

# **PROJECT PROFILE**

**ON**

**SMART CARD MANUFACTURING UNIT**

**Prepared by**

**United Electrical Industries Ltd,  
Pallimukku, Kollam**

**(PSU-Industries Department)**

## Company Profile

Name of Company	:	United Electrical Industries Ltd.
Address	:	Head Office - Pallimukku, Kollam, Kerala, S. India-691010.  Branch – Kuzhalmannom, Palghat
Website	:	<a href="http://www.unilecindia.com">www.unilecindia.com</a>
Telephone	:	(0474) 2729241/242/015/473
Fax	:	(0474) 2727583
Email	:	<a href="mailto:ueikollam@sancharnet.in">ueikollam@sancharnet.in</a>
Year of Registration	:	1950
Status	:	Public Sector Undertaking (Govt. of Kerala)
Managing Director	:	Shri. K Shirish
Shareholding participation	:	99% State Government
Authorised Capital	:	Rs,400 lakhs
Paid up capital	:	Rs.399 lakhs

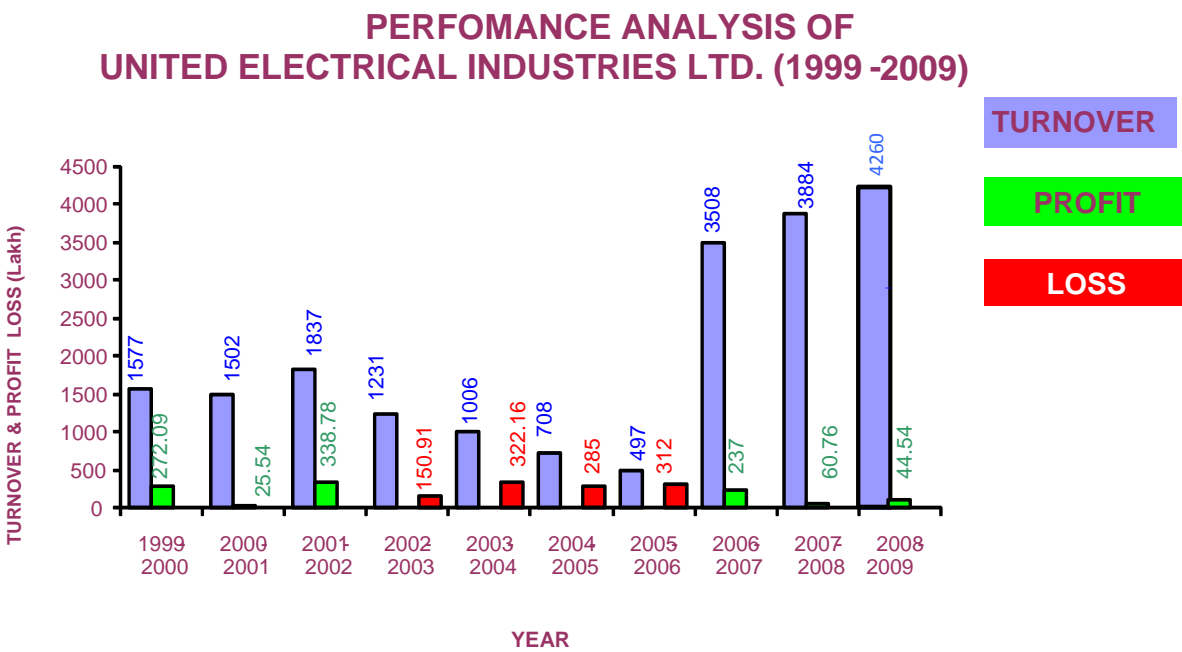
## **OVER VIEW**

United Electrical Industries Ltd., a Kerala Government company, is located in Kollam city, 70 km north of Trivandrum, the capital of Kerala State in South India. The company was incorporated in the year 1950. It is the first factory in India to manufacture Electricity House Service Energy Meters. The company had started its manufacturing activity in technical collaboration with the world-renowned meter manufacturer M/s. Aron Meters Ltd., England. The major share holder of the company is the Government of Kerala. From 1998 onwards the company started manufacturing Static Meters using the state art technology. So far the company manufactured more than 60 lakhs Static Meters and have supplied all over India. The entire requirement of house service meters of the Government owned Kerala State Electricity Board which is the major power utility service in Kerala is catered by this company based on an MOU (Memorandum of Understanding) signed Kerala State Electricity Board.

The company also supplies Multifunction Static Meters with many additional features to the state utility service in Andhra Pradesh in India.

The company's quality system is ISO 9001:2000 certified and its products are ISI marked equivalent to specification of IEC.61036 (1996).

# Performance over Last 10 Years



**POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS Rs ,000 (As on  
31.03.2009)**

	Rs.'000
<b>Total Assets</b>	<b>- 345654</b>
<b>Fixed Assets</b>	<b>- 12901</b>
<b>Investments</b>	<b>- 13</b>
<b>Net current Assets</b>	<b>- 108139</b>
<b>Misc. expenditure</b>	<b>- 62.45</b>
<b>Total Liabilities</b>	<b>- 345654</b>
<b>Paid –up capital</b>	<b>- 39903</b>
<b>Revenues and surplus</b>	<b>- 455</b>
<b>Secured Loans</b>	<b>- 39657</b>
<b>Unsecured Loan</b>	<b>- 59128</b>
<b>Accumulated loss</b>	<b>- 13677</b>
<b>Total turnover</b>	<b>- 429407</b>
<b>Profit</b>	<b>- 4454</b>
<b>Status dues</b>	<b>- Nil</b>
<b>Total expenditure</b>	<b>- 421807</b>
<b>Profit after tax</b>	<b>- 3779</b>
<b>Dividend rate</b>	<b>- Nil</b>
<b>Earning per share</b>	<b>- 0.95</b>

**Note: Audit upto the financial year 2008-09 is completed.**

## **SALES MADE DURING 2008-09**

		<b>Rs. in Lakhs</b>
	<b>Qty.</b>	<b>Rate</b>
<b>Meters</b>	<b>133329</b>	<b>3950.75</b>
<b>Motor control Gear</b>	<b>593</b>	<b>85.45</b>
<b>ABS</b>	<b>2243</b>	<b>174.41</b>
<b>Water meters</b>	<b>1000</b>	<b>4.23</b>
<b>Contractors</b>	<b>30</b>	<b>0.15</b>
<b>Earth pipe</b>	<b>0</b>	<b>65.27</b>

- Turn Over for 2008-09      Rs. 4206 Lakhs
- Profit for 2008-09         Rs. 37.79Lakhs

## **PRODUCT RANGE**

1. Single Phase AC Static Watt hour Meter
2. Single Phase Multifunction Static Watt Hour Meter
3. Poly Phase AC Static Watt hour Meter
4. Single Phase High Quality AC induction Watt hour Meter
5. Oil Immersed Motor Starters
  - a) Star- Delta Starter type NSD – 10 HP to 250 HP
  - b) Auto Transformer Starter type ATS – 10 HP to 250 HP
  - c) Stator-Rotor Starter type OSR – 10 HP to 250 HP
  - d) Panel type Fully Automatic Air Break Starters
6. Street Light Contactors – 32 Amps
7. 11KV A.B Switches
8. Water Meters
9. Street Light Fittings for CFL & Tube Lights

## **PROJECT PROFILE ON MANUFACTURING OF SMART CARDS**

## **INTRODUCTION**

A **Smart Card** is any pocket-sized card with embedded integrated circuits. Smart Cards or microprocessor cards contain volatile memory and microprocessor components. The card is made of plastic, generally polyvinyl chloride. Smart cards may also provide strong security authentication for single sign-on (SSO) within large organizations. The benefits of smart cards are directly related to the volume of information and applications that are programmed for use on a card. A single contact/contactless smart card can be programmed with multiple banking credentials, medical entitlement, driver's license/public transporter entitlement, loyalty programs and club memberships to name just a few. Multi-factor and proximity authentication can and has been embedded into smart cards to increase the security of all services on the card. Governments gain a significant enhancement to the provision of publicly funded services through the increased security offered by smart cards. These savings are passed into society through a reduction in the necessary funding or enhanced public services.

## **MARKET**

Expecting the wide demand for Smart Cards in government sector such as driving license, RC book, Ration card, Banking cards and Identity cards like Fisherman cards, Farmer card, citizen card, NRI card etc, United Electrical Industries Ltd., would like to start a Smart card manufacturing and personalizing unit.

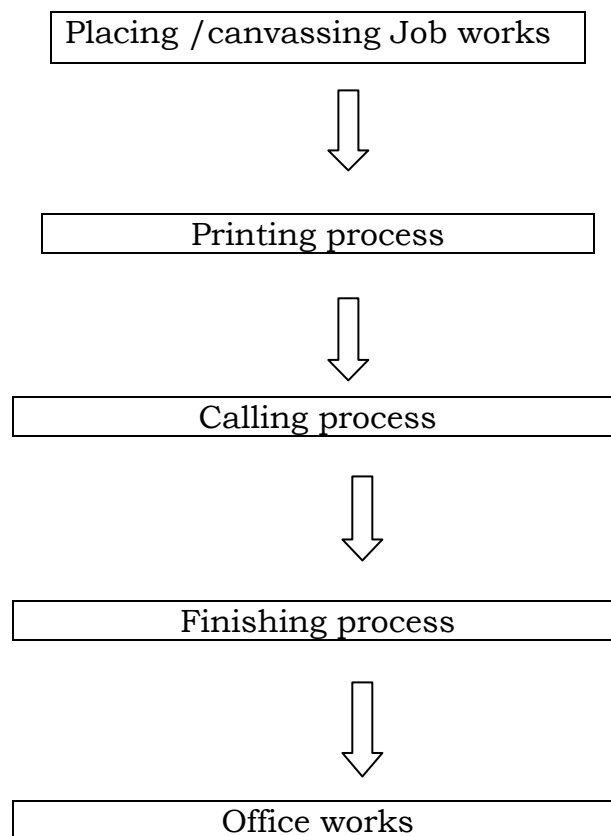
It is a type of Job work. As the production is on the basis of specific orders from Government and other Agencies, there is a steady market for the product. As the citizens of different categories are identified through Smart card allotted to them, there exists a strong demand for Smart card.

## **ADMINISTRATION AND MANAGEMENT**



The management of the company is vested with the Director Board which consists of one Govt. nominated Chairman from reputed PSUs, representatives of Industries and Finance Department of Government of Kerala and the Managing Director of the company who is the Chief Executive Officer of the company. The company has got its own audit department. The Accountant General of Kerala also audits the accounts every year and sends its comments to the Government of Kerala and Public undertaking committee of Kerala.

## **Manufacturing Process**



## **PROJECT PARAMETERS**

Capacity of Production -10,00,000 cards

**Land**

The hold land covering an area of 6 acres.

**Raw material Requirement- per month**

<u>Sl.No.</u>	<u>Name</u>	<u>Qty</u>	
1	Printing Sheet	80,000	60,00,000
2	Fusing materials	80,000	1,80,00,000
			<u>2,40,00,000</u>

**Utilities Requirement Per month**

Power	Rs 4000
Water	Rs 1000

**Manpower Requirement Per month**

<u>Sl No.</u>	<u>Particulars</u>	<u>No.of persons</u>	<u>Rate</u>	<u>Total</u>
1	Skilled	4	10000	40000
2	Semi Skilled	2	7500	15000
3	Unskilled	2	5000	10000
				<u>65000</u>

**Plant and Machinery Requirement**

<u>Sl No.</u>	<u>Name</u>	<u>No.</u>	<u>Amount</u>
1	Cutting machine	2	60000
2	Printing machine	1	15000000
3	Computer with software	4	100000
			<u>15160000</u>

**COST OF THE PROJECT**

(Rs. in lakhs)

Working capital requirement	700
Infrastructure Development	500
Plant and machinery	151
	<u>1351</u>

### **WORKING CAPITAL REQUIREMENT**

Raw material (Working capital cycle 2 months)	480
Finished goods	150
Work-in-Progress	69
Sundry Debtors	48
Labour and over overheads	1
	<hr/>
	748
Sundry creditors	48
	<hr/>
<b>Net working capital</b>	<b>700</b>

### **MEANS OF FINANCE**

Own equity contribution	270
Loan for Bank/Private institution	1081

### **SALES TURNOVER**

Production/Sales	1000000 units
Sales Amount	3500 lakhs

### **PROFIT AND LOSS ACCOUNT**

INCOME	
Sales	3500.00
Closing stock	100.00
<b>Total</b>	<b>3600.00</b>
EXPENSES	
Opening stock	-
Purchase	2725.00
Manufacturing expense	243.00
Salary	18.00
Administrative expense	30.00
Selling and distribution expense	15.00
Interest	162.00
Depreciation	22.00
Net profit before tax	385.00
<b>Total</b>	<b>3600.00</b>
Net profit before tax	385.00
Less provision for tax	115.50
Net profit after tax	269.50

### **BEP ANALYSIS**

Sales	3500.00
Variable cost	2968.00
Fixed cost	247.00
Profit volume ratio	15.20
BED	1625.00
MOS	1875.00

### **DEBIT SERVICE COVERAGE RATIO**

Profit before tax	385.00
Add depreciation	22.00
Interest	162.00
	<u>569.00</u>

### **PBTID**

Loan Amount	1081.00
Loan Period	10.00
Repayment of Principal per year	108.10
Interest per year	162.00
Repayment (Total) Interest and Principal	270.10
DEBT SERVICE COVERAGE RATIO	2.11 Times

### **DEBT EQUITY RATIO**

DEBT	1081
EQUITY	270
DEBT EQUITY RATIO	4:1

### **IRR**

Internal Rate of Return of the project is 20%.

## **Conclusion:-**

The management of the company is competent enough to manage the unit profitability and successfully. There will be sufficient orders. Technical know how manufacturing process, raw materials other infrastructural facilities etc are already available. All financial statements and other parameters of the scheme are found satisfactory. The project is technically feasible and economically viable.

For further details please contact United Electrical Industries Ltd.