



MEMORANDUM OF UNDERSTANDING

BETWEEN

RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED

AND

MINISTRY OF HEAVY INDUSTRIES & PUBLIC

ENTERPRISES

DEPARTMENT OF HEAVY INDUSTRY

GOVERNMENT OF INDIA

FOR FY 2020-2021

RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED

2, KANAKPURA INDUSTRIAL AREA, SIRSI ROAD, JAIPUR-302034

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MEMORANDUM of UNDERSTANDING
2020-2021

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Brief about the CPSE

1.	Name of the CPSE	Rajasthan Electronics and Instruments Ltd., Jaipur		
2.	Status (Please tick): As per DPE guidelines	Sick/ Incipient Sick / weak / none		
3.	Reasons of Sickness, if applicable			
4.	Whether registered with BIFR, If yes, details	No, not applicable.		
5.	Schedule of the CPSE (Please tick)	A/B/ C /D/none		
6.	Purpose for which CPSE has been setup and the main business now	Company has been setup to manufacture Milk testing instruments. Now the Company provides technology solutions for qualitative & quantitative analysis of milk across all verticals of Dairy Industry; addresses green energy needs of the rural and related urban sector through Solar Photo Voltaic; and Information Technology & security surveillance applications for e-governance, dairy vertical, small business and Government sectors. It operates with the motto of <i>shaping rural India through Electronics, Renewable Energy and IT Solutions</i> . Company's products particularly impact the sectors of rural development, women empowerment, energy, power, and rural welfare, and contribute to the social and economic welfare of the rural masses. The recent addition is to set-up EV Charging infrastructure to promote e-mobility under FAME Scheme of GoI. Considering the current situation of COVID-19, the Company has developed and manufactured an Automatic Hand Sanitizer which is touch free hand disinfection machine to sanitize hands. This product is a hygiene solution for all public places such as offices, schools, factories, colleges, monuments, hospitals and hotels etc. to avoid cross contamination.		
7.	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years	Not applicable		
	Year	Name of subsidiary	Amount invested (Rs.)	Share in its profit (Rs.)
	2014-15	Not applicable		
	2015-16			
	2016-17			
	2017-18			
8.	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years	Not applicable		
	Year	Name of Joint Venture	Amount invested (Rs.)	Share in its profit (Rs.)
	2014-15	Not applicable		
	2015-16			
	2016-17			
	2017-18			
9.	Details of revival plan approved earlier	Not applicable		



RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED, JAIPUR

Annexure-II

Mandatory Parameters

PART-A

S.No.	Financial Performance Criteria	Unit	Marks	2019-20 (Estimates)	Best in 5 Years	MoU Target for the year 2020-21				
						Excellent	V.Good	Good	Fair	Poor
1	Turnover from Operations:									
	Revenue from Operations (Net of taxes)	Rs. Crore	10	111	269.31	270	230	210	200	190
2	Operating Profit/Surplus:									
	Operating profit as percentage of Revenue from Operations	%	20	Op. loss of Rs.31 cr.	8.40	8.40	2.25	2.00	1.75	1.50
3	Return on Investment:									
	PAT as percentage of Average Net Worth	%	20	Loss of Rs.17 cr.	16.35	16.35	6.50	6.00	5.50	5.00
	Total(A)		50							



Optional Parameters

PART-B

S.No.	Performance Criteria	Unit	Marks	2019-20 (Estimates)	Best in 5 Years	MoU Target for the year 2020-21				
						Excellent	V.Good	Good	Fair	Poor
4	CAPEX	Rs.in Crore	3	-	-	4.0	3.8	3.6	3.4	3.3
5	Capacity Utilization:									
a	Production of Electronic Milk Analyser(EMA)	Nos.	5	8611	11630	12000	10000	9000	8000	7000
b	Production of Solar PV Modules(SPV)	MW	5	5.18	12	16	15	14	13	12
6	Recovery of trade receivables of more than two years	%	7	13.34	-	100	90	80	70	60
7	Trade Receivables(Net) as number of days of Revenue from Operations(Gross)	No. of Days	8	601	191	90	100	110	120	130
8	R&D, Innovation, Technology up- gradation parameter:									
a.	Development of Next generation DPU on IoS/Android platform and its first billing	Date	2	-	-	29.02.21	10.03.21	20.03.21	25.03.21	31.03.21



RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED, JAIPUR

Annexure-II

S.No.	Performance Criteria	Unit	Marks	2019-20 (Estimates)	Best in 5 Years	MoU Target for the year 2020-21				
						Excellent	V.Good	Good	Fair	Poor
b.	Development of mobile application for milknet and other various product on IoS platform and its first billing.	Date	2	-	-	29.02.21	10.03.21	20.03.21	25.03.21	31.03.21
9	Inventory of finished goods and work in progress to Revenue from Operations(net)	No. of Days	5	42	10	10	14	16	18	20
10	Other Sector specific result oriented measurable parameters:									
a	Reduction in imports as percentage of revenue from operations as compared to previous year	%	3	-	-	10	9	8	7	6
b.	Operationalization of Electric Vehicle charging stations	Nos.	5	-	-	500	475	450	430	410
c	Percentage of procurement of goods & services through GeM portal to total procurement of goods & services during the previous year i.e 2019-20	%	5	-	-	25	20	15	10	5
Total(B)			50							



Note:-

- 1 In working out achievements for the year, quantified qualifications of CAG/Statutory Auditors would be adjusted in case of overstatement of Revenue/Profit/Surplus or understatement of Loss/Deficit, in addition to the negative marks prescribed in MoU guidelines.
- 2 Adjustment would be made in the targets in case of improvement in actual performance over the estimated performance in the base year(2019-20) as per MoU guidelines.
- 3 It was agreed that targets decided are unconditional and no offset will be allowed on any ground. Further, evaluation would be subject to compliance of Additional Eligibility criteria as contained in MoU Guidelines.

RAKESH CHOPRA
MANAGING DIRECTOR
RAJASTHAN ELECTRONICS
& INSTRUMENTS LIMITED

Date: 16.10.2020
Place: JAIPUR

ARUN GOEL
SECRETARY
DEPARTMENT OF HEAVY INDUSTRY
MINISTRY OF HEAVY INDUSTRIES
& PUBLIC ENTERPRISES

Date:
Place:



RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED, JAIPUR

PART-A
TREND ANALYSIS

Annexure-III

Sl.No.	Financial Performance Criteria	Unit	Target v/s Actual	2014-15	2015-16	2016-17	2017-18	2018-19	Current Year		
									Target	Actual upto 30.09.2019	Actuals
1	Revenue from Operations(Gross)	Rs. Crore		224.40	214.32	230.37	243.02	269.31	300.00	48.42	110.91
	Revenue from Operations (Net)		Actual	222.74	212.74	228.50	242.70	269.31		48.42	
			MoU	190.00	230.00	220.00	240.00	270.00	300.00	-	110.91
2	a.Profit before Tax	Rs. Crore		20.96	17.78	17.38	6.22	14.36	14.00	-18.05	-29.37
	b.Other Income			2.25	3.05	2.67	1.78	1.97	0.50	0.35	1.21
	c.Extraordinary & Exceptional Items			-	-	-	-	-	-	-	-
	d.Prior period items			-	-	-	-	-	-	-	-
	e.Operating Profit/loss(a-b+/-c+/-d)		Actual	18.71	14.73	14.71	4.44	12.39		-18.40	-30.58
			MoU	4.87	6.14	14.00	15.60	10.80	13.50	-	-
	Operating profit as % of Revenue from operations		8.40	6.92	6.44	1.83	4.60	4.50	-	-27.57	
3	a.PAT	Rs. Crore		14.45	12.23	12.15	4.01	10.28	9.85	-18.05	-17.07
	b.Net worth at year end			94.03	103.84	110.89	109.00	116.33	117.84	96.98	96.31
	c.Average net worth			88.37	98.93	107.37	109.95	112.67	113.42	103.94	106.33
	d.PAT/Average Net worth	%	Actual	16.35	12.36	11.31	3.67	9.12	-	-	-16.05
			MoU	5.20	6.07	10.99	10.50	7.49	8.45	-	-
	e.Paid-Up Share Capital			12.25	12.25	12.25	12.25	12.25	12.25	12.25	12.25
	f.GoI share-Trfd from ILK to President on 16.05.2017			51%	51%	51%	51%	51%	51%	51%	51%
g.Reserves & Surplus			81.78	91.59	98.47	97.10	102.78	105.59	84.73	81.68	
4	Total Expenses	Rs. Crore		204.03	198.01	213.79	238.26	256.92	286.50	66.82	141.49
5	Total Incomes			224.99	215.79	231.17	244.48	271.28	300.50	48.77	112.12
6	Total Expenses/Total Incomes	%		90.68%	91.76%	92.48%	97.46%	94.71%	95.34%	137.00%	126.20%
7	Detail of other Incomes	Rs. Crore									
	a.Interest			1.58	2.41	1.35	1.36	1.97	0.50	0.35	0.85
	b.Dividend			-	-	-	-	-	-	-	-
	c.Other Incomes			0.67	0.64	1.32	0.42	-	0.00	0.00	0.36
	d.Total			2.25	3.05	2.67	1.78	1.97	0.50	0.35	1.21
8	a.Cash and Bank Balance and equivalent	Rs.Crore		18.27	21.92	16.59	6.02	9.04	4.00	3.50	3.54
	b.Investment in mutual funds			-	-	-	-	-	-	-	0.00
	c.Investment in shares other than subsidiary/JV's			-	-	-	-	-	-	-	0.00
	d.Total(a+b+c)			18.27	21.92	16.59	6.02	9.04	4.00	3.50	3.54
	e.Cash Credit/overdraft loan/short term loan			0.00	0.00	0.10	2.08	1.84	25.00	16.84	10.35
	f.Balance in current account			4.40	2.11	5.38	2.76	5.69	5.00	-	-
9	Dividend paid/declared for the year, excluding dividend tax	Rs.Crore		2.10	2.04	4.21	4.90	2.45	4.90	-	2.45



PART-B
TREND ANALYSIS

Annexure-III

Sl.No.	Financial Performance Criteria	Unit	Target v/s Actual	2014-15	2015-16	2016-17	2017-18	2018-19	Current Year		
									Target	Actual upto 30.09.2019	Actuals
1	Installed capacity:										
	a.SP.V Modules	MW		19.0	19.0	19.0	19.0	19.0	19.0	9.5	19.0
	b.Electronic Milk Analyser	Nos.		4500	4500	4500	4500	4500	10000*	5000	10000*
2	Capacity Utilisation										
	a.SP.V Modules	MW	Actual	9.00	7.40	9.35	11.12	12.15	-	2.28	5.18
			MoU	11.0	11.0	-	-	-	16.0	-	16.0
		Nos.	Actual	72912	64855	70028	80026	88720		23829	40135
			MoU	-	58000	65000	76000	82000	-	-	-
	b.Electronic Milk Analysers	Nos.	Actual	9111	9537	10127	10609	11630		3497	8611
			MoU	6400	8000	9500	10000	10500	11000	-	11000
3	Contribution of Product in sales										
	a.SP.V Modules/systems	%		62	51	63	53	58	60	53	58
	b.Electronic Milk Analyser			38	49	37	47	42	40	47	42
4	New orders received during the year	Rs.Crore	Actual	195.45	353.98	204.00	257.23	302.54	300.00	85.47	167.27
			MoU	-	-	-	-	-	-	-	-
5	Exports as percentage of Revenue from operations	%	Actual	0.69%	0.11%	0.10%	0.08%	0.01%	0.08%	0.01%	0.07%
			MoU	0.26%	0.39%	-	-	-	-	-	-
6	Development or revenue from new products or products with new features		Actual	-	-	-	-	-	-	-	-
			MoU	-	-	-	-	-	-	-	-
7	Production Efficiency parameters										
8	Completion of milestones of clients orders/agreements without time overrun	%	Actual	-	-	-	-	-	-	-	-
			MoU	-	-	-	-	-	-	-	-
9	R&D, Innovation, Technology upgradation parameter		Actual	9 months	8 months	8 months	8 months	10 months	-	-	6 months
			MoU	Within 10 months	Within 10 months	Within 10 months	Within 11 months	Within 11 months	Within 11 months	Within 11 months	Within 11 months
10	Market Share										
	a.SP.V Modules/systems	%	Actual	-	-	-	-	-	-	-	-
			MoU	-	-	-	-	-	-	-	-
	b.Electronic Milk Analysers		Actual	-	-	-	-	-	-	-	-
			MoU	-	-	-	-	-	-	-	-
11	CAPEX		Actual	1.15	1.89	8.29	2.15	5.97	-	1.06	5.89
			MoU	3.80	5.00	6.00	-	-	12.00	-	12.00
12	CAPEX Contracts/projects running/completed without time/cost overrun to total value of CAPEX	%	Actual	-	-	100.00	-	-	-	-	-
			MoU	-	-	90.00	-	-	-	-	-

*Installed capacity has been revised after considering all type milk testing equipments produced by the Company. Earlier it was only for Electronic Milk testers(EMT).



Sl.No.	Financial Performance Criteria	Unit	Target v/s Actual	2014-15	2015-16	2016-17	2017-18	2018-19	Current Year		
									Target	Actual upto 30.09.2019	Actuals
13	Inventory of finished goods and work in progress	Rs.Crore		8.66	8.72	8.75	9.17	7.40	9.50	9.39	12.67
14	Inventory of finished goods and work in progress to RO(Net)	Days	Actual	14	15	14	14	10	-	28	42
			MoU	-	-	14	15	14	-	-	-
15	Inventory of finished goods and work in progress of more than one year	Rs.Crore	Actual	0.11	0.18	0.18	-	-	-	-	-
16	Inventory of finished goods and work in progress of more than one year as a percentage of RO(Net)	Days	Actual	0.18	0.31	0.29	-	-	-	-	-
			MoU	-	-	-	-	-	-	-	-
17	Trade Receivables(Net)	Rs.Crore	Actual	117.68	139.24	165.60	238.62	283.29	-	258.79	182.70
			MoU	77.00	129.92	121.96	149.33	162.74	164.38	-	-
18	Trade Receivables(Net) as number of days of RO(gross)	Days	Actual	191	237	263	358	384	-	852	601
			MoU	133	194	201	225	200	200	-	200
19	Claims against the Company not acknowledged as debt										
	Central Government Departments	Rs.Crore		0.62	0.72	0.56	0.26	0.32	-	0.32	0.42
	State Governments/Local Authorities										
	CPSEs										
	Others										
	Total		Actual								
		MoU	-	-	-	-	-	-	-	-	
20	Loans Disbursed/Total funds available		Actual	-	-	-	-	-	-	-	-
			MoU	-	-	-	-	-	-	-	-
21	Overdue loans/Total Loans(Net)		Actual	-	-	-	-	-	-	-	-
			MoU	-	-	-	-	-	-	-	-
22	NPA/Total Loans(Net)		Actual	-	-	-	-	-	-	-	-
			MoU	-	-	-	-	-	-	-	-
23	Cost of Raising funds as compared to similarly rated CPSEs/entities		Actual	-	-	-	-	-	-	-	-
			MoU	-	-	-	-	-	-	-	-
24	Return(share of profit/loss) on investment in Joint ventures	%	Actual	-	-	-	-	-	-	-	-
			MoU	-	-	-	-	-	-	-	-
25	Any other result oriented parameters taken for target setting			-	-	-	-	-	-	-	-
	International Contracts to be secured		Actual	-	-	-	-	-	-	-	-
			MoU	-	-	-	-	-	-	-	-
	Reduction in imports as percentage of revenue from operations as compared to		Actual	-30.45	16.30	5.61	7.94	35.60	-	-	14.98
			MoU	-	-	-	-	-	4.00	-	-
	Operationalization of Electric Vehicle charging stations		Actual	-	-	-	3.00	200.00	-	-	40
			MoU	-	-	-	-	-	225	-	225
	%age of procurement of goods & services through GeM portal to total procurement of		Actual	-	-	-	-	-	-	-	2.00
			MoU	-	-	-	-	-	-	-	-