

# INDIRECT TAX

**(CUSTOM UPDATES)**



## CUSTOM INSIGHTS: BUDGET 2025 HIGHLIGHTS FOR THE PHARMA SECTOR

### Changes in Notification No. 50/2017- Customs (Tariff)

1. Basic custom duty exemption on following drugs extended to 31.03.2029

Entry No.	Description	Rate	Previous expire date	Current expire date
S. No. 167	Bulk drugs used in the manufacture of life saving drugs or medicines [A separate entry 167B is being created for Drugs, medicines, diagnostic kits specified in List 4 with modifications in the list] <i>for list 4 refer notification no. 05/2025-Custom</i>	NIL	31.03.2025	31.03.2029
S. No. 167A	Drugs, Medicines or Food for Special Medical Purposes (FSMP) used for treatment of rare disease	NIL	31.03.2025	31.03.2029
S. No. 607B	Drugs, Medicines or Food for Special Medical Purposes (FSMP) used for treatment of rare diseases specified in List 38.	NIL	31.03.2025	31.03.2029

Basic Customs Duty exemption benefit is extended for additional 36 life-saving drugs till March 31, 2029 by amending list 4, which will provide a relief to patient suffering specially from cancer and other rare diseases.

2. Following entries added/ modified providing concessional BCD rate of 5% up to 31.03.2029

Entry No.	Description	Concessional Rate	Previous expire date	Current expire date
S. No. 166	Bulk drugs for manufacture of drugs or medicines [A separate entry is being created for Drugs, medicines, diagnostic kits specified in List 3 with modifications in the list] <i>for list 3 refer notification no. 05/2025-Custom</i>	5%	31.03.2025	31.03.2029
S. No. 166A	Bulk drugs used in the manufacture of polio vaccine and Monocomponent insulins	5%	31.03.2025	31.03.2029

Concessional BCD rate of 5% is extended to six more life-saving drugs by amending the list 3. These measures aim to make critical medications more affordable, particularly benefiting patients with cancer and rare diseases by reducing the import costs of these essential medicines.

**Changes in Notification 16/2017- Customs (Tariff)**

This notification exempts specified drugs and medicines from the whole of the duty of customs leviable thereon subject to their being supplied free to cost to patients under Patient Assistance Programme (PAP) run by the pharmaceutical companies.

By notification no. 09/2025 -Customs (Tariff), 37 new drugs and 13 patient assistance programme are being added to the list.


## DISCLAIMER:


*The information contained herein is in summary form and is prepared based on the Explanatory Memorandum, Economic Survey (2024-25), Budget Speech and Finance Bill 2025 presented by the Hon'ble Finance Minister of India on 1<sup>st</sup> February, 2025 and from sources believed to be reliable. For further details, please refer to Budget Speech, Finance Bill 2025, Explanatory Memorandum and Economic Survey (FY2024-25) etc. While the information is believed to be accurate to the best of our knowledge, we do not make any representations or warranties, express or implied, as to the accuracy or completeness of this information. Reader should conduct and rely upon their own examination and analysis and are advised to seek their own professional advice. We accept no responsibility for any errors it may contain, whether caused by negligence or otherwise or for any loss, howsoever caused or sustained, by the person who relies upon it.*

## CONTACT US

### NOIDA OFFICE

#### DPNC GLOBAL LLP

 Windsor Grand, 15<sup>th</sup> Floor,  
Plot No. 1C, Sector-126,  
Noida-201303, Uttar Pradesh

 +91.120.6456990

 [dpnc@dpncglobal.com](mailto:dpnc@dpncglobal.com)

 <https://dpncglobal.com/>

### GURGAON OFFICE

#### DPNC GLOBAL LLP

120, Vipul Business Park,  
Sector-48, Sohna Road,  
Gurugram, Haryana-122018

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