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MARC Insights India's AYUSH Sector Overview

April 2024

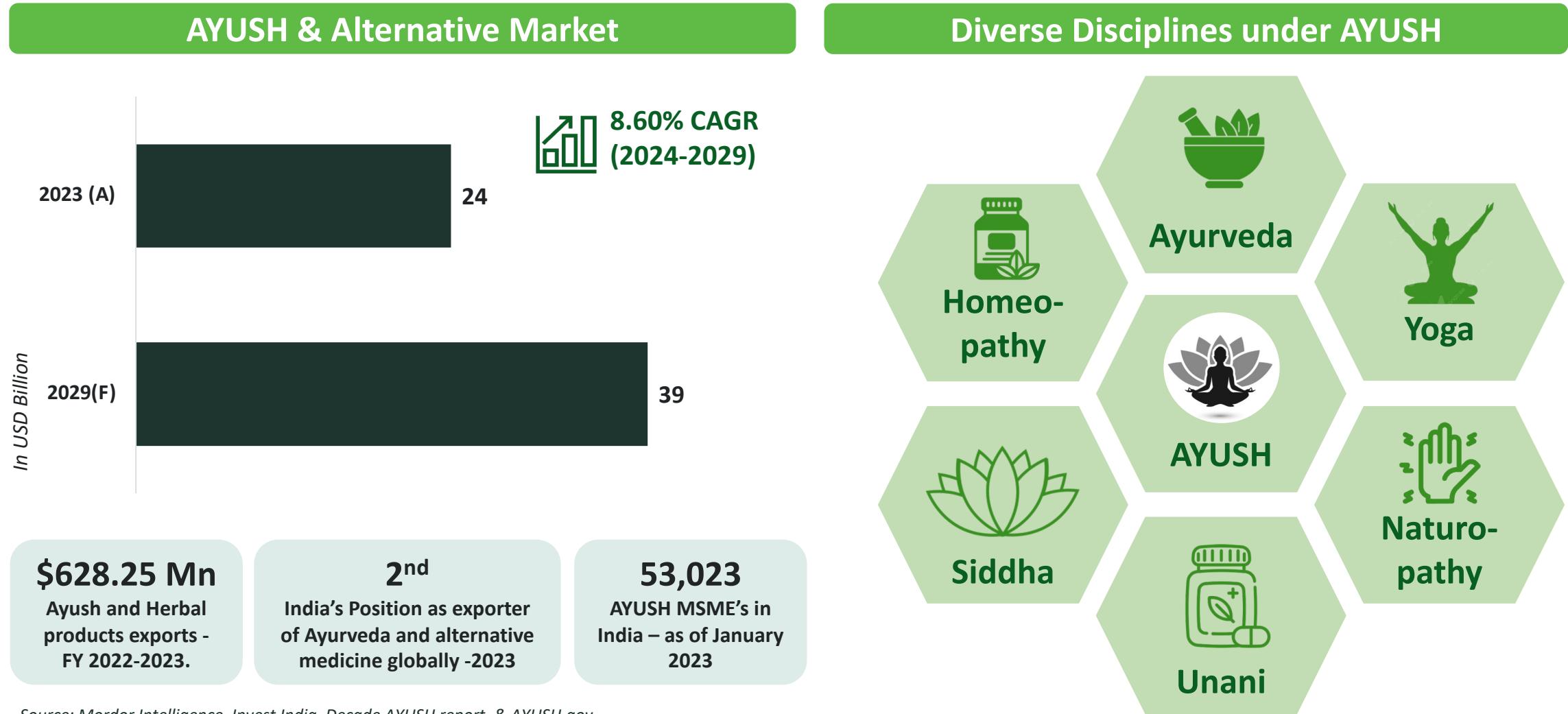


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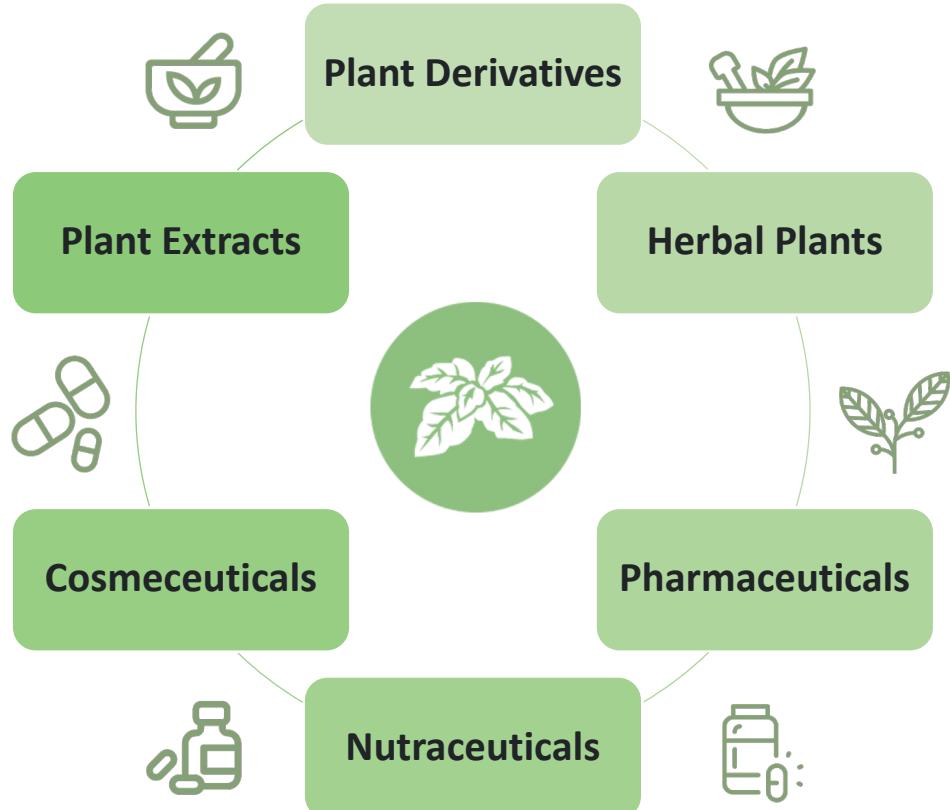
AYUSH Sector in India

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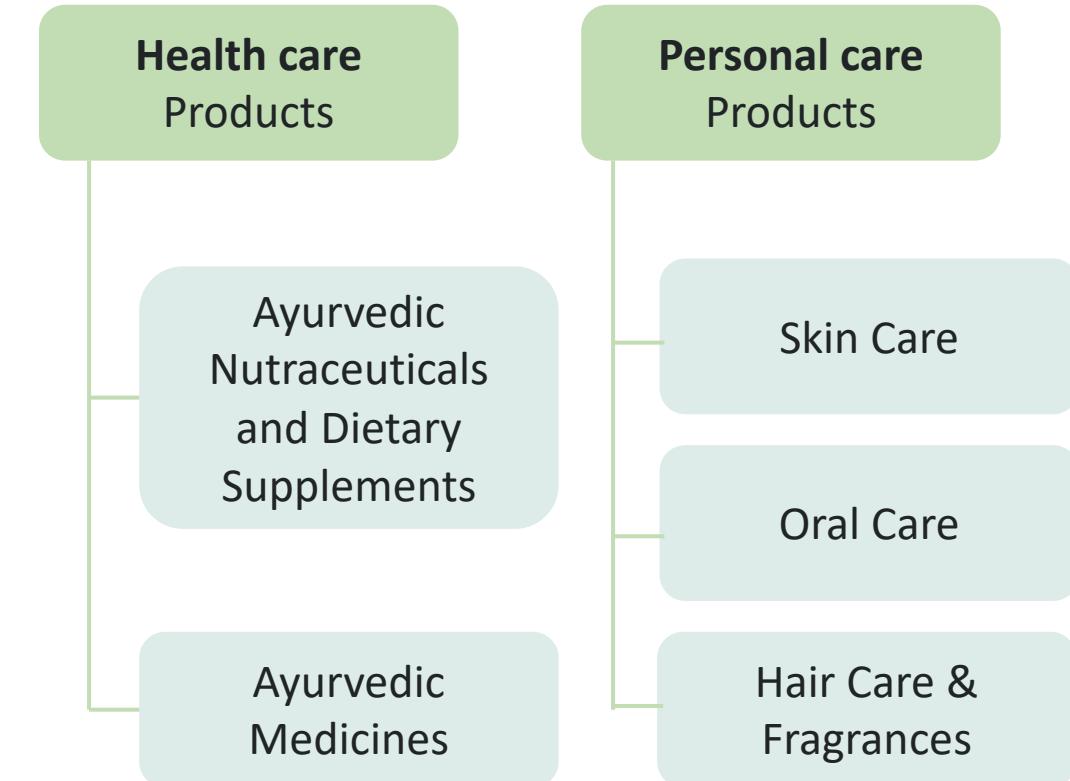


Sub Sectors in India's AYUSH

AYUSH Sub Sectors



Ayurveda Key Market Segmentation

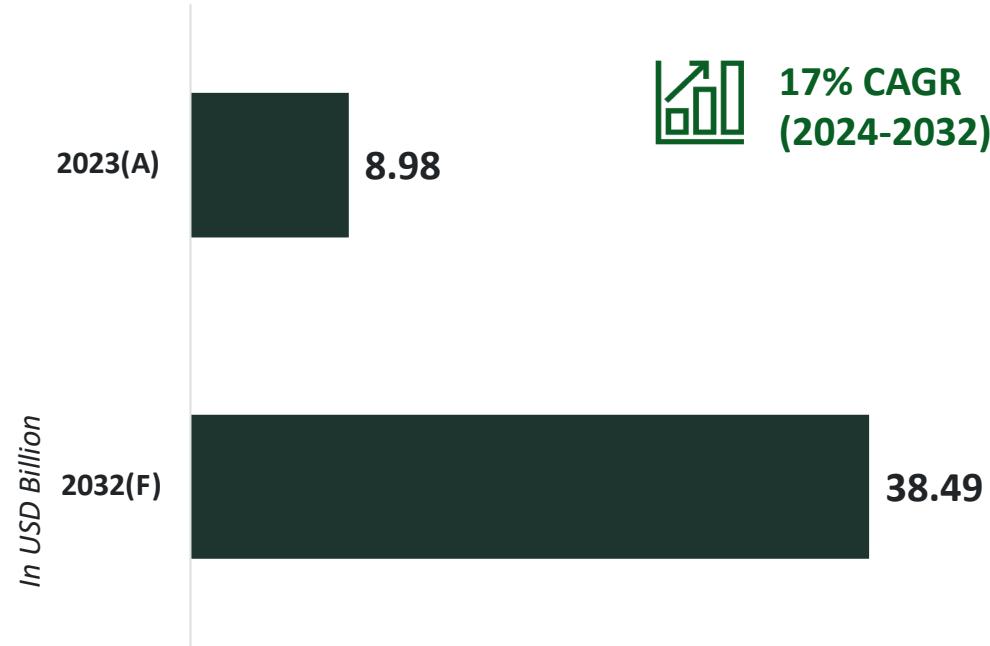


Source: [Invest India](#) & [IMARC](#)

Ayurveda Industry in India

The Indian Ayurvedic Products market size reached USD 8.98 Billion in 2023. The market is expected to reach USD 38.49 Billion by 2032, exhibiting a CAGR of 17% during 2024-2032.

Ayurvedic Products Market



Source: [IMARC](#)

Key Trends in the Forecast Period

Rising Health Concerns

Increasing Popularity of Ayurveda

Easy Availability

Increasing Affordability

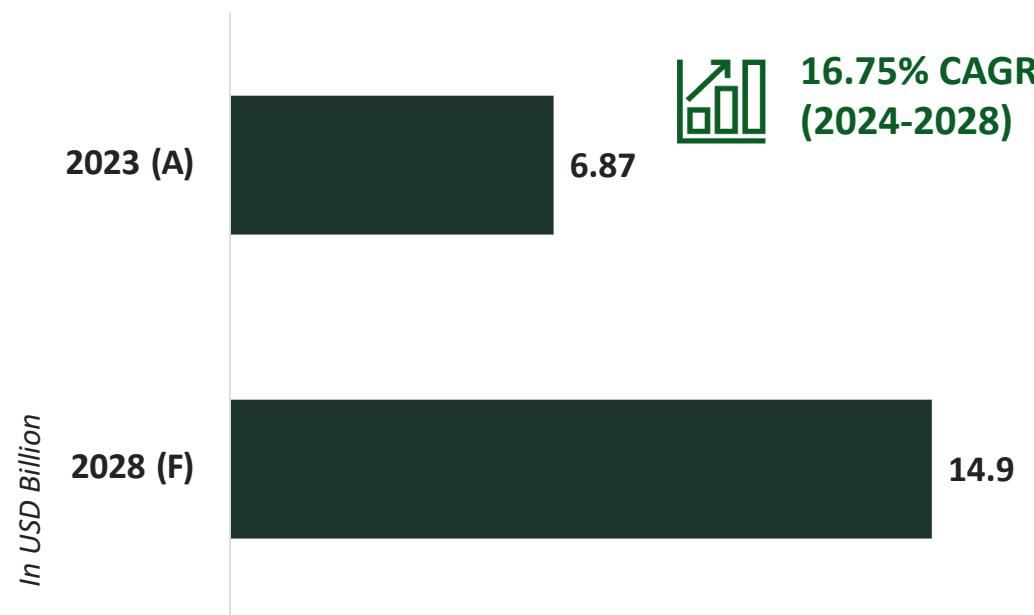
Growing Awareness

Improving Manufacturing Processes

Herbal Products Market in India

India Herbal Products market is expected to grow at a CAGR of **16.75%**, owing to growing knowledge about the harmful effects of chemical formulations present in various beauty care products on skin.

Herbal Products Market



Source: [Techsci Research](#)

Key developments

Witnessing a shift towards 'safer' herbal products, domestic companies like Himalaya, Dabur, Lotus, and Patanjali launched their own herbal cosmetic products.

In response to rising demand, premium and luxury brands like Kama Ayurveda, Forest Essentials, etc have also introduced products in the herbal market.

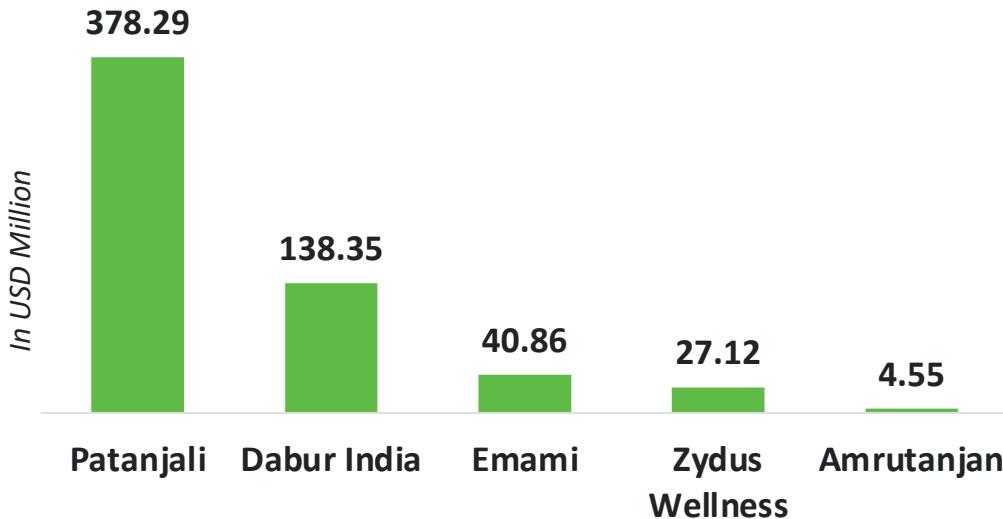
Amway India strengthened its herbal skincare category with the launch of Attitude Herbals Insta Nourish Range & Vasu the Herbal Healthcare company launched Vasu Naturals.

L'Oréal partnered with Hotel Shilla and Anchor Equity Partners to launch a new luxury skincare brand "Shihyo" & Netsurf Network launched 6 variants of herbal green tea.

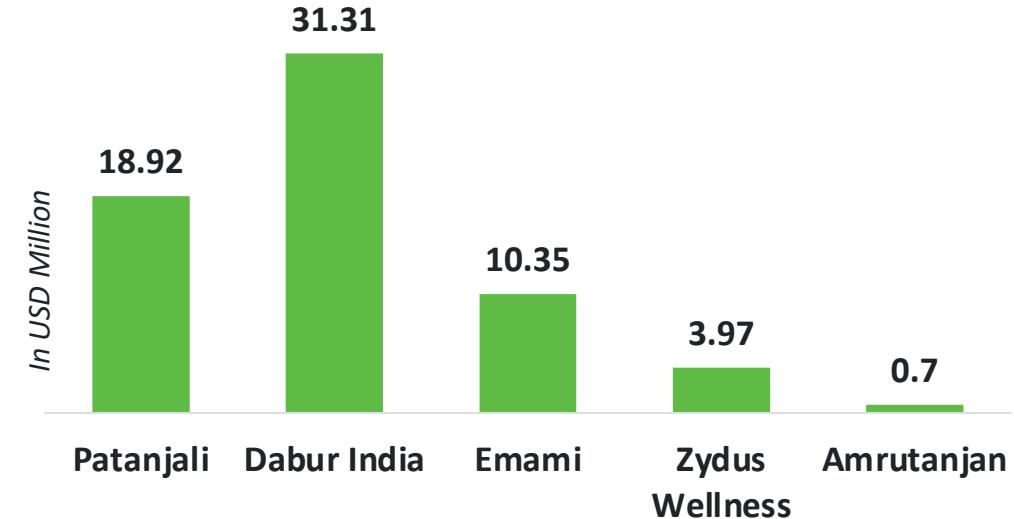
Players in India's AYUSH Sector

Players in AYUSH Sector India FY23 - 1

Revenue from Operations FY23



EBITDA FY23



Patanjali emerges as a dominant player as of FY23. Patanjali Ayurved as a subsidiary contributes to Revenue from operations:

5.72 Mn
Sale of Products

0.11 Mn
Sale of Services

Source: Annual reports FY23



Dabur India is also a prominent player as of FY23. It's Revenue from operations comprises of:

81 Mn
Consumer Care products

20.52 Mn
Food Business

Players in AYUSH Sector India FY23 - 2

					
YoY Growth	30.23%	5.9%	6.85%	12%	- 6.45%
Retail Touchpoints	1.5 Mn	7.7 Mn	4.9 Mn	2.5 Mn	1.18 Mn
Operating Profit Margin	4.46%	18.8%	25.33%	14.72%	15.52%
Net Profit Margin	2.81%	14.8%	23.18%	13.76%	10.49%
Business Tenure (Years)	17	139	49	35	130

Source: Annual reports FY23

Mergers & Acquisitions in India's AYUSH sector

The Ayurveda Experience - 2024

The Ayurveda Experience (TAE), a direct-to-consumer company focused on Ayurvedic beauty and health products, raised **USD 27 million** in a funding round led by Singapore-based venture investment firm Jungle Ventures

Green Forest Wellness - 2022

At Global Ayush Investment and Innovation Summit 2022, Student Ayurvedic Startup, Green Forest Wellness has got a funding offer worth **USD 0.29 million** from a private company. Company manufactures Ayurvedic based cosmetic products.

Kama Ayurveda -2019

Spanish fashion and fragrance company Puig SL has marked its entry into India by picking a minority stake in private equity-backed Kama Ayurveda with **USD 14.4 million** as part of the transaction and will have the option to further increase its stake.

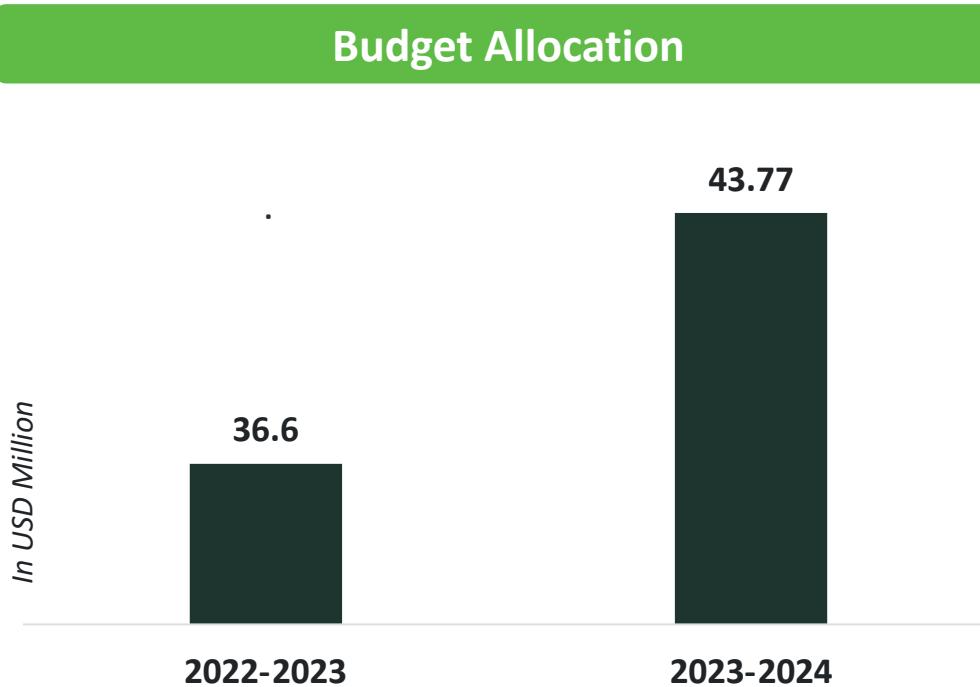
Patanjali Ayurved - 2018

Patanjali Ayurved has confirmed it is considering investment of **USD 800 million** from French luxury group LVMH, foreign investment would mesh with its strategy of developing and selling products based on Hindu traditions such as Ayurvedic lines.

Source: [Entrackr](#), [PIB](#), [Vccircle](#) & [Justfood](#)

Government Initiatives

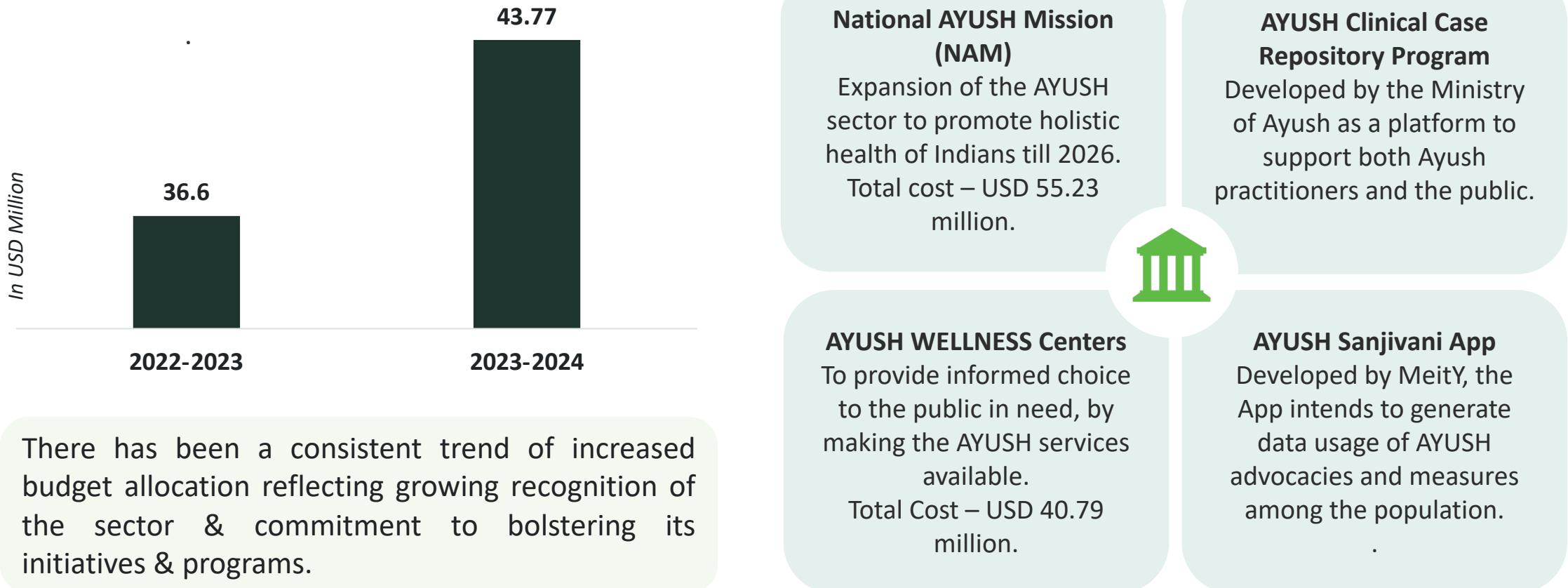
Government Initiatives



There has been a consistent trend of increased budget allocation reflecting growing recognition of the sector & commitment to bolstering its initiatives & programs.

Source: Decade AYUSH report & Drishti IAS

Indian Government Schemes



AYUSH Entrepreneurship Programme

Schemes under Ministry of AYUSH & MSME

Zero Defect Zero Effect/Lean

Procurement & Marketing Support Scheme

Advanced Training Institute (ATI)

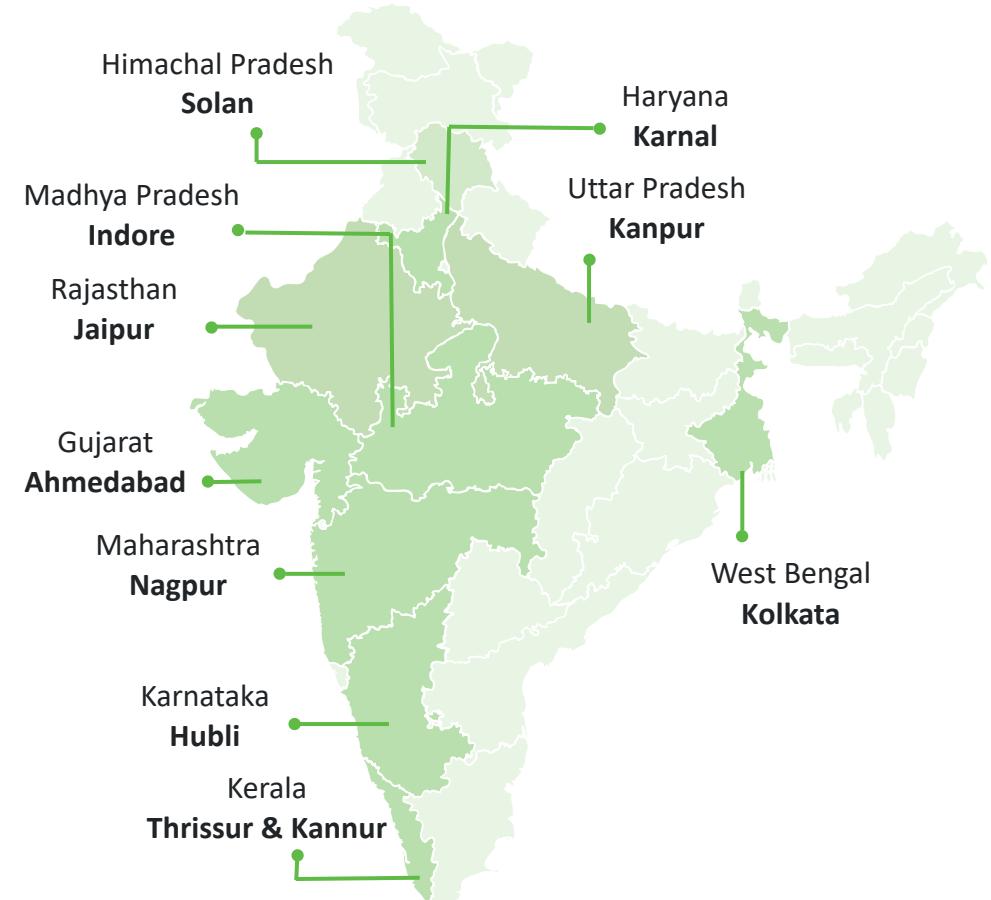
Entrepreneurship Skill Development Programme (ESDP)

Credit Linked Credit Subsidy (CLCS)

The Raw materials of ayurveda are found in forest, rural areas, tribal areas & aspiration districts. There is a need for processing units & clusters there for job creation, enterprise development and self employment. The Plan includes roping **Ayush clusters** in the schemes of the Ministry of MSME.

Source: Drishti IAS

Major AYUSH Clusters



Conclusion



Investment Opportunity

AYUSH Growth trajectory with CAGR 8.60% from 2024-2029 offers long-term investment opportunities where investing in the Ayush sector diversifies the healthcare and wellness industry reducing the risk associated with economic fluctuations.



Major Challenges

Limited scientific research supporting for Ayush practices hinders the sector's acceptance in mainstream healthcare. Also, Herbal products are perceived as being more expensive than pharmaceuticals making it difficult to compete.



International Collaboration

Ayush sector and the country is actively broadening the horizons of its traditional through systems bilateral medicine collaborations with five countries such as Nepal, Cuba, Malaysia, Venezuela, and Qatar.



Government Initiatives

The Indian government's unwavering support and promotion of Ayush practices have propelled the sector's growth where It aims to boost Ayush exports, promote and develop the Ayush system worldwide & engage stakeholders to enhance international market.

Source: [Pharmbiz](#)



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