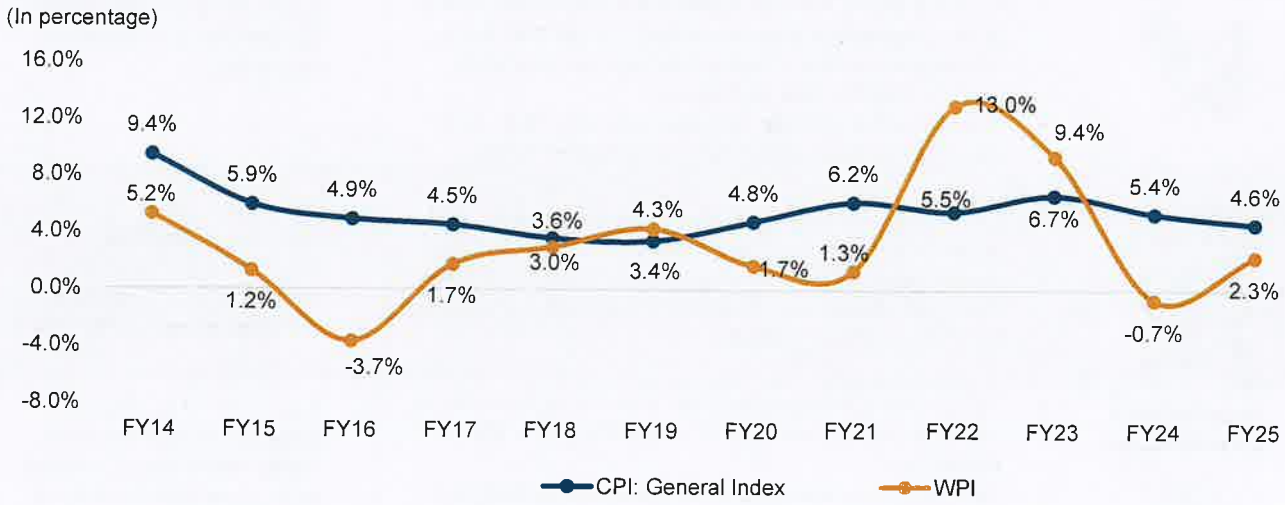
Source: Provisional Estimates of Annual GDP for 2024-25, MoSPI, Crisil Intelligence

CPI inflation further eased in FY25, WPI inflation stood at 2.3% in FY25

Consumer price index (CPI)-based inflation stood at 4.6% in FY25, compared with 5.4% in FY24, which was within the Reserve Bank of India's (RBI) upper tolerance limit of 6%. For FY25, CPI food inflation stood at 7.3%, above the core CPI index (excludes food, fuel and light) of ~3.5%. Crisil estimates that CPI inflation will further moderate to 4.3% in FY26. Crisil also expects non-food inflation to remain comfortable, supported by softness in consumer demand, a pass-through of the previous year's oil price decline to domestic fuel (petrol and liquefied petroleum gas) consumers and benign crude prices in the base case.

India's wholesale price index (WPI), stood at 2.3% in FY25 compared to -0.7% in FY24, on account of high food related inflation.

Inflation (year-on-year %)



Note: WPI data is as per the 2011-12 base

Source: Ministry of Commerce and Industry, Crisil Intelligence

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Assessment of Indian animal health market

Overview of animal health systems in India

The animal healthcare industry in India is a critical component of the country's livestock and agricultural ecosystem. India has about 536.8 million livestock, including 303.8 million bovines (Cattle, Buffalo, Mithun and Yak), according to the 20th Livestock Census, and is the largest milk producer globally with a significant role in meat and egg production. Animal healthcare supports livestock productivity, disease control, food safety, and rural livelihoods. The livestock sector contributes 5.5% to national GVA and 31.0% to the GVA of agriculture and allied sectors (2023–24). It also supports more than 70.0% of poor rural households. These factors show the need for a strong animal healthcare system to maintain income stability, food security, and sustainable agricultural operations.

Key animal categories in the domestic animal health industry

Animal categories	Overview	Demand drivers
Livestock (dairy & large ruminants) health 	• The livestock health segment, centered on cattle and buffalo, is the backbone of India's animal health industry, given the country's status as the world's largest milk producer. • The segment is predominantly volume-based. Additionally, seasonality, disease prevalence, and government procurement cycles influence performance.	• Demand is driven by disease-prevention practices, herd-productivity enhancement, and government-funded mass vaccination campaigns.
Poultry health 	• The total egg production in the country is 149.1 billion during fiscal 2025 and India ranks 2nd in the world in terms of total egg production. • Poultry is among the most commercially modernised animal-protein segments in India, dominated by large integrators who require consistent, high-quality vaccines and health inputs to maintain flock performance. • The segment is sensitive to disease outbreaks (e.g., avian influenza) but also benefits from rapid recovery cycles.	• Commercial broiler/layer expansion, farm consolidation, high prevalence of preventive vaccination.
Companion animals (pets) health 	• Companion-animal health market growth is driven by rapid pet adoption in urban centers and the humanisation of pets. • Spending per pet is rising sharply as owners shift from basic treatments to premium therapeutics, diagnostics, preventive care, and wellness services.	• Urban pet population growth, clinic network expansion, premium product adoption, chronic disease management (diabetes, kidney disease, etc.).
Aquaculture & fisheries health 	• Aquaculture is emerging as a high-potential segment due to India's strong seafood exports, particularly shrimp and farmed fish. • This segment is less mature than livestock and poultry but has strong structural tailwinds due to intensification of farms and regulatory emphasis on antibiotic-free production.	• Export-market compliance pressure, disease-prevention needs, intensification of inland aquaculture, farm productivity improvements.

Source: Ministry of Fisheries, Animal Husbandry & Dairying, Crisil Intelligence

Key end use segments in the domestic animal health industry

1. **Veterinary hospitals and clinics**
    - Veterinary hospitals and clinics represent a primary end-use segment within the Indian animal health market, serving as the principal centers for diagnosis, treatment, and preventive healthcare delivery.
    - These facilities utilize a broad range of animal health products, including vaccines, pharmaceuticals, diagnostic solutions, surgical consumables, and medical devices.
    - Demand from this segment is supported by the growing number of trained veterinary professionals and the expansion of private clinics across urban and semi-urban regions
2. **Animal farms and commercial producers**
    - Commercial animal farms, encompassing dairy, poultry, aquaculture operations, etc. constitute a major end-use segment due to their large-scale and recurring demand for animal health products.
    - These end users primarily emphasize disease control, productivity enhancement, and biosecurity management. Commonly utilized products include vaccines, antiparasitic agents, animal feed additives, antibiotics, and nutritional supplements.
    - The increasing commercialization of farming activities, greater focus on yield optimization, and wider adoption of standard/ scientific herd and flock management practices are some of the key demand drivers of this segment.
3. **Pet owners and households**
    - Pet owners and households form a rapidly growing end-use segment in the Indian animal health market, particularly in urban centers. This segment directly purchases preventive and therapeutic products such as vaccines, deworming agents, ectoparasiticides, nutritional supplements, and specialized medications, typically under veterinary guidance.
    - Rising rates of pet adoption, increased awareness regarding companion animal health, and the growing trend toward pet humanization have contributed to higher expenditure on pet healthcare. Consequently, this segment is driving demand for premium and specialized animal health solutions.
4. **Government and public sector institutions**
    - Government agencies and public sector institutions constitute an important institutional end-use segment within India's animal health market. These entities primarily procure vaccines, diagnostic products, veterinary supplies, etc. to support national disease control programs, livestock development initiatives, and public veterinary healthcare facilities.
    - Demand from this segment is influenced by government policy priorities, budgetary allocations, and the scale of vaccination, surveillance, or disease eradication campaigns. Public sector involvement remains essential for disease monitoring, outbreak management, and the enhancement of animal health infrastructure, particularly in rural and underserved regions.
5. **Research institutions and academic organizations**
    - Research institutions, veterinary colleges, academic organizations, etc. represent a niche specialized end-use segment focused on education, training, and scientific research. These institutions utilize animal health products for experimental research, clinical evaluations, diagnostic training, and disease studies.

- While this segment accounts for a relatively smaller share, it holds strategic importance for innovation, product validation, and the development of best practices in animal health management.

Expansive public veterinary network- backbone of India's animal health system

India has established a comprehensive public animal-health infrastructure that supports clinical care, preventive services and field outreach for livestock and other animals. As of 31 March 2024, there were approximately 67,889 veterinary institutions nationwide, including 13,173 veterinary hospitals and polyclinics, 30,184 veterinary dispensaries and 24,532 veterinary aid centres providing first-line health services across rural and urban areas. Veterinary hospitals and polyclinics function as secondary-level facilities offering outpatient and inpatient care, basic diagnostics, surgical services and vaccination programmes, while veterinary dispensaries and aid centres act as primary contact points delivering routine treatments, deworming, preventive immunization and extension support to farmers. In addition to fixed facilities, many states operate Mobile Veterinary Units (MVUs) to bolster outreach in remote and underserved regions under centrally supported schemes. Collectively, this layered network is central to disease prevention and control, livestock productivity enhancement and early outbreak detection, although variations in staffing, diagnostic capacity and equipment persist across states.

Key stakeholders, budget announcements and schemes supporting animal husbandry

The Indian government has significantly increased its investment in the animal health sector, focusing on disease control, infrastructure development, and accessibility of veterinary services. Some of the key schemes for promoting animal health sector are as follows -

Year	Scheme*	Components	Overview	Budget	Institutions involved*
FY26/ CY25	Budget allocation	Department of fisheries & department of animal husbandry and dairying	Department of fisheries - The department is responsible for matters relating to formulation of policies and schemes pertaining to development of inland, marine and coastal fisheries & fishery institutes. The budget allocation has been increased by 62.2% in FY26 compared to FY25. Department of animal husbandry and dairying - The department is responsible for matters relating to livestock production, preservation, protection from diseases and improvement of stocks and dairy development, and also for matters relating to Delhi Milk Scheme (DMS) and National Dairy Development Board (NDDB). The budget allocation has been increased by 26.1% in FY26 compared to FY25. The increase in the budget in FY26 indicates government's focus on the sector and fiscal room being created for new initiatives.	Department of fisheries - Rs. 27.0 billion Department of animal husbandry and dairying - Rs. 48.4 billion	Ministry of Fisheries, Animal Husbandry & Dairying
CY22	Livestock health & disease control	-	LHDCP focuses on safeguarding the health of the country's livestock population. The program emphasizes disease prevention, control, and management, contributing significantly to the productivity and efficiency of the animal husbandry sector. It is a	Rs 38.8 billion for two years i.e. FY2025 and FY2026 (includes provision of	Department of Animal Husbandry & Dairying (DAHD), Ministry of Fisheries, Animal Husbandry & Dairying

Year	Scheme*	Components	Overview	Budget	Institutions involved*
	program (LHDCP)		centrally sponsored scheme aiming to mitigate risks to animal health through vaccination, enhanced veterinary services, improved disease surveillance, and better veterinary infrastructure.	Rs. 0.75 billion to provide good quality and affordable generic veterinary medicine and incentive for sale of medicines under Pashu Aushadhi component)	
		Livestock health & disease control (LH&DC)	LH&DC aims to improve the animal health sector by control of economically important, zoonotic, exotic and emergent diseases by prophylactic vaccination, capacity building, disease surveillance and strengthening of veterinary infrastructure.		
CY25		Pashu Aushadhi	The Pashu Aushadhi component of LHDCP is incorporated to facilitate availability of affordable generic veterinary medicines including Ethno-Veterinary Medicines (EVM) through PM – Kisan Samriddhi Kendras (PM-KSKs) and Cooperative Societies. This component will be implemented in association with Department of Pharmaceuticals and Ministry of Cooperatives.		PM-KSKs, Cooperative Societies, Department of Pharmaceuticals and Ministry of Cooperatives
CY19		National Animal Disease Control Program (NADCP)	Aims to control and subsequently eradicate foot & mouth disease (FMD) in cattle, buffaloes, sheep, goat and pigs and for control of Bovine Brucellosis, with vaccination. The program implements large-scale vaccination drives to develop herd immunity and reduce disease incidence.		Indian Council of Agricultural Research (ICAR)- National Institute of Foot and Mouth Disease (NIFMD)-Bhubaneswar, Chaudhary Charan Singh National Institute of Animal Health-Baghpat
CY24	Bharat Pashudhan	N/A	The Bharat Pashudhan aims to create a farmer-centric digital ecosystem for livestock, using unique 12-digit IDs (similar to Aadhaar for animals) named as "Pashu Aadhar" and it acts as a primary key for registering all types of transactions done on the animals such as Vaccination, Breeding, Treatment, etc. All these transactions can be viewed at a single place against the Tag ID and shall be visible to the farmer as well as to the field veterinarians and workers for respective animals/area. The primary objectives are creating a farmer centric ecosystem, breed improvement, disease monitoring & control, product traceability and open-source architecture.	N/A	National Dairy Development Board
CY24	Animal health security	N/A	This initiative will play a key role in reducing the risk of zoonotic diseases that can spread from animals to humans. The Pandemic Fund	$25 million grant from the G20	Asian Development Bank (ADB), Food and Agriculture Organization

Year	Scheme*	Components	Overview	Budget	Institutions involved*
	strengthening in India for pandemic preparedness and response		Project will focus on enhancing India's animal health systems, thereby fortifying the country's defences against future pandemics.	pandemic fund	(FAO) and the World Bank
CY21	Revised National livestock mission (NLM)	N/A	The revised scheme of NLM aims towards employment generation, entrepreneurship development, increase in per animal productivity and thus targeting increased production of meat, goat milk, egg and wool under the umbrella scheme development programme. The excess production will help in the export earnings after meeting the domestic demands. The concept of NLM Scheme is to develop the entrepreneur in order to create the forward and backward linkage for the produce available at the unorganized sector and to link with the organized sector.	FY26 - Rs. 8.0 billion	Department of animal husbandry and dairying
CY14	Rashtriya Gokul Mission (RGM)	N/A	The RGM is implemented for development and conservation of indigenous bovine breeds. The scheme is important in enhancing milk production and productivity of bovines to meet growing demand of milk and making dairying more remunerative to the rural farmers of the country. The scheme is also continued under umbrella scheme Rashtriya Pashudhan Vikas Yojna from 2021 to 2026. The RGM will result in enhanced productivity and benefit of the programme, percolating to all cattle and buffaloes of India especially with small and marginal farmers. This programme will also benefit women since over 70% of the work involved in livestock farming is undertaken by women.	Rs 34.0 billion for 2021-26	Department of animal husbandry and dairying

*Note: *The above list of budget announcements, key schemes, and Institutions involved is an indicative list and not an exhaustive list.*

Source: Union Budget Documents 2025-2026, Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry & Dairying, Crisil Intelligence

Key factors supporting animal husbandry population in India

Factor	Overview
Large livestock base	India's substantial livestock population provides the foundational scale for productivity gains, genetic improvement, and sector resilience; the 20th Livestock Census (2019) reports 536.8 million livestock, including 303.8 million bovines, reinforcing India's position as a global livestock powerhouse.
Growth in milk production and demand	Sustained growth in dairy output reflects improving productivity and strong domestic demand, which incentivises herd maintenance and expansion; milk production reached 239.3 million tonnes (2023–24) with per-capita availability at ~471 g/day, driving continuous investment in productive animals.
Government capital support and schemes	Policy-led capital infusion reduces financial barriers for farmers and enterprises, enabling herd expansion and better animal management; the Rs 150 billion Animal Husbandry Infrastructure Development Fund (AHIDF) supports dairy, meat, and feed infrastructure, while NLM and other schemes subsidise breeding, feed, and health interventions.
Breed improvement and reproductive technologies	Systematic genetic improvement through advanced reproductive technologies such as artificial insemination and in-vitro fertilization (IVF), as well as breed conservation efforts, enhances per-animal productivity and overall herd quality. The Rashtriya Gokul Mission, with a budget allocation of Rs 34 billion, has made significant strides in promoting indigenous breeds across the country. The Department of Animal Husbandry and Dairying has established 22 IVF laboratories to support this initiative. Notably, these laboratories have facilitated the production of 25,895 embryos, with 14,145 embryos successfully transferred, resulting in the birth of 2,105 calves.
Disease control and vaccination programmes	Improved survival, reduced morbidity, and better fertility outcomes strengthen livestock population stability; the National Animal Disease Control Programme (NADCP) targets FMD and brucellosis eradication through multi-year, nationwide vaccination, protecting millions of susceptible animals.
Rising consumer demand	Growing population, higher incomes, and rapid urbanisation increase consumption of milk, eggs, and meat, strengthening farm-level incentives to retain and expand livestock.

Source: Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry & Dairying, Crisil Intelligence

Crisil
Intelligence

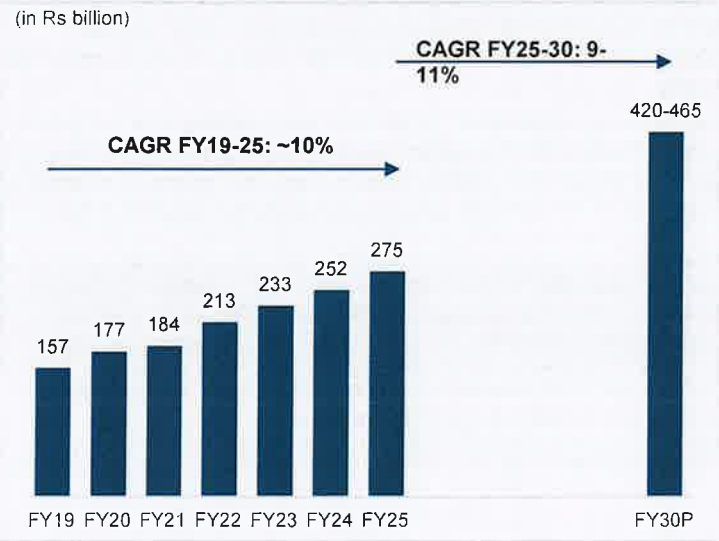
Domestic animal health market

Indian animal health market to grow at 9-11% CAGR between Fiscal 2025-30

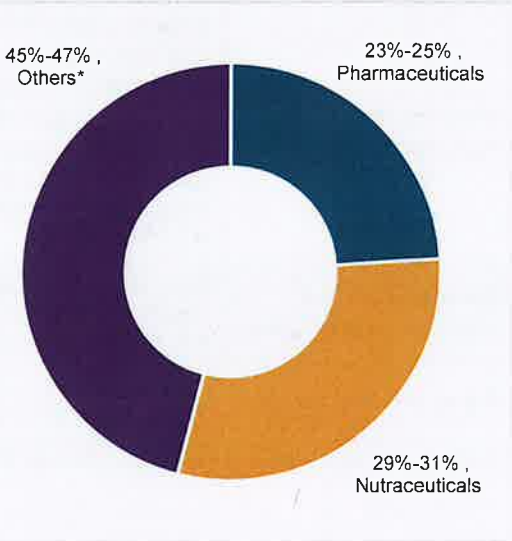
In fiscal 2025, Indian animal health market was valued at ~Rs 275 billion, up from Rs 157 billion in fiscal 2019, registering a CAGR of 9.8%. This overall market can be segmented into nutraceuticals, pharmaceuticals and others (non-nutraceuticals animal feed additives, diagnostics, etc.)

Moving forward, CRISIL expects the Indian animal health market size to grow at a CAGR of 9-11% between fiscal 2025 and 2030 and reach Rs 420-465 billion by fiscal 2030 due to ongoing government capital support and schemes, rising consumer demand and disease control and vaccination programmes.

Estimated market size of Indian animal health market



Segmentation of the animal health market (FY25)



Note: P: Projected

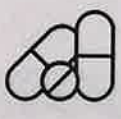
Others include animal health products and services falling outside the pharmaceuticals and nutraceutical segments, encompassing diagnostic services, non- nutraceutical animal feed additives, hygiene and biosecurity applications, etc.

Source: Crisil Intelligence

Key segments of India's animal health ecosystem

India's animal health industry comprises a diverse set of product and service categories that collectively support the country's vast livestock base and the fast-growing companion-animal segment. The ecosystem spans pharmaceuticals, vaccines, feed and nutrition solutions, diagnostics, and an emerging layer of specialised veterinary services and digital platforms. Each segment plays a distinct role in enhancing animal productivity, preventing disease, improving on-farm efficiency, and strengthening food-safety outcomes. Together, these segments form an integrated value chain that is becoming increasingly sophisticated as livestock systems commercialise, disease-surveillance expectations rise, and pet-care expenditure expands across urban India.

Key segments in the animal health industry in India

Segments	Overview
Pharmaceuticals 	The pharmaceuticals segment constitutes most established part of India's animal-health industry, supplying a broad portfolio of therapeutic products including antibiotics, antiparasitics, anthelmintics, anti-inflammatory agents, hormonal treatments, dermatologicals and nutraceuticals. The landscape is dominated by a mix of large domestic pharmaceutical companies with veterinary divisions and specialised veterinary-only manufacturers, supported by a strong base of generic formulation capabilities. Product differentiation is driven by formulation innovation, dosing convenience, animal-type specificity and service-led field extension. Growth is supported by India's substantial livestock base, increasing commercialisation of dairy and poultry farms, and rising pet ownership, although pricing pressures and evolving regulations on antimicrobial use shape competitive behaviour.
Vaccines 	The vaccines segment is strategically critical for India due to the prevalence of endemic livestock diseases and the government's extensive disease-control programmes. The market comprises live, inactivated and recombinant vaccines targeting major diseases such as Foot and Mouth disease (FMD), Hemorrhagic Septicaemia, Brucellosis, Classical Swine Fever, and poultry diseases including Newcastle Disease and Infectious Bursal Disease. Several public and private institutions manufacture vaccines at scale, supported by strong government procurement, which creates stable demand and facilitates large-volume production runs. Adoption is driven not only by public vaccination campaigns but also by large dairy and poultry enterprises seeking to reduce mortality and ensure biosecurity. The segment is steadily moving towards more advanced biologics and improved cold-chain logistics, although dependence on government tenders and periodic disease outbreaks creates variability in revenue flows.
Animal feed additives 	Feed and feed-related activities are driven by the intensification of poultry, dairy and aquaculture production. The segment covers commercial compound feed, premixes, mineral mixtures, animal feed additives (such as enzymes, probiotics, amino acids and toxin binders) and specialised nutrition solutions for calves, pets, piglets and aquaculture species. The ecosystem includes large national feed manufacturers, multinational ingredient suppliers and strong regional players, alongside toll-manufacturing networks. Growth is propelled by the shift from traditional, farm-mixed feed to commercial, standardised formulations that improve feed conversion ratios and animal productivity. As production systems modernise, the demand for high-performance additives and customised feed solutions has expanded, making feed a critical input segment that directly influences efficiency and output quality in livestock value chains.
Diagnostics 	Diagnostics is an emerging but increasingly important segment as India transitions towards more scientific, preventive and precision-driven livestock management. The category encompasses laboratory-based tests (ELISA, culture, PCR), rapid point-of-care kits for field use, reagents and veterinary diagnostic equipment. The service landscape is a combination of state veterinary laboratories, research institutes, private diagnostic chains, and on-farm diagnostic providers serving commercial poultry, dairy and aquaculture farms. Historically underpenetrated, the segment is gaining traction due to rising awareness of disease surveillance, the economic cost of outbreaks, and the demand for early detection tools that reduce mortality in intensive production systems. Adoption is strongest in poultry and high-value livestock operations, with gradual penetration in smallholder systems supported by government surveillance programmes and private enterprises offering bundled health-monitoring solutions.

Source: Crisil Intelligence

Poultry and cattle emerge as the dominant growth driver

India's livestock population grew from 512.1 million in 2012 to 536.8 million in 2019, reflecting an overall increase of 4.8%. Poultry witnessed the highest growth and expanded from 729.3 million to 851.8 million, accounting for a 16.8% growth. Among major species, goats and sheep also demonstrated robust growth of 10.1% and 14.1%, respectively, underscoring

their rising economic relevance in smallholder-dominated livestock systems. Cattle and buffalo populations remained largely stable, increasing marginally by 1.3% and 1.1%. Several draught and pack animal categories, such as mules, donkeys, and horses/ponies, witnessed material declines, reflecting mechanisation trends and reduced dependence on traditional transport. Mithun was the fastest-growing category at 29.5%, albeit on a very small base. Overall, the census highlights the structural shift towards poultry-driven expansion and small ruminant growth, shaping the future demand for animal health services, feed, and allied inputs.

Major species wise total livestock population during last two censuses

Category	Total Population (in million) 2012	Total Population (in million) 2019	% change	% share - 2019
Cattle	190.9	193.5	1.3	36.0%
Buffalo	108.7	109.9	1.1	20.5%
Sheep	65.1	74.3	14.1	13.8%
Goat	135.2	148.9	10.1	27.7%
Pig	10.3	9.1	-12.0	1.7%
Mithun	0.3	0.4	29.5	0.1%
Yak	0.1	0.1	-24.9	0.0%
Horses & Ponies	0.6	0.3	-45.2	0.1%
Mule	0.2	0.1	-57.1	0.0%
Donkey	0.3	0.1	-61.2	0.0%
Camel	0.4	0.3	-37.1	0.0%
Total Livestock	**512.1**	**536.8**	**4.8**	**100.0**
Poultry	**729.3**	**851.8**	**16.8**	**n.m.**

Note: n.m. – Not meaningful
Source: Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry & Dairying, Crisil Intelligence

Key drivers and recent trends in the Indian animal health market

Drivers & Trends	Overview
Overall Indian animal health market	
Large and growing livestock & poultry base	India's sizeable livestock population and rapidly expanding poultry industry are driving consistent demand for pharmaceuticals, vaccines, animal feed additives, and veterinary services, supporting volume-led market growth across therapeutic and preventive categories.
Government programmes & public health initiatives	Central schemes such as the Livestock Health & Disease Control Programme, National Livestock Mission, and AHIDF enhance vaccination coverage, disease surveillance, and veterinary infrastructure, creating stable, recurring demand for vaccines, biologics, and livestock-focused healthcare solutions.
Rising companion-animal ownership	Increasing pet ownership in urban and semi-urban markets is expanding demand for companion-animal vaccines, therapeutics, diagnostics, and pet-care services, making it a high-margin and fast-growing segments in the animal health industry.
Shift toward preventive healthcare	Growing awareness of disease prevention, productivity economics, and food safety is accelerating adoption of preventive care such as vaccination, routine diagnostics, and biosecurity practices, shifting market demand toward biologics, diagnostics, and wellness-oriented products.
Private sector investments & consolidation	Rising investments in veterinary hospitals, diagnostics, pharmaceutical manufacturing, and pet-care chains are formalizing the market and supporting emergence of integrated animal-health platforms, enhancing service reach and operational efficiency.
Heightened focus on antimicrobial resistance (AMR) stewardship	Regulatory emphasis on AMR mitigation is driving more responsible antibiotic use and encouraging adoption of alternatives such as vaccines, specialty animal feed additives, and diagnostics, influencing product mix and R&D priorities for industry participants.
Expansion of diagnostics & digital veterinary services	Rapid growth in point-of-care diagnostic tools, veterinary lab networks, telemedicine platforms, and digital farm-health solutions is improving access to timely veterinary care and enabling diagnostic-led treatment protocols, increasing demand for both services and associated therapeutics.
Indian veterinary pharmaceutical market	
Rising demand for animal protein (milk, meat, eggs)	Growth in per capita consumption of milk, poultry and eggs has increased the focus on animal productivity, disease prevention and herd health management. This structurally supports recurring demand for preventive and therapeutic veterinary medicines across dairy and poultry segments.
Expansion into Tier-2 and Tier-3 markets	Animal healthcare demand is increasingly spreading beyond metros, driven by rising rural incomes, improved distribution networks and greater veterinary awareness. Tier-2 and Tier-3 markets represent a large volume opportunity for affordable formulations, small pack sizes and mass-market veterinary drugs.
Gaps in veterinary healthcare infrastructure	Despite a wide public veterinary network, shortages of veterinarians and uneven infrastructure persist across states. These gaps create opportunities for private pharmaceutical players to expand product penetration through dealers, para-vets, private clinics and tele-veterinary models.
Export opportunities and alignment with global standards	Indian veterinary pharmaceutical manufacturers benefit from cost-competitive manufacturing and growing acceptance in emerging markets. Compliance with international quality supports exports of veterinary formulations and vaccines, adding an additional growth lever beyond domestic demand.

Source: Department of Animal Husbandry and Dairying Ministry of Fisheries, Animal Husbandry and Dairying Government of India, Crisil Intelligence

SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis

Strengths	Weaknesses
• **Large livestock population:** India has a significant livestock population, with total livestock population at 536.8 million and total poultry population at 851.8 million (as of 2019 animal census). This provides a huge market for animal health products and ensures recurring demand. • **Demand for animal-based food products:** The increasing demand for meat, dairy, and other animal-based food products in India is driving the need for better animal health care, which in turn is positively impacting the overall animal health market. • **Government initiatives:** The Indian government has launched initiatives such as the Bharat Pashudhan, Livestock health & disease control program (LHDCP), etc. to improve animal health and reduce disease outbreaks, which is expected to provide positive impetus to the industry. • **Increasing prevalence of companion animals:** Rising trend of pet ownership, especially in urban cities, is driving demand of animal health products, including veterinary care, diagnostics, etc.	• **Low awareness about animal health**: Limited awareness among poultry farmers, livestock owners, pet owners, etc. on animal health issues, especially about preventive healthcare including vaccinations, regular checkups, etc. hinders the growth of overall industry • **Limited rural access and infrastructure:** Even though the government is increasing its focus on animal health through multiple schemes, the overall animal infrastructure, especially in rural and remote areas, is limited, which impacts the accessibility to timely and quality animal healthcare services • **Shortage of skilled professionals:** India faces shortage of trained professionals such as veterinarians, animal health workers, etc., which impacts the growth of overall industry by limiting the uptake of prescription-based medicines, advance diagnostics, vaccines, etc. • **Price sensitive market:** The animal health industry, particularly the poultry and livestock segments, which accounts for the dominant share in the overall industry, is price sensitive. This limits the adoption of premium products as these segments prefer low-cost generics.
Opportunities	**Threats**
• **Preventive and productivity-oriented care**: Rising focus on productivity metrics, such as milk yield, egg production per chicken, feed consumption, etc. is expected to positively impact the demand of preventive healthcare products such as nutritional products, diagnostics, vaccines, etc. • **Digital and tele- veterinary expansion:** Expansion of digital and tele-veterinary services can improve the accessibility to veterinary services as well as accelerate the market penetration in underserved areas. This, in turn, will positively impact the overall growth of the industry. • **Export opportunities**: India's relatively cost-effective manufacturing position compared to developed economies coupled with government support can help the industry to diversify revenue through exports.	• **Presence of counterfeit, substandard products**: The animal health market in India continues to face challenges from unorganized segment as well as counterfeit and non-compliant veterinary medicines, which risks the health of animals, damages brand credibility and can erode profit margins for the complaint manufacturers. • **Limited research and development**: Research and development in animal health is limited in India, which can lead to a lack of innovative products and solutions. • **Disease outbreak**: Livestock/ animal diseases can severely impact animal health, disrupt trade, limit market access, and, in the case of zoonotic diseases, pose serious public health risks. Hence, any disease outbreak can severely disrupt the animal health market.

Source: Crisil Intelligence

Crisil
Intelligence

Assessment of Indian veterinary pharmaceutical market

Overview of Indian veterinary pharmaceutical industry in India

The Indian veterinary pharmaceutical industry is a structurally important sub-segment of the broader animal health market, underpinned by India's large and economically significant livestock population and the sector's role in food security, rural incomes, and export competitiveness. The industry caters to therapeutics, vaccines, animal feed additives, and biologicals across livestock (cattle, buffalo, poultry, swine) and companion animals, with demand primarily driven by dairy and poultry. Growth is supported by rising milk and poultry output, increasing disease awareness, expansion of organised dairy and integrator-led poultry systems, and gradual improvement in veterinary infrastructure and vaccination coverage. Public-sector procurement (especially for vaccines and disease control programs) continues to play a meaningful role, while private demand is expanding in therapeutics, nutritional supplements, and preventive care.

Introduction to veterinary pharmaceuticals

Veterinary pharmaceuticals comprise medicinal products developed specifically for the prevention, diagnosis, control, and treatment of diseases in animals. These products play a critical role in sustaining livestock productivity, ensuring animal welfare, safeguarding food safety, and controlling zoonotic diseases. Unlike human pharmaceuticals, veterinary medicines are designed for use across multiple animal species, each with distinct physiology, metabolism, and use conditions.

1. **Technical differences from human pharmaceuticals**

- **Multi-Species considerations** - Veterinary drugs are developed with target species in mind (dogs, cattle, poultry, etc.) because pharmacokinetics, metabolism, and safety vary by species. Human drug development generally focuses only on human biology.
- **Clinical evaluation and terminology** - Veterinary clinical trials emphasize target-animal safety and effectiveness, without the typical Phase I/II/III/IV labels used in human drug development. Safety and effectiveness are directly assessed in the intended animal species rather than using multi-stage human trial phases.
- **Informed consent & ethics** – Human drug testing requires rigorous informed consent directly from participants and strict oversight by Institutional Review Boards (IRBs)/Ethics Committees (ECs), adhering to GCP guidelines and the Declaration of Helsinki. Whereas Veterinary Pharmaceuticals Relies on the consent of the animal owner or caregiver (proxy consent). Ethical oversight is generally less stringent and less harmonized, with potential variability in animal welfare enforcement.
- **Administration and formulation** - Veterinary pharmaceuticals often include medicated feed, water-soluble powders, pour-ons, boluses, and large-dose formulations to accommodate herd/flock treatment and field conditions. While not unique to veterinary medicine, these dosage forms are much more prevalent compared with typical human pharmaceutical dosage formats.
- **Economic and pricing considerations** - Veterinary drugs must balance therapeutic efficacy with affordability, particularly in livestock where return on investment is a key driver whereas human pharmaceuticals are less directly linked to productivity economics.

2. **Development and approval process**

- **Shorter and more focused development timelines** - Clinical development is generally faster and less capital intensive than human pharmaceuticals. Large-scale Phase I–IV human trials are not required.

- **Market size & cost -** Generally smaller market for veterinary pharmaceuticals, leading to leaner budgets and a need for more fiscally prudent development strategies whereas in case of human pharmaceuticals larger market size, allowing for extensive investment in R&D and clinical trials.
- **Primary Regulatory Body** – Human drug testing is regulated by Central Drugs Standard Control Organization (CDSCO), headed by the DCGI and for veterinary pharmaceuticals are regulated by veterinary division at CDSCO with input from the Department of Animal Husbandry and Dairying (DAHD).

3. **End-Use orientation**

- **Food-producing animals -** Emphasis on disease prevention, productivity enhancement, feed efficiency, and food safety compliance.
- **Companion animals -** Growing focus on chronic disease management, dermatology, pain control, and quality of life, increasingly resembling human therapeutic patterns.

Key types of products in the veterinary pharmaceuticals industry

Products	Overview
Chemical (small molecule) veterinary pharmaceuticals	Chemically synthesized drugs are widely used across livestock and poultry. It includes antibiotics, antiparasitics, anti-inflammatory drugs, hormones and metabolic injectables.
Veterinary vaccines	Biological products used for prevention of infectious diseases in livestock, poultry and companion animals. This segment has strong public-sector participation in India through national and state vaccination programs, particularly for cattle and poultry.
Other veterinary biologicals (non-vaccine)	Biologically derived products excluding vaccines, such as immunomodulators, probiotics, crucial diagnostic kits, enzymes and biological supplements.
Medicated animal feed additives and premixes	Veterinary pharmaceutical and biological substances added to animal feed or water, commonly used in poultry, dairy and aquaculture.
Companion animal pharmaceuticals	Therapeutic products formulated for pets, including treatments for dermatological, parasitic and chronic conditions.
Supportive and ancillary veterinary products	Products used for hygiene, wound care and disease control, including antiseptics, disinfectants and topical formulations. These products support farm-level biosecurity and routine veterinary care and are widely used across organized and unorganized animal healthcare settings.

Source: Crisil Intelligence

Structure and value chain of the Indian veterinary pharmaceutical market

Upstream inputs and research ecosystem

The upstream segment of the Indian veterinary pharmaceutical market includes suppliers of active pharmaceutical ingredients (APIs), excipients and biological inputs, which are sourced from both domestic manufacturers and imports. Product research and development is undertaken by veterinary pharmaceutical companies and is significantly supported by public research institutions. The Indian Council of Agricultural Research (ICAR) and its specialised institutes, including the Indian Veterinary Research Institute (IVRI) and veterinary universities, play an important role in disease surveillance, strain development, diagnostic validation and field-level evaluation of veterinary products.

Regulatory oversight and quality standards

Regulation and policy oversight of veterinary pharmaceuticals in India are anchored within the Department of Animal

Husbandry and Dairying (DAHD), along with relevant central and state authorities. The regulatory framework focuses on product safety, efficacy, quality, withdrawal periods and residue control in food-producing animals. Compliance with Good Manufacturing Practices (GMP) and quality testing requirements is a critical component, particularly for vaccines and biologicals, which are subject to higher biosecurity and cold-chain standards.

Manufacturing and formulation

Manufacturing activities are carried out by a combination of large integrated animal health companies and a broad base of small and mid-sized domestic manufacturers. The sector covers the production of chemical formulations, vaccines and other biological products. Vaccine manufacturing is relatively more capital intensive and requires specialised facilities, batch testing and temperature-controlled handling. Contract manufacturing is also prevalent, particularly for formulations.

Distribution and institutional channels

The downstream distribution structure is characterised by a multi-tier network comprising national distributors, regional stockists and local dealers. In addition to commercial distribution, institutional channels play a material role, particularly government procurement for animal disease control and vaccination programmes. Medicated animal feed additives are often distributed through feed and premix manufacturers, reflecting close integration with the animal feed industry.

Veterinary services and end-user interface

The last-mile delivery of veterinary pharmaceuticals is facilitated through government veterinary dispensaries, private veterinary clinics, para-veterinary workers and extension services. These channels serve a diverse end-user base including livestock farmers, poultry and dairy integrators, aquaculture operators and companion animal owners. Demand dynamics vary across segments, with livestock healthcare being largely price-sensitive and companion animal healthcare exhibiting higher value and margin characteristics.

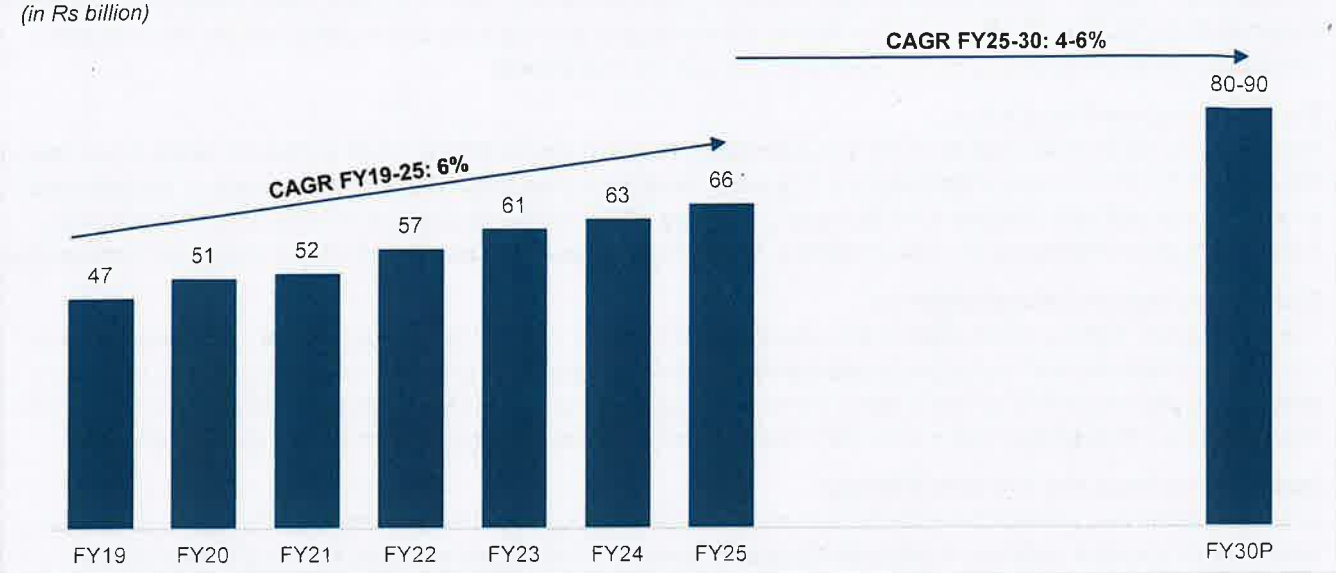
Domestic veterinary pharmaceutical market

Indian veterinary pharmaceutical market to grow at 4-6% CAGR between Fiscal 2025-30

In fiscal 2025, Indian veterinary pharmaceutical market was valued at ~Rs 66 billion, up from Rs 47 billion in fiscal 2019, registering a CAGR of 6%. Moving forward, Crisil expects the Indian veterinary pharmaceutical market size to grow at a CAGR of 4-6% between fiscal 2025 and 2030 and reach Rs 80-90 billion by fiscal 2030 due to rising demand for animal protein (milk, meat, eggs), expansion into Tier-2 and Tier-3 markets and ongoing government capital support and schemes. Notably, the projected future CAGR of 4-6% is lower than the past CAGR of 6%, primarily due to increasing awareness of nutraceuticals and other feed supplements, which has slightly moderated the demand for veterinary pharmaceuticals.

Estimated market size of Indian veterinary pharmaceutical market

(in Rs billion)



Note: P: Projected
Source: Crisil Intelligence

Veterinary therapeutic landscape: Assessment of products and use cases

Products	Nature	Primary applications	Industry considerations
Anti-diarrhoeal and enteric care products	This category includes oral rehydration salts, electrolyte solutions, gut protectants, adsorbents and probiotic formulations designed to manage dehydration and intestinal disturbances in animals.	These products are primarily used in neonatal and young livestock, poultry and during periods of stress, dietary change or adverse climatic conditions to stabilise gut function and prevent productivity losses.	Treatment is largely supportive in nature, with antimicrobial use limited to clinically indicated cases. Demand is driven by ease of administration, affordability and suitability for use in smallholder livestock systems.
Antibiotics	Antibiotics used in veterinary medicine include tetracyclines, beta-lactams, macrolides, sulfonamides, aminoglycosides and fluoroquinolones, available in injectable, oral and premix forms.	These products are used for the treatment of bacterial infections such as respiratory diseases, mastitis, gastrointestinal infections and systemic infections across food animals, poultry, swine and companion animals.	Usage is increasingly influenced by antimicrobial resistance concerns, regulatory oversight and residue compliance, resulting in a gradual shift towards prescription-led and targeted therapeutic use.
Parasiticides	Parasiticides are chemical substances or medicines used to kill, control, or repel parasitic organisms (like fleas, ticks, mites, worms, protozoa) that infest animals, protecting both pets and livestock from diseases, with applications ranging from topical	These products are widely used in grazing livestock, poultry and companion animals to reduce productivity losses, improve animal welfare and control disease vectors.	Rising parasitic resistance has led to greater emphasis on strategic deworming, rotation of active ingredients and targeted treatment protocols.

Products	Nature	Primary applications	Industry considerations
	treatments to oral medications, crucial for animal health but requiring responsible use due to environmental and potential resistance concerns.		
Analgesics and anti-inflammatory drugs	This category primarily comprises non-steroidal anti-inflammatory drugs (Carprofen, Meloxicam, Firocoxib, Grapiprant, Robenacoxib) for inflammation, opioids (Morphine, Buprenorphine, Tramadol) for stronger pain, and others like Gabapentin for nerve pain and local anaesthetics used for pain and inflammation management.	These products are used in surgical procedures, musculoskeletal disorders, trauma and inflammatory conditions across both food-producing and companion animals.	Demand is supported by increasing veterinary interventions and greater focus on animal welfare, subject to species-specific safety and withdrawal requirements.
Dermatology (skin and ear therapeutics)	Veterinary dermatology products include topical and systemic formulations used for the management of skin and ear conditions in animals. Key product classes comprise antiseptic and medicated shampoos, antifungal agents, antibacterials (topical and systemic), antipruritics, corticosteroids, immunomodulators, antihistamines and ear preparations. These products are available in various dosage forms such as sprays, creams, lotions, shampoos, wipes and oral medications, with formulations adapted to different species and coat types.	Dermatological therapeutics are primarily used for the treatment of bacterial and fungal skin infections, parasitic infestations affecting the skin, allergic dermatitis, otitis externa, wound care and chronic inflammatory skin conditions. In India, these products are extensively used in companion animals, particularly dogs, and are also used in livestock for the management of ectoparasite-related skin conditions, wounds and infections arising from poor housing or climatic stress.	Demand in this segment is influenced by increasing pet ownership, improved awareness of companion animal health and hygiene, and rising veterinary consultations for chronic and recurring skin conditions. The segment is characterised by a higher proportion of topical therapies, repeated usage patterns and relatively lower residue and withdrawal concerns compared to systemic therapeutics.

Source: Crisil Intelligence

Key trends in the Indian veterinary pharmaceutical market with focus on tier-2 and tier-3 markets

- **Large and geographically dispersed livestock base driving sustained demand** - India has one of the world's largest livestock populations, with a significant proportion located in rural areas and semi-urban districts that largely correspond to tier-2 and tier-3 markets. Livestock ownership in these regions underpins recurring demand for veterinary pharmaceuticals, including vaccines, antiparasitics, anti-infectives and nutritional supplements, given the need for routine disease prevention and productivity enhancement. The scale and dispersion of livestock populations support volume-driven demand outside metropolitan centres, making non-metro markets structurally important for the veterinary pharmaceutical industry.
- **Increasing commercialisation of dairy and poultry farming in non-metro regions** - Dairy and poultry farming in India has seen increasing levels of commercialisation, particularly in smaller cities and rural districts. Growth in organised and semi-organised poultry units and small commercial dairy farms in tier-2 and tier-3 regions has resulted in greater adoption of veterinary drugs and vaccines, especially for disease prevention, herd health management and productivity improvement. This shift has supported rising penetration of veterinary pharmaceuticals beyond traditional institutional buyers, expanding the addressable market in non-metro geographies.

- **Rising penetration of companion animal healthcare beyond metropolitan cities -** Pet ownership in India has increased over recent years, with growth not limited to metropolitan areas. Tier-2 and tier-3 cities are witnessing a gradual increase in demand for companion animal healthcare products, including veterinary pharmaceuticals, vaccines and supplements, supported by rising disposable incomes and greater awareness of pet health. While per-capita spending in these markets remains lower than in tier-1 cities, the expanding pet base contributes to incremental demand growth for companion animal-focused veterinary products in smaller urban centres.
- **Government focus on livestock health and vaccination programmes -** The Government of India and state governments continue to implement livestock health and vaccination programmes aimed at disease control and productivity enhancement. Such programmes are largely targeted at rural and semi-urban regions, which constitute the bulk of tier-2 and tier-3 markets. Public procurement of vaccines and essential veterinary drugs under these schemes contributes to demand visibility and volume stability for certain product categories, particularly vaccines and preventive therapeutics.
- **Adoption of technology-enabled veterinary services in underserved regions -** Technology-enabled solutions such as tele-veterinary consultations, digital advisory platforms and mobile health initiatives are increasingly being used to address gaps in veterinary service availability. These solutions can facilitate access to veterinary advice and support product usage in tier-2 and tier-3 markets, although adoption levels remain at an early stage and vary by region.

Key challenges & risk factors for Indian veterinary pharmaceutical market

Risk / Challenge	Overview
Antimicrobial resistance (AMR) and misuse of antibiotics	Extensive and often unregulated use of antibiotics in livestock has contributed to rising antimicrobial resistance in India. This creates regulatory risk (restrictions on molecules, prescription-only regimes) and potential demand contraction for certain antibiotic classes. Policymakers and CDSCO are increasingly focused on monitoring and controlling veterinary antimicrobial use.
Evolving and fragmented regulatory framework	Veterinary pharmaceuticals are regulated through multiple authorities and laws (Drugs & Cosmetics Act, Central Drugs Standard Control Organization (CDSCO), State Food and Drug Administrations, DAHD, etc.). Fragmented oversight, periodic updates to approved drug lists, and tightening scrutiny—especially for antibiotics and biologicals—increase compliance costs, approval timelines, and uncertainty in product launches.
Shortage of veterinarians and uneven service penetration	India is confronted with a significant disparity in the livestock-to-veterinarian ratio, characterized by a pronounced shortage of veterinary professionals in rural areas. According to the Indian Veterinary Practitioners' Register (as of February 24, 2024), there are 87,914 registered veterinarians. In contrast, the country's livestock population stands at approximately 537 million, based on the latest census data (20th Livestock Census). Consequently, the livestock-to-veterinarian ratio is approximately 6,108:1. A 2023 report by NITI Aayog recommends a ratio of one veterinary doctor or institution per 5,000 animals. The scarcity of qualified veterinary professionals in India limits the adoption of prescription-led products, vaccination coverage, and the monetization of advanced formulations, ultimately constraining market penetration for organized pharmaceutical players.
Fragmented distribution and weak rural last-mile access	The veterinary drug distribution network is highly fragmented, with limited organized players and uneven rural reach. Poor logistics and last-mile connectivity increase dependence on local dealers, raise receivables risk, and restrict access to remote livestock markets, particularly for higher-value or prescription products.
Presence of counterfeit, substandard, and unregistered products	The Indian market continues to face challenges from counterfeit and non-compliant veterinary medicines. Such products distort pricing, erode trust in branded formulations, expose legitimate manufacturers to unfair competition, and raise regulatory and public health concerns.

Risk / Challenge	Overview
Disease outbreak volatility and biosecurity risks	Episodic outbreaks such as FMD, Peste des Petits Ruminants (PPR), and avian influenza can cause sharp but unpredictable demand swings. While outbreaks may temporarily boost vaccine demand, they also disrupt supply chains, trigger movement restrictions, and create revenue volatility linked to government procurement cycles.
Dependence on imported APIs and specialized inputs	Certain active ingredients, adjuvants, and biological inputs are imported, exposing manufacturers to supply-chain disruptions, foreign exchange volatility, and geopolitical or trade-policy risks, particularly for vaccines and complex formulations.

Source: National Library of Medicine, DAHD, Crisil Intelligence

Regulatory framework governing veterinary pharmaceuticals in India

The manufacture, import, distribution and sale of veterinary pharmaceutical products in India are governed primarily by the Drugs and Cosmetics Act, 1940 and the Drugs Rules, 1945, which regulate drugs for both human and veterinary use. Regulatory oversight at the central level is exercised by the Central Drugs Standard Control Organisation (CDSCO) under the Ministry of Health and Family Welfare, headed by the Drugs Controller General of India (DCGI). CDSCO is responsible for approval of new veterinary drugs, issuance of import and select manufacturing permissions, publication of regulatory notifications and amendments, and national-level quality surveillance through drug testing laboratories.

Policy formulation, sector-specific guidance and coordination relating to animal health are undertaken by the Department of Animal Husbandry and Dairying (DAHD) under the Ministry of Fisheries, Animal Husbandry and Dairying. DAHD plays a critical role in issuance of Standard Veterinary Treatment Guidelines (SVTG), coordination and oversight of field trials for veterinary pharmaceutical products, and alignment of regulatory practices with national animal health priorities, including antimicrobial resistance (AMR) mitigation. Introduction of new veterinary vaccines, biologicals or therapeutic indications typically involves coordination between CDSCO and DAHD, particularly where field evaluation or large-scale deployment is involved.

Licensing for manufacture, sale and distribution of veterinary pharmaceuticals is administered by State Drug Control Authorities, which are responsible for granting and renewing manufacturing and sales licences, conducting inspections, sampling and testing of products, and enforcing compliance under the Drugs and Cosmetics Act. Professional conduct and prescribing practices are regulated by the Veterinary Council of India (VCI), which governs veterinary education, practitioner registration and ethical standards.

The regulatory framework also interfaces with food safety authorities, including the Food Safety and Standards Authority of India (FSSAI), particularly in relation to drug residue limits, withdrawal periods and food safety compliance for veterinary drugs used in food-producing animals. Compliance with residue and withdrawal requirements is critical for safeguarding public health and maintaining domestic and export market access for animal-origin food products.

In recent years, regulatory authorities have intensified scrutiny on the manufacture and use of veterinary pharmaceuticals, particularly antibiotics, in response to national and global concerns around antimicrobial resistance. CDSCO has issued notifications restricting or prohibiting certain antimicrobials for veterinary use, while DAHD has strengthened stewardship through treatment guidelines, surveillance and rational-use initiatives. These developments may impact product approvals, continued marketing permissions, labelling requirements and portfolio composition for participants in the Indian veterinary pharmaceutical market.

A central element underpinning the entire regulatory framework is Good Manufacturing Practice (GMP). GMP requirements, prescribed primarily under Schedule M of the Drugs Rules, 1945, are mandatory for manufacturers of veterinary pharmaceutical formulations and constitute a prerequisite for the grant and renewal of manufacturing licences by State Drug Control Authorities. GMP standards govern manufacturing processes, raw material controls, in-process

quality checks, batch documentation, sanitation, personnel qualification, storage, stability testing and recall mechanisms. Compliance with GMP is subject to periodic inspection and audit by state regulators and, in certain cases, by CDSCO.

Non-compliance with GMP standards may result in regulatory actions including classification of products as "not of standard quality", mandatory recalls, suspension or cancellation of manufacturing licences, and restrictions on domestic sales or exports. Accordingly, sustained compliance with evolving GMP requirements is integral to regulatory standing, operational continuity and risk management for companies operating in the Indian veterinary pharmaceutical market.

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Competition analysis

In this section, Crisil has analysed some key players operating in the Indian animal health industry. Data has been obtained from publicly available sources, including annual reports available in the public domain/ filed with the Registrar of Companies (RoC), investor presentations of listed players, regulatory filings, rating rationales, and/or company websites.

Financials in the competitive section have been re-classified by Crisil, based on annual reports available in the public domain/ filed with the RoC and financial filings by the relevant players. Financial ratios used in this report may not match with the reported financial ratios by the players on account of Crisil's standardisation and re-classification.

Note: The list of competitive peers considered in this section is not exhaustive but indicative in nature.

Overview of key players

Company name	Year of incorporation*
Alembic Pharmaceuticals Limited	2010
Elanco India Private Limited	2014
Hester Bioscience Limited	1987
Intas Pharmaceuticals Limited	1985
Rodec Pharma Limited	1997
Sequent Scientific Limited	1985
Virbac Animal Health India Private Limited	2006
Zenex Animal Health India Private Limited	2021

Note:

**Date of incorporation as available in annual reports/ Ministry of Corporate Affairs*

Source: Crisil Intelligence

Product portfolio

Company Name	Antibiotics/ anti-infectives	NSAID/Analgesic & Antipyretic[1]	Parasiticides[2]	Animal feed additives/ supplements[3]	Others
Hester Bioscience Limited	✓	✓	✓	✓	Biosecurity, etc
Intas Pharmaceuticals Limited	✓	✓	✓	✓	Pet Grooming, Pharmaceuticals for human use
Rodec Pharma Limited	✓	✓	✓	✓	Anti diarrhoeal, Antispasmodic, Progesterone
Sequent Scientific Limited	✓	✓	✓	✓	API, Reproductive hormone, Anti Haemoprotozoals
Virbac Animal Health India Private Limited	✓	✓	✓	✓	Reproduction range, Antibloat

Company Name	Antibiotics/ anti-infectives	NSAID/Analgesic & Antipyretic[1]	Parasiticides[2]	Animal feed additives/ supplements[3]	Others
Zenex Animal Health India Private Limited	✓	✓	✓	✓	Anti-Histaminic, Anti-Protozoan, Corticosteroid, Hormone, Immunomodulator, Intramammary Infusion

Note:

1 Includes Anti-Inflammatory

2 includes Anti-Parasitics, Anthelmintic and dewormers

3 Includes nutrition, supplements and non-nutritious supplements

Elanco India Private Limited and Alembic Pharmaceuticals Ltd are not considered are not considered for comparison in the above table as the company's animal health website for India are not accessible/ available

Kindly note that therapeutics areas and products covered in the above table is not exhaustive but only indicative

Source: Crisil Intelligence

Financial parameters

H1 FY2026 financials (Rs. million)

Parameters	Revenue from operations	Operating EBITDA	PAT	Operating EBITDA Margin (%)	PAT Margin (%)
Alembic Pharmaceuticals Ltd*	36,208.7	5,970.4	3,390.9	16.5	9.3
Hester Bioscience Ltd*	1,550.7	345.3	316.3	22.3	18.9
Rodec Pharma Ltd	627.3	133.9	97.3	21.3	15.3
Sequent Scientific Ltd*	8,654.1	1,078.7	371.7	12.5	4.3

*Note: *Financials parameters are on consolidated basis*

Source: Company annual reports available in the public domain/ filed with the RoC, Crisil Intelligence

Key Financial Ratios

Parameters	Revenue from operations (Rs. million)				Operating EBITDA (Rs. million)			
Years	FY23	FY24	FY25	CAGR (%)	FY23	FY24	FY25	CAGR (%)
Alembic Pharmaceuticals Ltd*	56,526.2	62,286.3	66,720.8	8.6%	7,083.4	9,333.6	10,082.3	19.3%
Elanco India Pvt Ltd	3,254.1	3,484.5	n/a	n/a	533.9	427.7	n/a	n/a
Hester Bioscience Ltd*	2,660.9	3,045.5	3,111.0	8.1%	506.1	536.6	610.5	9.8%
Intas Pharmaceuticals Ltd*	198,828.3	196,355.2	207,943.3	2.3%	35,301.6	23,890.1	24,604.5	-16.5%
Rodec Pharma Ltd**	716.1	884.2	1,063.9	21.9%	81.2	157.3	257.6	78.1%
Sequent Scientific Ltd*	14,209.1	13,697.3	15,513.7	4.5%	289.0	694.0	1,591.4	134.7%
Virbac Animal Health India Pvt Ltd	10,469.3	11,224.2	11,925.2	6.7%	3,284.4	3,716.5	3,981.9	10.1%
Zenex Animal Health India Pvt Ltd	7,490.6	8,112.9	10,149.6	16.4%	1,735.0	1,691.1	2,114.5	10.4%

Parameters	PAT (Rs. million)				Operating EBITDA Margin (%)		
Years	FY23	FY24	FY25	CAGR (%)	FY23	FY24	FY25
Alembic Pharmaceuticals Ltd*	3,419.9	6,158.3	5,834.1	30.6%	12.6%	15.4%	15.6%
Elanco India Pvt Ltd	257.1	193.2	n/a	n/a	16.4%	12.3%	n/a
Hester Bioscience Ltd*	280.4	211.7	288.3	1.4%	19.0%	17.6%	19.6%
Intas Pharmaceuticals Ltd*	24,227.7	11,621.5	15,291.4	-20.6%	17.8%	12.2%	11.8%
Rodec Pharma Ltd**	52.1	108.8	182.6	87.2%	11.3%	17.8%	24.2%
Sequent Scientific Ltd*	(1,219.8)	(296.1)	322.6	n.m.	2.0%	5.1%	10.3%
Virbac Animal Health India Pvt Ltd	2,728.1	3,177.4	3,060.7	5.9%	31.4%	33.1%	33.4%
Zenex Animal Health India Pvt Ltd	193.1	148.5	261.6	16.4%	23.2%	20.8%	20.8%

Parameters	PAT Margin (%)			ROE (%)	
Years	FY23	FY24	FY25	FY24	FY25
Alembic Pharmaceuticals Ltd*	6.0%	9.8%	8.7%	13.4%	11.7%
Elanco India Pvt Ltd	7.8%	5.5%	n/a	7.9%	n/a
Hester Bioscience Ltd*	10.0%	6.7%	9.2%	7.2%	9.3%
Intas Pharmaceuticals Ltd*	12.0%	5.8%	7.2%	9.8%	11.8%
Rodec Pharma Ltd**	7.3%	12.1%	16.9%	41.5%	44.6%
Sequent Scientific Ltd*	-8.5%	-2.1%	2.1%	-6.9%	7.3%
Virbac Animal Health India Pvt Ltd	25.0%	26.9%	25.3%	26.1%	28.2%
Zenex Animal Health India Pvt Ltd	2.6%	1.8%	2.6%	-7.7%	-17.6%

Parameters	ROCE (%)	
Years	FY24	FY25
Alembic Pharmaceuticals Ltd*	13.9%	13.9%
Elanco India Pvt Ltd	12.5%	n/a
Hester Bioscience Ltd*	9.3%	9.8%
Intas Pharmaceuticals Ltd*	13.6%	15.0%
Rodec Pharma Ltd**	45.0%	53.8%
Sequent Scientific Ltd*	-0.8%	13.0%
Virbac Animal Health India Pvt Ltd	33.6%	36.3%
Zenex Animal Health India Pvt Ltd	20.0%	27.0%

Note:
n/a – Not Available; n.m. – Not Meaningful

Numbers reclassified as per Crisil standards and may not match company-reported numbers
**Financials parameters are on consolidated basis*
***Rodec Pharma Ltd's FY23 numbers are as of 1 April 2023*
Formulae used are as follows:
Operating EBITDA: Revenue from operations - Cost of Sales (cost of sales inclusive of Material costs, employee costs, consumables, power cost, other manufacturing and selling costs and other costs)
Operating EBITDA% = Operating EBITDA/ Revenue from operations
PAT % = PAT/ (Revenue from operations + other income)
RoE = PAT/ average of tangible net worth
RoCE = EBIT/average of [total debt + tangible net worth+ Deferred Tax Liability: |Asset|]
Total debt: Long term debt + short term debt
Source: Company annual reports available in the public domain/ filed with the RoC, Crisil Intelligence

- Among the considered players, Rodec Pharma Ltd. had the highest revenue from operation CAGR between FY23-25 at 21.9%
- Among the considered players, Rodec Pharma Ltd. had the second highest operating EBITDA CAGR between FY23-25 at 78.1%
- Among the considered players, Rodec Pharma Ltd. had the highest PAT CAGR between FY23-25 at 87.2%
- Among the considered players, Rodec Pharma Ltd. had the second highest operating EBITDA margin of 24.2% in FY25
- Among the considered players, Rodec Pharma Ltd. had the second highest PAT margin of 16.9% in FY25
- Among the considered players, Rodec Pharma Ltd. had the highest RoE of 44.6% in FY25
- Among the considered players, Rodec Pharma Ltd. had the highest RoCE of 53.8% in FY25

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About Crisil Intelligence (formerly Market Intelligence & Analytics)

Crisil Intelligence is a leading provider of research, consulting, risk solutions and advanced data analytics, serving clients across government, private and public enterprises. We leverage our expertise in data-driven insights and strong benchmarking capabilities to help clients navigate complex external ecosystems, identify opportunities and mitigate risks. By combining cutting-edge analytics, machine learning and AI capabilities with deep industry knowledge, we empower our clients to make informed decisions, drive business growth and build resilient capacities.

For more information, visit Intelligence.Crisil.com

About Crisil

Crisil is a global, insights-driven analytics company. Our extraordinary domain expertise and analytical rigour help clients make mission-critical decisions with confidence.

Large and highly respected firms partner with us for the most reliable opinions on risk in India, and for uncovering powerful insights and turning risks into opportunities globally. We are integral to multiplying their opportunities and success.

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Founded in 1987 as India's first credit rating agency, our expertise today extends across businesses: Crisil Ratings, Crisil Intelligence, Crisil Coalition Greenwich and Crisil Integral IQ.

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