

Quote by Nilaya Varma, Co-Founder and CEO, Primus Partners

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Push for health care: BCD exemption for lifesaving drugs, additional medical seats and more in Budget 2025



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This will help the middle class access critical treatment for life-threatening conditions, say experts, adding that while such initiatives and investments are welcome, digitisation needs improvement

Finance Minister Nirmala Sitharaman during her Union Budget 2025 speech on Saturday said: "To provide relief to patients, particularly those suffering from cancer, rare diseases and other severe chronic diseases, I propose to add 36 lifesaving drugs and medicines to the list of medicines fully exempted from Basic Customs Duty (BCD)." **This along with the addition of six more life-saving drugs will benefit from a reduced customs duty of just 5 percent, "is a much-needed measure to help the middle class access critical treatment for life-threatening conditions", says Nilaya Varma, co-founder and managing director, Primus Partners.**

Specified drugs and medicines under Patient Assistance Programmes run by pharmaceutical companies are fully exempt from BCD, provided the medicines are supplied free of cost to patients. "I propose to add 37 more medicines along with 13 new patient assistance programmes," added Sitharaman. This decision will offer significant relief to patients and the sector is likely to see a boost, "with increased supply driven by manufacturing incentives", adds Varma.

For health care, the finance minister announced that day care cancer centres will be set up in all district hospitals in the next three years. In 2025-26, close to 200 centres are expected to be established. Also, the government has added close to almost 1.1 lakh UG and PG medical education seats in 10 years, an increase of 130 percent. In the next year, 10,000 additional seats will be added in medical colleges and hospitals, towards the goal of adding 75,000 seats in the next five years.

"The expansion of medical education with 10,000 additional seats and the establishment of 200 day care cancer centres in FY26 will strengthen health care infrastructure, enabling early diagnosis and treatment. Additionally, the establishment of five National Centres of Excellence for Skilling, along with global skilling collaborations, will equip India's workforce with the expertise needed to drive pharmaceutical innovation and manufacturing," says Krishna Prasad Chigurupati chairman & managing director, Granules India Limited.

While these investments are welcome, digitisation needs further improvement. Surjeet Thakur, founder & CEO of TrioTree Technologies, says, "Leveraging AI and digital innovations in hospital management, diagnostics and patient care will be essential to truly modernise India's health care system."