

No.R.13014/37/2018-AYUSH (IMPCL)
Government of India
Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy
(AYUSH)

AYUSH Bhawan, B -Block,
GPO Complex, INA, New Delhi-110023,
Dated: 24.01.2022

OFFICE MEMORANDUM

Subject: Submission of MoU for the year 2021-22 in respect of IMPCL

The Undersigned is directed to refer to Department of Public Enterprises, DPE's email dated January 4, 2022 on the subject mentioned and to enclose herewith a copy of the signed MoU for the year 2021-22 between IMPCL and Ministry of AYUSH for necessary action at Department of Public Enterprises end.

Encl : As above.

ML Meena
24/1/2022

(Madan Lal Meena)

Under Secretary to the Govt. of India.

To

Shri Amit Rastogi,
Director (MoU),
Ministry of Heavy Industries & Public Enterprises,
[Department of Public Enterprises],
Block No.14, 4th Floor,
CGO Complex, Lodhi Road,
New Delhi-110003.

Copy also to: (1) CA Rohin Koppuravuri, Deputy Director, Department of Public Enterprises, Ministry of Finance (MoU Division), New Delhi.

(2) The Managing Director, Indian Medicines Pharmaceutical Corporation Limited, (A Govt. of India Enterprises), Mohan, Distt.-Almora (VIA Ramnagar), UTTARAKHAND-244715 w.r.t their letter No.IMPCL/Corp/Acctt/2021-22/048 dt. 12.01.2022.

MEMORANDUM OF UNDERSTANDING

(MOU)

BETWEEN

**INDIAN MEDICINES PHARMACEUTICAL CORPORATION LIMITED
MOHAN (VIA-RAMNAGAR) ALMORA-244715
UTTARAKHAND
(A GOVERNMENT OF INDIA ENTERPRISE)**

AND

**MINISTRY OF AYUSH
GOVERNMENT OF INDIA**

FOR THE YEAR-2021-2022

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Background: Ayurvedic and Herbal Industry in INDIA

India has perhaps the world's oldest as well as largest tradition of systems of medicine. The term Indian Systems of Medicine covers both the systems which originated in India as well as outside but got adopted in India in course of time. These systems are Ayurveda, Siddha, Unani, Homoeopathy, Yoga, and Naturopathy. They have become a part of the culture and traditions of India. India with its strong base in traditional knowledge on herbal medicine and vast plant biodiversity has a great potential in this sector.

The codified Indian system of medicine puts to use raw drugs obtained from around 2,400 plant species. The number of raw drugs in trade is still less i.e. 1289 botanicals obtained from 960 plant taxa. The highest proportion of the traded medicinal plant species is used under the Ayurvedic system.

Ayurvedic medicines are produced by several thousand companies in India, but most of them are quite small, including numerous neighborhood pharmacies that compound ingredients to make their own remedies. It is estimated that the total value of products from the entire Ayurvedic production in India is on the order of one billion dollars (U.S.). The industry has been dominated by less than a dozen major companies for decades, joined recently by a few others that have followed their lead, so that there are today 30 companies doing a million dollars or more per year in business to meet the growing demand for Ayurvedic medicine.

BACKGROUND OF IMPCL

Indian Medicines Pharmaceutical Corporation Limited (IMPCL) is established on 12th July 1978 with the prime objective to manufacture and Market the genuine and efficacious Indian System of Medicines to CGHS, Central Government Research Units (C.C.R.A.S., C.C.R.U.M. etc.), Government Hospitals and certain State Government related Departments, besides sales in the open Market. IMPCL is a Government of India Enterprise under the Administrative Control of Ministry of AYUSH, New Delhi. It is located in the valley of Uttarakhand Hills (ASL, 550 meter) in the corridor of National Jim Corbett Park. It is the only Central Public Sector Enterprise (CPSE) in the field of manufacturing Ayurvedic and Unani Medicines. IMPCL is a joint venture of Government of India and Uttarakhand State Government. IMPCL is an ISO 9001-2015 and GMP Certified company. IMPCL has maintained its Mini Ratna status by maintaining its regular growth and profit earning trend. The authorized Equity Share Capital of the Company is Rs. 75 Crore and the Paid-Up Share Capital is Rs. 51.98 Crore.

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PART-I

1.2 VISION

To maintain the cultural and Intellectual value of India by following the traditional Ancient Veda/ Formulary for the Manufacturing & Marketing of Ayurvedic and Unani Medicines in the Country and to contribute significantly towards Indian systems of Medicines by way of performance, total customer satisfaction and committed to serve in the area of Indian System of Medicines for the betterment of Health to Public at large in the Country.

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1.3

MISSION

To provide efficacious and genuine Ayurvedic and Unani medicines on affordable price to public at large for the various Government Health Programmes through their Hospitals/ PHC / CGHS Centre(s) etc in general and also for the open Market.

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1.4 OBJECTIVES

- The main objective for establishment is to produce genuine efficacious and authentic quality medicines of Ayurvedic & Unani by using the qualitative and pure raw materials in compliance to the Indian Systems of Medicines and to preserve the tradition of adopting upgraded tool/ technology to become self reliant and growing Public sector.
- To produce authentic ISM products of world class quality.
- Offer wide range of exclusive products to include health supplements, nutraceuticals and cosmetics based on herbals.
- To serve ISM profession efficiently and effectively contributing to health care sector.
- To become a point of reference for AYUSH products continuously striving to be an ideal manufacturing unit.

1.5 COMMITMENTS/ASSISTANCE FROM THE GOVERNMENT

Necessary assistance for developmental and related activities of the company.

Ministry of AYUSH will assist in appointment of Independent Directors on the Board of IMPCL.

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Brief about the CPSE

| | | | | |
|----|--|--|-----------------------|---------------------------|
| 1. | Name of the CPSE | Indian Medicines Pharmaceutical Corporation Limited | | |
| 2. | Status (Please tick): As per DPE guidelines | None | | |
| 3. | Reasons of Sickness, if applicable | ----N.A.---- | | |
| 4. | Whether registered with BIFR, If yes, details | ----No---- | | |
| 5. | Schedule of the CPSE (Please tick) | D | | |
| 6. | Purpose for which CPSE has been setup and the main business now | The Company was set up with the objectives to manufacture and supply authentic and efficacious Ayurvedic and Unani Medicines for catering the need of CGHS, Government Hospitals, Dispensaries, various research councils & institutions for medical services. | | |
| 7. | Number and Name of subsidiary companies along with amount invested and share in its profit during last five years | Separate sheet may be attached, if more than one subsidiary. Information may be separately given in respect of each subsidiary and aggregated (consolidated) also. | | |
| | Year* | Name of subsidiary | Amount invested (Rs.) | Share in its profit (Rs.) |
| | 2016-17 | -----N.A.----- | | |
| | 2017-18 | | | |
| | 2018-19 | | | |
| | 2019-20 | | | |
| | 2020-21 | | | |
| 8. | Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years | Separate sheet may be attached, if more than one Joint Venture. Information may be separately given in respect of each Joint Venture and aggregated (consolidated) also. | | |
| | Year* | Name of Joint Venture | Amount invested (Rs.) | Share in its profit (Rs.) |
| | 2016-17 | -----N.A.----- | | |
| | 2017-18 | | | |
| | 2018-19 | | | |
| | 2019-20 | | | |
| | 2020-21 | | | |
| 9. | Details of revival plan approved earlier | -----N.A.----- | | |

*Note: For each succeeding year of MoU, one more year may be added after the MoU 2019-20 and the first year deleted so that total data available is for the past five years.

Indian Medicines Pharmaceutical Corporation Ltd. (Standalone)- MoU 2021-22

Annex –II

| Sl. No. | Name of Parameter | Unit | Weight age | Estimate s for (2020-21) Actual | Best in Legacy Performance | Target 2021-22 |
|---------|---|----------------|------------|----------------------------------|----------------------------|--------------------|
| 1 | Revenue from Operations | Rs. Crore | 20 | 164.02 | 164.02 | 233 |
| 2 | Asset turnover ration | % | 5 | 108.41 | 108.41 | 108.41 |
| 3 | EBITDA as a percentage of Revenue | % | 10 | 11.41 | 16.71 | 14.21 |
| 4 | Return on Net Worth | % | 10 | 13.73 | 13.73 | 13.73 |
| 5 | Return on Capital Employed | % | 5 | 18.25 | 18.25 | 18.28 |
| 6 | Market capitalization – Share price improvement over BSE Industries Index. | % | 15 | Applicable on Listed CPSEs only. | | |
| * | Strategic projects/schemes of national Importance/ Other parameters: | | | | | |
| | a. Export as a percentage of Revenue from Operations | % | 3 | -- | -- | 0.1 |
| | b. Number of days of Inventory as a % of Revenue from Operations | Number of Days | 3 | 42 | 42 | 42 |
| | c. Planned to migrate from manual induction work area to Automatic Induction work area in filling & Packaging line in production. | Date | 3 | -- | -- | Before 31.03.2022. |
| | d. Creation of Microbiology lab under controlled area to meet the requirements. | Date | 3 | -- | -- | Before 31.03.2022. |
| | e. Development of New Products | Nos. | 3 | 6 | 6 | 6 |
| 7 | Capacity Utilization | % | 30 | 62.55 | 62.55 | 77 |
| 8 | Trade Receivable as number of days of Revenue from Operations | Number of Days | 5 | 53 | 53 | 53 |
| | | Total | 100 | | | |

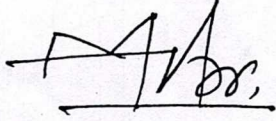
* IMPCL is unlisted CPSE, therefore, as per DPE Guidelines the respective para “Strategic projects/schemes of national Importance/ Other parameters” considered in place of “Market capitalization – Share price improvement over BSE Industries Index”.

Notes:

- Vision provided by the administrative Ministry is also considered for Benchmarking.
- Proportionate marks for achievement of 50% to 100% Targets.
- No marks for achievement below 50% of Targets.
- In working out achievements for FY 2021-22, quantified qualifications of CAG/Statutory Auditors to be adjusted in case of overstatement of Revenue/Profit/Surplus or understatement of Loss/Deficit.

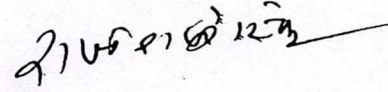
| Compliance parameters for 2021-22 | | | |
|-----------------------------------|---|-------|--|
| Sl. No. | Parameter | Marks | Source/Verification |
| 1 | 25% of Total Procurement From GeM portal: (Procurement of goods and services through GeM portal during the year as per GeM)/(Total procurement of goods and services during the previous year as per Sambandh portal)*100 | -2 | Administrative Ministry on the basis of GeM portal and Sambandh Portal |
| 2 | DPE guidelines on select matters i) Pay Revision guidelines and review of profitability of CPSEs for pay revision ii) Expenditure Management Economy Measures and Rationalisation of Expenditure iii) Guidelines on Accessible India Campaign (Sugamya Bharat Abhiyan) iv) Guidelines on implementation of the Apprenticeship Act, 1961 v) Guidelines issued from time to time on CSR expenditure by CPSEs. | -2 | Administrative Ministry on the basis of CAG Reports etc. |
| 3 | Compliance of provisions in the Companies Act, 2013 (or SEBI (LODR) regulations in case of listed entities) on Corporate Governance such as: (i) Composition of Board of Directors (ii) Board Committees (Audit Committee etc.) (iii) Holding Board Meetings (iv) Related Party Transaction (v) Disclosures and Transparency. | -3 | Administrative Ministry on the basis of CAG/Statutory/Secretarial Auditor Report(s). |
| 4 | Target as given by DIPAM/NITI Aayog: i. Dividend Payout ii. Assets Monetization Milestones iii. Specific disinvestment Milestones. | -2 | Administrative Ministry on the basis of confirmation from DIPAM/NITI Aayog. |
| 5 | Procurement and timely payment to Micro Small and Medium Enterprises (25% of Procurement of goods or services through MSEs (including 4% from SC/ST MSEs and 3% from Women MSEs) during the year as per Sambandh Portal)/(Total procurement of goods and services during the year as per Sambandh Portal). | -2 | Administrative Ministry on the basis of Sambandh Portal. |
| 6 | Steps and initiative taken for Health & Safety improvement of Human Resources in CPSEs. Regular Health check-up of employees engaged in Production area. | -1 | Confirmation by the Administrative Ministry. |

For Indian Medicines Pharmaceutical Corporation Ltd.



Dr. Mukesh Kumar
Managing Director
Indian Medicines
Pharmaceutical Corporation
Ltd., Mohan, (via-
Ramnagar)
Distt. Almora-244715.

Place: New Delhi
Date: 12.01.2022



Shri Vaidya Rajesh Kotecha
Secretary to Govt. of India
Ministry of AYUSH
Ayush Bhawan, B-Block,
GPO Complex, INA,
New Delhi-110001.

Place: New Delhi
Date: