Union Budget 26-27: FM Sitharaman's 'Biopharma SHAKTI' signals India's shift to innovation

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New Delhi: Finance Minister Nirmala Sitharaman signaled a decisive shift in India's healthcare policy on Sunday, placing high-value innovation at the heart of the Union Budget 2026-27.

Announcing Biopharma SHAKTI (Strategy for Healthcare Advancement through Knowledge, Technology and Innovation) with an outlay of ₹10,000 crore over five years, Sitharaman outlined a roadmap to transform India from a low-cost medicine supplier into a global hub for biopharma innovation.

"As India's disease burden shifts towards non-communicable diseases like diabetes, cancer, and autoimmune disorders, biologic medicines are key to longevity and quality of life at affordable costs," the Finance Minister said in her ninth consecutive Budget Speech.

Why biopharma now?

India is in the midst of a silent epidemiological transition. Infectious diseases no longer dominate hospital wards; instead, cancer, diabetes, inflammatory disorders, and rare diseases are driving catastrophic out-of-pocket spending.

Globally, biologics—complex medicines derived from living systems—are the backbone of treatment for these conditions. Yet, they remain among the most expensive therapies in the world.

India's story, however, is different. Unlike Western markets dominated by patented biologics, India is led by biosimilars—affordable versions of original biologics priced 50–80% lower. Domestic manufacturers already command over 90% market share in several categories, a result of early "Make in India" bets.

Biopharma SHAKTI seeks to institutionalize this advantage through a comprehensive roadmap that addresses talent, infrastructure, and regulation. The strategy includes establishing three new NIPERs and upgrading seven existing institutes to nurture advanced scientific talent, alongside creating a nationwide network of over 1,000 accredited clinical trial sites. Crucially, the plan aims to strengthen the CDSCO with a dedicated scientific review cadre to align approval timelines with global standards, while deploying focused incentives to boost domestic manufacturing and curb import dependence.

From volume to value

Industry leaders view this as the missing link between India's manufacturing scale and its innovation ambitions.

Calling Biopharma SHAKTI a “key enabler,” Satish Reddy, Chairman of Dr. Reddy’s Laboratories, said the programme marks India’s transition from volume-driven growth to value leadership. “This will help India move from being a global supplier of quality medicines to becoming a global innovator,” Reddy said, noting that aligned regulatory timelines could unlock the development of complex, high-value therapies.

Nothing illustrates India’s potential better than Exemptia (adalimumab). While the original drug, Humira, was the world’s highest-selling medicine, Zydus Lifesciences launched its biosimilar version in India at nearly one-tenth the global price—years before US or European competitors could.

NexCAR19, India’s first indigenously developed CAR-T cell therapy, is available at one-tenth the cost of similar therapies in the US. While still expensive, it is revolutionary in relative terms, offering a template for how India can disrupt global pricing models.

The government is betting on scaling "affordability-first" model to frontier technologies.

The Indian Pharmaceutical Alliance (IPA) described Biopharma SHAKTI as a signal of long-term policy certainty. Sudarshan Jain, Secretary General of IPA, noted that with rising global demand and patent expiries, the timing is perfect to scale biologics.

Kiran Mazumdar-Shaw, Chairperson of Biocon Group, added that placing biopharma among India’s strategic sectors is a “decisive investment” that focuses on the entire value chain—from research to regulation.

Building Capability for the Future

Executives working at the cutting edge believe the budget lays the groundwork for the next decade.

Amit Mookim, CEO of Immuneel Therapeutics, called the budget an "inflection point." He highlighted that while duty exemptions help patients today, the ₹10,000 crore outlay builds capacity for tomorrow. "The strengthening of CDSCO builds a strong platform for advanced therapies like cell and gene, accelerating innovation pipelines," Mookim said.

Consulting firms echoed this optimism. Nilesh Maheshwari of Grant Thornton Bharat noted the outlay would accelerate the shift toward innovation-driven pharmaceuticals, while Deloitte India's Farheen Butt stated the initiative would facilitate the transition from "low-cost generics to high-value biopharmaceutical innovation."

The Bigger Picture: Viksit Bharat 2047

The budget frames biopharma not just as an industry vertical, but as a pillar of India's long-term development.

By scaling manufacturing and aligning regulations, India aims to move beyond small-molecule dominance to establish leadership in advanced therapies. If executed well, Biopharma SHAKTI could redefine the accessibility of life-saving treatments, bringing cutting-edge cancer and autoimmune therapies closer to millions of Indian families.

As the government noted, the goal is longevity, quality of life, and affordability. For India's patients—and its pharma industry—the real test now lies in delivery.

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