

**Indian Drugs & Pharmaceuticals Limited**  
**(A Govt. of India Undertaking)**  
**Finance and Accounts Deptt., Corporate Office**

IDPL/FIN.& A/Cs/OTS

Dated: - 21.03.2023

**Subject: Standard Operating Procedure (SOP) for implementation of OTS and for discharging various other liabilities.**

Department of Public Enterprises has come out with the guidelines, revised from time to time, for a time-bound closure for sick and loss-making CPSUs. In order to implement the decision of the Union Cabinet dated 28.12.2016, reiterated on 17.07.2019, for closure of IDPL, the company has to discharge various liabilities pertaining to employees, statutory dues, non-statutory dues, unsecured creditors etc.

2. IDPL has got its liabilities audited by a Special Auditor, whose final report has been submitted to the parent department for seeking budgetary support from the Ministry of Finance. On receipt of the budgetary support, various liabilities would be required to be discharged. The various heads of expenditure under which the company need to discharge its liabilities are:

- a) Central Government Dues;
- b) Banks' Dues;
- c) PSU Loans;
- d) Statutory Dues;
- e) Non-Statutory Dues;
- f) Employees' Dues; and
- g) Unsecured Creditors

2. The statement of plant-wise/ head-wise liabilities, duly audited by the Internal Auditor is at **Annexure**. In order to further reduce these liabilities to a minimum and to settle them, on receipt of requisite budgetary support, in a time-bound, transparent and objective manner, the following Standard Operating Procedure (SOP) are prescribed. The process will be driven as per DPE's guidelines, COM and IMC's recommendations, directions of DoP and in overall supervision and control of the Board of Directors. Any clarifications on implementation of these SOPs will be provided by CMD on advice of CFO.

**a) Central Government Dues** - As per directions of IMC, freehold land of various plants is being transferred to NLMC. In lieu thereof, waiver of central government



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dues has already been sought by the Department of Pharmaceuticals from the Ministry of Finance. Finance Department need to seek for waiver of MAT liability too.

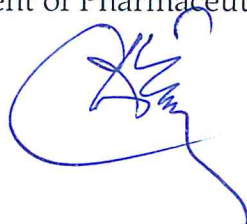
**b) Banks' Dues** - An OTS with the Banks has already been done under the supervision of the Department of Pharmaceuticals. Matter has since been taken up with the lead banker (SBI) requesting them to seek approval of Boards/ Competent Authority of the respective Banks, as the case may be. Thereafter, a joint meeting under DoP be held, if required, and Tripartite Agreement signed towards full & final settlement of dues. Thereafter, funds be sought from the Ministry of Finance for settlement of dues at the earliest.

**c) PSUs Dues** - DO letters have been sent at the level of CMD, IDPL to CMDs of CIL, NFL, NBCC, OIL, LIC and RFC for waiver/ settlement of loan/ pending dues. While CIL and NFL have indicated about having already written off the amounts, M/s OIL has informed about settlement at 5% Simple Interest and NBCC has referred to an earlier settlement. The matter may now be taken up with DoP, as per DPE's guidelines, for arriving a settlement with PSUs in the matter.

**d) Statutory Dues** - The dues comprise of liabilities towards Income Tax, ROC filing, GST, Service taxes, VAT, other central/ states taxes, etc. Company need to write to all authorities concerned for settlement of the dues at minimum possible level as per DPE's guidelines. In case of dues of central authorities, matter may be taken up by the Corporate Office and with regard to dues of state government/ agencies, the plant authorities may write at first instance. Further, agency(ies) be engaged to take up the matter with various authorities (as has been done in case of Income Tax by engaging an agency). Request may be made to DoP for settlement of dues in case no response is received to IDPL's communications. It is noted that pursuant to decision/ recommendations in the meeting of IMC held on 20.12.2022, DoP has already taken up the matter with MoCA for settlement of ROC dues, based on inputs provided by IDPL.

**e) Non-Statutory Dues** - The same include dues of electricity, water, CISF, and other central/ state organizations. The following steps are required to be taken by the respective plants/ subsidiaries:

- (a) Reconciliation of the principal amount.
- (b) Seek OTS with organisations concerned for waiver of interest/ penalty and settlement at minimum amount.
- (c) In case, the plants/ subsidiary concerned fail to get a response/ arrive at an OTS, the matter may be referred to Corporate Office, which should take up further action in the matter
- (d) In case of no positive response, the matter be referred by the Corporate Office, through CMD, to the Department of Pharmaceuticals.

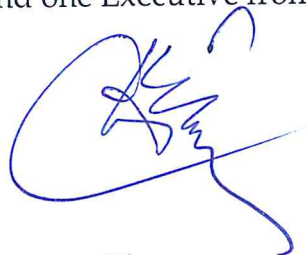


DO letters have already been issued by CMD, IDPL to Heads of the respective organisations in most of the cases. All plants/ subsidiaries need to ensure the same and if in any case the same are yet to be issued, point out the same. In case of no response/ lack of any positive response, the matter be followed up by Corporate Office with the Department of Pharmaceuticals.

f) **Employees' Dues** - The employees' dues need be settled at the earliest. DoP has already provided funds for the same and in case, funds, if any, are still required, requisition may be made for the same. Notices be issued to all ex-employees/ VRS retirees for providing their bank details, etc. so that outstanding, if any, can be paid back to them. Meanwhile, audit for the pending amount, if required, be done as has been done in case of Rishikesh plant.

g) **Unsecured Creditors** - In order to settle the dues of Unsecured Creditors, the following steps need be taken:

- i. List of all cases of unsecured creditors to be prepared by all plants, if not already done;
- ii. Parties be asked to produce necessary documents in support of their claims, which should be verified meticulously by the respective plants;
- iii. Parties be asked to furnish an Affidavit that they have not received the payment earlier against the bill claimed to be pending;
- iv. Dues may be got audited plant-wise by a Special Auditor appointed for the purpose;
- v. Claims should as far as possible be settled with payment to be made at no/ minimum interest and avoiding compounding of interest;
- vi. MSMEs cases to be decided on priority;
- vii. In cases sub judice at various levels, parties be asked to withdraw their cases before settlement; and
- vi. An appropriate Committee be formed for processing the claims with suggested composition, as under:
  - a. At Plant Level - under Head of plant and having head of finance at plant level and one representative from the Corporate Office.
  - b. At Corporate Office - under DGM (Marketing) with Dy Manager (Fin) and an Executive from Personnel and one Executive from Plant concerned.



vii An Independent External Monitor (IEM) to be appointed and once the Committee finalises and recommend, the cases to be put up to IEM for his review and clearance. After clearance by IEM, the same shall be put up to CMD for approval through CFO.

viii A legal document to be drafted by the Legal Department which need be executed as a proof of full & final settlement of dues of a particular party.

This is issued with the approval of Chairman and Managing director



(Dipankar Chakraborty)  
Chief Financial Officer

Copy to:

1. ES to CMD
2. All GMs of the Plants/ Subsidiary/J.V.
3. DGM (Marketing)
4. Personnel Manager
5. Legal Consultant with the request to formulate the draft of affidavit as mentioned in g (iii), format of Tripartite Agreement proposed to be entered into with Banks and PSUs and legal document for full and final settlement with the creditors.
6. Consultant (Tech./ Finance)
7. Company Secretary

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