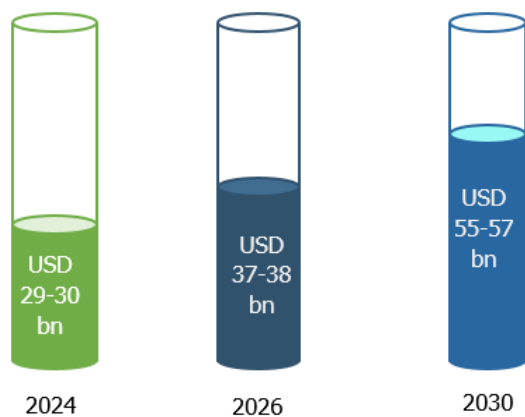


Press Release

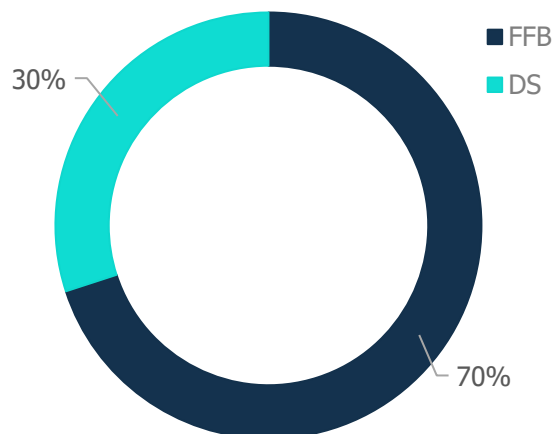
India's Nutraceutical Industry to Reach USD 55 – 57 Billion by 2030, Growing at a CAGR of 10 – 11%: CareEdge Ratings

- India's nutraceutical industry is moving from a niche wellness category to a mainstream pillar of preventive healthcare, growing at a CAGR of ~10.5% through 2030
- Functional foods and beverages are leading the way, with rising consumption, FMCG investment activity and supportive government policy all driving growth

Mumbai, June 26th, 2026: According to CareEdge Ratings, India's nutraceutical market is valued at around USD 29–30 billion in 2024 and is projected to reach USD 37–38 billion by 2026, expanding further to USD 55–57 billion by 2030 — a CAGR of approximately 10.5%. The growth is being driven by rising health consciousness, higher disposable incomes, increasing lifestyle-related disorders, and demand for natural, science-backed nutrition.



Source: Industry Reports and compiled by CareEdge Ratings



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FFB: Functional foods and beverages; DS: Dietary supplements

The growth comes at a time when India continues to face significant nutritional deficiencies, creating a substantial opportunity for nutraceutical products to complement traditional healthcare interventions. As per NFHS-5, around 67% of children under five and 57% of women aged 15–49 are affected by anaemia, while a high burden of “hidden hunger” also persists, with around 61% of the population deficient in vitamin D, 53% in vitamin B12, and 19% in vitamin A. These gaps point to limited access to diverse diets and underlying socio-economic challenges, positioning nutraceuticals as a meaningful lever to bridge nutritional gaps and improve health outcomes nationally.

Ranjan Sharma, Senior Director, CareEdge Ratings, said, “India’s nutraceutical sector is transitioning from a wellness category to a core component of preventive healthcare. As consumers increasingly prioritise

immunity, nutrition and long-term wellbeing, we expect sustained double-digit growth supported by digital distribution, policy support and rising adoption across age groups. The widening reach of e-commerce and direct-to-consumer models is also lowering entry barriers for newer brands, intensifying competition and innovation across the value chain.”

Functional foods and beverages lead the way, as key growth drivers power the industry forward

Functional foods and beverages (FFB) continue to dominate the domestic market, accounting for roughly 70% of overall consumption, with dietary supplements (DS) making up the remainder. Growth in FFB is being driven by natural and plant-based offerings, along with rising demand for functional drinks, as consumers increasingly seek culturally aligned and safer choices. The COVID-19 pandemic marked a structural turning point for the industry: prior to the pandemic, the sector was relatively niche, centred largely around dietary supplements and wellness-oriented products, with adoption concentrated among fitness users and urban early adopters. Heightened concerns around immunity and preventive health during COVID-19 shifted consumer perception, moving nutraceuticals from optional wellness products to everyday health essentials — a shift now reflected in rising acquisition activity, as larger FMCG players acquire mid-sized nutraceutical brands to expand their health and wellness portfolios.

The growing prevalence of lifestyle-related conditions such as obesity, cardiovascular disease, and Type 2 diabetes is further underscoring the role of nutraceuticals in prevention and long-term management. At the same time, an ageing population is fueling demand for products that support bone strength, cognitive performance, and healthy longevity, broadening the consumer base beyond traditional fitness and wellness segments.

The rapid growth of digital platforms and e-commerce is reshaping how nutraceuticals are marketed and sold, making products more accessible and allowing consumers to compare, review, and purchase supplements with ease. Direct-to-consumer models have enabled new entrants to compete with established players by offering innovative and personalised products, while innovation in formats — from gummies and powders to ready-to-drink beverages — is helping companies attract younger consumers.

Supporting policies

Government support is also emerging as a key enabler for the sector's growth. Through initiatives such as the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme, the government is strengthening food processing infrastructure, manufacturing capabilities and industry formalisation. The PMKSY scheme, with an outlay of ₹6,520 crore, has approved 459 projects between 2021 and 2026, while the ₹10,900-crore PLISFPI scheme is supporting 49 projects aimed at boosting large-scale manufacturing and global branding of Indian food products. Additionally, the PMFME scheme, with an outlay of ₹10,000 crore, has approved over 1.33 lakh projects to strengthen micro food processing enterprises. Supported by 100% FDI in food processing, regulatory oversight by Food

Safety and Standards Authority of India (FSSAI) and promotion of traditional nutraceuticals by the Ministry of AYUSH, these initiatives are enhancing investment, innovation and global competitiveness across the nutraceutical value chain. India's strong bio-agricultural base, encompassing millets, pulses, spices, medicinal plants and other nutrient-rich crops, further provides a sustainable foundation for the development of functional foods, dietary supplements and nutraceutical exports.

Pritesh Rathi, Associate Director, CareEdge Ratings, added, "The increasing acquisition of mid-sized nutraceutical brands by larger FMCG players reflects growing confidence in the sector's long-term potential. With functional foods and beverages accounting for nearly 70% of consumption, and exports gaining momentum, India's nutraceutical industry is steadily evolving toward greater scale, sophistication, and long-term sustainability."

CareEdge Ratings cautions that despite strong momentum, the industry continues to face regulatory and credibility challenges — including unsubstantiated product claims, limited scientific validation in certain categories, and uneven consumer awareness across markets — that will need to be addressed for the sector to sustain consumer trust as it scales. Strengthened claim-verification processes, clearer regulatory timelines, and continued standardisation efforts will be key to translating the sector's growth potential into durable, long-term value.

About CareEdge Ratings:

CareEdge is a knowledge-based analytical group offering services in Credit Ratings, Analytics, Consulting and Sustainability. Established in 1993, the parent company CARE Ratings Ltd (CareEdge Ratings) is India's second-largest rating agency, with a credible track record of rating companies across diverse sectors and holding leadership positions in high-growth sectors such as BFSI and Infra. The wholly-owned subsidiaries of CareEdge Ratings are (I) CARE Analytics & Advisory Private Ltd., (II) CARE ESG Ratings Ltd., and (III) CareEdge Global IFSC Ltd. CareEdge Ratings' other international subsidiary entities include CARE Ratings (Africa) Private Ltd. in Mauritius, CARE Ratings South Africa (Pty) Ltd., and CARE Ratings Nepal Ltd.

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