

CORPORATE OFFICE

Delhi Office

706 Ground Floor Dr. Mukherjee
Nagar Near Batra Cinema Delhi -
110009

Noida Office

Basement C-32 Noida Sector-2
Uttar Pradesh 201301

CURRENT AFFAIRS

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CREDIT ASSISTANCE TO JAN AUSHADHI KENDRAS

THIS ARTICLE COVERS 'DAILY CURRENT AFFAIRS' AND THE TOPIC DETAILS OF "CREDIT ASSISTANCE TO JAN AUSHADHI KENDRAS". THIS TOPIC IS RELEVANT IN THE "POLITY AND GOVERNANCE" SECTION OF THE UPSC CSE EXAM.

WHY IN THE NEWS?

Recently, the Minister of Chemicals & Fertilisers and Health & Family Welfare inaugurated a credit assistance initiative for Jan Aushadhi Kendras (JAK) with the objective of improving the availability of inexpensive medicines throughout the country.

BACKGROUND

Partnership for Growth: The Small Industries Development Bank of India (SIDBI) and the Pharmaceuticals & Medical Devices Bureau of India (PMBI) have joined forces through **two Memorandums of Understanding (MoUs)**.

Financial Lifeline for JAK Entrepreneurs: One MoU focuses on providing invoice-based financing to JAK operators. This will improve their cash flow and ability to manage day-to-day operations.

Support for Infrastructure Development: The **second MoU** addresses infrastructure needs. SIDBI will offer project loans to help establish new JAK outlets and upgrade existing ones.

Building on Success: This initiative follows a pilot program that successfully provided working capital assistance to JAKs.

Expanding Reach: SIDBI's loan programs aim to **support both existing (around 11,000) and proposed JAKs (approximately 15,000)** as the government targets a nationwide network of 25,000 JAKs by March 2026.

Loan Details:

- Working capital loans will have a **credit limit of up to Rs. 2 lakhs** with competitive interest rates.
- Project loans can cover up to 80% of the project cost, with a maximum limit of Rs. 4 lakhs.

Streamlined Process: SIDBI will leverage the GST-Sahay technology platform to ensure a smooth and efficient loan disbursement process for small and medium enterprises (SMEs) running JAKs.

ABOUT CREDIT ASSISTANCE INITIATIVE TO JAN AUSHADHI KENDRAS

The Government of India's Credit Assistance Program aims to empower Jan Aushadhi Kendra (JAK) operators and entrepreneurs across the country. JAKs are stores that sell generic medicines at affordable prices, making healthcare more accessible for citizens.

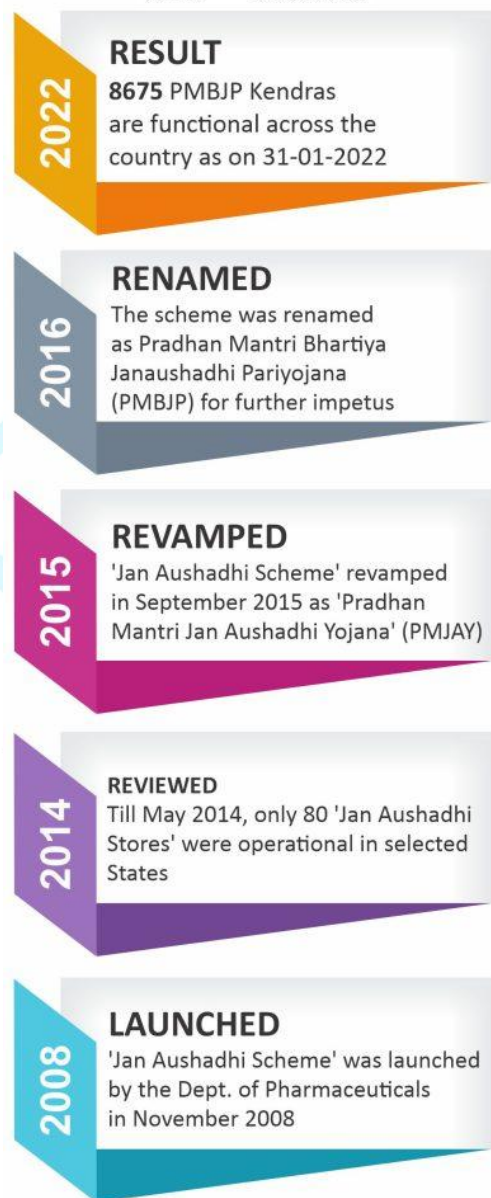
This program offers unsecured working capital loans to JAKs. Here are some of its key features:

Financial Assistance: Operators can access loans to help establish, maintain, and run their Jan Aushadhi Kendras.

Loan Details: The Small Industries Development Bank of India (SIDBI) facilitates the program, offering project loans with a **credit limit of up to Rs. 2 lakhs**. These loans come with competitive interest rates.

Focus on Sustainability: By providing financial support, the program aims to ensure the long-term viability and growth of Jan Aushadhi Kendras.

Streamlined Process: The entire loan application and processing system is designed to be digital and user-friendly, promoting ease of doing business for JAK operators.



This initiative is a significant step towards strengthening India's healthcare ecosystem by:

Empowering Entrepreneurs: Financial assistance empowers individual operators, particularly those in remote areas, to run their JAKs effectively.

Enhancing Medicine Availability: Improved access to working capital allows JAKs to stock a wider range of essential medicines at affordable prices.

Promoting Accessibility: A robust network of functional Jan Aushadhi Kendras ensures citizens have greater access to affordable medications.

WHAT ARE JAN AUSHADHI KENDRAS?

Jan Aushadhi Kendras (JAKs) is an initiative of the government designed to offer affordable and high-quality medicines to the public. These facilities operate as part of the Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) initiative, which is administered by the Department of Pharmaceuticals under the Ministry of Chemicals and Fertilisers.

PMBJP SCHEME

- Originally launched as the Jan Aushadhi Scheme and later revamped as the Pradhan Mantri Jan Aushadhi Yojana (PMJAY) in **September 2015**. This initiative **aimed to ensure the availability of quality medicines at affordable prices, especially for economically disadvantaged segments of society**.
- In November 2016, the program underwent additional enhancements and was **rebranded as PMBJP to enhance its efficacy**. PMBJP primarily focuses on offering generic medications through **dedicated outlets called Jan Aushadhi**

Kendras. These outlets provide generic drugs at considerably lower prices compared to branded equivalents, thus reducing healthcare expenses for individuals.

The generic drugs offered by PMBJP outlets maintain equivalent quality and efficacy to more expensive branded medications, encouraging the rational utilisation of pharmaceuticals.

BENEFITS OF JAN AUSHADHI KENDRAS

Enhanced affordability of medicines: JAKs have significantly **lowered healthcare costs** for numerous individuals, resulting in decreased out-of-pocket expenditures. Indian citizens have collectively **saved over Rs. 28,000 crores** over the last decade by procuring medicines from Jan Aushadhi Kendras.

Improved access to medicines: JAKs have played a crucial role in making essential medicines more accessible, particularly in underserved areas. These centres **witness a daily footfall of around 10 to 12 lakh people.**

Promotion of rational medicine use: Jan Aushadhi Kendras offers information and counselling on the appropriate use of medicines, which can aid in mitigating misuse and overuse.

PRELIMS PRACTISE QUESTION

Q1. Consider the following statements:

1. Central Drugs Standard Control Organization oversees the production and export of APIs
2. Gujarat is known as the “Pharma Hub of India” due to its significant contribution to API manufacturing

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Answer: C

Q2. What are generic drugs?

- (a) Drugs that are patented and sold under a brand name
- (b) Drugs that are chemically identical to a branded drug and sold under its generic name
- (c) Drugs that are manufactured without government approval
- (d) Drugs that are exclusively sold over the counter

Answer: B

MAINS PRACTISE QUESTION

Q1. Analyse the economic impact of generic drugs on healthcare systems in developing countries. How do they contribute to reducing healthcare expenditure and increasing access to essential medications for underserved populations?

Q2. Investigate the quality assurance mechanisms employed in the manufacturing and distribution of generic drugs. How can developing countries strengthen their regulatory frameworks to ensure adherence to international quality standards and norms?

Himanshu Mishra



Yojna IAS
योजना है तो सफलता है