

Jan Aushadhi

Over the years India, has developed a strong capability in producing quality branded and generic medicines in most of the therapeutic categories, evolving from an mere Rs 1,500 crores industry in 1980 to a more than Rs 1,19,000 crores industry in 2012. However, although these medicines are reasonably priced, as compared to the prices of their equivalent medicines in most other countries, yet a large population of poor people in the country, find it difficult to afford the more expensive branded category of medicines. Accordingly, 'ensuring availability of quality medicines at affordable prices to all', has been a key objective of the Government. some of the important steps taken to enable this are:

- A.** Price control of Scheduled Drugs through the National Pharmaceutical pricing authority (NPPA): Under the Drug Price Control Order, 1995, NPPA): Under the Drug Price Control Order, 1995, NPPA has been given the mandate to control and fix the maximum retail prices of a number of scheduled/listed bulk drugs and their formulations, in accordance with well defined criteria and methods of accounting, relating to costs of production and marketing. Notably therefore, the prices of these medicines have remained quite stable and affordable.
- B.** Price regulation of Non-Scheduled Drugs: Apart from the scheduled medicines under DPCO, 1995, the NPPA monitors the prices of other medicines not listed in the DPCO schedule, such that they do not have a price variation of more than 10% per annum. This has further helped in keeping the prices of most of the non-scheduled medicines stable and affordable.
- C.** Uniform VAT of 4% on medicines: Government has fixed a uniform and low rate of 4% VAT on medicines in the country. This policy has been adopted, in almost all the States in the country, and has reduced the incidence of sales tax on medicines and thereby assisted in keeping their prices low.
- D.** Reduction in Excise duty from 16% to 4% Further and in addition to above low, VAT rates, the [present government had, as part of the Budget for the year 2008-09 reduced the excise duty on medicines from 16% to 8%. This has been further reduced to 4 percent as from 8th December, 2008. This has again, played a crucial role in keeping the prices of most of the medicines at reasonable levels. Not satisfied with the above regulatory and financial steps for ensuring greater availability of medicines at affordable prices to all, specially the poorer masses, the government has decided to launch a country wide Jan Aushadhi Campaign.

<http://janaushadhi.gov.in>